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**ORIGINAL**

**AMENDED AND RESTATED AGREEMENT  
FOR THE COLLECTION OF SOLID WASTE**

Between

**THE CITY of LANCASTER**

**&**

**WASTE MANAGEMENT OF ANTELOPE VALLEY**

April 10, 2007

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**AMENDED AND RESTATED AGREEMENT  
FOR THE COLLECTION OF SOLID WASTE**

THIS AMENDED AND RESTATED AGREEMENT FOR THE COLLECTION OF SOLID WASTE ("Agreement") is effective as of the 10th day of April 2007, and is entered into by the City of Lancaster, a municipal corporation ("City") and USA Waste of California, Inc., a Delaware corporation, dba Waste Management of Antelope Valley ("Company").

**RECITALS:**

The City and Company entered into two essentially identical agreements with Waste Management of California, Inc. and Arklin Brothers, Inc. entitled "Contract for the Collection of Solid Waste" dated November 14, 1996 (collectively, the "1996 Contract").

The parties desire to amend the 1996 Contract in its entirety to provide for expanded services, a longer term, and other mutually agreeable revisions. This Agreement is intended to replace and supersede the 1996 Contract in its entirety, except for Company's indemnification of the City arising from matters occurring prior to the effective date, in accordance with the terms and conditions set forth herein.

In accordance with California Public Resources Code Section 40059(a)(2), the City has determined that the public health, safety, and welfare require that an exclusive franchise be awarded to a qualified Solid Waste enterprise for the collection, transportation, recycling, processing, and disposal of Solid Waste, and for other related services, to meet the goals and objectives of AB 939.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

**1. DEFINITIONS**

Whenever any term used in this Agreement has been defined by the provisions of the Lancaster Municipal Code, or by Division 30, Part 1, Chapter 2 of the California Public Resources Code, the definitions in the Municipal Code or the Public Resources Code will apply unless the term is otherwise defined in this Agreement, in which case this Agreement will control. The following words and terms have the following meanings:

**1.1. AB 939**

"AB 939" means the California Integrated Waste Management Act of 1989 (Public Resources Code §40000 et seq.), as amended from time to time.

**1.2. Account**

“Account” means premises receiving services pursuant to this Agreement, or the person arranging for services pursuant to this Agreement, as the case may be, irrespective of property ownership.

**1.3. Affiliate**

“Affiliate” means all businesses (including corporations, limited and general partnerships, and sole proprietorships) that are directly or indirectly related to the Company by virtue of direct or indirect ownership interests or common management. An Affiliate includes a business in which the Company owns a direct or indirect ownership interest, a business that has a direct or indirect ownership interest in the Company, and a business that is also owned, controlled, or managed by any business or individual that has a direct or indirect ownership interest in the Company.

**1.4. Agreement**

“Agreement” means this Amended and Restated Contract for the Collection of Solid Waste between the City and the Company, including all exhibits and attachments, and any amendments.

**1.5. Billings**

“Billings” means statements of charges for services rendered to Accounts, which statements are rendered by the City, the Company, or by others on behalf of the City or the Company.

**1.6. Bin**

“Bin” means a metal container with a capacity of one (1) to six (6) cubic yards, having a hinged lid and wheels, which is serviced by a front-end loading truck.

**1.7. Bin Service**

“Bin Service” means collection services provided to Accounts using bins provided by the Company. Bin service may be provided to either Residential Premises or Commercial Premises on a permanent or temporary basis.

**1.8. Bulky Waste**

“Bulky Waste” is defined as the following:

- Discarded furniture (including chairs, sofas, mattresses, and rugs);
- Appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, small household appliances, and other similar items, commonly known as “white goods”);
- Yard Waste (including wood waste, tree trunks, and large branches if no longer than two (2) feet in diameter and four (4) feet in length, or yard waste less than (1) cubic yard);
- C&D Waste (including scrap wood, structural inert material, and debris from building remodeling less than one (1) cubic yard);

Bulky wastes do not include large items such as car bodies, or construction and demolition waste in amounts greater than approximately one (1) cubic yard, Jacuzzi tubs or spas, any other items that cannot be handled by two (2) persons, and waste tires. In addition, bulky wastes do not include any other item that in the future may be land banned by regulation.

**1.9. Can**

“Can” means a rigid plastic container used for Solid Waste only with a capacity of approximately thirty-two (32) gallons, which is serviced manually.

**1.10. Can/Bag Service**

“Can/Bag Service” means collection services provided to Accounts using cans or bags provided by the Account. Can service is provided to only those Residential Premises where Cart Service is infeasible, as determined by the City and Company. Can service is provided to those certain Residential Premises on a permanent basis only.

**1.11. Cart**

“Cart” means a plastic container with a capacity of no less than sixty-four (64) and no greater than ninety-six (96) gallons, having a hinged lid and wheels, which is serviced by an automated side-loading truck.

**1.12. Cart Service**

“Cart Service” means collection services provided to Accounts using carts provided by the Company. Cart service may be provided to either Residential Premises or Commercial Premises on a permanent or temporary basis.

**1.13. City**

“City” means the City of Lancaster, a municipal corporation, and all the territory lying within the municipal boundaries of the City as presently existing or as these boundaries may be modified during the term of this Agreement.

**1.14. City Manager**

“City Manager” means the City Manager of the City.

**1.15. City Agent**

“City Agent” means the person designated by the City Manager or City Council of City who shall be responsible for coordinating the collection, processing, recycling and disposal of Solid Waste, recyclable materials and Green Waste, and monitoring the performance of Company, or his or her authorized designee.

**1.16. Collect/Collection**

“Collect” or “Collection” means to take physical possession of, transport and remove Solid Waste, recyclable materials, and Green Waste generated within the City, and transporting it to a location for handling, processing, recycling, or disposal.

**1.17. Commercial Account**

“Commercial Account” means an Account for Solid Waste collection and recycling services provided to any Commercial Premises.

**1.18. Commercial Premises**

"Commercial Premises" means property upon which a business activity is conducted, including but not limited to retail sales, services, wholesale operations, manufacturing and industrial operations, but excluding businesses conducted upon Residential Premises that are permitted under applicable zoning regulations and that do not constitute the primary use of the property. Commercial Premises may receive Cart Service, Bin Service or roll-off service.

**1.19. Company**

"Company" means USA Waste Management of California, Inc., a Delaware corporation, dba Waste Management of Antelope Valley.

**1.20. Construction and Demolition Waste**

"Construction and Demolition Waste" means used or discarded construction materials removed from premises during the construction, renovation or demolition of a structure or premises, including rocks, soil, tree remains, and other Green Waste which normally results from land clearing or land development operations. Construction and demolition waste is Solid Waste for purposes of this Agreement.

**1.21. Containers**

"Containers" means all types of receptacles used for collection, including carts, bins and roll-off boxes.

**1.22. Curbside Service**

"Curbside Service" means collection services provided to Residential Accounts using carts provided by the Company, whose contents are emptied by the Company when cart is placed within three (3) feet of the public street or private road without blocking sidewalks, driveways, or on-street parking.

**1.23. Customer**

"Customer" means the person arranging for services pursuant to this Agreement, irrespective of property ownership.

**1.24. Disposal Site**

“Disposal Site” means any Solid Waste handling facility or facilities used for the final disposal of Solid Waste collected by the Company.

**1.25. Effective Date**

“Effective Date” is the date upon which the Company commences to perform services under this Agreement.

**1.26. Electronic Waste**

Electronic waste is any consumer electronic device, including but not limited to televisions, computers, VCR's and cellular phones. Where not regulated under enacted environmental law, the best management practice is to dispose of these items at the Antelope Valley Environmental Collection Center (AVEEC). Cathode Ray Tubes (CRT's) and other Universal Waste Electronic Devices (Uweds) are regulated under the Electronic Waste Recycling Act (SB20, 2003) and are not considered residential refuse intended for curbside collection.

**1.27. Environmental Laws**

“Environmental Laws” means all federal and state statutes, county and City ordinances concerning public health, safety and the environment including, by way of example and not limitation, 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 later amended, and all rules and regulations promulgated thereunder.

**1.28. Facility**

“Facility” means any plant, transfer station, or site that is owned, leased, maintained, operated, or used by the Company for purposes of performing its obligations under this Agreement.

**1.29. Franchise**

“Franchise” means the right granted to Company by the City to provide Solid Waste services within the City as described in this Agreement.

**1.30. Green Waste**

“Green Waste” means leaves, grass, weeds, wood materials from trees and shrubs, and similar materials generated at any premises that fit within a cart, or are tied in a bundle not more than four (4) feet in length or sixty (60) pounds in weight. Materials not meeting these specifications are considered bulky waste. Green Waste does not include palm fronds, or tree trunks or limbs more than two (2) feet in diameter. Green Waste is Solid Waste for purposes of this Agreement.

**1.31. Gross Receipts**

“Gross Receipts” means all monetary amounts actually collected by the Company for the collection of Solid Waste pursuant to this Agreement. The term Gross Receipts, for purposes of this Agreement, shall not include the Solid Waste Contract Fee (franchise fee), the integrated waste management surcharge (AB939), interest, revenues generated from the sale of Recyclable Material (including Department of Conservation rebates), or other receipts from state and local government Accounts (including amounts paid to or retained by Company pursuant to Section 3.3.2).

**1.32. 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 wastes”, “toxic wastes”, “pollutants,” “toxic substances,” or other items 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, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; or (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated under those specified statutes or acts that are currently existing or may later be enacted; and (c) any other 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 later enacted, including, without limitation, friable asbestos, polychlorinated biphenyls ("PCBs"), petroleum, natural gas, synthetic fuel products, and by-products.

**1.33. Hazardous Waste**

"Hazardous Waste" means all substances that are 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 any future amendments to or recodifications of these statutes, or identified and listed as hazardous waste by the U.S. Environmental Protection Agency (EPA), pursuant to the Federal Resource Conservation and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules and regulations promulgated thereunder.

**1.34. Holiday**

"Holiday" means New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving, Christmas, and such other holidays as may be agreed to by the City and Company.

**1.35. Home Composting**

"Home Composting," means the practice of producing a soil amendment from Green Waste generated at a Residential Premises.

**1.36. Household Hazardous Waste (HHW)**

"Household Hazardous Waste" means hazardous waste generated at Residential Premises.

**1.37. Infectious Waste**

"Infectious Waste" means those materials defined as "biohazardous waste" in Health and Safety Code §117635.

**1.38. Lancaster Landfill**

“Lancaster Landfill” means Lancaster Landfill and Recycling Center, the permitted Solid Waste disposal facility owned any operated by the Company, located at 600 East Avenue F, Lancaster, California.

**1.39. Operating Year**

“Operating Year” means the twelve (12) month period commencing on July 1 of each calendar year and ending on the following June 30.

**1.40. Owner**

“Owner” means the person holding legal title to the disposal site or vehicles or other equipment used in performing services under this Agreement, depending upon the context used in this Agreement.

**1.41. Person**

“Person” means any individual, firm, association, organization, partnership, limited liability company, corporation, business trust, joint venture, the United States, the State of California, the County of Los Angeles, and any town, City, or special purpose district.

**1.42. Premises**

“Premises” means any land, building, or structure in the City where Solid Waste, recyclable material, or Green Waste is generated or accumulated.

**1.43. Recycling**

“Recycling” means any process by which materials that would otherwise become Solid Waste are collected (whether source-separated, co-mingled, or as mixed waste), separated or processed, and returned to the economic mainstream in the form of raw materials, or products, or materials that are salvaged or recovered for reuse.

**1.44. Recyclable Material**

“Recyclable Material” means by-products of some potential economic value that are separately set aside, handled, packaged, or offered for collection. Recyclable material collected shall include, but shall not be limited to: glass jars and bottles; steel, bi-metal, and tin cans; empty aerosol containers; PET plastic; HDPE plastic; plastics types 3 – 7; plastic bags, shrink wrap, plastic toys and tools, and other plastic materials; juice boxes and milk cartons (aseptic packaging, Tetra Pak© and waxed cardboard); scrap metal, coat hangers, and metal foil; newspaper; mixed paper (e.g., ledger, computer, junk mail, magazines, paperback books, cereal boxes, envelopes, paper shopping bags, and non-metallic wrapping paper); and telephone books.

**1.45. Residential Account**

“Residential Account” means an Account for Solid Waste collection and recycling services provided to any Residential Premises.

**1.46. Residential Premises**

“Residential Premises” means all property, which is used for residential purposes, including single-family premises, multi-family premises, apartment houses, condominiums, mixed condominiums and rental housing, senior citizen housing complexes, mobile home parks, and trailer parks. Residential Premises may receive Cart Service, Bin Service, or roll-off service.

**1.47. Resolution**

“Resolution” means the resolution of the City Council establishing a fee schedule for services provided under this Agreement, at the effective date, or from time to time thereafter.

**1.48. Roll-off Box**

“Roll-off Box” means an open-top metal container or closed compactor box with a capacity of ten (10) to forty (40) cubic yards that may be provided by either the Account or Company, that is serviced by a roll-off truck.

**1.49. Roll-off Service**

“Roll-off Service” means collection services that are provided using a roll-off box. Roll-off service may be provided to either Residential Premises or Commercial Premises on a permanent or temporary basis.

**1.50. Senior Citizen**

“Senior Citizen” means a person sixty-two (62) years of age or older and meet other criteria specified by the City and County for a reduced service rate.

**1.51. Sharps Waste**

“Sharps Waste” means those materials described in Health and Safety Code §117755, which generally include hypodermic needles, syringes, tubing, acupuncture needles, and blood vials.

**1.52. Solid Waste**

“Solid Waste” means “Solid Waste” as defined in Public Resources Code §40191, including putrescible and non-putrescible refuse, Special Waste, recyclable materials, construction and demolition debris, and Green Waste.

**1.53. Solid Waste Contract Fee**

“Solid Waste Contract Fee” or “Franchise Fee” means the fee paid by the Company to the City for the right to exercise the franchise granted by this Agreement. The Solid Waste Contract Fee is paid by Company as the consequence of its providing collection services under this Agreement, irrespective of whether it does or will be the owner of any real property located in the City.

**1.54. Special Waste**

“Special Waste” means Solid Waste that is a “designated waste” under applicable law, is required to be accompanied by a written manifest or shipping document describing the waste under applicable law, or requires special handling at any processing facility or disposal site. Special Waste is considered Solid Waste for purposes of this Agreement.

**1.55. Temporary Service**

“Temporary Service” means Bin Service or roll-off service provided to a premises on a temporary, as-needed basis, such that no container remains on the premises, or a service location on a premises, for more than thirty (30) days at a time, or for more than sixty (60) days of any ninety (90) day period.

**1.56. Vehicle**

“Vehicle” means any truck, trailer, or semi-trailer used by Company for performing collection.

**2. GRANT AND ACCEPTANCE OF FRANCHISE**

**2.1. Grant and Acceptance of Franchise**

Subject to the terms and conditions of this Agreement, the City grants to the Company the exclusive franchise and right to make arrangements to collect, transfer, transport, recycle, process, and dispose of all Solid Waste generated at all premises in the City, on both a permanent and temporary basis. The Company accepts the franchise on the terms and conditions set forth in this Agreement.

**2.2. Exclusive Nature of Franchise**

During the term of this Agreement, except as otherwise provided in Section 2.6, or as may otherwise be provided by federal or state law, the rights granted to the Company under this Agreement will be exclusive to the Company. The City will, where reasonable, protect the Company's exclusive rights by considering the adoption of appropriate ordinances. In addition, the City authorizes Company to take administrative, law enforcement, or other legal action against any person who infringes on the Company's exclusive rights, at no cost to the City.

**2.3. Effective Date**

The effective date of this Agreement is April 10, 2007

**2.4. Term of Agreement; Termination of 1996 Contract**

**2.4.1.** The term of this Agreement commences on the effective date and shall be in effect for an initial term ending on June 30, 2017. Beginning on July 1, 2016, and on each July 1 anniversary date thereafter, the term of this Agreement will be extended automatically for one (1) additional year, so as to have a rolling term of two (2) years, unless either party provides written notice to the other on or before the January 1 preceding July 1, 2016, or any subsequent anniversary date, of its intent to cancel this automatic renewal provision. Upon the giving of such cancellation notice, the term of this Agreement will expire two (2) years from the June 30 preceding of the cancellation notice.

- 2.4.2. On the effective date, the parties agree that the 1996 Contract, and all amendments thereto, are superseded in their entirety and are of no further force in effect, except for indemnity obligations arising under the 1996 Contract before the effective date.

**2.5. Delegation of Authority**

The administration of this Agreement by the City will be under the supervision and direction of the City Manager or the City Agent. The City Manager or the City Agent, unless otherwise stated, will take any and all actions specified in this Agreement.

**2.6. Limitations on Scope of Franchise**

- 2.6.1. The franchise granted to the Company is exclusive, except for the categories of Solid Waste listed below. The granting of this franchise does not preclude the categories of Solid Waste listed below from being delivered to, collected, and transported by others, provided that no person is excused from obtaining from the City any authorization that is required by law:

- 2.6.1.1. Recyclable material that a Customer sells to, or otherwise receives compensation from, other persons in a manner resulting in a net payment to the Customer after consideration of collection, handling, or processing costs.
- 2.6.1.2. Solid Waste, including recyclable material and Green Waste, which is removed from any premises by the Customer, and which is transported personally by the Customer (or by the Customer's full-time employees) to a processing or disposal facility.
- 2.6.1.3. Solid Waste used for home composting.
- 2.6.1.4. Source separated recyclables and Green Waste donated to youth, civic, or charitable organizations.
- 2.6.1.5. Containers delivered for recycling under the California Beverage Container Recycling Litter Reduction Act, Sections 14500, et seq., California Public Resources Code.

- 2.6.1.6. Green Waste removed from premises by a gardening, landscaping, or tree trimming company using its own equipment and employees as an incidental part of a total service offered by the company, as opposed to a hauling service.
- 2.6.1.7. Construction and demolition waste that is incidentally removed by a duly licensed construction or demolition company, as part of a total service offered by such licensed company or by the City, and where the licensed company uses its own equipment and employees.
- 2.6.1.8. Animal waste and remains from any slaughterhouse or butcher shop for use as tallow.
- 2.6.1.9. Grease and animal remains generated from the food service providers.
- 2.6.1.10. Animals weighing more than ten (10) pounds.
- 2.6.1.11. Agricultural waste, such as manure or bedding from poultry yards or stables.
- 2.6.1.12. Waste tires.
- 2.6.1.13. By-products of sewage treatment, including sludge, sludge ash, grit, and screenings.
- 2.6.1.14. Hazardous waste, infectious waste, or hazardous substances, regardless of its source.
- 2.6.1.15. The casual or emergency collection, removal, disposal, or diversion of Solid Waste by the City through its officers or employees in the normal course of their employment.
- 2.6.1.16. On-premises handling and transporting to the curbside of large items that do not meet the size and weight limitations for bulky waste, provided that such materials are then placed into a container provided by Company.



2.6.2. The grant to the Company of this exclusive franchise will be interpreted in a manner consistent with state and federal laws. The scope of this exclusive franchise will be limited by current and developing state and federal laws with regard to Solid Waste handling, control of recyclable material, Solid Waste flow control, applicability of county, state and federal facilities, and related matters.

**2.7. City's Right to Direct Changes**

The City may direct the Company to perform additional services or to modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services that may entail new collection methods, different kinds of services, or new requirements for Customers; alternative rate structures are included among the kinds of changes that the City may direct. The Company will be entitled to an adjustment to the service rate to reimburse its increased costs, if any, for providing those additional or modified services.

**2.8. Ownership of Solid Waste**

Except as otherwise provided in state law, when Solid Waste is collected from containers placed at the designated collection location, ownership and the right to possession will transfer directly from the Customer to the Company by operation of this Agreement. The Company has the right to retain, recycle, process, dispose of, and otherwise use that Solid Waste, or any part thereof, in any lawful fashion or for any lawful purpose. Subject to the provisions of this Agreement, the Company has the right to retain any benefit resulting from its right to retain, recycle, process, dispose of, or reuse the Solid Waste, Green Waste, and recyclable materials that it collects. The City may obtain ownership or possession of Solid Waste placed for collection upon written notice of its intent to do so; however, nothing in this Agreement may be construed as giving rise to any inference that the City has such ownership or possession unless written notice has been given to the Company.

**2.9. Company Status**

The Company represents and warrants that it is duly organized, validly existing, and in good standing under the laws of California. It is qualified to transact business in the State of California and has all necessary licenses, permits, and certifications to provide the services required by this Agreement.

**2.10. Company Authorization**

The Company is authorized to enter into and perform its obligations under this Agreement. The Board of Directors of the Company has taken all actions required by law, the articles of incorporation, the bylaws, or otherwise, to authorize the execution of this Agreement. The persons signing this Agreement on behalf of the Company have authority to do so. The Company will designate one (1) employee as a single point of contact for the City for issues arising under this Agreement. City may accept that this designated employee's actions are taken on behalf of and with the full approval of the Company.

**2.11. Annexation**

The City acknowledges that equipment, such as trucks, carts, and containers, may take time to procure, and therefore, Company shall not be in default for reasonable delays in the provision of services to annexed areas due to procurement delays that are not within the control of Company. Notwithstanding the above, Company agrees to offer all services to all Accounts within six (6) months of annexation and will provide, at a minimum, refuse collection service to any Account for which the previous hauler has terminated service. City may, but is not required to, permit Company additional time without constituting a default.

**2.12. Continuation Rights**

The scope of services provided under this Agreement, and the geographic extent of the area in which services are provided in the event of an annexation, are subject to the valid continuation rights of other Solid Waste enterprises under Public Resources Code §49520 et seq., or any other law or regulation relating to the rights of other Solid Waste enterprises to continue providing services in annexed areas. In the event such continuation rights apply, this Agreement will become effective as to those services or geographic areas at the earliest possible date authorized by law, and the City will cooperate with the Company to fulfill any requirement necessary for the Company to provide services consistent with these requirements.

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### **3. FEES AND SURCHARGES**

#### **3.1. Solid Waste Contract Fee**

Company shall pay to City a Solid Waste Contract Fee or franchise fee equal to eight and eleven hundredths percent (8.11%) of the gross receipts derived from services rendered to Accounts within the City. The purpose of the contract fee is, among other things, to provide reasonable compensation to the City for the impacts typically resulting from the type of services provided under this Agreement, including but not limited to, the normal wear and tear to public streets and other public infrastructure. The service rate will be adjusted automatically to reflect any increase or decrease in the Solid Waste Contract Fee.

#### **3.2. Payment of Solid Waste Contract Fee**

Company shall pay to City the Solid Waste Contract Fee for each quarter of the Operating Year within thirty (30) days following the close of each successive calendar quarter. Each such payment by Company to City shall be accompanied by a statement setting forth total gross receipts collected by Company, the computation of the total Solid Waste Contract Fee due, and other such information relating to the calculation and payment of this fee as may be reasonably requested by the City Manager.

#### **3.3. Integrated Waste Management Surcharge.**

- 3.3.1.** Company shall charge a monthly surcharge in amount approved by the City for implementation of the Solid Waste diversion program required by AB 939. Such monthly surcharge shall be charged and collected by Company over and above the rates provided for in Exhibit 1. The amount of such monthly surcharge shall be denoted in the Resolution with attachments. Thirty percent (30%) of such monthly surcharge shall be paid to the City at the same time and together with the Solid Waste Contract Fee or franchise fee paid pursuant to Section 3.2, with seventy percent (70%) retained by Company for purposes of undertaking the programs described in Section 3.3.2. The overall service rate will be adjusted automatically to reflect any increase or decrease in the integrated waste management surcharge.

**3.3.2.** The integrated waste management surcharge will be used to fund various programs performed by Company related to meeting and exceeding applicable diversion requirements under state law, and does not constitute additional compensation or gross receipts to Company under this Agreement. Programs may include the dissemination of Customer education materials, and contacting and educating building contractors about available recycling services. The Company will receive seventy percent (70%) of the surcharge collected for providing the services described above. Programs must be presented to the City Agent and approved as to budget and scope, prior to implementation.

**4. SERVICE PERFORMANCE STANDARDS**

**4.1. Service**

The work to be performed by the Company includes, but is not limited to, the furnishing of all labor, supervision, equipment, materials, supplies, and other items necessary to perform the services required.

**4.2. Performance**

The work to be performed by the Company will be performed in a thorough and professional manner so that Customers within the City are provided with reliable, courteous, and high-quality Solid Waste collection services at all times during the term of this Agreement.

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## **5. RESIDENTIAL SERVICE**

### **5.1. Solid Waste Cart Service.**

- 5.1.1. Company will collect Solid Waste delivered for collection at the curbside by Residential Accounts not less than once each calendar week. Cart service provided in this manner is considered Curbside Service for purposes of this Agreement. Company will supply each Residential Account with one (1) cart of ninety-six (96) gallons, but may provide smaller cart of sixty-four (64) gallons where required by space limitations at a Residential Premises, recycling practices at a Residential Premises, or physical limitations of the Customer. A sixty-four (64) gallons or ninety-six (96) gallons cart will be provided at mobile home parks. Customers may obtain additional Solid Waste carts from the Company at the rate set forth in Exhibit 1.
- 5.1.2. The designated collection location of carts, if disputed by the Customer or the Company, will be determined by the City. Additionally, if in the City's opinion the existing collection location is inappropriate, the City may require the Customer or the Company to relocate the collection location.

### **5.2. Solid Waste Can Service.**

- 5.2.1. Company will collect Solid Waste delivered for collection, in an in-ground receptacle by Residential Accounts that request these services, not less than once each calendar week. Containers used in providing Can Service will be supplied by each Residential Account. Can Service will be provided to only those Residential Premises where due to space limitations or other factors, Cart Service is infeasible or creates unnecessary hardship for Customers. A listing of those portions of the City receiving Can Service is set forth in Exhibit 2. Can service provided in this manner is considered Curbside Service for purposes of this Agreement. The City and Company agree to cooperate in good faith to convert those portions of the City receiving Can Service to Cart Service as soon as reasonably practicable.
- 5.2.2. As of the effective date, Can Service will be provided at the same service rate as that provided for Cart Service. However, in the event that any Residential Premises is not converted to Cart Service within one (1) year of the Effective Date, Can Service will be provided at the service rate set forth in Exhibit 1.



**5.3. Solid Waste Bin Service**

Company will provide permanent or temporary Bin Service to Residential Accounts that request these services. Company must collect and remove all Solid Waste that is placed in bins from the Residential Accounts receiving Bin Service, at least once each calendar week, or more frequently if required. The company will deliver and collect temporary bins at the direction of the Customer. Special consideration will be given when determining the pick up area to ensure that the flow of traffic is not impeded. The designated collection location, if disputed by the Customer or the Company, 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, the City may require the Customer or the Company to relocate the collection location.

**5.4. Temporary Solid Waste Roll-off Service**

The Company will provide temporary roll-off box service to all Residential Accounts within the City that request these services. The Company will deliver and collect temporary roll-off boxes at the direction of the Customer. Special consideration will be given when determining the collection location for temporary roll-off box service to ensure that the flow of traffic is not impeded. The designated collection location, if disputed by the Customer or the Company, 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, the City may require the Customer or the Company to relocate the collection location.

**5.5. On-Call Bulky Waste Pickup**

- 5.5.1. Company will provide bulky waste pick up service to all residential Accounts receiving Curbside Service. Four (4) times each year, Customers may place up to four (4) items out for collection per pick up. Customers will provide the Company with forty-eight (48) hours notice and the items will be collected on the Customer's regular collection day. Additional pickups, or additional items per pick up, may be subject to an additional fee to be charged by the Company, at the rate set forth in Exhibit 1.

5.5.2. Bulky waste collected by Company may not be landfilled or disposed of until the following hierarchy has been followed by Company:

- Reuse as is (if energy efficient).
- Disassemble for reuse or recycling.
- Recycle (through participation of charitable organizations).
- Disposal.

**5.6. Household Hazardous Waste**

The AVECC household hazardous waste collection facility will be available to Residential Customers desiring to dispose of small quantities of household hazardous waste.

**5.7. Electronic Waste**

Company will collect these items from residents on a scheduled basis at least once a month for the fee established in Exhibit 1. Residents can drop off these items at the AVECC, the Lancaster Landfill located at 600 E. Avenue F, or the City Maintenance Yard, located at 615 W. Avenue H, at no cost.

**5.8. Recyclable Material Cart Service**

Company will provide weekly Cart Service for collection of recyclable material to all Residential Premises receiving Cart Service for Solid Waste, on the same day as Solid Waste collection. Company will provide each Residential Premises one (1) 64-gallon recycling cart. Company will make available one (1) additional recycling cart to Residential Accounts that regularly recycle more than that which will fit into their existing recycling cart at no additional charge. Customers may obtain additional recycling carts from the Company at the rate set forth in Exhibit 1, and mobile home parks may receive recycling carts at the rate set forth in Exhibit 1. No discounts may be given for using smaller or no carts. Company must collect and remove all recyclable material placed in recycling carts at the curbside.

**5.9. Recyclable Material Bin Service**

The Company will provide recycling collection service to all Residential Accounts receiving Bin Service that request these services at no additional charge. The Company will provide recycling carts in sufficient quantities to these Residential Accounts to meet the recycling needs of each Customer.

**5.10. Green Waste Cart Service**

Company will provide weekly Cart Service for collection of Green Waste to all Residential Premises receiving Cart Service for Solid Waste, on the same day as Solid Waste collection. Notwithstanding the above, Green Waste service will not be provided at mobile home parks unless requested. Company will provide each Residential Premises one (1) 64 gallon Green Waste cart. Company will make available one (1) additional Green Waste cart to Residential Accounts that regularly generate more Green Waste than that which will fit into their existing Green Waste cart at no additional charge. Customers may obtain additional Green Waste carts from the Company at the rate set forth in Exhibit 1, and mobile home parks may receive Green Waste service at the rate set forth in Exhibit 1. No discounts may be given for using smaller or no carts. Company must collect and remove all Green Waste placed in Green Waste carts at the curbside.

**5.11. Holiday Tree Collection Program**

Company shall conduct an annual holiday tree collection program for all Residential Accounts. The program will include both curbside collection and drop-off collection. Curbside collection of holiday trees, which will be recycled, will be provided to those Residential Premises receiving Curbside Service. The curbside collection period will be the first two (2) weeks in January. The Company will also provide a drop-off location at the Lancaster Landfill for holiday trees during the first two (2) weeks in January at no cost to the Customer.

**5.12. Fall Leaf Pick Up**

Company shall collect all bagged leaves placed for collection during the fall leaf period at no additional charge. The collection program will be for a period of ninety (90) days, commencing on dates mutually agreed upon by the City and Company each year. Company agrees to use commercially reasonable efforts to divert these leaves from disposal, recognizing that it is currently not feasible to divert leaves collected in plastic bags.

## **5.13. Residential Service Requirements; Other Residential Services.**

### **5.13.1. Record of Non-Collection**

When Solid Waste is not collected by Company, a tag will be fastened to the container, which is at least 2-7/8" by 5-3/4" in size, indicating the reason for non-collection. Reasons for non-collection may include the presence of hazardous waste or hazardous substances in the container, materials placed in plastic bags, or otherwise not in the required containers, placement of palm fronds or large tree trunks or limbs into the Green Waste cart, the commingling of recyclable material or Green Waste with non-recyclable Solid Waste, or the compacting of Solid Waste in such a manner that the contents of a container will not of their own weight fall out of the container when it is turned upside down. Company will maintain a log that shall contain the name and address of each Account where Solid Waste is tagged and the date such tagging occurred. The log will be maintained for inspection by representatives of the City upon request. Where there have been three or more instances of non-collection at a Residential Account in any Operating Year, Company may charge the Residential Account a contamination fee in the amount set forth in Exhibit 1.

### **5.13.2. Missed Pick Ups**

In the event that company fails to provide collection service to a Residential Account, where the containers had been timely and properly set out for collection, Company will complete the collection from the Residential Account no later than 12:00 p.m. the next business day following notification of the missed pick up. In the event Company fails to make a collection within such period, the City may perform collection services and Company shall reimburse the City for all costs incurred by City for such collection, including liquidated damages.

### 5.13.3. On-premises Service

Company will provide on-premises service, including transporting the containers from the backyard to the collection vehicle for those Residential Accounts where all adults are disabled, at no additional charge. In order to qualify for free on-premises service, all adults residing at the Residential Premises must sign up for disabled service with the Company, provide evidence of disability (such as a disabled placard) and meet any other criteria established by the City. The application for disabled service must be renewed annually. Company will provide a renewal by mail service for Customers who wish to continue receiving free on-premises service. Persons not meeting the criteria to receive free disabled on-premises service may receive on-premises service for additional charge, as set forth in Exhibit 1.

### 5.13.4. Self-Haul Exception

Any Residential Premises may choose to haul its own Solid Waste in accordance with the City of Lancaster Municipal Code to a permitted processing or disposal facility. If a Residential Premises chooses to self-haul, it will be responsible for transporting all Solid Waste, including recyclable material, Green Waste, and non-recyclable Solid Waste to an appropriate facility. If a residential premise receives one (1) or more types of Cart Service from the Company, it will be billed at the standard service rate applicable to all Residential Premises receiving Cart Service. The City may require any Residential Premises choosing to self-haul to provide proof that recyclable material and Green Waste are being diverted from landfill disposal in accordance with requirements established by the City.

### 5.13.5. Sharps Collection Program

Within six (6) months of the effective date, the Company will implement a program for collection and safe processing of Sharps Waste generated at Residential Accounts, through a mail-based program. Residents requesting Sharps Waste services may apply to the Company to receive this service, and sharps containers will be delivered directly to the Residential Account at no cost to the Customer.

#### 5.13.6. Free Landfill Disposal

At the beginning of each Operating Year, the Company will distribute two (2) vouchers to each Residential Account, with each voucher allowing free disposal at the Lancaster Landfill by one (1) vehicle having a net vehicle weight of not more than one (1) ton. The established gate rate will apply if the tonnage exceeds more than one (1) ton. The vouchers will be effective until the end of the Operating Year. Any resident wishing to dispose of Solid Waste at the Lancaster Landfill using a voucher will be required to verify residence in the City, typically through presentation of a utility bill.

#### 5.13.7. Other Residential Bin-Related Services

The Company will provide other services desired by Residential Accounts receiving Bin Service, including walk-in/push-out service where the bin must be moved manually fifteen (15) feet or more to the collection point; use of containers with castors, hasps, or locks; or scout service for difficult-to-reach areas. Such other services will be provided at the rate set forth in Exhibit 1. Where a rate is not provided in Exhibit 1, Company and the Customer shall agree on a rate for such services, subject to review and approval by the City Agent.

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## **6. COMMERCIAL SERVICE**

### **6.1. Solid Waste Bin Service**

The Company will provide permanent and temporary Bin Service to Commercial Accounts that request these services. Company will collect and remove all Solid Waste that is placed in bins from every Commercial Account receiving Bin Service, at least once every week, or more frequently if required to handle the waste stream of the Commercial Account where the bins are located. The Company will deliver and collect temporary bins at the direction of the Customer. Special consideration will be given when determining the pick up area to ensure that the flow of traffic is not impeded. The designated collection location, if disputed by the Customer or the Company, 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, the City may require the Customer or the Company to relocate the collection location.

### **6.2. Solid Waste Roll-off Service**

The Company will provide permanent and temporary roll-off service to Commercial Accounts that request such services. Company shall collect and remove all Solid Waste that is placed in roll-off boxes from every Commercial Premises receiving roll-off service, at least once every week, or more frequently if required to handle the waste stream of the Commercial Premises where the roll-off box or boxes are located. The Company will deliver and collect temporary roll-off boxes at the direction of the Customer. Special consideration will be given when determining the pick up area to ensure that the flow of traffic is not impeded. The designated collection location, if disputed by the Customer or the Company, 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, the City may require the Customer or the Company to relocate the collection location.

### **6.3. Solid Waste Cart Service**

The Company will provide permanent Cart Service to Commercial Accounts that request such services. Company shall collect and remove all Solid Waste that is placed in carts from every commercial property receiving Cart Service, at least once every week, or more frequently if required to handle the waste stream of the Commercial Premises where the cart or carts are located. Company will supply each Commercial Account with one (1) cart of ninety-six (96) gallons.



#### **6.4. Other Bin-Related Services**

The Company will provide other services desired by commercial Customers, including the collection of Special Waste, walk-in/push-out service where the container must be moved manually fifteen (15) feet or more to the collection point; use of containers with castors, hasps, or locks; or scout service for difficult-to-reach areas. Such other services will be provided at the rate set forth in Exhibit 1. Where a rate is not provided in Exhibit 1, Company and the Customer shall agree on a rate for such services, subject to review and approval by the City Agent. If the Customer and Company cannot agree to a rate, Company agrees to promptly provide any information to the City reasonably related to the service, the decision of the City Agent is final.

#### **6.5. Recyclable Material**

6.5.1. The Company will provide for collection of single stream or source separated recyclable material to Commercial Accounts that request such services, using bins or carts, depending upon the Customer's needs, at no additional cost.

6.5.2. Company shall collect and remove all recyclable material placed in containers from every Commercial Premises receiving recyclable material collection service, at least once every week, or more frequently if required to handle the materials generated by the Commercial Premises where the container or containers are located. Company must collect and remove all recyclable materials placed in containers at the collection point.

#### **6.6. Commercial Service Requirements**

##### **6.6.1. Access to Containers**

If, at the time of collection at a Commercial Account, the container is not accessible to the collection vehicle, Company will notify the Account by telephone of the situation and request that access is provided. If the Customer is unavailable or unable to provide prompt access to the container, Company will provide pick up a later time, but may charge an extra pick up fee, as set forth in Exhibit 1.

#### 6.6.2. Missed Pick Ups

In the event that company fails to provide collection service to a Commercial Account, where the containers had been timely and properly set out for collection, Company will complete the collection from the Commercial Account no later than 12:00 p.m. the next business day following notification of the missed pick up. In the event Company fails to make a collection within such period, the City may perform collection services and Company shall reimburse the City for all costs incurred by City for such collection including liquidated damages.

#### 6.6.3. Overfilling of Commercial Containers

Where Company identifies instances of overfilling of containers, it will document the overfilling through the use of film or digital photography. The Company may charge an extra pick up fee for cleaning up the container area and placing overfilled material into the collection vehicle, in an amount set forth in Exhibit 1. In addition, the Company will present evidence of the overfilling to both the City and the Commercial Account. Where such evidence has been presented to the Commercial Account, and Company documents another instance of overfilling within Operating Year of such presentation through photographic evidence, Company is authorized to deliver the next larger sized container to the Commercial Premises, to adjust the service rate to the rate then in effect for the next larger sized container, and to charge a photographic service fee in an amount set forth in Exhibit 1.

#### 6.6.4. Record of Non-Collection

When Solid Waste is not collected by Company, a tag will be fastened to the container, which is at least 2-7/8" by 5-3/4" in size, indicating the reason for non-collection. Reasons for non-collection may include the presence of hazardous waste or hazardous substances in the container, materials placed in plastic bags or otherwise not in the required containers, the commingling of recyclable material or Green Waste with non-recyclable Solid Waste, or overfilling of a roll-off box such that it would cause a violation of applicable weight restrictions. Company will maintain a log that shall contain the name and address of each Commercial Account where Solid Waste is tagged and the date such tagging occurred. The log will be maintained for inspection by representatives of the City upon request. Where there have been three (3) or more instances of non-collection at a Commercial Account in any Operating Year, Company may charge the Commercial Account a contamination fee the amount set forth in Exhibit 1.

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## **7. ADDITIONAL SERVICES PROVIDED BY COMPANY**

### **7.1. City Facilities**

Company will provide collection services at the City facilities, including City parks, identified in Exhibit 3, at no additional cost. The list of City facilities receiving free collection service will be updated annually at the beginning of each Operating Year, either by the City Manager or through a memorandum of agreement entered into by the parties. Collection services at City offices will include providing a container for collection of office paper. In addition, Company will provide collection services from Solid Waste containers located at all bus stops in the City, at no additional cost. Subject to the availability of City funding, which may include grant funding, the City and Company will cooperate in good faith to convert bus stop containers to a type that can be serviced through automated collection.

### **7.2. City Events**

Company will provide collection services to City public events conducted in each Operating Year, at no additional cost. The list of City public events is set forth in Exhibit 4. The City and Company will determine the events for which service will be provided by mutual agreement, and the list of City facilities receiving free collection service will be updated annually at the beginning of each Operating Year through a memorandum of agreement entered into by the parties. This collection service may include placement of appropriate Solid Waste and recyclable materials containers on sidewalks and throughout events to accommodate disposal and recycling all Solid Waste and recyclables generated by the event. Company will provide and service all pedestrian cans, bins and/or roll-off boxes needed to collect, dispose, and recycle material collected at all City events. The City will provide booth space, at no charge, at City sponsored events to Company for promoting new programs/services.

**7.3. Illegal Dumping**

At the request of the City, Company will provide cleanup and disposal of illegally dumped materials left on public property (such as streets or alleys, parks or redevelopment areas), up to once each calendar month for a total of eight (8) hours, at no additional cost, on a schedule mutually agreed to by the City and Company. Hours will be mutually agreed upon between the Company and the City. This service is anticipated to be used to collect illegally dumped materials, but the City may use these eight (8) service hours per month for other City needs, if agreed to by Company. Notwithstanding the above, Company will not be responsible for cleaning up, handling, transporting, or disposing of any illegally dumped Hazardous Waste, Hazardous Substance, or Infectious Waste.

**7.4. Large Venue Recycling**

Company agrees to carry out all requirements on Public Resources Code Sections 42648 through 42648.7 (AB 2176) applicable to a Solid Waste enterprise, and to cooperate with City to facilitate compliance with these provisions by large event operators.

**7.5. E-Waste and White Goods**

Company will place a container at the City Public Works maintenance yard for the collection of e-waste at no additional cost, and will remove the container for the handling and processing of these materials on an as needed basis. In addition, Company will provide for handling and processing of white goods collected by City employees and stored at the City Public Works maintenance yard. Company will provide for a pick up of white goods following advance notice of at least one (1) week from the City, with a pick up occurring no more often than twice per Operating Year.

**7.6. "Lookin' Good Lancaster" Program**

Company will collect bulky items and non-recyclable Solid Waste up to four (4) times each Operating Year on days designated by the City Manager or City Agent for the "Lookin' Good Lancaster" residential cleanup program. Company will provide up to eight (8) bins for use on each cleanup day, with up to one (1) switch out of each container per day. Company will provide one (1) front-end loader collection truck for use on each cleanup day.

**7.7. Company Supplied Material**

Company shall provide, at no charge to the City, five hundred (500) cubic yards of wood chip or comparable material that is agreed upon and negotiated by both parties each Operating Year as directed by the City Agent.

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## 8. COLLECTION OPERATIONS

### 8.1. Schedules

#### 8.1.1. Collection Days, Times and Holidays

All collections from Residential Premises must occur between the hours of 6:00 a.m. and 8:00 p.m. All collections from Commercial Premises will occur in the same hours, except that commercial collection service may begin at 4:00 a.m. and end at 8:00 p.m. at Commercial Premises located more than six hundred (600) feet from any Residential Premises. Company must adjust the early morning start point of collection routes to address and minimize service complaints when warranted and as practicable. Residential collection will generally occur on Monday through Friday. Commercial collection is permitted Monday through Saturday. If the regularly scheduled collection day falls on a holiday, alternate collection will be performed on the following day, unless that day falls on Sunday. Alternative collection will then be performed on the following Monday.

#### 8.1.2. Inclement Weather

When weather conditions are such that continued operation would result in danger to the Company's staff, area residents, or property, Company shall collect only in those portions of the City that do not pose a danger. Company will promptly notify the City Agent by telephone when such conditions occur. Company will provide collection services from Customers with interrupted service on the next business day following the cessation of the weather condition, to the extent reasonably feasible.

#### 8.1.3. Change in Routing

The Company will review with the City its operation plan outlining the collection routes, intervals of collection, and collection times for all Solid Waste collected under this Agreement, upon thirty (30) days written notice by the City requesting such review, not more than twice in each Operating Year. If the plan is determined by the City to be inadequate in its reasonable judgment, the Company must modify its planned route by incorporating changes into a revised plan and reviewing that revised plan with the City within thirty (30) calendar days.



#### **8.1.4. Change in Collection Schedule**

The Company must notify the City forty-five (45) days prior to, and residential or Commercial Accounts not later than fourteen (14) days prior to, any change in collection operations that results in a change in the route map or a change in the day on which residential or commercial Solid Waste collection occurs. The Company shall not cause any Customer to be without service for more than seven (7) calendar days in connection with a collection schedule change. The City's approval of any change in the route map or collection schedule is required prior to such change. This approval shall not be unreasonably withheld. The Company may not substantially alter the collection schedule more often than once in any two (2) consecutive Operating Years.

#### **8.1.5. Disruption of Schedule Due to Construction**

The City reserves the right to construct any improvement or to permit any such construction in any street or alley in such manner as the City may direct, which may have the effect, for a time, of preventing Company from traveling the accustomed route or routes for collection. City and Company will cooperate and determine a plan by which Company can continue to perform collections.

### **8.2. Vehicles**

#### **8.2.1. General**

The Company must provide collection vehicles sufficient in number and capacity to perform efficiently the work required by this Agreement in strict accordance with its terms. The Company must have available on collection days at least one (1) auxiliary vehicle to respond to any and all complaints and emergencies. All vehicles must be in good condition and must be reasonably clean, without significant peeling paint or chipping, and painted in a standard color. The corporate logo must be clearly legible.

### 8.2.2. Specifications

Company must use vehicles that comply with applicable standards set under state local laws or regulation, including regulations set by the Air Resources Board or the Antelope Valley AQMD, as they may be amended from time to time. At no time during the term of this Agreement may Company use vehicles for the collection of Solid Waste in the City that are more than ten (10) years old. Use of any truck over 10 years will be pre-approved by the City. All vehicles used by the Company in providing Solid Waste collection services must be registered with the California Department of Motor Vehicles. All vehicles must have watertight bodies designed to minimize leakage, spillage, or overflow.

### 8.2.3. Vehicle Identification

The Company's name, local telephone number, and a unique vehicle identification number selected by the Company and approved by the City must be prominently displayed on all vehicles, in letters and numbers no less than three inches high. The Company will place the City's name or the City logo on ten (10) of the Company vehicles used to provide services under this Agreement.

### 8.2.4. Cleaning and Maintenance.

- 8.2.4.1. The Company must maintain all of its vehicles and equipment used in the City in a good, safe, neat, clean, and operable condition at all times.
- 8.2.4.2. Vehicles used in the collection of Solid Waste must be painted, thoroughly washed, and thoroughly steam cleaned on a regular basis so as to present a clean appearance. The City may inspect each vehicle once each Operating Year to determine compliance with this Agreement. The Company agrees to replace or repair, to the City's reasonable satisfaction, any vehicle that the City determines in its reasonable judgment to be of unsightly appearance, leaking, or in unsatisfactory operating condition.
- 8.2.4.3. The Company must repaint any vehicle used in the collection of Solid Waste within thirty (30) days following written notice from the City, if the City determines in its reasonable judgment that its appearance warrants repainting.

8.2.4.4. The Company must inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles that are not operating properly, or vehicles in such a condition as to be unsafe or excessively noisy, must be removed from service until repaired and operating properly. The Company must keep accurate records of all vehicle maintenance, recorded according to date and mileage (or hours of operation), and must make those records available to the City upon request.

8.2.4.5. The Company must repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown, or any other cause, so as to maintain all equipment in a safe and operable condition. The Company must maintain accurate records of repair, which will include the date and mileage (or hours of operation), nature of repair, and the verification by signature of a maintenance supervisor that the repair has been properly performed.

#### 8.2.5. Vehicle Operation.

8.2.5.1. Vehicles must be operated in compliance with the California Vehicle Code and all applicable local ordinances. The Company may not intentionally load vehicles in excess of limitations on vehicles imposed by state or local weight restrictions.

8.2.5.2. Equipment must comply with U.S. EPA noise emission regulations, currently codified at 40 CFR Part 205, and other applicable state noise control regulations.

8.2.5.3. Solid Waste shall be covered at all times except when it is being loaded or unloaded or when a vehicle is moving along the collection route.

#### **8.2.6. CHP Inspection Per Code**

The California Highway Patrol may cause any vehicle used in the performance of this Agreement to be inspected and tested at any commercially reasonable time and in such manner as may be appropriate to determine that the vehicle is being maintained in compliance with all applicable provisions of the State Vehicle Code, including all Vehicle Code sections regarding smog equipment requirements. The City Agent may direct the removal of any vehicle from service if that vehicle is found by the California Highway Patrol to be in nonconformance with applicable codes. No vehicle directed to be removed from service by the City may be returned to service until the California Highway Patrol has approved its return to service. Company will provide the City with a copy of the annual BIT inspection report within ten (10) days of receipt from CHP.

#### **8.3. Cart Specifications**

The Company will implement and complete a plan to have uniformly colored carts in use in all Residential Accounts receiving Cart Service. Carts for non-recyclable Solid Waste will be blue, carts for recyclable material will be green, and carts for Green Waste will be gray. As part of implementation, the Company may continue to use existing carts that use the correct color scheme and meet the design requirements set forth below, though the City may require that carts be removed from service due to appearance or function. Otherwise, the Company will provide Residential Accounts with new carts that have the correct color scheme and meet the design requirements set forth below.

##### **8.3.1. Cart Design Requirements**

The carts will be designed and manufactured in accordance with standard industry specifications before being placed in service by the Company.

##### **8.3.2. Cart Load Capacity**

Depending on cart size, carts shall have a minimum load capacity as noted below without distortion, damage, or reduction in maneuverability or any other functions as required herein.

Cart Size (Gallons)	Minimum Load Capacity (LBS)
60-70	130
90-101	200

### 8.3.3. Cart Durability

Carts shall remain durable, and at a minimum, will not warp, crack, rust, discolor, or otherwise deteriorate over time in a manner that will interfere with their intended use. Carts must be incapable of penetration by biting or clawing of household pets, and resist degradation by other airborne gases or particulate matter currently present in the ambient air of the City. Carts will also resist damage from common household or residential products and chemicals. The bottoms of cart bodies must remain impervious to any damage that would interfere with the cart's intended use after repeated contact with gravel, concrete, asphalt, or any other rough and abrasive surfaces.

### 8.3.4. Cart Stability

Carts shall be stable and self-balancing in the upright position, when either empty or loaded to its maximum design capacity with an evenly distributed load, and with the lid in either a closed or open position. Carts shall be capable of maintaining its upright position in sustained or gusting winds of up to 45 miles per hour as applied from any direction.

### 8.3.5. Lid Performance

Cart lid assemblies will prevent damage to the cart body, the lid itself, or any component parts through repeated opening and closing of the lid by residents or in the dumping process, and will be designed and constructed to minimize the risk of physical injury to the user while opening and closing the Container.

#### **8.3.6. Cart Markings**

Carts will be labeled or embossed with instructions for use, such as the types of materials to be placed in each color of cart, prohibited materials, and directions for placement at the curbside.

#### **8.4. Cart Maintenance and Replacement Responsibilities; Container Ownership**

The Company is responsible for cart repair and maintenance, graffiti removal, and replacing lost, stolen, or damaged carts within seven (7) business days from receipt of request, at no additional charge to the Customer or to the City. The Company may charge the Customer for repairing or replacing a cart if the damage is due to loss, negligence, or abuse by the Customer. In no event may this charge be greater than the Company's actual cost for replacement parts or a new cart and delivery. All containers provided by Company under this Agreement shall remain the property of Company at all times.

#### **8.5. Bin Specifications**

##### **8.5.1. General**

The Company will provide bin containers for collection of Solid Waste, and for the collection of recyclable material, as appropriate for individual residential or commercial Customers. The Company must maintain its bins in a clean and sound condition, free from putrescible residue. Bins must be equipped with reflectors to enhance visibility. Bins must be constructed of heavy metal, or other durable material, and must be water-resistant and well painted. Wheels, forklift slots, and other appurtenances, which are designed for movement, loading, or unloading of the bin, must be maintained in good repair. Repairs or graffiti removal requested by a Customer must be completed within five (5) business days of Company's receipt of the request. The Company may charge the Customer for repairing or replacing a bin if the damage is due to loss, negligence, or abuse by the Customer, including a delivery charge. Company must inspect, and if necessary, clean or replace each bin in service once each year at no charge. Company will perform cleaning or replacement of bins more frequently, if necessary, to prevent a nuisance caused by odors or vector harborage as determined by Company in its reasonable judgment. Customers may request additional cleanings or replacement of bins for other reasons. An additional fee for this service is established in Exhibit 1.

#### **8.5.2. Markings**

Each bin placed in the City by the Company must have the name and phone number of the Company in letters not less than three inches high on the exterior of the container so as to be visible when the container is placed for use. The Company must identify the bin or bins that are assigned to each Account using a method that is acceptable to the City. Bins will be labeled with instructions for use, such as the types of materials to be placed in the bin and list of prohibited materials.

#### **8.6. Roll-off Boxes Specifications**

The Company must provide clean roll-off boxes that are free from graffiti and equipped with reflectors. The Company must properly cover all open roll-off boxes during transport to the disposal site.

#### **8.7. Litter Abatement**

##### **8.7.1. Minimization of Spills**

The Company must use due care to prevent Solid Waste or fluids from leaking, or being spilled or scattered, during the collection or transportation process. If any Solid Waste or fluids leak, or are spilled during collection, the Company must promptly clean up those materials to the satisfaction of the City. Each collection vehicle must carry a broom and shovel at all times for this purpose. The Company may not, without the City's prior written consent, transfer loads from one (1) vehicle to another on any public street, unless it is necessary to do so because of mechanical failure, accidental damage to a vehicle, or a pre-approved method of Solid Waste transfer between vehicles.

##### **8.7.2. Clean Up**

During the collection or transportation process, the Company must clean up litter in the immediate vicinity of any Solid Waste storage or collection area, including commercial enclosures, whether or not the Company caused the litter. The Company may charge a cleanup fee for cleaning up litter where caused by the Customer, as set forth in Exhibit 1.

## **8.8. Personnel**

### **8.8.1. General**

The Company must furnish such qualified drivers, mechanical, supervisory, clerical, management, and other personnel as may be necessary to provide the services required by this Agreement in a satisfactory, safe, economical, and efficient manner. All drivers must be trained and qualified in the operation of vehicles they operate and must possess a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

**8.8.2.** The Company must establish and vigorously enforce an educational program to train the Company's employees in the identification of hazardous waste. The Company's employees must not knowingly place any hazardous waste in the collection vehicles, nor knowingly dispose of any hazardous waste at a processing facility or disposal site.

**8.8.3.** The Company must train its employees in Customer courtesy, prohibit the use of loud or profane language, and instruct collection crews to perform all work quietly. The Company must use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. If any employee is found to be discourteous or not to be performing services in the manner required by this Agreement, the Company will take all necessary corrective measures including, but not limited to, transfer, discipline, or termination. If the City has notified the Company of a complaint related to discourteous or improper behavior, the Company will consider reassigning the employee to duties not involving contact with the public in the City while the Company is pursuing its investigation and corrective actions.

**8.8.4.** The Company must provide suitable operations and health and safety training for all of its employees who use or operate equipment or who are otherwise directly involved in collection or related operations.

### **8.8.5. Identification Required**

The Company must provide its employees, subsidiaries, and subcontractors with identification for all individuals who may have personal contact with Residential Accounts in the City. The City may require the Company to notify Customers annually of the form of that identification. The Company must provide a list of current employees, subsidiaries, and subcontractors to the City Agent upon request.



**8.8.6. Fees and Gratuities**

The Company may not, nor may it permit any agent, employee, or subcontractor employed by it, to request, solicit, demand, or accept, either directly or indirectly, any compensation or gratuity for the collection, transportation, recycling, processing, or disposal of Solid Waste other than the service rate that is normally paid.

**8.8.7. Non-Discrimination**

The Company may not discriminate in the provision of service or the employment of persons engaged in the performance of this Agreement on Account of race, color, religion, sex, age, physical handicap, or medical condition in violation of any applicable federal or state law.

**8.8.8. Immigration and Nationality Act**

Company must verify the identity and employment eligibility of any person to be hired to perform services under this Agreement, which includes completing the Employment Eligibility Verification form (I-9). Company shall establish appropriate procedures and controls so no services under this Agreement will be performed by an business or individual that is not legally eligible to perform such service or employment by reason of nationality or immigration status.

**8.9. Coordination With Street Sweeping Services**

The City and the Company will cooperate in coordinating route schedules with the City's street sweeping schedule. Company must provide all routes and route schedules to the City Manager or designee and work with the City to resolve conflicts with street sweeping schedules. City may reject a request from Company to change routes or route schedules if, in the City's reasonable judgment, the change would result in a substantial increase in the City's cost of providing street sweeping services.

**8.10. Annual Route Audit**

Not more often than once each Operating Year, the Company will upon the written request of the City conduct an audit of its collection routes in the City, for Customers receiving Bin Service or roll-off service. The route audit will include the truck identity, number of accounts serviced, number and size of containers, billing and collection information, and the weight of the refuse delivered to the transfer station, MRF, transformation facility, or disposal site. In addition, the Company will note on the route audit what Accounts have key codes, Customer owned locks, and remote access devices. City will assist in the performance of the route audit by providing information, at no cost to City. Company will submit to City the results of the route audit within sixty (60) days of completion.

**8.11. Emergency Service**

Company will assist City in the event of major disaster, such as an earthquake, storm, riot, or civil disturbance by providing collection vehicles and drivers normally assigned to the City, at the rates provided in Exhibit 1.

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**9. POST-COLLECTION HANDLING, TRANSPORTATION, PROCESSING AND DISPOSAL REQUIREMENTS**

**9.1. End Uses for Green Waste**

Company will use reasonable efforts to divert from disposal Green Waste collected through curbside collection and through holiday tree collections. The Company will also use reasonable efforts to provide end uses for Green Waste that maximize diversion credits for the City in accordance with regulations established by the California Integrated Waste Management Board.

**9.2. Transportation of Solid Waste**

The Company must transport all Solid Waste collected to a permitted transfer station, MRF, transformation facility, or disposal site. The Company will use reasonable efforts to divert recyclable material and Green Waste from landfill disposal. The Company will maintain complete, accurate and up-to-date records of the quantities of Solid Waste transported to the transfer station, MRF, transformation facility, or disposal site and must cooperate with the City in any audits or investigations of those quantities.

**9.3. Disposal of Solid Waste**

Company will ensure that all non-recyclable Solid Waste collected is disposed of at a permitted disposal site.

**9.4. Construction and Demolition Waste Recycling.**

**9.4.1.** Company will make reasonable efforts to deliver construction and demolition waste collected by Company that is suitable for recycling to an alternate facility where it will be processed for reuse. The City and Company agree that the alternative facility to receive this material is the Downtown Diversion MRF in Los Angeles, California, but that the alternative facility may be changed upon mutual agreement of the City and Company. The initial rate for providing for collection and processing of construction and demolition debris is set forth in Exhibit 1.

**9.4.2.** Initial rate of C & D processing rate will be set at \$62.00 per ton which includes processing of C & D material and the handling and transfer to the designated site.

**9.5. Marketing and Sale of Recyclable Material**

The Company is responsible for the marketing and sale of all recyclable material collected under this Agreement. The Company has the sole right to retain all revenues received from the marketing and sale of recyclable material, including but not limited to, any funds received directly or indirectly from any state or local agency, such as the Department of Conservation recycling rebate.

**9.6. Diversion Guarantee**

Company agrees to assure that waste diversion meets the fifty percent (50%) diversion requirement established by the California Integrated Waste Management Board. Should the City not reach the AB 939 fifty percent (50%) diversion requirement for its entire waste stream, and if the City determines that the Company has not maximized diversion from the services and programs contemplated under this Agreement, the Company agrees, subject to Section 3.3, to implement programs and provide equipment necessary in order for the City to meet the fifty percent (50%) diversion requirement, at no additional cost to the City or Customers.

## **10. CUSTOMER BILLING AND PAYMENT**

### **10.1. Instructions for Collection**

Upon commencement of service at any new Account, or annually at the beginning of each Operating Year, Company shall distribute a list approved by the City of instructions to all Accounts describing the services provided by Company and the manner in which they will be conducted. At a minimum, the instruction shall include the information contained in Exhibit 5.

### **10.2. Service Description**

Company must annually, within fifteen (15) days prior to the effective date of a rate change, prepare and distribute, subject to the direction of the City, a notice to each Account setting forth the rates charged to the Customer, annual holiday schedule, recycling programs offered, and a general summary of services required to be provided under this Agreement and optional services that may be furnished by the Company. This notice shall be in a form that is subject to the approval of the City Manager or City Agent, prior to its distribution. The notice may be included with billings. The notice may also be included as part of the Company's public education plan.

### **10.3. Residential Billings**

The Company shall bill Residential Accounts on a quarterly basis, in advance, for Cart Service and Can Service provided under this Agreement. Bin service will be billed to Residential Accounts by the Company on a monthly basis. Company will bill temporary roll-off service to Residential Accounts upon the completion of service. Payment will be due within thirty (30) days from the date of billing.

### **10.4. Adjustments to Residential Billings.**

#### **10.4.1. Senior Discounts**

A senior discount will be provided to Residential Accounts receiving Cart Service or Can Service where the head of household is sixty-two (62) years of age or older. The City will establish procedures, to be implemented by the Company, whereby residents may apply annually, during the month of April, for the senior citizen discount during the next applicable Operating Year, including but not limited to, presentation of a driver's license or other documentation to verify age.

#### **10.4.2. Annual Prepayment**

Residential Accounts receiving Cart Service or Can Service will receive a discount of five percent (5%) from the annual amount due for service upon payment in full of the annual amount to prior to August 1 of each Operating Year.

#### **10.5. Commercial Billings**

Commercial Accounts receiving permanent Bin Service, permanent roll-off service, or Cart Service will be billed by Company on a monthly basis in arrears. Commercial Accounts receiving temporary bin or roll-off service will be billed by Company in arrears upon the completion of service. All new Commercial Accounts establishing service after the effective date will be charged an activation fee in the amount set forth in Exhibit 1. However, the activation fee will not apply to existing Commercial Accounts that move to a new business location within the City. Payment will be due within thirty (30) days from the date of billing.

#### **10.6. Account Delinquency**

Company will provide an Account with a notice of delinquency in the event of non-payment after forty-five (45) days from the date of a billing for Accounts receiving residential Cart Service or Can Service, and after thirty (30) days from the date of a billing for all other Accounts. If payment is not received within thirty (30) days from the date of the notice of delinquency, the Company may terminate collection service at the delinquent Account until payment in full has been received, including any accrued interest, payment of a reactivation fee in the amount set forth in Exhibit 1, and reimbursement of any NSF bank charges or other costs of collection. Company may charge interest on any delinquent Account at the maximum annual rate allowed by law for such time as the bill remains unpaid after its due date, and a late fee of \$3.00 per delinquent billing per Account. Company's billings shall contain statements advising Accounts of Company's right to charge interest on delinquent bills. Company will provide the City a list of delinquent Accounts upon written request.

## **11. CUSTOMER SERVICE AND EDUCATION**

### **11.1. Office Hours**

11.1.1. Company will establish and maintain a business office in the Antelope Valley to provide administrative services related to this Agreement. In addition, Company will provide a drop-off box at the Lancaster Landfill and Recycling Center to allow Customers to deposit payments. Office hours shall be, at a minimum, from 8:00 a.m. to 4:30 p.m., Monday through Friday, excluding holidays. A responsible and qualified representative of the Company must be available at the office during business hours for communication with the public. Normal office hour telephone numbers must be a toll-free call. The Company's telephone system must be adequate to handle the volume of calls typically experienced on the busiest days. Telephone calls will be answered within four (4) rings. Company will have sufficient personnel to respond to the anticipated number of calls from both English and Spanish speaking Customers. The Company must also maintain a toll-free telephone number for use during other than normal business hours. The Company must have a Customer service representative or a message service available at the after-hours telephone number. After-hours calls must be responded to on the next business day.

11.1.2. Company must provide the City Manager and City Agent with the phone number of a Company representative who may be reached twenty-four (24) hours a day, seven (7) days a week. In the event of a change in any contact numbers, the City will promptly be provided with an updated list.

### **11.2. Complaint Documentation and Resolution.**

#### **11.2.1. Complaint Documentation.**

11.2.1.1. All service complaints must be directed to the Company. Daily logs of complaints concerning collection of Solid Waste must be retained for a minimum of three (3) years after the end of each Operating Year and must be available to the City at all times upon written request.



- 11.2.1.2. The Company must log all complaints received by telephone. This log must include the date and time the complaint was received, name, address, and telephone number of caller, description of complaint, employee recording complaint, and the action taken by the Company to respond to and remedy complaint. All written Customer complaints and inquiries must be date-stamped when received. All complaints must be initially responded to within one (1) business day of receipt. The Company must log action taken by the Company to respond to and remedy all complaints.
- 11.2.1.3. All Customer service records and logs kept by the Company will be available to the City upon request. The City shall, at any time during regular Company business hours, have access to the Company's Customer service department for purposes that may include monitoring the quality of Customer service or researching Customer complaints.

#### **11.2.2. Complaint Resolution**

- 11.2.2.1. Disputes between the Company and its Customers regarding the services provided under this Agreement may be resolved by the City Manager or designee. The decision of the City Manager shall be final and binding.
- 11.2.2.2. Intervention by the City is not a condition precedent to any rights or remedies third parties might otherwise have in any dispute with Company. Nothing in this section is intended to affect the remedies of third parties against the Company.

#### **11.3. Government Liaison**

The Company will designate a "Government Liaison" who will be responsible for working with the City Agent to resolve Customer complaints.

#### **11.4. Education and Public Awareness**

##### **11.4.1. General**

Company acknowledges that education and public awareness are essential elements of efforts to achieve AB 939 requirements. Accordingly, the Company will implement a public education program to expand public and Customer awareness concerning the necessity for methods of reducing, reusing, and recycling Solid Waste. Company must cooperate fully with City in this regard. The detailed public education program is described in Exhibit 6. By May 1 of each Operating Year, Company will submit a revised public education program for the upcoming Operating Year, which will include an estimated budget, for review and approval by the City Manager or the City Agent.

##### **11.4.2. Community Events**

At the direction of the City Manager, the Company will participate in and promote recycling and other diversion techniques at community events and designated local activities. This participation would normally include providing educational information promoting the goals of the City's Solid Waste diversion and recycling program.

##### **11.4.3. Waste Generation/Characterization Studies**

The Company acknowledges that the City may be required periodically to perform Solid Waste generation and disposal characterization studies to comply with AB 939 or other waste diversion requirements. The Company agrees to participate in, and to cooperate with the City and its agents in the preparation of these studies, at no additional cost to the City. In addition, the Company agrees to prepare a new base year study on behalf of the City for submittal to the California Integrated Waste Management Board.

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## **12. RATES FOR SERVICES; RATE ADJUSTMENTS**

### **12.1. General**

- 12.1.1.** The compensation provided for in Exhibit 1 shall be the full compensation due to the Company under this Agreement for all labor, equipment, materials, supplies, taxes, insurance, bonds, overhead, disposal, transfer, profit and all other things necessary to perform all services required by this Agreement.
- 12.1.2.** The Company shall perform the duties described in this Agreement in consideration of the right to receive compensation for such services rendered at maximum rates set forth in Exhibit 1, as adjusted from time to time in accordance with this Agreement.

### **12.2. Service Rates**

The Company may charge residential or Commercial Accounts for services, including ancillary fees and charges, rendered from the effective date through June 30, 2007, at rates that do not exceed the rates set forth in Exhibit 1, unless otherwise provided for in a written amendment to this Agreement. Where Exhibit 1 does not provide a rate for additional services to Accounts, that rate will be determined by Company and Customer, with any disputes referred to the City Manager for resolution.

### **12.3. Rate Adjustments.**

#### **12.3.1. Residential Cart Service, Can Service and Bin Service Adjustments**

Beginning July 1, 2007, and on each July 1 thereafter, the rates for residential cart, bin, and can service, including ancillary fees and charges, shall be adjusted in accordance with the rate adjustment methodology set forth below. The Company shall submit to the City, within sixty (60) days of the effective date of the proposed adjustment, information in support of the adjustment. The City Manager or the City Agent shall review the information submitted by Company and approve the rate adjustment, if the information submitted is determined to be accurate. As an alternative, the City Manager may refer the proposed adjustment to the City Council for approval, in its reasonable judgment.

12.3.1.1. Rate Adjustment Methodology

The rates consist of the following components, with the following component weightings determined for purposes of the first rate adjustment. An example rate adjustment is provided in Exhibit 7 for the use of the parties.

Cost Category	Weighting	Rate Adjustment Index
Labor	22%	Average Hourly Compensation for a "Driver" under the Articles of Agreement between Waste Management of Lancaster and Teamsters Union Local No. 986 (1) as calculated per Exhibit 7 of this Agreement
Fuel (2)	8%	Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel
Equipment	14%	Producer Price Index, PCU3361203361201. Heavy duty truck mfg, trucks, tractors, and bus chassis, 14,001 to 33,000 lbs
Disposal	37%	Changes in the average gate rates posted at Lancaster, Chiquita Canyon, Sunshine Canyon and Puente Hills landfills (3)
All Other	19%	Change in Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers, (CPI-U) for the Los Angeles-Riverside-Orange CA - All Items
Total	100%	

(1) The existing Articles of Agreement expire November 20, 2007, and shall be replaced by subsequent agreements after that time.

(2) Note: If company replaces diesel-powered vehicles with natural gas vehicles, the fuel index may be changed to the Producer Price Index, WPU0531 not seasonally adjusted, Fuels and related product and power, Natural gas.

(3) Puente Hills and Chiquita Canyon landfills are expected to close during the term of the contract. Company and City Agent will determine alternate landfills upon closure. If City and Company cannot agree on an alternate landfill, then adjustments will be based on the average change in rates at the Lancaster and Sunshine Canyon landfills. The gate rate at the Puente Hills MRF will not be used to calculate the adjustments upon the closure of the Puente Hills landfill.

Step One - Calculate the percentage increase or decrease in each index. The increase or decrease in the indices (or Labor Rate) will be for the twelve (12) month period ending in the February prior to the July 1 anniversary date.

Step Two - Multiply the maximum allowed percentage changes for each rate adjustment component by that component's weighting and add the percentages together to get the total weighted change to the rates.

Step Three - Multiply the total weighted percent change in rates by the existing Customer rates to calculate the rate increase or decrease. Add the rate increase or decrease to the existing rates to derive the newly adjusted rates.

Step Four - Re-calculate weightings from the following year based upon these changes.

### 12.3.2. Commercial Cart Service and Bin Service Adjustments

Commercial cart and Bin Service rates will be frozen until July 1, 2008. Beginning July 1, 2008, and on each July 1 thereafter, the rates for providing commercial cart and Bin Service, including ancillary fees and charges, shall be adjusted in accordance with the rate adjustment methodology set forth below. The Company shall submit to the City, within sixty (60) days of the effective date of the proposed adjustment, information in support of the adjustment. The City Manager or the City Agent shall review the information submitted by Company and approve the rate adjustment, if the information submitted is determined to be accurate. As an alternative, the City Manager may refer the proposed adjustment to the City Council for approval, in its reasonable judgment.

12.3.2.1. Rate Adjustment Methodology

The rates consist of the following components, with the following component weightings determined for purposes of the first rate adjustment. An example rate adjustment is provided in Exhibit 7 for the use of the parties.

Cost Category	Weighting	Rate Adjustment Index
Labor	22%	Average Hourly Compensation for a "Driver" under the Articles of Agreement between Waste Management of Lancaster and Teamsters Union Local No. 986 (1) as calculated per Exhibit 7 of this Agreement
Fuel (2)	8%	Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel
Equipment	14%	Producer Price Index, PCU3361203361201. Heavy duty truck mfg, trucks, tractors, and bus chassis, 14,001 to 33,000 lbs
Disposal	37%	Changes in the average gate rates posted at Lancaster, Chiquita Canyon, Sunshine Canyon and Puente Hills landfills (3)
All Other	19%	Change in Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers, (CPI-U) for the Los Angeles-Riverside-Orange CA - All Items
Total	100%	

(1) The existing Articles of Agreement expire November 20, 2007, and shall be replaced by subsequent agreements after that time.

(2) Note: If company replaces diesel-powered vehicles with natural gas vehicles, the fuel index may be changed to the Producer Price Index, WPU0531 not seasonally adjusted, Fuels and related product and power, Natural gas.

(3) Puente Hills and Chiquita landfills are expected to close during the term of the contract. Company and City Agent will determine alternate landfills upon closure. If City and Company cannot agree on an alternate landfill, then adjustments will be based on the average change in rates at the Lancaster and Sunshine Canyon landfills. The gate rate at the Puente Hills MRF will not be used to calculate the adjustments upon the closure of the Puente Hills landfill.

Step One - Calculate the percentage increase or decrease in each index. The increase or decrease in the indices (or Labor Rate) will be for the twelve (12) month period ending in the February prior to the July 1 anniversary date.

Step Two - Multiply the maximum allowed percentage changes for each rate adjustment component by that component's weighting and add the percentages together to get the total weighted change to the rates.

Step Three - Multiply the total weighted percent change in rates by the existing Customer rates to calculate the rate increase or decrease. Add the rate increase or decrease to the existing rates to derive the newly adjusted rates.

Step Four - Re-calculate weightings from the following year based upon these changes.

### 12.3.3. Roll-off Service Adjustments

Beginning July 1, 2007, and on each July 1 thereafter, the rates for providing residential or commercial roll-off service, including ancillary fees and charges, shall be adjusted in accordance with the rate adjustment methodology set forth below. The Company shall submit to the City, within sixty (60) days of the effective date of the proposed adjustment, information in support of the adjustment. The City Manager or the City Agent shall review the information submitted by Company and approve the rate adjustment, if the information submitted is determined to be accurate. As an alternative, the City Manager may refer the proposed adjustment to the City Council for approval, in its reasonable judgment.



### 12.3.3.1. Rate Adjustment Methodology

The rates consist of the following components, with the following component weightings determined for purposes of the first rate adjustment. An example rate adjustment is provided in Exhibit 7 for the use of the parties.

*Disposal Charge* - The disposal charge will be adjusted by the change in the average gate rates posted at Lancaster, Chiquita Canyon, Sunshine Canyon, and Puente Hills landfills for the twelve-month period ending in the March prior to the July 1 anniversary date.

*Service Component* - The haul charge and special charges will be adjusted based on the calculated change in the service component.

Cost Category	Weighting	Rate Adjustment Index
Labor	44%	Average Hourly Compensation for a "Driver" under the Articles of Agreement between Waste Management of Lancaster and Teamsters Union Local No. 986 (1) as calculated per Exhibit 7 of this Agreement
Fuel (2)	8%	Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel
Equipment	10%	Producer Price Index, PCU3361203361201. Heavy duty truck mfg, trucks, tractors, and bus chassis, 14,001 to 33,000 lbs
All Other	38%	Change in Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers, (CPI-U) for the Los Angeles-Riverside-Orange CA - All Items
Total	100%	

(1) The existing Articles of Agreement expire November 20, 2007, and shall be replaced by subsequent agreements after that time.

(2) Note: If company replaces diesel-powered vehicles with natural gas vehicles, the fuel index may be changed to the Producer Price Index, WPU0531 not seasonally adjusted, Fuels and related products and power, Natural gas.

Step One - Calculate the percentage increase or decrease in each index. The increase or decrease in the indices (or Labor Rate) will be for the twelve (12) month period ending in the February prior to the July 1 anniversary date.

Step Two - Multiply the maximum allowed percentage changes for each rate adjustment component by that component's weighting and add the percentages together to get the total weighted change to the rates.

Step Three - Multiply the total weighted percent change in rates by the existing Customer rates to calculate the rate increase or decrease. Add the rate increase or decrease to the existing rates to derive the newly adjusted rates.

Step Four - Re-calculate weightings from the following year based upon these changes.

#### **12.3.4. C & D Disposal Rate Adjustment**

##### **12.3.4.1. Rate Adjustment Methodology**

The rates consist of the following components, with the following component weightings determined for purposes of the first rate adjustment. An example rate adjustment is provided in Exhibit 7 for the use of the parties.

*Disposal Charge* - The initial disposal rate of \$62.00 per ton is comprised of a \$44.00 per ton gate rate at Downtown Diversion and \$18.00 for the handling and transfer of the material to Downtown Diversion. The disposal component of \$44.00 will be adjusted by the percent change in the posted gate rates at Downtown Diversion. The handling and transfer component will be adjusted by the rate adjustment index as outlined in the service component.

*Service Component* - The haul charge and special charges will be adjusted based on the calculated change in the service component.

Cost Category	Weighting	Rate Adjustment Index
Labor	44%	Average Hourly Compensation for a "Driver" under the Articles of Agreement between Waste Management of Lancaster and Teamsters Union Local No. 986 (1) as calculated per Exhibit 7 of this Agreement
Fuel (2)	8%	Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel
Equipment	10%	Producer Price Index, PCU3361203361201. Heavy duty truck mfg, trucks, tractors, and bus chassis, 14,001 to 33,000 lbs
All Other	38%	Change in Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers, (CPI-U) for the Los Angeles-Riverside-Orange CA - All Items
Total	100%	

(1) The existing Articles of Agreement expire November 20, 2007, and shall be replaced by subsequent agreements after that time.

(2) Note: If company replaces diesel-powered vehicles with natural gas vehicles, the fuel index may be changed to the Producer Price Index, WPU0531 not seasonally adjusted, Fuels and related products and power, Natural gas.

Step One - Calculate the percentage increase or decrease in each index. The increase or decrease in the indices (or Labor Rate) will be for the twelve (12) month period ending in the February prior to the July 1 anniversary date.

Step Two - Multiply the maximum allowed percentage changes for each rate adjustment component by that component's weighting and add the percentages together to get the total weighted change to the rates.

Step Three - Multiply the total weighted percent change in rates by the existing Customer rates to calculate the rate increase or decrease. Add the rate increase or decrease to the existing rates to derive the newly adjusted rates.

Step Four - Re-calculate weightings from the following year based upon these changes.

**12.4. Extraordinary Adjustments.**

- 12.4.1.** Company may request an adjustment to the service rates at other times to provide for the reimbursement of increased costs of providing service under this Agreement. The Company may request only one (1) such adjustment during any Operating Year. "Unusual changes" may include changes in components of the disposal rate, changes in state or local government Solid Waste fees and charges, changes in the law, or changes in fuel prices. These changes do not include inaccurate estimates by the Company of its proposed cost of operations, or decreases in the commodity value of recyclable material. For each request, the Company must prepare a schedule documenting the extraordinary costs. The request will be prepared in a form acceptable to the City with support for all assumptions made by the Company in preparing the estimate. The City shall review the Company's request and, in the City's reasonable judgment, make the final determination on the appropriate amount of the adjustment, if any, within sixty (60) days of receipt of Company's request. A requested adjustment may not be denied in the case of changed or additional services requested by the City, additional reporting required by the City, any change in the ordinances of the City affecting the Company's operations, changes in state or local government Solid Waste fees, charges, or surcharges.
- 12.4.2.** If the Company requests a rate adjustment on the basis of unusual changes or extraordinary increases in the cost of doing business, the Company shall provide the City with reasonable documentation supporting its request.

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### **13. REVIEW OF COMPANY'S PERFORMANCE**

#### **13.1. Schedule**

On or prior to the end of the second (2nd) Operating Year following the effective date, and every two (2) years thereafter, the City Manager may review Company's performance hereunder.

#### **13.2. Notice**

If the City Manager determines that Company's performance is not in conformity with reasonable industry standards which prevail in similar cities in Southern California, the provisions of this Agreement, the requirements of Title 20, or the California Integrated Waste Management Act, including but not limited to, requirements applicable to the City for source reduction and recycling (to the extent attributable to the Company's breach of or noncompliance with an express obligation or requirement), or any other applicable federal, state, or local law or regulation, including but not limited to, the laws governing transfer, storage, or disposal of hazardous waste, the City Manager may advise Company in writing of such deficiencies.

#### **13.3. Response**

The Company shall submit a plan for correcting such deficiencies to the City Manager within fourteen (14) days of such notice and shall commence implementation of the plan within thirty (30) days of such notice and thereafter shall pursue the corrective actions with diligence to completion not later than sixty (60) days after the corrective actions are commenced. The City Manager may, at its option, grant reasonable extensions of such time to perform, if the City Manager finds that the deficiencies have not been corrected within the time specified, and shall so notify the company in writing. Such decision shall be final and binding on the Company. Failure of the Company to correct the deficiencies within the time specified, as extended, may result in the issuance of a notice of default in accordance with the requirements of Section 17.1.

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## **14. RECORDS, REPORTS AND INFORMATION REQUIREMENTS**

### **14.1. General.**

- 14.1.1.** Company must maintain the Accounting, statistical, and other records described in Section 14.2 to support requests it may make to the City and to respond to requests from the City regarding the performance of the Company's obligations under this Agreement. Upon the written direction of the City, the records and reports to be maintained and provided by the Company in accordance with this and other articles of this Agreement will be adjusted in number, format, or frequency at no costs to the City within reason.
- 14.1.2.** Adequate security must be maintained to protect records from events that can reasonably be anticipated, such as a fire, theft, or earthquake. Electronically maintained data and records must be protected and backed up. All records shall be maintained for five (5) years following the close of each Operating Year.
- 14.1.3.** The records of the Company shall be made available to the City during normal business hours. The City may review or use any of the records described in this section as reasonably required to verify the performance of Company's obligations under this Agreement.

### **14.2. Required Records**

Records relating to the following matters must be maintained by the Company:

- 14.2.1.** Customer services and billing.
- 14.2.2.** Routes, in a commercially available software format acceptable to the City.
- 14.2.3.** Facilities, equipment, and personnel.
- 14.2.4.** Complaints.
- 14.2.5.** Missed pick ups.
- 14.2.6.** Tons collected, processed, diverted, and disposed of by type of service, waste stream, and Customer.



**14.2.7.** Weight of each category of recyclable material recovered at a Materials Recovery Facility (MRF).

**14.2.8.** Bulky item collections.

**14.2.9.** Gross receipts and franchise fees.

**14.2.10.** Weight of non-recyclable Solid Waste delivered to a transformation facility.

**14.2.11.** Weight of non-recyclable Solid Waste delivered to a disposal facility.

### **14.3. Reports**

#### **14.3.1. Report Formats and Schedule**

Records must be maintained in a format that facilitates the use of data contained in them to structure reports, as needed, that can be used, among other things, to:

**14.3.1.1.** Evaluate past and current progress towards achieving AB 939 goals and objectives.

**14.3.1.2.** Determine the needs for adjustments to Solid Waste programs.

**14.3.1.3.** Evaluate Customer service and complaints.

**14.3.2.** The Company may propose report formats that are responsive to the objectives of each report. The format of each report requires approval by the City. The Company shall submit all reports on computer discs or by electronic means in a format that is compatible with the City's software and computers, at no additional charge, if requested by the City.

**14.3.3.** Quarterly reports must be submitted within forty-five (45) calendar days after the end of a calendar quarter. If requested, the Company's complaint summary, described in Section 11.2.1.1, shall be sent to the City Manager or designee within five (5) days of request. Annual reports must be submitted before January 31 following the reporting year.

All reports will be submitted to:

City Manager (or designated representative)  
City of Lancaster  
44933 N. Fern Avenue  
Lancaster, California 93534

#### **14.3.4. Quarterly Reports**

The following information is the minimum required to be reported quarterly. The information will be prepared in a format specified by the City:

- 14.3.4.1. Tons of Solid Waste collected by the Company for the previous quarter, sorted by type of Solid Waste (Solid Waste, recyclable material, Green Waste, construction, and demolition debris) and type of Account (residential, commercial, and roll-off), itemized by percentage of the total tonnage collected and the facilities where the tonnage was processed or disposed.
- 14.3.4.2. Number of Accounts billed by the Company and the number of Accounts participating in the recycling program.
- 14.3.4.3. Materials recovered. Statement showing kinds of recyclable material collected and the quantity sold (in tons).
- 14.3.4.4. Narrative summary of problems encountered (including scavenging) and actions taken with recommendations to the City, as appropriate.
- 14.3.4.5. Copies of promotional and public education materials sent during the preceding quarter.
- 14.3.4.6. Complaint summary for the quarter, on a computer disc, identifying the nature of complaints.
- 14.3.4.7. Other information or reports that the City may reasonably request.

#### **14.3.5. Annual Report**

The annual report shall essentially combine the information contained in the quarterly reports and shall also include:

14.3.5.1. A complete inventory of vehicles used to provide services, by manufacturer, ID number, date of acquisition, type, capacity, and age.

14.3.5.2. A list of all Accounts receiving Cart Service or Can Service, including service address, billing address, and service levels, (i.e., number of containers in service by type of service, size, and additional cart charges) and a list of all Accounts receiving Bin Service and roll-off service including service address, billing address, and service levels, (i.e. number and size of containers, type and frequency of service).

14.3.5.3. Disposal records.

#### **14.3.6. Adverse Information**

The Company must provide to the City two (2) copies of all pleadings, notifications, notices of violation, or other communications that materially and adversely affect the Company's performance of services under this Agreement, that are submitted by the Company to, or received by the Company from, the United States or California Environmental Protection Agency, the California Integrated Waste Management Board, or any other federal, state or local agency, including any federal or state court. Copies must be submitted to the City simultaneously with the Company's filing or submission of such matters to those agencies. The Company's routine correspondence to those agencies need not be submitted to the City, but must be made available to the City upon request.

#### **14.3.7. Right to Inspect Records; Annual Audit.**

14.3.7.1. The City has the right to inspect or review specific documents or records that are required to be maintained under this Agreement, and that the City, in its reasonable discretion, deems necessary to evaluate annual reports, rate adjustment applications, and the Company's performance of its obligations under this Agreement.

14.3.7.2. In addition to its right to conduct a performance review under Section 13, the City shall have the right to audit Company's records set forth below each Operating Year for purposes of evaluating Company's compliance with the terms and conditions of this Agreement. Company shall reimburse the City for out-of-pocket expenses in connection with such audit, for professional services not to exceed ten (10) hours each Operating Year.

## 15. INDEMNIFICATION, INSURANCE AND BONDS

### 15.1. Indemnification.

15.1.1. Company hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, commissions, officers, employees, and agents (individually and collectively, "indemnitees") from and against any and all loss, liability, penalty, forfeiture, claim, demand, action, proceeding or suit in law or equity of any and every kind and description (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) (individually or collectively, "claims") arising or resulting from and in any way connected with (1) the negligence or willful misconduct of Company, its officers, employees, agents, Companies and/or subcontractors in performing services under this Agreement; (2) the failure of Company, its officers, employees, agents, Companies and/or subcontractors to comply in all respects with the provisions of this Agreement, applicable laws (including, without limitation, the Environmental Laws), ordinances and regulations, and/or applicable permits and licenses; (3) the acts of Company, its officers, employees, agents, Companies and/or subcontractors in performing services under this Agreement for which strict liability is imposed by law (including, without limitation, the Environmental Laws). The foregoing indemnity shall not apply to the extent any claims arise or result from the active negligence, willful misconduct or violation of applicable law by any indemnitee. Company further agrees to and shall, upon demand of City, at Company's sole cost and expense, defend (with attorneys acceptable to City) City, its elected and appointed boards and commissions, officers, employees, and agents against any claims, actions, suits in law or equity or other proceedings, whether judicial, quasi-judicial or administrative in nature, arising or resulting from any of the aforementioned events, and to reimburse the City for reasonable costs and expenses City incurs in providing any such defense, either before, during or after the time Company elects to provide such defense, including any and all costs incurred in overseeing any defense to be provided herein by Company. The City may participate in or undertake the defense of any Claims with its own counsel, at its own expense.

15.1.2. Company, upon demand of the City, made by and through the City Attorney, shall protect City and appear in and defend the indemnitees in any claims or actions by third parties, whether judicial, administrative or otherwise, including, but not limited to disputes and litigation over the definitions of "Solid Waste" or "Recyclable Material," the scope of the rights granted herein, conflicts between the rights granted herein and rights asserted by other Persons, or the limits of City's authority with respect to the grant of licenses, or agreements, exclusive or otherwise, asserting rights under the Dormant Commerce Clause or any other federal or state laws to provide Solid Waste Handling Services in the City. The foregoing indemnity shall not apply to the extent any claims arise or result from the negligence, willful misconduct or violation of applicable law by any indemnitee.

15.1.3. The Company's duty to indemnify and defend against the above-referenced events arising during the term of this Agreement, and as it may be extended, shall survive the expiration or earlier termination of this Agreement.

## 15.2. Hazardous Substances Indemnification.

15.2.1. Company hereby agrees to and shall indemnify and hold harmless City and its past and present officers, council members, employees, consultants and agents (individually "indemnitees") harmless from and against any and all claims, actions, liabilities, damages, demands, judgments, losses, costs, liens, expenses, suits, actions, attorneys' fees, consultant fees, penalties and any and all other losses, damages, fees and expenses of whatever kind or nature ("claims") (including, but not limited, to response costs, investigative costs, assessment costs, monitoring costs, treatment costs, cleanup costs, removal costs, remediation costs, and similar costs, damages and expenses) that arise out of or are alleged to arise out of or in any way relate to any action, inaction or omission of Company that:

15.2.1.1. Results in any demand, claim, notice, order, or lawsuit, asserting that any indemnitee is liable, responsible or in anyway obligated to investigate, assess, monitor, study, test, treat, remove, remediate, or otherwise cleanup, any Hazardous Contaminant (as defined herein); or

15.2.1.2. Relates to material collected, transported, recycled, processed, treated or disposed of by Company.

15.2.2. Company's obligations pursuant to this Section shall apply, without limitation, to any claims brought pursuant to or based on the provisions of the Environmental Laws, including without limitation the Comprehensive

Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., the Carpenter-Presley-Tanner Hazardous Substances Account Act (California Health & Safety Code Sections 25300 et seq.), the California Hazardous Waste Control Laws (California Health and Safety Code Sections 25100 et seq.), the California Porter-Cologne Act (California Water Code Section 13000 et seq.), and any and all amendments and regulations thereto, and any other Federal, State, regional or local environmental statutory or regulatory provision;

- 15.2.3. The foregoing indemnity and defense obligations shall apply irrespective of the negligence or willful misconduct of Company or any Affiliate of Company. However, the foregoing indemnity shall not apply to the extent any claims arise or result from the negligence, willful misconduct of violation of applicable law by any indemnitee.
- 15.2.4. For purposes of this Agreement, the term "Hazardous Contaminant" shall mean any "hazardous material," as that term is defined under California Health & Safety Code Section 25501(o); any "hazardous substance," as that term is defined herein or under California Health & Safety Code Sections 25281(h), 25501(p), 25501.1 and under Title 42, Section 9601(14) of the United States Code; any "hazardous waste," as that term is defined herein and under Title 42, Section 6903(5) of the United States Code and under California Health & Safety Code Section 25501(q); any chemical which the Governor has identified as a chemical known to the State to cause cancer or reproductive toxicity pursuant to California Health & Safety Code Section 25249.8; any crude oil or refined or unrefined petroleum product or any fraction or derivative thereof; and any asbestos or asbestos-containing material. The term "Hazardous Contaminant" shall also include any and all amendments to the above-referenced statutory and regulatory provisions made before or after the date of execution of this Agreement.
- 15.2.5. The Company's duty to indemnify and defend against the above-referenced events arising during the term of this Agreement, and as it may be extended, shall survive the expiration or earlier termination of this Agreement.

**15.3. AB 939 Indemnification**

Subject to the requirements of Public Resources Code Section 40059.1, which shall control in the event of any conflict with the provisions of this section, the Company shall indemnify and hold harmless the City from and against all fines and penalties imposed by the California Integrated Waste Management Board if the source reduction and recycling goals, or any other requirements of AB 939, are not met by the City. The Company's indemnification of the City is subject to all of the following restrictions:

- 15.3.1. The Company's obligation to indemnify the City shall not be enforceable if the Board-imposed penalty is based solely upon the failure of the City to establish and maintain a source reduction and recycling element pursuant to Sections 41000 et seq. of the Public Resources Code.
- 15.3.2. No payment required under the Company's obligation to indemnify the City may exceed that portion of any penalty assessed by the Board against the City that was attributable to the Company's breach of or noncompliance with an express obligation or requirement. Further, the Company shall not be liable under the indemnity obligation to the extent that the Company's breach or noncompliance resulted from the City's action or failure to act, determined as a result of judicial review, hearing or appeal to the California Integrated Waste Management Board.

**15.4. Insurance**

Company may not commence performance under this Agreement until the following insurances are obtained by Company, and its sole cost and expense.

**15.4.1. Minimum Scope of Insurance**

Coverage must be at least as broad as:

- 15.4.1.1. The most recent editions of Insurance Services Office Commercial General Liability coverage ("Occurrence" form CG 0001).
- 15.4.1.2. The most recent editions of Insurance Services Office form number CA 0001 covering Automobile Liability, Code 1 "any auto," and endorsement CA 0025.
- 15.4.1.3. Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.

#### **15.4.2. Minimum Limits of Insurance**

The Company must maintain in force for the term of this Agreement limits no less than:

- 15.4.2.1. **General Liability:** Five Million Dollars (\$5,000,000.00) combined single limit, for bodily injury, personal injury, and property damage.
- 15.4.2.2. **Automobile Liability:** Five Million Dollars (\$5,000,000.00) combined single limit for bodily injury and property damage per occurrence providing coverage for at least any and all leased, owned, hired or non-owned vehicles used in any of the Company's activities pursuant to this Agreement. Any and all mobile equipment, which is not covered under the automotive liability policy, shall have coverage provided for under the general liability policy.
- 15.4.2.3. **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the Labor Code of the State of California, and Employers Liability limits of One Million Dollars (\$1,000,000.00) per accident.

#### **15.4.3. Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to the City. At the request of the City, the Company shall procure a bond, in an amount not to exceed \$250,000.00 guaranteeing payment of all losses and expenses of related investigations, claims administration, and defense in the amount of those deductibles or self-insured retentions.

#### **15.4.4. Other Insurance Provisions**

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

- 15.4.4.1. **General Liability and Automobile Liability Coverages -** The City and its officers and employees are to be named as additional insured as respects: liability arising out of activities performed by or on behalf of the Company; products and completed operations of the Company; premises owned, leased or used by the Company; and vehicles owned, leased, hired or borrowed by the Company. The coverage must contain no limitations on the scope of protection afforded to the City, its elective and appointive boards, commissions, officials, employees, agents or volunteers.



- 15.4.4.2. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the Indemnitees.
- 15.4.4.3. Coverage must state that the Company'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.
- 15.4.4.4. Workers' Compensation and Employers Liability Coverage - The insurer must agree to waive all rights of subrogation against the Indemnitees for losses arising from work performed by the Company for the City.
- 15.4.4.5. All Coverages - Each insurance policy required by this section must be endorsed to state that coverage will not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after 30 days' prior written notice by certified mail, return receipt requested, has been given to the City.

**15.4.5. Acceptability of Insurers**

The insurance policies required by this section must be issued by an insurance company or companies authorized to do business in the State of California and with a rating in the most recent edition of Best's Insurance Guide of category VII or larger, and a rating classification of A- or better.

**15.4.6. Verification of Coverage**

The Company must furnish the City with certificates of insurance and with original endorsements effecting coverage required by this section. The certificates and endorsements 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 on forms provided by or acceptable to the City and are to be received and approved by the City before work commences. Renewal certificates will be furnished periodically to the City to demonstrate maintenance of the required coverage throughout the term.

**15.4.7. Companies and Subcontractors**

The Company must include all other companies and subcontractors performing activities in the City as insured's under its policies or furnish separate certificates and endorsements for such other company and subcontractor. All coverage's for companies and subcontractors performing activities in the City will be subject to all of the requirements stated in this section.

**15.4.8. Required Endorsements**

15.4.8.1. The Workers' Compensation policy must contain an endorsement in substantially the following form:

"Thirty days prior written notice by certified mail, return receipt requested, will be given to the City in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:"

City Manager  
City of Lancaster  
44933 N. Fern Avenue  
Lancaster, California 93534

15.4.8.2. The General Liability policy must contain endorsements in substantially the following form:

"Thirty days prior written notice will be given to the City in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice will be sent to:"

City Manager  
City of Lancaster  
44933 N. Fern Avenue  
Lancaster, California 93534

**15.4.9. Additional Insured**

The City, its officers, elective and appointive boards, commissions, employees, and agents are additional insured's on this policy.

- 15.4.9.1. This policy will be considered primary insurance as respects any other valid and collectible insurance maintained by the City, including any self-insured retention or program of self-insurance, and any other such insurance will be considered excess insurance only.
- 15.4.9.2. Inclusion of the City as an insured will not affect the City's rights as respects any claim, demand, suit or judgment brought or recovered against the Company. This policy will protect the Company and the City in the same manner as though a separate policy had been issued to each, but this will not operate to increase the Company's liability as set forth in the policy beyond the amount shown or to which the Company would have been liable if only one (1) party had been named as an insured.

**15.5. Faithful Performance Bond**

- 15.5.1. Within fifteen (15) days after the effective date, the Company must provide to the City a faithful performance bond ("Performance Bond") in the amount of One Million Dollars (\$1,000,000.00) for the protection of the City. The Performance Bond must be on terms acceptable to the City Manager and the City Attorney and in substantially the form attached as Exhibit 7 to this Agreement. The Performance Bond shall serve as security for the faithful performance by Company of all of its obligations under this Agreement.
- 15.5.2. Upon Company's failure to pay the City any amount owing under this Agreement, the Performance Bond may be assessed by the City for purposes including, but not limited to:
- 15.5.3. Reimbursement of costs borne by the City to correct violations of the Agreement not corrected by Company, after City provides notice in accordance with Section 16.3.
- 15.5.4. To provide monetary remedies or to satisfy damages assessed against the Company due to a material breach of this Agreement.

- 15.5.5. Company must deposit a sum of money or a replacement instrument sufficient to restore the Performance Bond to its original amount within thirty (30) days after notice from the City that any amount has been withdrawn from the Performance Bond. Failure to restore the Performance Bond to its full amount within thirty (30) days will constitute a material breach of contract. Company will be relieved of the foregoing requirement to replenish the Performance Bond during the pendency of an appeal from the City's decision to draw on the Performance Bond.
- 15.5.6. If the Performance Bond is drawn upon, all of City's costs of collection and enforcement of the provisions relating to the Performance Bond called for by this section, including reasonable attorneys' fees and costs, will be paid by Company.
- 15.5.7. Any decision or order of City under this section may be appealed by Company through the dispute resolution procedures provided by Section 17.2 of this Agreement.

**15.6. Pavement Damage**

Company is responsible for damage to City's driving surfaces, whether paved or not paved, beyond normal wear and tear, caused by the Company's vehicles. Company understands that performance under this Agreement may involve the operation of its collection vehicles over private roads and streets. Disputes between Company and its Customers as to damage to private pavement are civil matters, and complaints of damage received by the City will be referred to Company as a matter within the scope of Section 11.2. The Company will obtain permission to enter upon private streets within the City.

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## **16. CITY'S RIGHT TO PERFORM SERVICE**

### **16.1. Public Health and Safety**

In addition to all other rights and remedies of the City under this Agreement, at law or in equity, if the Company, for any reason whatsoever, fails, refuses, or is unable to collect, recycle, process, transport, or dispose of any Solid Waste as required by this Agreement, at the time and in the manner provided, for a period of more than forty-eight (48) hours, and if, as a result, Solid Waste accumulates in the City in a manner that endangers the public health, safety, or welfare, then the City has the right, upon twenty-four (24) hours telephonic notice to the Company followed up by written notice within forty-eight (48) hours thereafter, and during the period of such emergency as determined by the City to execute contracts with persons or entities other than Company for Solid Waste collection services within the City for the duration of such emergency condition, or to undertake the performance of services. Where the City elects to perform these services, or hire a subcontractor to do so, Company shall make available to the City the equipment and property required to perform the services. Upon the request of City, Company will keep such equipment and property in good repair and condition all of, provide all motor vehicles with fuel, oil and other service, and provide such other service as may be necessary to maintain such equipment and property in operational condition. City agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession, but shall not be liable to Company for equipment damage except where arising from the active negligence, willful misconduct, or violation of applicable law by the City, or its employees, agents or subcontractors.

### **16.2. Notice**

Notice of the Company's failure, refusal or neglect to collect, transport and properly dispose of or process Solid Waste may be given verbally by telephone to the Company at its principal office and will be effective immediately. Written confirmation of such verbal notification must be sent to the Company within twenty-four (24) hours.

### **16.3. Reimbursement**

Unless the interruption or discontinuance in service arises by reason of an event of force majeure as described in Section 17.7 (but not including lockout, strike or labor unrest by or directed at Company, as the case may be), the Company shall reimburse the City for the reasonable costs of providing alternative service during the period of the emergency condition.

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## **17. DEFAULT, REMEDIES AND LIQUIDATED DAMAGES**

### **17.1. Notice of Deficiencies; Response**

If the City Manager determines that the performance of Company is in material breach of the terms and conditions of this Agreement, the City Manager shall notify Company in writing of those deficiencies, specifying the deficiency in reasonable detail. The City Manager, in any written notification of deficiencies, will set a reasonable time within which Company must respond. Unless the circumstances necessitate correction and response within a shorter period of time, Company will respond to the written notification of deficiencies within thirty (30) days from its receipt of the written notice. Company may request additional time to correct deficiencies. The City Manager will approve requests for additional time where Company cannot reasonably correct or remedy the breach within the time set forth in such notice, if the Company commences to correct or remedy such violation within the time specified in such notice and thereafter diligently effects such correction or remedy.

### **17.2. Review by City Manager: City Council Appeal**

#### **17.2.1. Authority**

The City Manager shall review any written response from Company and decide the matter. If the City Manager's decision is adverse to Company, the City Manager may order remedial actions to cure any deficiencies, assess the bond referred to in Section 15.5, or invoke any other remedy in accordance with this Agreement. If the City Manager determines that there has been a material breach and that termination is the appropriate remedy, then the City Manager may recommend to the City Council that this Agreement be terminated. The City Manager must promptly inform Company of his or her decision. If the decision is adverse to Company, the City Manager must inform Company, in writing, of the specific facts found and evidence relied upon, the legal basis for the City Manager's decision, and any remedial action taken or ordered. An adverse decision by the City Manager will be final and binding on Company unless Company files a "Notice of Appeal" with the City Clerk (with copies to the City Manager and City Attorney) within thirty (30) days of receipt of the City Manager's notification of the adverse decision.



### 17.2.2. Notice of Appeal

In any "Notice of Appeal," Company must state its factual contentions and include any relevant affidavits, documents, photographs, or videotapes that Company may choose to submit. In addition, Company must include its legal contentions, citing provisions of the Agreement or applicable law to support those contentions.

### 17.2.3. City Council Hearing

If a matter is referred by the City Manager to the City Council, or an adverse decision of the City Manager is appealed to the City Council by Company, the City Council shall set the matter for an administrative hearing and act on the matter. If the City Council elects to hear the matter, the City Clerk must give Company ten (10) days written notice of the time and place of the administrative hearing. At the hearing, the City Council shall consider the administrative record, consisting of the following:

- 17.2.3.1. A staff report from the City Manager, summarizing the proceedings to date and outlining the City Council's options.
- 17.2.3.2. The City Manager's written notification of deficiencies.
- 17.2.3.3. Company's response to the notification of deficiencies.
- 17.2.3.4. The City Manager's written notification to Company of adverse decision.
- 17.2.3.5. Company's "Notice of Appeal to the City Council".
- 17.2.3.6. Testimony given at the public hearing.

#### **17.2.4. City Council Determination**

Based on the administrative record, the City Council shall determine by formal action whether the decision or order of the City Manager should be upheld, including any recommended termination of the Agreement. If, based upon the administrative record, the City Council determines that the Company's performance is in material breach of any term of this Agreement, or violates any provision of any applicable federal, state, or local statute or regulation, the City Council, in the exercise of its sole discretion, may order Company to take remedial actions to cure the breach or impose any other remedy in accordance with this Agreement. The City Council may not terminate this Agreement unless it determines that Company is in material breach of a material breach of the terms and conditions of this Agreement, or a provision of any applicable federal, state, or local statute or regulation. Company's performance under this Agreement is not excused during the period of time prior to a final determination as to whether Company's performance is in material breach of this Agreement, or during the period of time set by City for Company to discontinue all or a portion of its service under this Agreement. The decision or order of the City Council shall be final and binding.

#### **17.3. Examples of Material Breaches by Company**

For purposes of this Section, the following shall be considered a breach of a material terms and conditions of this Agreement by Company:

##### **17.3.1. Fraud or Deceit or Misrepresentation**

If the Company engages in, or attempts to practice, any fraud or deceit upon the City or makes a material misrepresentation to the City regarding material information.

##### **17.3.2. Insolvency or Bankruptcy**

If the Company becomes insolvent, unable or unwilling to pay its debts, files a bankruptcy petition, or takes steps to liquidate its assets.

##### **17.3.3. Failure to Maintain Coverage**

If the Company fails to provide or maintain in full force and affect the insurance coverage required by this Agreement.

**17.3.4. Violation of Regulations**

If the Company violates any orders of any regulatory body having jurisdiction over the Company or City that have a material impact on the Company's performance under this Agreement; provided that the Company may contest any such orders by appropriate proceedings conducted in good faith, in which case no breach of this Agreement will be deemed to have occurred until a final decision adverse to the Company is entered.

**17.3.5. Failure to Perform**

If the Company ceases to provide collection, processing, or recycling services as required under this Agreement over all or a substantial portion of the City for a period of seventy-two (72) consecutive hours or more, except where arising from an event of force majeure as described in Section 17.7.

**17.3.6. Failure to Pay**

If the Company fails to make any payments required under this Agreement or refuses to provide to the City, within ten (10) days of due date, required information, reports, or records in a timely manner.

**17.3.7. Attachment**

There is a seizure of, attachment of, or levy on, the operating equipment of the Company, including without limitation its equipment, maintenance or office facilities, or any part thereof.

**17.3.8. Failure to Provide Assurance of Performance**

If the Company fails to provide reasonable assurances of performance as required under Section 17.8.

**17.3.9. Felonious Conduct**

If the Company, or any of its officers or directors, is found guilty of felonious conduct related to the performance of this Agreement, or of felonious conduct related to anti-trust activities, illegal transport or disposal of hazardous or toxic materials, or bribery of public officials related to the performance of this Agreement.

#### **17.4. Cumulative Rights.**

##### **17.4.1. Termination**

The City's right to terminate this Agreement is not exclusive, and the City's termination of this Agreement shall not constitute an election of remedies. This right is in addition to all other legal and equitable rights and remedies that the City may have.

##### **17.4.2. Remedy**

Because of the necessity for timely, continuous and high-quality service, the time required to effect alternative service, and the exclusive rights granted by the City to the Company, the remedy of monetary damages for a material breach of this Agreement by the Company may be inadequate, and the City may be entitled to obtain injunctive relief.

#### **17.5. Other Rights of the Parties**

Except for the procedures set forth in Sections 17.1 relating to alleged breach or non-performance by the Company, nothing in this Agreement shall be construed to limit the rights of the City or the Company available under law or equity.

#### **17.6. Liquidated Damages**

##### **17.6.1. General**

The parties agree that, as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages that would be incurred by the City as a result of a material breach by the Company of its obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (a) substantial damage results to members of the public who are denied service or are denied quality or reliable service; (b) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity that are incapable of measurement in precise monetary terms; (c) the services provided under this Agreement might be available at substantially lower costs than alternative service, and the monetary loss resulting from denial of service or from denial of quality or reliable service is impossible to calculate in precise monetary terms; and (d) the termination of

this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies that make the public whole for past breaches.

**17.6.2. Service Performance Standards; Liquidated Damages for Failure to Meet Standards**

The parties further acknowledge that consistent, reliable Solid Waste collection service is of utmost importance to the City and that the City has considered and relied on the Company's representations as to its quality of service commitment in awarding the franchise. The parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The parties further recognize that if the Company fails to achieve the performance standards, or fails to submit required documents in a timely manner, except where arising from an event of force majeure as described in Section 17.7, the City and its residents will suffer damages and that it will be impractical and extremely difficult to determine the exact amount of damages that the City will suffer. Therefore, without prejudice to the City's right to treat such non-performance as an event of default under this Section 17, the parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the City that reasonably could be anticipated, and the anticipation that proof of actual damages would be costly or impractical. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and to obtain an explanation of these liquidated damage provisions prior to the execution of this Agreement.

Company  
Initial Here           *DM*          

City  
Initial Here           *BR*                     *ed*          

The Company agrees to pay as liquidated damages, and not as a penalty, the amounts set forth below:

### **17.6.3. Collection Reliability**

- 17.6.3.1. For each failure to deliver service carts to a new Account within five (5) working days after order, which exceeds three (3) such failures annually: \$100.00
- 17.6.3.2. For each failure to collect Solid Waste, which has been properly set out for collection, from an established Account or Accounts, on the scheduled collection day and not collected by the end of the next business day, which exceeds fifteen (15) such failures annually: \$25.00 per occurrence per Account

### **17.6.4. Collection Quality**

- 17.6.4.1. For each failure to clean up Solid Waste spilled from Solid Waste containers (except where caused by overloading or tipping/spilling by the Customer) that exceeds ten (10) such failures annually: \$100.00
- 17.6.4.2. For each occurrence of collecting Solid Waste during unauthorized hours that exceeds five (5) such occurrences annually: \$100.00
- 17.6.4.3. For failure to meet vehicle requirements such as leaks, cleanliness, requirement to carry fire extinguisher, or maximum age limits that exceeds ten (10) such failures annually: \$100.00 for each occurrence or daily usage, as the case may be

### **17.6.5. Customer Responsiveness**

- 17.6.5.1. For each failure to initially respond to a Customer complaint within one (1) business day: \$100.00
- 17.6.5.2. For each failure to process Customer complaints to the City as required by Section 11.2: \$100.00
- 17.6.5.3. For each failure to promptly accept any Customer call due to the lack of adequate staff fluent in English and Spanish that exceeds ten (10) such occurrences annually: \$100.00

17.6.5.4. For each failure to remove graffiti from containers, or to replace with containers bearing no graffiti, within five (5) business days of receipt of request from City or Customers: \$100.00

**17.6.6. Timeliness of Submissions to the City**

Any report shall be considered late until such time as the City receives a correct and complete report. For each calendar day a report is late, the daily liquidated damage amount shall be:

17.6.6.1. Quarterly Reports: \$100.00 per day

17.6.6.2. Annual Reports: \$100.00 per day

17.6.6.3. For failure to respond to a letter from the City regarding a performance matter within five (5) working days: \$300.00 per day

**17.6.7. Cooperation with Service Provider Transition**

For each day routing information requested by City is received after City-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service: \$1,000.00 per day

**17.6.8. General Contract Adherence**

For each day that Company fails to provide services required under the Agreement, or comply with terms of the Agreement, five (5) business days after receipt of written notification from City that such services are not being provided or terms are not being met: \$300.00 per day

17.6.8.1. Liquidated damages shall only be assessed after the Company has been given notice and opportunity to cure as provided in Section 17.1, but has failed to rectify the deficiencies of which it has been notified. The notice shall include a brief description of the incident or the event of non-performance. The Company may review (and make copies at its own expense) all non-confidential information in the City's possession relating to the incident or the event of non-performance. The Company may, within ten (10) days after receiving the notice, request a meeting with the City Manager or the City Manager's designee. The Company may present evidence in writing and through testimony of its employees and others relevant to the incident or the event of non-performance. The City Manager shall provide the Company with a written explanation of the determination on each incident or event of

non-performance prior to authorizing the assessment of liquidated damages. The decision of the City Manager shall be final. Notwithstanding any provision of law to the contrary, the City has the affirmative duty to undertake reasonable measures to mitigate the amount of liquidated damages asserted or collected.

**17.6.9. Amount**

The City may assess liquidated damages for each calendar day or each event, as appropriate, that the Company is determined to be liable.

**17.6.10. Timing of Payment**

The Company must pay any liquidated damages assessed by the City within ten (10) days after they are assessed. If assessed damages are not paid within the ten-day period, the City may proceed against the performance bond or exercise any other right or remedy available to City under this Agreement or at law or in equity, or any combination of these remedies.

**17.7. Excuse from Performance; Force Majeure**

**17.7.1.** If either party is prevented from or delayed in performing its duties under this Agreement by circumstances beyond its control, whether or not foreseeable, including, without limitation, acts of terrorism, acts of God, landslides, lightning, forest fires, storms, floods, severe weather, freezing, earthquakes, other natural disasters, the threat of such natural disasters, pandemics, 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, and whether foreseeable or unforeseeable, that are not reasonably within the control of Company, then the affected party shall be excused from performance hereunder during the period of such disability.

**17.7.2.** The Party claiming excuse from performance shall promptly notify the other party when it learns of the existence of such cause and when such cause has terminated.

**17.7.3.** The interruption or discontinuance of services by a party caused by circumstances outside of its control shall not constitute a default under this Agreement.



**17.8. Assurance of Performance**

The City may, at its option and in addition to all other remedies it may have, demand from the Company reasonable assurances of timely and proper performance of this Agreement, in such form as the City may require. If the Company fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by the City, such failure or refusal will be an event of default.

## **18. OTHER AGREEMENTS OF THE PARTIES**

### **18.1. Relationship of Parties**

The parties intend that the Company shall perform the services required by this Agreement as an independent contractor engaged by the City and not as an officer or employee of the City, nor as a partner of or joint venture with the City. No employee or agent of the Company shall be deemed to be an employee or agent of the City. Except as expressly provided herein, the Company shall have exclusive control over the manner and means of conducting the Solid Waste collection services performed under this Agreement, and over all persons performing those services. The Company is solely responsible for the acts and omissions of its officers, employees, subsidiaries, subcontractors, Affiliates and agents. Neither the Company nor its officers, employees, subsidiaries, subcontractors, Affiliates and agents will obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits that accrue to City employees by virtue of their employment with the City.

### **18.2. Compliance with Law**

In providing the services required under this Agreement, the Company must at all times, at its sole cost, materially comply with all applicable laws and regulations of the United States, the State of California, and local agencies. The City must materially comply with all applicable law and applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, that are now in force and as they may be enacted or amended during the term of this Agreement.

### **18.3. Governing Law**

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

### **18.4. Jurisdiction**

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

**18.5. Assignment.**

- 18.5.1.** Except as provided for in Section 16, neither party may assign its rights, nor delegate, subcontract or otherwise transfer its obligations under this Agreement, to any other person without the prior written consent of the other party. Any such assignment made without the consent of the other party is void, and the attempted assignment will constitute a material breach of this Agreement.
- 18.5.2.** For purposes of this section and when used in reference to the Company, "assignment" includes, but is not limited to (a) a sale, exchange or other transfer to a third party of substantially all of the Company's assets dedicated to service under this Agreement; (b) a sale, exchange, or other transfer of fifty percent (50%) or more of the outstanding common stock of the Company to a third party; (c) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation, or other transaction that results in a change of ownership or control of the Company; (d) any assignment by operation of law, including insolvency or bankruptcy, an assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of the Company's property, or transfer occurring in the event of a probate proceeding; and (e) any combination of the foregoing (whether or not in related or contemporaneous transactions) that has the effect of a transfer or change of ownership, or change of control of the Company.
- 18.5.3.** City's approval of a requested assignment may be granted or denied in the City's sole discretion, but shall not be unreasonably withheld in the event of an assignment to an Affiliate of Company. In the event of an approved assignment, the assignee shall become responsible to the City for the satisfactory performance of the work assumed. The City may condition approval upon the delivery by the assignee of its covenant to fully and faithfully complete the work or responsibility undertaken. In addition, to the extent appropriate, the assignee shall sign a separate statement agreeing to abide by all terms and conditions of this Agreement.
- 18.5.4.** Company shall pay the City's reasonable costs and expenses, including attorney's fees and consultant's fees, incurred in reviewing any request by Company to assign its duties hereunder.

**18.5.5.** Under no circumstances shall the City be obligated to consider any proposed assignment if the Company is in material default at any time during the period of consideration.

**18.6. Contracting or Subcontracting**

The Company must not engage any subcontractors for the collection, handling, transportation or processing of Solid Waste without the prior written consent of the City Manager, which approval shall not be withheld unreasonably.

**18.7. Binding on Assigns**

The provisions of this Agreement will inure to the benefit of and be binding on the permitted assigns of the parties.

**18.8. Parties in Interest**

Nothing in this Agreement, whether express or implied, is intended to confer any rights on any persons other than the parties to it and their representatives, successors, and permitted assigns.

**18.9. Waiver**

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

**18.10. Notice**

**18.10.1.** All notices, demands, requests, proposals, approvals, consents and other communications that this Agreement requires, authorizes, or contemplates must be in writing and must either be personally delivered to a representative of the party at the address set forth below, sent by overnight delivery service, or be deposited in the United States mail, first class postage prepaid, addressed as follows:

If to the City:

City Manager  
City of Lancaster  
44933 N. Fern Avenue  
Lancaster California 93534

If to the Company:

Vice President/Director of Operations  
Los Angeles Market Area  
9081 Tujunga Avenue  
Sun Valley, California 91352

**18.10.2.** The address to which communications may be delivered may be changed from time to time by a written notice given in accordance with this section.

**18.10.3.** Notice will be deemed given on the day it is personally delivered or, one (1) day after delivery to an overnight delivery service or, if mailed, three (3) days from the date it is deposited in the mail.

**18.11. Privacy**

The Company must strictly observe and protect the rights of privacy of Customers. Information identifying individual Customers, or the contents of a Customer's waste stream, must not be revealed to any person, governmental unit, or private entity unless directed by a court of law, by statute, or upon authorization of the Customer. This provision shall not be construed to preclude the Company from preparing, participating in, or assisting in the preparation of waste characterization studies or waste stream analyses that may be required by AB 939. This provision does not apply to reports or records provided to City under this Agreement so long as City maintains reports or records with Customer identification as confidential information in accordance with this section.

**18.12. Proprietary Information; Public Records**

The City acknowledges that certain records and reports of the Company are proprietary and confidential. Where required by this Agreement, the Company is obligated to permit the City to inspect its records on demand and to provide copies to the City when requested. The City will endeavor to maintain the confidentiality of all proprietary information provided by the Company.

**18.13. Attorney's Fees**

In any action or proceeding to enforce or interpret any of the terms of this Agreement, the prevailing party is entitled to an award of attorney's fees in the amount reasonably incurred in the prosecution or defense of that action. The term "prevailing party" means the party entitled to recover costs of suit, upon the conclusion of the matter, in accordance with the laws of the State of California.

**18.14. Cooperation in Preparation for Termination or Expiration of Contract.**

**18.14.1.** Prior to, and at, the end of the Term or in the event this Agreement is terminated for cause prior to the end of the Term, Company shall cooperate fully with City and any new service provider it designates to assure a smooth transition of services. Company's cooperation shall include, but not be limited to, providing route lists, billing information and other operating records needed to service all Accounts covered by this Agreement.

**18.14.2.** Company shall provide the new service provider with all keys, security codes and remote controls used to access garages and bin enclosures. Company shall be responsible for coordinating transfer immediately after Company's final pickups, so as not to disrupt service. Company shall provide City with an updated route audit, complete with service names and addresses, billing names and billing addresses, monthly rate and service levels (container number and sizes and collection days per week) at least ninety (90) days prior to the transition date, and provide an updated list two (2) weeks before the transition and a final list of changes the day before the transition. Company shall provide means of access to the new service provider at least one (1) full business day prior to the first day of collection by the new service provider, and always within sufficient time so as not to impede in any way the new service provider from easily servicing all Containers.

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## **19. MISCELLANEOUS PROVISIONS**

### **19.1. Entire Agreement**

This Agreement, including the exhibits, constitutes the entire agreement between the parties with respect to the matters covered. No verbal agreement or understanding with any officer, agent, or employee of the City, either before, during, or after the execution of this Agreement, will affect or modify any of the obligations herein contained, nor will any such verbal agreement or understanding entitle the Company to any additional payment under the terms of this Agreement.

### **19.2. Section Headings**

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

### **19.3. References to Laws and Other Agreements**

All references in this Agreement to laws will be understood to include existing laws as they may be subsequently amended or recodified, unless otherwise specifically provided. This Agreement supersedes all agreements previously entered into by the parties.

### **19.4. Interpretation**

This Agreement, including the attached exhibits, will be interpreted and construed reasonably, and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

### **19.5. Amendments**

This Agreement may not be amended in any respect except by a writing signed by the parties.

**19.6. Severability**

If any provision of this Agreement is for any reason determined by a court of competent jurisdiction to be invalid or unenforceable for any reason, including but not limited to a change in applicable federal, state or local law, the invalidity or unenforceability of that provision will not affect any of the remaining provisions of this Agreement, which provisions will be enforced as if such invalid or unenforceable provision had not been included.

**19.7. Exhibits**

Each of the exhibits identified in this Agreement is attached and is incorporated by this reference.

**19.8. Non-Waiver Provision**

Failure of either party to exercise any of the remedies set forth in this Agreement within the time periods specified will not constitute a waiver of any rights of that party with regard to an event of nonperformance, whether determined to be a breach, excused performance, or unexcused default by the other party.

**19.9. Authority and Effective Date**

**19.9.1. Authority**

The persons signing below represent that they have the requisite authority to bind the entities on whose behalf they are signing.

**19.9.2. Execution of Agreement; Effective Date**

It is the intention of the parties that the Company shall first execute this Agreement and then submit it to the City. The City Clerk shall insert the effective date in all counterparts of this Agreement, attest to their execution by a duly authorized officer of the City (such as the City Agent), and transmit one (1) or more fully executed counterparts to the Company. The Effective Date of this Agreement, as set forth in Section 2.3 above, is the date upon which the Company shall commence to provide the services that are authorized by this Agreement.

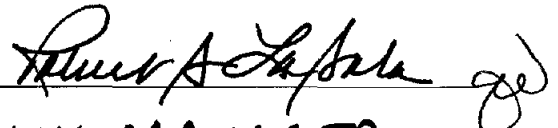
TO EFFECTUATE THIS AGREEMENT, each of the parties has caused this Agreement to be executed by its duly authorized representative as of the date set forth below the authorized signature.

CITY OF LANCASTER

ATTEST:

Quin K. Bryan

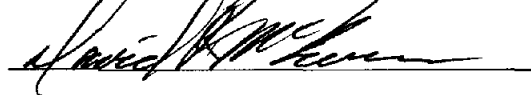
CITY CLERK

By: 

Title CITY MANAGER

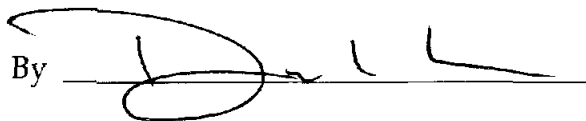
Date: 5-22-07

APPROVED AS TO FORM:



CITY ATTORNEY

USA WASTE OF CALIFORNIA, INC., a Delaware corporation

By 

(Authorized Representative)

Title: SENIOR VICE PRESIDENT

Date: APRIL 25, 2007

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## **EXHIBITS**

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## EXHIBIT 1: INITIAL RATES

Residential Services	Rate
Single family & mobile home park service - 3 carts	\$20.79
Senior Citizen single family & mobile home discount - 3 carts	\$16.16
Mobile Home Park - Can/Bag service	\$25.00
Mobile Home Park - 3 carts (64-gallon)	\$19.79
Mobile Home Park - 2 carts (64-gallon)	\$17.79
Additional Trash cart	\$12.00
Additional Green Waste cart - over 2	\$10.00
Additional recycling cart - over 2	\$10.00
Extra Bag Pick up	\$2.45
Home Compost Discount	\$18.29
Home Compost Discount - Senior	\$13.66
Residential Contamination fee - per incident	\$15.00
Bulky item Pick Up - beyond 4 per Operating Year	\$15.00
AB939 Surcharge per refuse container	\$0.72
On-Premise Service Fee	\$25.00
Electronic Waste Pickup	\$15.00

**Commercial Service Rates**

Bin Size	1x week	2x week	3 x week	4 x week	5 x week	6 x week	Extra pick up
96-gal	\$27.17						\$51.75
1 yard	\$54.37	\$ 98.22	\$ 131.50	\$ 164.86	N/A	N/A	\$51.75
1.5 yard	\$66.67	\$ 119.24	\$ 164.86	\$ 191.16	N/A	N/A	\$51.75
2 yard	\$77.18	\$ 136.79	\$ 175.39	\$ 234.99	N/A	N/A	\$51.75
3 yard	\$ 110.49	\$ 185.91	\$ 266.54	\$ 333.21	\$ 355.98	\$ 391.08	\$51.75
4 yard	\$ 128.02	\$ 240.25	\$ 341.98	\$ 431.41	\$ 489.26	\$ 522.58	\$51.75
6 yard	\$ 173.63	\$ 292.87	\$ 384.07	\$ 512.06	\$ 569.94	\$ 641.82	\$51.75

**Commercial Service Rates - AB939 Surcharge Fees**

Bin Size	1x week	2x week	3 x week	4 x week	5 x week	6 x week
96-gal	\$.36					
1 yard	\$.68	\$1.38	\$2.07	\$2.76	N/A	N/A
1.5 yard	\$1.01	\$2.04	\$3.05	\$4.07	N/A	N/A
2 yard	\$1.34	\$2.70	\$4.04	\$5.38	N/A	N/A
3 yard	\$2.04	\$4.07	\$6.12	\$8.15	\$10.21	\$12.23
4 yard	\$2.72	\$5.43	\$8.15	\$10.86	\$13.61	\$16.31
6 yard	\$4.07	\$8.15	\$12.23	\$16.31	\$20.37	\$24.47



Other Services/Fees	Fee
Temporary 3 yard bins Delivery/Removal - includes 7 day rental	\$96.83
Temporary Bin - Extra Pickup Fee	\$51.75
Daily Rental Fee temporary bin - per day exceeding 7 days	\$7.00
Activation Fee	\$15.00
Bin Exchanges (more than 1 per year)	\$70.00
Bulky item Pick Up - commercial each	\$15.95
Cart replacement fee	\$75.00
Contamination fee - commercial	\$25.00
Contamination fee - residential	\$15.00
Lock lids (per month, per bin)	\$24.51
Phone Payment service fee	\$8.00
Push out service - flat rate over 15 feet	\$19.60
Reactivation fee	\$25.00
Trip charge - commercial	\$25.00
Overweight Fee - Commercial bin exceeding 300 lbs/yard	\$50.00
Commercial Vertical Compactor Containers	3 times Commercial Service Rates

**Roll Off Services****Fee/Ton  
Rate**

Temporary Container any size per haul	\$258.44
Compactors any size per pull + temp rate	\$150.00
Recycling Cardboard roll off any size per haul flat fee	\$125.00
Daily rental fee - per day exceeding 7 days	\$7.00
Trip Charge	\$75.00
Relocation Fee	\$75.00
MSW per ton	\$40.00
C & D per ton	\$62.00
Green Waste/wood per ton	\$32.00
Clean concrete/asphalt per ton	\$9.00
Fill Dirt per ton	\$8.00
AB939 Surcharge	\$10.21

## EXHIBIT 2: RESIDENTIAL PREMISES RECEIVING CAN SERVICE

Standard Service Level(s)

(6) bags max/wk or (3) personal containers/wk

Address	Service Level
Lancaster Estates 45465 25 <sup>th</sup> Street East	294 units - Bag Service
Desert Sands Mobile Home Park 45111 25 <sup>th</sup> St East	123 units - Bag Service
College Terrace Gardens 44018 30 <sup>th</sup> St West	28 units - In Ground Service
College Terrace Park 30 <sup>th</sup> St W and Ave. J-4	56 units - In Ground Service

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### EXHIBIT 3: CITY FACILITIES RECEIVING FREE SERVICE

Facility	Address	Service Level
Annex	845 W. Kildare St	1-3yd 2x/wk, 1-3yd 1x/wk
Bus Stops	Various locations	34 bus stops 1x/wk
City Hall	44933 N. Fern Ave	1-3yd 6x/wk, 1-3yd RY 5x/wk
Clear Channel Stadium	45116 Valley Central Wy	9-3yd 4x/wk
Clear Channel Stadium	45116 Valley Central Wy	1-3yd 1x/wk
Clear Channel Stadium	45116 Valley Central Wy	1-3yd RY 1x/wk
Eastside Park	45045 5th St East	2-3yd 2x/wk
EDC	104 E Avenue K4	2-3yd 3x/wk, 1-1.5yd 3x/wk, 1-3yd RY 3x/wk
El Dorado Park	44501 5th St East	2-3yd 2x/wk
Forrest E. Hull Park	30th St W & Avenue L12	1-3yd 5x/wk
Jane Reynolds Park	716 W Oldfield St	4-3yd 2x/wk
Lancaster City Park	43063 10th St West	2-3yd 3x/wk, 1-1.5yd 1x/wk, 5-2yd 3x/wk
Lancaster City Park	43063 10th St West	3-30yd, 1-25yd OCC, 1-25yd UBC on call
LPAC	750 W Lancaster Blvd	1-3yd 3x/wk, 1-3yd RY 2x/wk
Mariposa Park	737 W Avenue H6	2-3yd 1x/wk
Metrolink	44812 Sierra Hwy	1-3yd 2x/wk
Monte Vista	1004 W Lancaster Blvd	1-3yd 2x/wk

Facility	Address	Service Level
Prime Desert	43201 35th St West	1-3yd 1x/wk
PW Maintenance Yard	46008 7th St West	2-3yd 2x/wk, 2-3yd RY 2x/wk
PW Maintenance Yard	46008 7th St West	Storage Boxes - 3
PW Maintenance Yard - Sweeper	46008 7th St West	2-25yd 5x/wk
PW Maintenance Yard - Tires	46008 7th St West	1-40yd on call
PW Maintenance Yard - Trash	46008 7th St West	2-25yd 1x/wk
Rawley Duntley Park	3334 W Avenue K	1-3yd 5x/wk
Sky Tower Park	43434 Vineyard Dr	2-3yd 1x/wk
Soccer Center	43000 30th St East	2-25yd & 1-30yd on call
Soccer Center	43000 30th St East	6-3yd 1x/wk, 1-3yd RY on call
Tierra Bonita Park	44910 27th St East	1-25yd on call
Tierra Bonita Park	44910 27th St East	2-3yd 1x/wk
Western Hotel	557 W Lancaster Blvd	Commercial Cart Service-1 cart
	1355 W Avenue J3	1-3yd 1x/wk
	333 E Avenue H14	1-2yd 1x/wk
	40th St West & Avenue K8	25yd on call
	45003 Date Ave	Residential Cart Service-3 carts
	45015 Beech Ave	Residential Cart Service-3 carts
	45021 Beech Ave	1-3yd 2x/wk
	45050 Cedar Ave	1-3yd 1x/wk

Facility	Address	Service Level
	45051 Beech Ave	Residential Cart Service 4 trash, Green Waste, recycling carts
	45356 Division St	1-1.5yd 2x/wk, 1-1.5yd RY 2x/wk
	501 W Lancaster Blvd	Storage Box - 1

PWD delivery of material to Lancaster Landfill	Estimated Tons per Year*	Type of Material
	2,300 Tons	MSW - Commercial
	2,900 Tons	Concrete/Asphalt
	116 Tons	Green Waste
	3 Tons	Wood
	1,700 Tons	Fill Dirt

\*Estimated Tons and free services calculations from July 1, 2005 through June 30, 2006

**WASTE MANAGEMENT - Antelope Valley**  
**Lancaster Price Increase Calculations: Residential (per Exhibit 3A)**  
 NOTE: Rates below exclude city franchise fees

Step One: Calculate percentage change in indices.

Row	Adjustment Factor	Index	A	B	C
			Old Index Value	New Index Value	Percent Change in Index ((Column B/Column A)-1)
1	Labor	(1)	\$18.10	\$18.69	3.3%
2	Fuel	(2)	173.30	206.50	19.2%
3	Equipment	(3)	100.00	104.70	4.7%
4	Disposal	(4)	\$39.41	\$41.61	5.6%
5	All Other	(5)	199.20	208.50	4.7%

Step Two: Determine weighted percentage change in rates.

Row	Adjustment Factor	Index	E	F	G
			Cost Factor Category Weighted as a % of Component Total (7)	Percent Change in Index (from Column D)	Total Weighted Percentage Change
6	Labor	(1)	22.0%	3.3%	0.7%
7	Fuel	(2)	8.0%	19.2%	1.5%
8	Equipment	(3)	14.0%	4.7%	0.7%
9	Disposal	(4)	37.0%	5.6%	2.1%
10	All Other	(5)	19.0%	4.7%	0.9%
11	Total		100.0%		5.9%

Step Three: Apply Percentage Change to Rates

Row	Adjustment Factor	H	I	J	K
		Existing Contractor Rate	Total Weighted Percentage Change (from Column G, Row 13)	Rate Increase or Decrease (Column H x Column I)	Adjusted Rate (Column H + Column J)
12	Single Family & Mobile Home Park	\$20.79	5.9%	\$1.23	\$22.02
13	Senior Citizen Single Family Rate	\$16.16	5.9%	\$0.95	\$17.11
14	Mobile Home Park Bag Service	\$25.00	5.9%	\$1.48	\$26.48
15	Mobile Home Park Service - 3 carts	\$19.79	5.9%	\$1.17	\$20.96
16	Mobile Home Park Service - 2 carts	\$17.79	5.9%	\$1.05	\$18.84
17	Additional trash cart	\$12.00	5.9%	\$0.71	\$12.71
18	Additional green waste cart - over 2	\$10.00	5.9%	\$0.59	\$10.59
19	Additional recycling cart - over 2	\$10.00	5.9%	\$0.59	\$10.59
20	Extra bag Pickup (each)	\$2.45	5.9%	\$0.14	\$2.59
21	Home Compost Discount	\$18.29	5.9%	\$1.06	\$19.37
22	Home Compost Discount - Senior	\$13.66	5.9%	\$0.81	\$14.47
23	Residential contamination fee - per incident	\$15.00	5.9%	\$0.89	\$15.89
24	Bulky item pickup - over 4 per year	\$15.00	5.9%	\$0.89	\$15.89
25	AB939 Surcharge per refuse container	\$0.72	5.9%	\$0.04	\$0.76

Step Four: Recalculate cost component weightings for next rate adjustment

Row	Adjustment Factor	Index	L	M	N	O	P
			Cost Component (E)	Percent Change as Applied to Rate Adjustment (Column F)	Increase in Cost Components (Column L x Column M)	Cost Component Increased (Column L + Column N)	Cost Component Reweighted to Equal 100%
26	Labor	(1)	22.0%	3.3%	0.7%	22.7%	21.4%
27	Fuel	(2)	8.0%	19.2%	1.5%	9.5%	9.0%
28	Equipment	(3)	14.0%	4.7%	0.7%	14.7%	13.9%
29	Disposal	(4)	37.0%	5.6%	2.1%	39.1%	36.9%
30	All Other	(5)	19.0%	4.7%	0.9%	19.9%	18.8%
31	Total		100.0%			105.9%	100.0%

- (1) Rate increased described in the Articles of Agreement Between Waste Management Districts of Compton, Long Beach, and Sun valley and Package and General Utility Drivers Local Union No. 396, October 1, 2002 through September 30, 2007.
- (2) Producer Price Index, WPLU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel.
- (3) Producer Price Index, PCU3361203361201, Heavy Duty truck mfg. Trucks, tractors, and bus chassis, 14001 to 33000 lbs.
- (4) Actual change in the per ton gate rate at the disposal site
- (5) Consumer Price Index for All Urban Consumers (CPI-U), all items index-U.S. city average.
- (6) The first rate adjustment is based upon percentage weightings on Section 6 of the Agreement. After the first rate adjustment, this column becomes from Column P of the previous year's adjustment worksheet.



**WASTE MANAGEMENT - Antelope Valley**

**Lancaster Price Increase Calculations: Bin and Commercial Rates- 96 Gallon Cart (per Exhibit 3B)**

NOTE: Rates below exclude city franchise fees

Step One: Calculate percentage change in indices.

Row	Adjustment Factor	Index	A	B	C
			Old Index Value	New Index Value	Percent Change in Index ((Column B/Column A)-1)
1	Labor	(1)	\$18.10	\$18.69	3.3%
2	Fuel	(2)	173.30	206.50	19.2%
3	Equipment	(3)	100.00	104.70	4.7%
4	Disposal	(4)	\$39.41	\$41.61	5.6%
5	All Other	(5)	199.20	208.50	4.7%

Step Two: Determine weighted percentage change in rates.

Row	Adjustment Factor	Index	E	F	G
			Cost Factor Category Weighted as a % of Component Total (7)	Maximum Allowed Percent Change in Index (from Column D)	Total Weighted Percentage Change
6	Labor	(1)	22.0%	3.3%	0.7%
7	Fuel	(2)	8.0%	19.2%	1.5%
8	Equipment	(3)	14.0%	4.7%	0.7%
9	Disposal	(4)	37.0%	5.6%	2.1%
10	All Other	(5)	19.0%	4.7%	0.9%
11	Total		100.0%		5.9%

Step Three: Apply Percentage Change to Rates

Row	Rate Category	H	I	J	K
		Existing Rate	Total Weighted Percentage Change (from Column G, Row 13)	Rate Increase or Decrease (Column H x Column I)	Adjusted Rate (Column H + Column J)
12	Extra Pick Up	\$61.75	5.9%	\$3.05	\$64.80
13	96 Gallon cart, 1 pickup/wk	\$32.88	5.9%	\$1.94	\$34.82

Step Four: Recalculate cost component weightings for next rate adjustment

Row	Adjustment Factor	Index	L	M	N	O	P
			Cost Component (E)	Percent Change as Applied to Rate Adjustment (Column F)	Increase in Cost Components (Column L x Column M)	Cost Component Increased (Column L + Column N)	Cost Component Reweighted to Equal 100%
14	Labor	(1)	22.0%	3.3%	0.7%	22.7%	21.4%
15	Fuel	(2)	8.0%	19.2%	1.5%	9.5%	9.0%
16	Equipment	(3)	14.0%	4.7%	0.7%	14.7%	13.9%
17	Disposal	(4)	37.0%	5.6%	2.1%	39.1%	36.9%
18	All Other	(5)	19.0%	4.7%	0.9%	19.9%	18.8%
19	Total		100.0%			105.9%	100.0%

(1) Rate increased described in the Articles of Agreement Between Waste Management Districts of Compton, Long Beach, and Sun valley and Package and General Utility Drivers Local Union No. 396, October 1, 2002 through September 30, 2007.

(2) Producer Price Index, WPLU057303 not seasonally adjusted. Fuels and related products and power, #2 diesel fuel.

(3) Producer Price Index, PCU3361203361201, Heavy Duty truck mfg, Trucks, tractors, and bus chassis, 14001 to 33000 lbs.

(4) Actual change in the per ton gate rate at the disposal site.

(5) Consumer Price Index for All Urban Consumers (CPI-U), all items index-U.S. city average.

(6) The first rate adjustment is based upon percentage weightings on Section 6 of the Agreement. After the first rate adjustment, this column becomes from Column P of the previous year's adjustment worksheet.

**WASTE MANAGEMENT - Antelope Valley**

**Lancaster Price Increase Calculations: Bin and Commercial Rates- 1 Cubic Yard Bin (per Exhibit 3B)**

NOTE: Rates below exclude city franchise fees

Step One: Calculate percentage change in indices.

Row	Adjustment Factor	Index	A	B	C
			Old Index Value	New Index Value	Percent Change in Index ((Column B/Column A)-1)
1	Labor	(1)	\$18.10	\$18.89	3.3%
2	Fuel	(2)	173.30	206.50	19.2%
3	Equipment	(3)	100.00	104.70	4.7%
4	Disposal	(4)	\$39.41	\$41.61	5.6%
5	All Other	(5)	199.20	208.50	4.7%

Step Two: Determine weighted percentage change in rates.

Row	Adjustment Factor	Index	E	F	G
			Cost Factor Category Weighted as a % of Component Total (7)	Maximum Allowed Percent Change in Index (from Column D)	Total Weighted Percentage Change
6	Labor	(1)	22.0%	3.3%	0.7%
7	Fuel	(2)	8.0%	19.2%	1.5%
8	Equipment	(3)	14.0%	4.7%	0.7%
9	Disposal	(4)	37.0%	5.6%	2.1%
10	All Other	(5)	19.0%	4.7%	0.9%
11	Total		100.0%		5.9%

Step Three: Apply Percentage Change to Rates

Row	Rate Category	H	I	J	K
		Existing Rate	Total Weighted Percentage Change (from Column G, Row 13)	Rate Increase or Decrease (Column H x Column I)	Adjusted Rate (Column H + Column J)
12	Extra Pick Up	\$51.75	5.9%	\$3.05	\$54.80
13	1 cubic yard cart. 1 pickup/wk	\$65.79	5.9%	\$3.88	\$69.67
14	1 cubic yard cart. 2 pickups/wk	\$118.45	5.9%	\$6.99	\$125.44
15	1 cubic yard cart. 3 pickups/wk	\$159.11	5.9%	\$9.39	\$168.50
16	1 cubic yard cart. 4 pickups/wk	\$199.49	5.9%	\$11.77	\$211.26

Step Four: Recalculate cost component weightings for next rate adjustment

Row	Adjustment Factor	Index	L	M	N	O	P
			Cost Component (E)	Percent Change as Applied to Rate Adjustment (Column F)	Increase in Cost Components (Column L x Column M)	Cost Component Increased (Column L + Column N)	Cost Component Reweighted to Equal 100%
17	Labor	(1)	22.0%	3.3%	0.7%	22.7%	21.4%
18	Fuel	(2)	8.0%	19.2%	1.5%	9.5%	9.0%
19	Equipment	(3)	14.0%	4.7%	0.7%	14.7%	13.9%
20	Disposal	(4)	37.0%	5.6%	2.1%	39.1%	36.9%
21	All Other	(5)	19.0%	4.7%	0.9%	19.9%	18.8%
22	Total		100.0%			105.9%	100.0%

(1) Rate increased described in the Articles of Agreement Between Waste Management Districts of Compton, Long Beach, and Sun valley and Package and General Utility Drivers Local Union No. 396, October 1, 2002 through September 30, 2007.

(2) Producer Price Index, WPLU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel.

(3) Producer Price Index, PCU3361203361201, Heavy Duty truck mfg, Trucks, tractors, and bus chassis, 14001 to 33000 lbs

(4) Actual change in the per ton gate rate at the disposal site.

(5) Consumer Price Index for All Urban Consumers (CPI-U), all items index-U.S. city average.

(6) The first rate adjustment is based upon percentage weightings on Section 6 of the Agreement. After the first rate adjustment, this column becomes from Column P of the previous year's adjustment worksheet

**WASTE MANAGEMENT - Antelope Valley**

**Lancaster Price Increase Calculations: Bin and Commercial Rates- 1.5 Cubic Yard Bin (per Exhibit 3B)**

NOTE: Rates below exclude city franchise fees

Step One: Calculate percentage change in indices.

Row	Adjustment Factor	Index	A	B	C	D
			Old Index Value	New Index Value	Percent Change In Index ((Column B/Column A)-1)	Maximum Allowed Percentage Change
1	Labor	(1)	\$18.10	\$18.69	3.3%	3.3%
2	Fuel	(2)	173.30	206.50	19.2%	19.2%
3	Equipment	(3)	100.00	104.70	4.7%	4.7%
4	Disposal	(4)	\$39.41	\$41.61	5.6%	4.7%
5	All Other	(5)	199.20	208.50	4.7%	4.7%

Notes:  
Per Exhibit 3D  
Jul-04 / Jun-05

CPI Used: See note 6 b  
Jul-04 / Jun-05

Step Two: Determine weighted percentage change in rates.

Row	Adjustment Factor	Index	E	F	G
			Cost Factor Category Weighted as a % of Component Total (7)	Maximum Allowed Percent Change in Index (from Column D)	Total Weighted Percentage Change
6	Labor	(1)	22.0%	3.3%	0.7%
7	Fuel	(2)	8.0%	19.2%	1.5%
8	Equipment	(3)	14.0%	4.7%	0.7%
9	Disposal	(4)	37.0%	4.7%	1.7%
10	All Other	(5)	19.0%	4.7%	0.9%
11	Total		100.0%		5.5%

Step Three: Apply Percentage Change to Rates

Row	Rate Category	H	I	J	K
		Existing Rate	Total Weighted Percentage Change (from Column G, Row 13)	Rate Increase or Decrease (Column H x Column I)	Adjusted Rate (Column H + Column J)
12	Extra Pick Up	\$51.75	5.5%	\$2.85	\$54.60
13	1.5 cubic yard cart, 1 pickup/w	\$80.66	5.5%	\$4.44	\$85.10
14	1.5 cubic yard cart, 2 pickups/A	\$144.28	5.5%	\$7.94	\$152.22
15	1.5 cubic yard cart, 3 pickups/A	\$199.49	5.5%	\$10.97	\$210.46
16	1.5 cubic yard cart, 4 pickups/A	\$231.31	5.5%	\$12.72	\$244.03

Step Four: Recalculate cost component weightings for next rate adjustment

Row	Adjustment Factor	Index	L	M	N	O	P
			Cost Component (E)	Percent Change as Applied to Rate Adjustment (Column F)	Increase in Cost Components (Column L x Column M)	Cost Component Increased (Column L + Column N)	Cost Component Reweighted to Equal 100%
17	Labor	(1)	22.0%	3.3%	0.7%	22.7%	21.5%
18	Fuel	(2)	8.0%	19.2%	1.5%	9.5%	9.0%
19	Equipment	(3)	14.0%	4.7%	0.7%	14.7%	13.9%
20	Disposal	(4)	37.0%	4.7%	1.7%	38.7%	36.7%
21	All Other	(5)	19.0%	4.7%	0.9%	19.9%	18.9%
22	Total		100.0%			105.5%	100.0%

(1) Rate increased described in the Articles of Agreement Between Waste Management Districts of Compton, Long Beach, and Sun valley and Package and General Utility Drivers Local Union No 396, October 1, 2002 through September 30, 2007.

(2) Producer Price Index, WPLU067303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel.

(3) Producer Price Index, PCU3361203361201, Heavy Duty truck mfg, Trucks tractors, and bus chassis, 14001 to 33000 lbs

(4) Actual change in the per ton gate rate at the disposal site

(5) Consumer Price Index for All Urban Consumers (CPI-U), all items index-U.S. city average.

(6) The first rate adjustment is based upon percentage weightings on Section 6 of the Agreement. After the first rate adjustment, this column becomes from Column P of the previous year's adjustment worksheet

**WASTE MANAGEMENT - Antelope Valley**

**Lancaster Price Increase Calculations: Bin and Commercial Rates- 2 Cubic Yard Bin (per Exhibit 3B)**

NOTE: Rates below exclude city franchise fees

Step One: Calculate percentage change in indices.

Row	Adjustment Factor	Index	A	B	C	D
			Old Index Value	New Index Value	Percent Change in Index ((Column B/Column A)-1)	Maximum Allowed Percentage Change
1	Labor	(1)	\$18.10	\$18.69	3.3%	3.3%
2	Fuel	(2)	173.30	206.50	19.2%	19.2%
3	Equipment	(3)	100.00	104.70	4.7%	4.7%
4	Disposal	(4)	\$39.41	\$41.61	5.6%	4.7%
5	All Other	(5)	199.20	208.50	4.7%	4.7%

Notes:  
Per Exhibit 3D  
Jul-04 / Jun-05  
CPI Used: See note 6 b  
Jul-04 / Jun-05

Step Two: Determine weighted percentage change in rates.

Row	Adjustment Factor	Index	E	F	G
			Cost Factor Category Weighted as a % of Component Total (7)	Maximum Allowed Percent Change in Index (from Column D)	Total Weighted Percentage Change
6	Labor	(1)	22.0%	3.3%	0.7%
7	Fuel	(2)	8.0%	19.2%	1.5%
8	Equipment	(3)	14.0%	4.7%	0.7%
9	Disposal	(4)	37.0%	4.7%	1.7%
10	All Other	(5)	19.0%	4.7%	0.9%
11	Total		100.0%		5.5%

Step Three: Apply Percentage Change to Rates

Row	Rate Category	H	I	J	K
		Existing Rate	Total Weighted Percentage Change (from Column G, Row 13)	Rate Increase or Decrease (Column H x Column I)	Adjusted Rate (Column H + Column J)
12	Extra Pick Up	\$51.75	5.5%	\$2.85	\$54.60
13	2 cubic yard cart, 1 pickup/wk	\$93.38	5.5%	\$5.14	\$98.52
14	2 cubic yard cart, 2 pickups/wk	\$165.52	5.5%	\$9.10	\$174.62
15	2 cubic yard cart, 3 pickups/wk	\$224.95	5.5%	\$12.37	\$237.32
16	2 cubic yard cart, 4 pickups/wk	\$290.70	5.5%	\$15.99	\$306.69

Step Four: Recalculate cost component weightings for next rate adjustment

Row	Adjustment Factor	Index	L	M	N	O	P
			Cost Component (E)	Percent Change as Applied to Rate Adjustment (Column F)	Increase in Cost Components (Column L x Column M)	Cost Component Increased (Column L + Column N)	Cost Component Reweighted to Equal 100%
17	Labor	(1)	22.0%	3.3%	0.7%	22.7%	21.5%
18	Fuel	(2)	8.0%	19.2%	1.5%	9.5%	9.0%
19	Equipment	(3)	14.0%	4.7%	0.7%	14.7%	13.9%
20	Disposal	(4)	37.0%	4.7%	1.7%	38.7%	36.7%
21	All Other	(5)	19.0%	4.7%	0.9%	19.9%	18.9%
22	Total		100.0%			106.5%	100.0%

(1) Rate increased described in the Articles of Agreement Between Waste Management Districts of Compton, Long Beach, and Sun valley and Package and General Utility Drivers Local Union No. 396, October 1, 2002 through September 30, 2007

(2) Producer Price Index, WPLU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel

(3) Producer Price Index, PCU3361203361201, Heavy Duty truck mfg, Trucks, tractors, and bus chassis, 14001 to 33000 lbs

(4) Actual change in the per ton gate rate at the disposal site.

(5) Consumer Price Index for All Urban Consumers (CPI-U), all items index-U.S. city average.

(6) The first rate adjustment is based upon percentage weightings on Section 6 of the Agreement. After the first rate adjustment, this column becomes from Column P of the previous year's adjustment worksheet

**WASTE MANAGEMENT - Antelope Valley**

**Lancaster Price Increase Calculations: Bin and Commercial Rates- 3 Cubic Yard Bin (per Exhibit 3B)**

NOTE: Rates below exclude city franchise fees

Step One: Calculate percentage change in indices.

Row	Adjustment Factor	Index	A Old Index Value	B New Index Value	C Percent Change in Index ((Column B/Column A)-1)	D Maximum Allowed Percentage Change
1	Labor	(1)	\$18.10	\$18.69	3.3%	3.3%
2	Fuel	(2)	173.30	206.50	19.2%	19.2%
3	Equipment	(3)	100.00	104.70	4.7%	4.7%
4	Disposal	(4)	39.41	41.61	5.6%	4.7%
5	All Other	(5)	199.20	208.50	4.7%	4.7%

Notes:  
Per Exhibit 3D  
Jul-04 / Jun-05  
CPI Used: See note 6 b  
Jul-04 / Jun-05

Step Two: Determine weighted percentage change in rates.

Row	Adjustment Factor	Index	E Cost Factor Category Weighted as a % of Component Total (7)	F Maximum Allowed Percent Change in Index (from Column D)	G Total Weighted Percentage Change
6	Labor	(1)	22.0%	3.3%	0.7%
7	Fuel	(2)	8.0%	19.2%	1.5%
8	Equipment	(3)	14.0%	4.7%	0.7%
9	Disposal	(4)	37.0%	4.7%	1.7%
10	All Other	(5)	19.0%	4.7%	0.9%
11	Total		100.0%		5.5%

Step Three: Apply Percentage Change to Rates

Row	Rate Category	H Existing Rate	I Total Weighted Percentage Change (from Column G, Row 13)	J Rate Increase or Decrease (Column H x Column I)	K Adjusted Rate (Column H + Column J)
12	Extra Pick Up	\$51.75	5.5%	\$2.85	\$54.60
13	3 cubic yard cart, 1 pickup/wk	\$133.70	5.5%	\$7.35	\$141.05
14	3 cubic yard cart, 2 pickups/wk	\$212.22	5.5%	\$11.67	\$223.89
15	3 cubic yard cart, 3 pickups/wk	\$322.51	5.5%	\$17.74	\$340.25
16	3 cubic yard cart, 4 pickups/wk	\$403.19	5.5%	\$22.18	\$425.37
17	3 cubic yard cart, 5 pickups/wk	\$430.74	5.5%	\$23.69	\$454.43
18	3 cubic yard cart, 6 pickups/wk	\$473.20	5.5%	\$26.03	\$499.23

Step Four: Recalculate cost component weightings for next rate adjustment

Row	Adjustment Factor	Index	L Cost Component (E)	M Percent Change as Applied to Rate Adjustment (Column F)	N Increase in Cost Components (Column L x Column M)	O Cost Component Increased (Column L + Column N)	P Cost Component Reweighted to Equal 100%
19	Labor	(1)	22.0%	3.3%	0.7%	22.7%	21.5%
20	Fuel	(2)	8.0%	19.2%	1.5%	9.5%	9.0%
21	Equipment	(3)	14.0%	4.7%	0.7%	14.7%	13.9%
22	Disposal	(4)	37.0%	4.7%	1.7%	38.7%	36.7%
23	All Other	(5)	19.0%	4.7%	0.9%	19.9%	18.9%
24	Total		100.0%			105.5%	100.0%

(1) Rate increased described in the Articles of Agreement Between Waste Management Districts of Compton, Long Beach, and Sun valley and Package and General Utility Drivers Local Union No. 396 October 1, 2002 through September 30, 2007.

(2) Producer Price Index, WPLU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel.

(3) Producer Price Index, PCU3361203381201, Heavy Duty truck mfg, Trucks, tractors, and bus chassis, 14001 to 33000 lbs.

(4) Actual change in the per ton gate rate at the disposal site.

(5) Consumer Price Index for All Urban Consumers (CPI-U), all items index-U.S. city average

(6) The first rate adjustment is based upon percentage weightings on Section 6 of the Agreement. After the first rate adjustment, this column becomes from Column P of the previous year's adjustment worksheet.

**WASTE MANAGEMENT - Antelope Valley**

**Lancaster Price Increase Calculations: Bin and Commercial Rates- 4 Cubic Yard Bin (per Exhibit 3B)**

NOTE: Rates below exclude city franchise fees

Step One: Calculate percentage change in indices.

Row	Adjustment Factor	Index	A Old Index Value	B New Index Value	C Percent Change in Index ((Column B/Column A)-1)	D Maximum Allowed Percentage Change
1	Labor	(1)	\$18.10	\$18.69	3.3%	3.3%
2	Fuel	(2)	173.30	206.50	19.2%	19.2%
3	Equipment	(3)	100.00	104.70	4.7%	4.7%
4	Disposal	(4)	39.41	41.61	5.6%	4.7%
5	All Other	(5)	199.20	206.50	4.7%	4.7%

Notes:  
Per Exhibit 3D  
Jul-04 / Jun-05  
CPI Used: See note 6 b  
Jul-04 / Jun-05

Step Two: Determine weighted percentage change in rates.

Row	Adjustment Factor	Index	E Cost Factor Category Weighted as a % of Component Total (7)	F Maximum Allowed Percent Change in Index (from Column D)	G Total Weighted Percentage Change
6	Labor	(1)	22.0%	3.3%	0.7%
7	Fuel	(2)	8.0%	19.2%	1.5%
8	Equipment	(3)	14.0%	4.7%	0.7%
9	Disposal	(4)	37.0%	4.7%	1.7%
10	All Other	(5)	19.0%	4.7%	0.9%
11	Total		100.0%		5.5%

Step Three: Apply Percentage Change to Rates

Row	Rate Category	H Existing Rate	I Total Weighted Percentage Change (from Column G, Row 13)	J Rate Increase or Decrease (Column H x Column I)	K Adjusted Rate (Column H + Column J)
12	Extra Pick Up	\$51.75	5.5%	\$2.85	\$54.60
13	4 cubic yard cart, 1 pickup/wk	\$154.91	5.5%	\$8.52	\$163.43
14	4 cubic yard cart, 2 pickups/wk	\$284.34	5.5%	\$15.64	\$299.98
15	4 cubic yard cart, 3 pickups/wk	\$413.79	5.5%	\$22.76	\$436.55
16	4 cubic yard cart, 4 pickups/wk	\$522.01	5.5%	\$28.71	\$550.72
17	4 cubic yard cart, 5 pickups/wk	\$592.00	5.5%	\$32.56	\$624.56
18	4 cubic yard cart, 6 pickups/wk	\$632.33	5.5%	\$34.78	\$667.11

Step Four: Recalculate cost component weightings for next rate adjustment

Row	Adjustment Factor	Index	L Cost Component (E)	M Percent Change as Applied to Rate Adjustment (Column F)	N Increase in Cost Components (Column L x Column M)	O Cost Component Increased (Column L + Column N)	P Cost Component Reweighted to Equal 100%
19	Labor	(1)	22.0%	3.3%	0.7%	22.7%	21.5%
20	Fuel	(2)	8.0%	19.2%	1.5%	9.5%	9.0%
21	Equipment	(3)	14.0%	4.7%	0.7%	14.7%	13.9%
22	Disposal	(4)	37.0%	4.7%	1.7%	38.7%	36.7%
23	All Other	(5)	19.0%	4.7%	0.9%	19.9%	18.9%
24	Total		100.0%			105.5%	100.0%

(1) Rate increased described in the Articles of Agreement Between Waste Management Districts of Compton, Long Beach, and Sun valley and Package and General Utility Drivers Local Union No. 396, October 1, 2002 through September 30, 2007.

(2) Producer Price Index, WPLU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel

(3) Producer Price Index, PCU3361203361201, Heavy Duty truck mfg, Trucks, tractors, and bus chassis, 14001 to 33000 lbs.

(4) Actual change in the per ton gate rate at the disposal site.

(5) Consumer Price Index for All Urban Consumers (CPI-U), all items index-U.S. city average.

(6) The first rate adjustment is based upon percentage weightings on Section 6 of the Agreement. After the first rate adjustment, this column becomes from Column P of the previous year's adjustment worksheet.

**WASTE MANAGEMENT - Antelope Valley**

**Lancaster Price Increase Calculations: Bin and Commercial Rates- 6 Cubic Yard Bin (per Exhibit 3B)**

NOTE: Rates below exclude city franchise fees

Step One: Calculate percentage change in indices.

Row	Adjustment Factor	Index	A	B	C	D
			Old Index Value	New Index Value	Percent Change in Index ((Column B/Column A)-1)	Maximum Allowed Percentage Change
1	Labor	(1)	\$18.10	\$18.69	3.3%	3.3%
2	Fuel	(2)	173.30	206.50	19.2%	19.2%
3	Equipment	(3)	100.00	104.70	4.7%	4.7%
4	Disposal	(4)	39.41	41.61	5.6%	4.7%
5	All Other	(5)	199.20	208.50	4.7%	4.7%

Notes:  
Per Exhibit 3D  
Jul-04 / Jun-05  
CPI Used: See note 6 b  
Jul-04 / Jun-06

Step Two: Determine weighted percentage change in rates.

Row	Adjustment Factor	Index	E	F	G
			Cost Factor Category Weighted as a % of Component Total (7)	Maximum Allowed Percent Change in Index (from Column D)	Total Weighted Percentage Change
6	Labor	(1)	22.0%	3.3%	0.7%
7	Fuel	(2)	8.0%	19.2%	1.5%
8	Equipment	(3)	14.0%	4.7%	0.7%
9	Disposal	(4)	37.0%	4.7%	1.7%
10	All Other	(5)	19.0%	4.7%	0.9%
11	Total		100.0%		5.5%

Step Three: Apply Percentage Change to Rates

Row	Rate Category	H	I	J	K
		Existing Rate	Total Weighted Percentage Change (from Column G, Row 13)	Rate Increase or Decrease (Column H x Column I)	Adjusted Rate (Column H + Column J)
12	Extra Pick Up	\$51.75	5.5%	\$2.85	\$54.60
13	6 cubic yard cart, 1 pickup/wk	\$210.09	5.5%	\$11.55	\$221.64
14	6 cubic yard cart, 2 pickups/wk	\$354.37	5.5%	\$19.49	\$373.88
15	6 cubic yard cart, 3 pickups/wk	\$464.72	5.5%	\$25.56	\$490.28
16	6 cubic yard cart, 4 pickups/wk	\$619.80	5.5%	\$34.08	\$653.68
17	6 cubic yard cart, 5 pickups/wk	\$689.63	5.5%	\$37.93	\$727.56
18	6 cubic yard cart, 6 pickups/wk	\$776.60	5.5%	\$42.71	\$819.31

Step Four: Recalculate cost component weightings for next rate adjustment

Row	Adjustment Factor	Index	L	M	N	O	P
			Cost Component (E)	Percent Change as Applied to Rate Adjustment (Column F)	Increase in Cost Components (Column L x Column M)	Cost Component Increased (Column L + Column N)	Cost Component Reweighted to Equal 100%
19	Labor	(1)	22.0%	3.3%	0.7%	22.7%	21.5%
20	Fuel	(2)	8.0%	19.2%	1.5%	9.5%	9.0%
21	Equipment	(3)	14.0%	4.7%	0.7%	14.7%	13.9%
22	Disposal	(4)	37.0%	4.7%	1.7%	38.7%	36.7%
23	All Other	(5)	19.0%	4.7%	0.9%	19.9%	18.9%
24	Total		100.0%			105.5%	100.0%

(1) Rate increased described in the Articles of Agreement Between Waste Management Districts of Compton, Long Beach, and Sun valley and Package and General Utility Drivers Local Union No. 396, October 1, 2002 through September 30, 2007

(2) Producer Price Index, WPLU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel.

(3) Producer Price Index, PCU3361203361201, Heavy Duty truck mfg, Trucks, tractors, and bus chassis, 14001 to 33000 lbs

(4) Actual change in the per ton gate rate at the disposal site.

(5) Consumer Price Index for All Urban Consumers (CPI-U), all items index-U S. city average.

(6) The first rate adjustment is based upon percentage weightings on Section 6 of the Agreement. After the first rate adjustment, this column becomes from Column P of the previous year's adjustment worksheet.

**WASTE MANAGEMENT - Antelope Valley**  
**Lancaster Price Increase Calculations: Roll-Off Rates (per Exhibit 3C)**  
 NOTE: Rates below exclude city franchise fees

Step One: Calculate percentage change in indices.

Row	Adjustment Factor	Index	A	B	C
			Old Index Value	New Index Value	Percent Change in Index ((Column B/Column A)-1)
1	Service Component (Pull Rate)				
2	Labor	(1)	\$18.10	\$18.69	3.3%
3	Fuel	(2)	173.30	206.50	19.2%
4	Equipment	(3)	100.00	104.70	4.7%
5	All Other	(4)	199.20	206.50	4.7%
6	Tonnage Charge	(5)	199.20	206.50	4.7%

Step Two: Determine weighted percentage change in rates.

Row	Adjustment Factor	Index	D	E	F
			Cost Factor Category Weighted as a % of Component Total (6)	Maximum Allowed Percent Change in Index (from Column C)	Total Weighted Percentage Change
7	Service Component (Pull Rate)				
8	Labor	(1)	44.0%	3.3%	1.5%
9	Fuel	(2)	8.0%	19.2%	1.5%
10	Equipment	(3)	10.0%	4.7%	0.5%
11	All Other	(4)	38.0%	4.7%	1.8%
12	Service Component Total		100.0%	n/a	5.3%
13	Tonnage Charge	(5)	100.0%	4.7%	4.7%

Step Three: Apply Percentage Change to Rates

Row	Rate Category	G	H	I	J
		Existing Rate	Total Weighted Percentage Change	Rate Increase or Decrease (Column G x Column H)	Adjusted Rate (Column G + Column I)
14	Temporary Rolloff Box Pull Fee	\$258.44	5.3%	\$13.70	\$272.14
15	Recycling Cardboard roll off	\$150.00	5.3%	\$7.95	\$157.95
16	Compactor Box Pull Fee	\$408.44	5.3%	\$21.65	\$430.09
17	Temporary Container Rental Fee	\$7.00	5.3%	\$0.37	\$7.37
18	Relocation Charge	\$75.00	5.3%	\$3.98	\$78.98
19	Dry Run Charge	\$75.00	5.3%	\$3.98	\$78.98
20	C & D per ton	\$62.00	5.3%	\$3.29	\$65.29
21	Green Waste / Wood per ton	\$32.00	5.3%	\$1.70	\$33.70
22	Clean Concrete / Asphalt per ton	\$9.00	5.3%	\$0.48	\$9.48
23	Fill Dirt per ton	\$8.00	5.3%	\$0.42	\$8.42
24	Tonnage Charge	\$40.00	4.7%	\$1.88	\$41.88

Step Four: Recalculate service component cost component weightings for next rate adjustment

Row	Adjustment Factor	Index	K	L	M	N	O
			Cost Component (D)	Percent Change as Applied to Rate Adjustment (Column E)	Increase in Cost Components (Column K x Column L)	Cost Component Increased (Column K + Column M)	Cost Component Reweighted to Equal 100%
25	Labor	(1)	44.0%	3.3%	1.5%	45.5%	43.2%
26	Fuel	(2)	8.0%	19.2%	1.5%	9.5%	9.0%
27	Equipment	(3)	10.0%	4.7%	0.5%	10.5%	10.0%
28	All Other	(4)	38.0%	4.7%	1.8%	39.8%	37.8%
29	Total		100.0%			105.3%	100.0%

(1) Rate increased described in the Articles of Agreement Between Waste Management Districts of Compton, Long Beach, and Sun valley and Package and General Utility Drivers Local Union No. 396, October 1, 2002 through September 30, 2007.

(2) Producer Price Index, WPLU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel.

(3) Producer Price Index, PCU3361203361201, Heavy Duty truck mfg. Trucks, tractors, and bus chassis, 14001 to 33000 lbs.

(4) Actual change in the per ton gate rate at the disposal site.

(5) Consumer Price Index for All Urban Consumers (CPI-U), all items index-U.S. city average.

(6) The first rate adjustment is based upon percentage weightings on Section 6 of the Agreement. After the first rate adjustment, this column becomes from Column P of the previous year's adjustment worksheet.



**WASTE MANAGEMENT - Antelope Valley**  
**Lancaster Price Increase Calculations: Bin and Commercial Rates- Other Bin Services (per Exhibit 3B)**  
 NOTE: Rates below exclude city franchise fees

Step One: Calculate percentage change in indices

Row	Adjustment Factor	Index	A		B		C		D	
			Old Index Value	New Index Value	Percent Change In Index ((Column B/Column A)-1)	Maximum Allowed Percentage Change				
1	Labor	(1)	\$18.10	\$18.89	3.3%	3.3%				
2	Fuel	(2)	173.30	206.50	19.2%	19.2%				
3	Equipment	(3)	100.00	104.70	4.7%	4.7%				
4	Disposal	(4)	39.41	41.91	6.6%	4.7%				
5	All Other	(5)	199.20	208.50	4.7%	4.7%				

Notes:  
 Per Exhibit 3D  
 Jul-04 / Jun-05  
 CPI Used: See note 6 b  
 Jul-04 / Jun-05

Step Two: Determine weighted percentage change in rates

Row	Adjustment Factor	Index	E		F		G	
			Cost Factor Category Weighted as a % of Component Total (7)	Maximum Allowed Percent Change in Index (from Column D)	Total Weighted Percentage Change			
6	Labor	(1)	22.0%	3.3%	0.7%			
7	Fuel	(2)	8.0%	19.2%	1.5%			
8	Equipment	(3)	14.0%	4.7%	0.7%			
9	Disposal	(4)	37.0%	4.7%	1.7%			
10	All Other	(5)	19.0%	4.7%	0.9%			
11	Total		100.0%		5.5%			

Step Three: Apply Percentage Change to Rates

Row	Rate Category	H		I		J		K	
		Existing Rate	Total Weighted Percentage Change (from Column G, Row 1)	Rate Increase or Decrease (Column I x Column J)	Adjusted Rate (Column H + Column J)				
12	Temp 3 yrd Bin Delivery/Removal includes 7 day rental	\$98.83	5.5%	\$5.33	\$102.16				
13	Extra Pick Up Temp Bin	\$51.75	5.5%	\$2.85	\$54.60				
14	Daily Rental Fee Temp Bin - Exceeding 7 days	\$7.00	5.5%	\$0.39	\$7.39				
15	Activation Fee	\$15.00	5.5%	\$0.83	\$15.83				
16	Bin Exchange (more than 1 per year)	\$70.00	5.5%	\$3.85	\$73.85				
17	Bulky Item Pick up - commercial each	\$15.95	5.5%	\$0.88	\$16.83				
18	Cart Replacement Fee	\$75.00	5.5%	\$4.13	\$79.13				
19	Contamination Fee - Commercial	\$25.00	5.5%	\$1.38	\$26.38				
20	Contamination Fee - Residential	\$15.00	5.5%	\$0.83	\$15.83				
21	Lock Lids (per month per bin)	\$24.51	5.5%	\$1.35	\$25.86				
22	Phone Payment service fee	\$8.00	5.5%	\$0.44	\$8.44				
23	Push out service - Flat rate over 15 feet	\$19.80	5.5%	\$1.08	\$20.88				
24	Reactivation Fee	\$25.00	5.5%	\$1.38	\$26.38				
25	Trip Charge - Commercial	\$25.00	5.5%	\$1.38	\$26.38				
26	Trip Charge - Residential	\$10.00	5.5%	\$0.55	\$10.55				

Step Four: Recalculate cost component weightings for next rate adjustment

Row	Adjustment Factor	Index	L		M		N		O		P	
			Cost Component (E)	Percent Change as Applied to Rate Adjustment (Column F)	Increase in Cost Components (Column L x Column M)	Cost Component Increased (Column L + Column N)	Cost Component Reweighted to Equal 100%					
27	Labor	(1)	22.0%	3.3%	0.7%	22.7%	21.5%					
28	Fuel	(2)	8.0%	19.2%	1.5%	9.5%	9.0%					
29	Equipment	(3)	14.0%	4.7%	0.7%	14.7%	13.9%					
30	Disposal	(4)	37.0%	4.7%	1.7%	38.7%	36.7%					
31	All Other	(5)	19.0%	4.7%	0.9%	19.9%	18.9%					
32	Total		100.0%			105.5%	100.0%					

- (1) Rate increased described in the Articles of Agreement Between Waste Management Districts of Compton, Long Beach, and Sun valley and Package and General Utility Drivers Local Union No. 396, October 1, 2002 through September 30, 2007.
- (2) Producer Price Index WFLU057303 not seasonally adjusted. Fuels and related products and power, #2 diesel fuel
- (3) Producer Price Index, PCU3361203361201, Heavy Duty truck mfg Trucks, tractors, and bus chassis, 14001 to 33000 lbs.
- (4) Actual change in the per ton gate rate at the disposal site
- (5) Consumer Price Index for All Urban Consumers (CPI-U), all items Index-U.S. city average.
- (6) The first rate adjustment is based upon percentage weightings on Section 6 of the Agreement. After the first rate adjustment, this column becomes from Column P of the previous year's adjustment worksheet

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## **EXHIBIT 4: CITY EVENTS RECEIVING FREE SERVICE**

Aerospace Walk of Honor

Lancaster Poppy Festival

Downtown Celebration

4<sup>th</sup> of July Celebration

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## EXHIBIT 5: CUSTOMER INSTRUCTIONS

Customer instructions will be sent out to new Customers and sent to all residents on an annual basis. Instructions will include the following information:

The location where Containers shall be placed on the Premises for Collection service and the type of Containers to be used for disposing of refuse, Green Waste and recyclables;

A statement regarding the fee established by the City Council for Collection services and that such fees are mandatory;

A list of the Recyclable materials accepted in the Recyclable Container;

A list of Green Waste materials accepted in the Green Waste Container;

Senior Citizen discount will be offered to residents that meet the eligibility requirements;

That a \$2.00 per month Home Composting discount program for all Residential Customers meeting the City's established criteria subject to an annual inspection by the City shall be granted by the Contractor;

Two (2) Landfill Vouchers will be mailed annually to each resident during the month of August of each Operating Year

Any other information relating to the Refuse Collection program reasonably requested by the City Agent.

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## **EXHIBIT 6: EDUCATION AND PUBLIC AWARENESS PLAN**

Annual Plan to be inserted upon City's review and approval as outlined in Section 11.4.

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## **EXHIBIT 7: RATE ADJUSTMENT EXAMPLES**

Examples are attached for review

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## EXHIBIT 8: FAITHFUL PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the City of Lancaster, California, a municipal corporation ("City") has awarded to Waste Management of California, Inc., ("Principal"), an exclusive franchise for the collection, processing, and disposal of residential Solid Waste generated within the City; and

WHEREAS, the exclusive franchise, identified as "Franchise Agreement for Integrated Residential Waste Management Services" is incorporated by this reference; and

WHEREAS, the Principal is required under the terms of the exclusive franchise to furnish a bond for its faithful performance;

NOW, THEREFORE, we, Principal and \_\_\_\_\_, as Surety, are held and firmly bound unto the City in the penal sum of One Million Dollars (\$1,000,000.00), lawful money of the United States, for the payment of which we bind ourselves, our heirs, successors, executors, administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that the obligation will become null and void if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, will in all things stand to, abide by, well and truly keep and perform the covenants, conditions, and provisions in said exclusive franchise and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and will indemnify and save harmless the City, its officers, agents, and employees, as therein stipulated; otherwise, this obligation will be and remain in full force and effect.

As part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees will be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the exclusive franchise, the work to be performed thereunder, or the specifications accompanying the exclusive franchise will in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration, or addition to the terms of the exclusive franchise, the work, or the specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety on \_\_\_\_\_, 2007.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

\_\_\_\_\_  
(Type name of Principal)

\_\_\_\_\_  
(Signature of Principal)

\_\_\_\_\_  
(Type address of Principal)

By: \_\_\_\_\_  
(Signature of authorized officer)

\_\_\_\_\_  
(Title of officer)

\_\_\_\_\_  
(Type name of Surety)

\_\_\_\_\_  
(Type address of Surety)

By: \_\_\_\_\_  
(Signature of authorized officer)

\_\_\_\_\_  
(Title of officer)

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

# NATIONAL GUARANTY INSURANCE COMPANY OF VERMONT

100 BANK STREET, SUITE 610 BURLINGTON, VT 05401

PERFORMANCE BOND  
(AIA 311)

ORIGINAL

BOND NUMBER: PB07-0007

**KNOW ALL MEN BY THESE PRESENTS:**

That USA Waste of California, Inc., 1200 West City Rancho Road, Palmdale, CA 93551, as Principal, and NATIONAL GUARANTY INSURANCE COMPANY OF VERMONT, as Surety,, are held and firmly bound unto City of Lancaster, 44933 Fern Avenue, Lancaster, CA 93534, as Obligee, in the sum of One Million and No/100 DOLLARS (\$1,000,000.00), for the payment of which sum, well and truly to be made, the Principal and Surety bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into written contract dated \_\_\_\_\_ with the Obligee for Refuse and Recycling Services for the July 1, 2007 through June 30, 2017 term in accordance with the drawings and specifications prepared by \_\_\_\_\_ which contract is by referenced made a part hereof and is hereinafter referred to as the contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said contract, then this obligation shall be null and void; otherwise to remain in full force and effect. The Surety hereby waives notice of any alteration or extension of time made by the Owner.

Whenever Contractor shall be, and declared by Owner to be in default under the Contract, the Owner having performed Owner's obligations thereunder, the Surety may promptly remedy the default, or shall promptly:

1. Complete the Contract in accordance with its terms and conditions, or
2. Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by Surety of the lowest responsible bidder, or if the Owner elects, upon determination by the Owner and the Surety jointly of the lowest responsible bidder, arrange for a contract between such bidder and Owner, and make available as Work progresses (even though there should be a default or a succession of defaults under the contact or contracts of completion arranges under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the contract price," as used in this paragraph shall mean the total amount payable by Owner to Contractor under the contract and any amendments thereto, less the amount properly paid by Owner to Contractor.
3. Any suit under this bond must be instituted before the expiration of two (2) years from the date on which final payment under the Contract falls due. No right of action shall accrue on this bond to or for the use of any person or corporation other than the Owner named herein or the heirs, executors, administrators or successors of Owner.
4. Notwithstanding anything contained in the contract to the contrary, the liability of the Principal and Surety under this bond is limited to the original term of the contract from July 1, 2007 through June 30, 2008. Any extensions or renewals of the referenced contract shall be covered under this bond only when consented to in writing by the Surety.

Signed, Sealed and Dated: May 24, 2007.

USA Waste of California, Inc.

By: Maria D. Zuniga  
Maria D. Zuniga  
Attorney-in-Fact

NATIONAL GUARANTY INSURANCE  
COMPANY OF VERMONT

By: Richard Covington  
Richard Covington  
Attorney-in-Fact

**POWER OF ATTORNEY**

**KNOWN ALL MEN BY THESE PRESENTS** that each of the entities listed on Exhibit A attached hereto (individually, the "Corporation"), has constituted and appointed and does hereby constitute and appoint Marc W. Boots, Richard Covington, Mark W. Edwards II, Mary Ann Garcia, Leslie K. Hudgens, Christopher M. Muscolino, P.T. Osburn, Stephen R. Smith and Maria D. Zuniga of McGriff, Seibels & Williams of Texas, Inc., each its true and lawful Attorney-in-fact to execute under such designation in its name and to affix its corporate seal to deliver for and on its behalf as surety thereon or otherwise, bonds of any of the following classes, to wit:

1. Surety bonds to the United States of America or any agency thereof, including lease and miscellaneous surety bonds required or permitted under the laws, ordinances or regulations of any State, City, Town, Village, Board or any other body or organization, public or private.
2. Bonds on behalf of contractors in connection with bids, proposals or contracts.

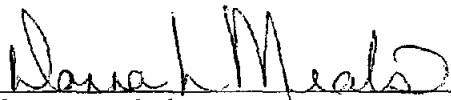
The foregoing powers granted by the Corporation shall be subject to and conditional upon the written direction of any officer (or any designee of any such officer) to execute and deliver any such bonds.

The signatures and attestations of such Attorneys-in-fact and the seal of the Corporation may be affixed to any such bond, policy or to any certificate relating thereto by facsimile and any such bond, policy or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Corporation when so affixed.

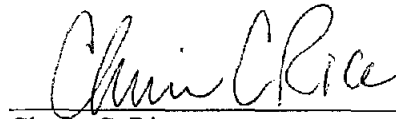
**IN WITNESS WHEREOF**, the Corporation has caused these presents to be signed by its Vice President and Treasurer, and its corporate seal to be hereto affixed this 24<sup>th</sup> day of May, 2007.

Witness:

Waste Management, Inc.



Donna L. Meals  
Director, Financial Assurance



Cherie C. Rice  
Vice President, Finance and Treasurer

# Affiliate Entity Report

## Active Legal Entities

<i>Name</i>	<i>Federal ID No.</i>	<i>Entity Type</i>	<i>State of Incorporation</i>
1019726 Alberta Ltd.	NA-0000168	Corporation	Alberta
1329409 Ontario Inc.	NA-0000001	Corporation	Ontario
3368084 Canada Inc.	NA-0000003	Corporation	Canada
635952 Ontario Inc.	NA-0000005	Corporation	Ontario
Acaverde S.A. de C.V.	NA-0000010	Corporation	Mexico
Acaverde Servicios, S.A. de C.V.	NA-0000011	Corporation	Mexico
Advanced Environmental Technical Services, L.L.C.	36-4016575	Limited Liability Company	Delaware
Akron Regional Landfill, Inc.	31-1595650	Corporation	Delaware
Alabama Waste Disposal Solutions, L.L.C.	76-0641853	Limited Liability Company	Alabama
Alliance Sanitary Landfill, Inc.	23-2383025	Corporation	Pennsylvania
Alpharetta Transfer Station, LLC	20-1457486	Limited Liability Company	Georgia
American Landfill, Inc.	34-1355783	Corporation	Ohio
American RRT Fiber Supply, L.P.	23-2790769	Limited Partnership	Pennsylvania
Anderson Landfill, Inc.	76-0590137	Corporation	Delaware
Antelope Valley Recycling and Disposal Facility, Inc.	95-3344381	Corporation	California
Arden Landfill, Inc.	25-1249512	Corporation	Pennsylvania
Atlantic Waste Disposal, Inc.	36-3852536	Corporation	Delaware
Automated Salvage Transport Co., L.L.C.	04-3735644	Limited Liability Company	Delaware
Auxiwaste Services SA	NA-0000013	Corporation	France
Azusa Land Reclamation, Inc.	95-2908438	Corporation	California
B&B Landfill, Inc.	20-1469925	Corporation	Delaware
Barre Landfill Gas Associates, L.P.	06-1438474	Limited Partnership	Delaware
Bayside of Marion, Inc.	22-3479629	Corporation	Florida
Beecher Development Company	36-3381285	Joint Venture	Illinois
Bestan Inc.	NA-0000017	Corporation	Quebec
Big Dipper Enterprises, Inc.	45-0325454	Corporation	North Dakota
Bio-Energy Partners	36-3500224	General Partnership	Illinois
Bluegrass Containment, L.L.C.	76-0641298	Limited Liability Company	Delaware
Brazoria County Recycling Center, Inc.	76-0160311	Corporation	Texas
Burnsville Sanitary Landfill, Inc.	41-1882463	Corporation	Minnesota
C&C Disposal, LLC	20-1289317	Limited Liability Company	Georgia
C.I.D. Landfill, Inc.	16-1091396	Corporation	New York
CA Newco, L.L.C.	35-2228276	Limited Liability Company	Delaware
Cal Sierra Disposal	94-2349727	Corporation	California
California Asbestos Monofill, Inc.	68-0232434	Corporation	California
Canadian Waste Services Holdings Inc.	NA-0000020	Corporation	Ontario
CAP/CRA, L.L.C.	52-2137376	Limited Liability Company	Illinois
Capital Sanitation Company	88-0121888	Corporation	Nevada
Capitol Disposal, Inc.	76-0638591	Corporation	Alaska
Carolina Grading, Inc.	57-0923608	Corporation	South Carolin
Carver Transfer & Processing, LLC	41-1767917	Limited Liability Company	Minnesota
Cedar Ridge Landfill, Inc.	62-1727570	Corporation	Delaware
Central Disposal Systems, Inc.	42-0995450	Corporation	Iowa
Central Missouri Landfill, Inc.	43-1397423	Corporation	Missouri
Chadwick Road Landfill, Inc.	58-1798581	Corporation	Georgia
Chambers Clearview Environmental Landfill, Inc.	25-1652556	Corporation	Mississippi
Chambers Development Company, Inc.	25-1214958	Corporation	Delaware
Chambers Development of Ohio, Inc.	51-0396835	Corporation	Ohio
Chambers of Asia	NA-0000159	Corporation	Hong Kong
Chambers of Georgia, Inc.	58-2397639	Corporation	Delaware
Chambers of Hong Kong, Inc.	NA-0000156	Corporation	Hong Kong
Chambers of Mississippi, Inc.	25-1628285	Corporation	Mississippi

# Affiliate Entity Report

## Active Legal Entities

<i>Name</i>	<i>Federal ID No.</i>	<i>Entity Type</i>	<i>State of Incorporation</i>
Chastang Landfill, Inc.	76-0638602	Corporation	Delaware
Chemical Waste Management of Indiana, L.L.C.	36-4067587	Limited Liability Company	Delaware
Chemical Waste Management of the Northwest, Inc.	91-1089393	Corporation	Washington
Chemical Waste Management, Inc.	36-2989152	Corporation	Delaware
Chesser Island Road Landfill, Inc.	58-2364490	Corporation	Georgia
City Disposal Systems, Inc.	38-3407001	Corporation	Delaware
City Environmental Services, Inc. of Waters	38-3020069	Corporation	Michigan
City Environmental, Inc.	38-3407576	Corporation	Delaware
City Management Corporation	38-2056600	Corporation	Michigan
Cleburne Landfill Company Corp.	59-3069374	Corporation	Alabama
Coast Waste Management, Inc.	95-2557952	Corporation	California
Colorado Landfill, Inc.	76-0639312	Corporation	Delaware
Connecticut Valley Sanitary Waste Disposal, Inc.	04-2796580	Corporation	Massachusetts
Conservation Services, Inc.	84-0915035	Corporation	Colorado
Container Recycling Alliance, LLC	20-5037719	Limited Liability Company	Delaware
Continental Waste Industries Arizona, Inc.	22-3146904	Corporation	New Jersey
Corporate Housing Initiatives II Limited Partnership	52-1854657	Limited Partnership	Delaware
Coshocton Landfill, Inc.	31-1214800	Corporation	Ohio
Cougar Landfill, Inc.	76-0211843	Corporation	Texas
Countryside Landfill, Inc.	36-2838336	Corporation	Illinois
Cuyahoga Landfill, Inc.	76-0680495	Corporation	Delaware
CWM Chemical Services, L.L.C.	36-4203347	Limited Liability Company	Delaware
Dafter Sanitary Landfill, Inc.	38-2754804	Corporation	Michigan
Dauphin Meadows, Inc.	23-2390183	Corporation	Pennsylvania
Deep Valley Landfill, Inc.	23-2886200	Corporation	Delaware
Deer Track Park Landfill, Inc.	39-1802678	Corporation	Delaware
Del Almo Landfill, L.L.C.	74-3055347	Limited Liability Company	Delaware
Deland Landfill, Inc.	76-0590138	Corporation	Delaware
Delaware Recyclable Products, Inc.	51-0334417	Corporation	Delaware
Dickinson Landfill, Inc.	76-0325384	Corporation	Delaware
Disposal Service, Incorporated	55-0618479	Corporation	West Virginia
Dominium Opportunity Fund, A California Limited Partnership	95-4507794	Limited Partnership	California
Donahue/JRP Asia Pacific Ltd	NA-0000163	Corporation	Hong Kong
E.C. Waste, Inc.	66-0523535	Corporation	Puerto Rico
Earthmovers Landfill, L.L.C.	61-1342591	Limited Liability Company	Delaware
East Liverpool Landfill, Inc.	34-1637446	Corporation	Ohio
Eastern One Land Corporation	76-0695122	Corporation	Delaware
eCycling Services, L.L.C.	38-3684879	Limited Liability Company	Delaware
El Coqui Landfill Company, Inc.	66-0555785	Corporation	Puerto Rico
El Coqui Waste Disposal, Inc.	76-0480500	Corporation	Delaware
ELDA Landfill, Inc.	76-0639272	Corporation	Delaware
Elk River Landfill, Inc.	41-1283941	Corporation	Minnesota
Envirofil of Illinois, Inc.	37-0957555	Corporation	Illinois
Evergreen Landfill, Inc.	76-0472693	Corporation	Delaware
Evergreen National Indemnity Company	UK-0000142	Corporation	Ohio
Evergreen Recycling and Disposal Facility, Inc.	76-0638587	Corporation	Delaware
Farmer's Landfill, Inc.	43-0863680	Corporation	Missouri
Feather River Disposal, Inc.	06-1479349	Corporation	California
Fernley Disposal, Inc.	94-3423947	Corporation	Nevada
Front Range Landfill, Inc.	76-0479974	Corporation	Delaware
G.I. Industries	87-0430285	Corporation	Utah
GA Landfills, Inc.	58-2293782	Corporation	Delaware



# Affiliate Entity Report

## Active Legal Entities

<i>Name</i>	<i>Federal ID No.</i>	<i>Entity Type</i>	<i>State of Incorporation</i>
Gallia Landfill, Inc.	31-1509605	Corporation	Delaware
Garnet of Maryland, Inc.	52-1916417	Corporation	Maryland
Gateway Transfer Station, LLC	20-1457460	Limited Liability Company	Georgia
GCP Engineering Ltd	NA-0000164	Corporation	Hong Kong
Georgia Waste Systems, Inc.	58-1028526	Corporation	Georgia
Gestion Des Rebutis D.M.P. Inc.	NA-0000033	Corporation	Quebec
Giordano Recycling, L.L.C.	20-2098765	Limited Liability Company	Delaware
Glen's Sanitary Landfill, Inc.	38-2065407	Corporation	Michigan
Grand Central Sanitary Landfill, Inc.	23-2049337	Corporation	Pennsylvania
Grupo WMX, S.A. De C.V.	NA-0000039	Corporation	Mexico
Guadalupe Mines Mutual Water Company	77-0398278	Not For Profit Corporation	California
Guadalupe Rubbish Disposal Co., Inc.	95-2746842	Corporation	California
Guam Resource Recovery Partners, L.P.	36-4149976	Limited Partnership	Delaware
Ham Lake Haulers, Inc.	41-1704537	Corporation	Minnesota
Harris Sanitation, Inc.	59-1219741	Corporation	Florida
Harwood Landfill, Inc.	52-1637402	Corporation	Maryland
Hedco Landfill Limited	NA-0000040	Corporation	England
Hillsboro Landfill Inc.	93-0760239	Corporation	Oregon
Holyoke Sanitary Landfill, Inc.	04-2481863	Corporation	Massachusetts
IN Landfills, L.L.C.	61-1342588	Limited Liability Company	Delaware
Independent Sanitation Company	88-0126699	Corporation	Nevada
Jahner Sanitation, Inc.	45-0410330	Corporation	North Dakota
Jay County Landfill, L.L.C.	61-1342592	Limited Liability Company	Delaware
JFS (UK) Limited	NA-0000044	Corporation	England
Jones Sanitation, L.L.C.	61-1342583	Limited Liability Company	Delaware
K and W Landfill Inc.	38-2504167	Corporation	Michigan
Kahle Landfill, Inc.	43-1682575	Corporation	Missouri
Keene Road Landfill, Inc.	59-2044226	Corporation	Florida
Kelly Run Sanitation, Inc.	25-1696669	Corporation	Pennsylvania
Key Disposal Ltd.	NA-0000045	Corporation	British Columl
KeyCorp Investment Limited Partnership	34-1783428	Limited Partnership	Ohio
King George Landfill, Inc.	54-1632805	Corporation	Virginia
L&M Landfill, Inc.	84-1492401	Corporation	Delaware
La Quinta Medical/Commercial Plaza, Ltd.	95-4357859	Limited Partnership	California
Lakeville Recycling, L.P.	36-3730138	Limited Partnership	Delaware
Land Reclamation Company, Inc.	36-3640284	Corporation	Delaware
Land South Holdings, LLC	20-5908782	Limited Liability Company	Delaware
Landfill of Pine Ridge, Inc.	76-0638593	Corporation	Delaware
Landfill Services of Charleston, Inc.	55-0731302	Corporation	West Virginia
Laurel Highlands Landfill, Inc.	25-1640583	Corporation	Pennsylvania
LCS Services, Inc.	55-0673745	Corporation	West Virginia
Liberty Landfill, L.L.C.	61-1342590	Limited Liability Company	Delaware
Liberty Lane West Owners' Association	36-4163829	Not For Profit Corporation	New Hampsh
Liquid Waste Management, Inc.	95-2779930	Corporation	California
Longleaf C&D Disposal Facility, Inc.	59-3598129	Corporation	Florida
Longmont Landfill, L.L.C.	36-4551803	Limited Liability Company	Delaware
M.S.T.S. Limited Partnership	36-3790528	Limited Partnership	Illinois
M.S.T.S., Inc.	36-3542321	Corporation	Delaware
Mahoning Landfill, Inc.	34-1047662	Corporation	Ohio
Marangi Bros., Inc.	22-1406583	Corporation	New Jersey
Mass Gravel Inc.	04-3117495	Corporation	Massachusetts
Mc Ginnes Industrial Maintenance Corporation	74-1532790	Corporation	Texas

# Affiliate Entity Report

## Active Legal Entities

<i>Name</i>	<i>Federal ID No.</i>	<i>Entity Type</i>	<i>State of Incorporation</i>
McDaniel Landfill, Inc.	45-0399545	Corporation	North Dakota
McGill Landfill, Inc.	38-3076718	Corporation	Michigan
Meadowfill Landfill, Inc.	31-1509701	Corporation	Delaware
Michigan Environs, Inc.	38-2434760	Corporation	Michigan
Midwest One Land Corporation	20-0606093	Corporation	Delaware
Minneapolis Refuse, Incorporated	41-0972178	Corporation	Minnesota
Modern-Mallard Energy, LLC	57-1161216	Limited Liability Company	Delaware
Modesto Garbage Co., Inc.	94-1643145	Corporation	California
Moor Refuse, Inc.	33-0622768	Corporation	California
Mountain Indemnity Insurance Company	03-0328445	Corporation	Vermont
Mountain Indemnity International Limited	NA-0000053	Corporation	Ireland
Mountainview Landfill, Inc. (MD)	25-1538716	Corporation	Maryland
Mountainview Landfill, Inc. (UT)	76-0548746	Corporation	Utah
Nassau Landfill, L.L.C.	37-1487482	Limited Liability Company	Delaware
National Guaranty Insurance Company of Vermont	36-3643755	Corporation	Vermont
New England CR L.L.C.	04-3735642	Limited Liability Company	Delaware
New Milford Landfill, L.L.C.	76-0641312	Limited Liability Company	Delaware
New Orleans Landfill, L.L.C.	38-3699690	Limited Liability Company	Delaware
NH/VT Energy Recovery Corporation	02-0390004	Corporation	New Hampsh
North America One Land Company, L.L.C.	20-0570245	Limited Liability Company	Delaware
Northwestern Landfill, Inc.	52-2023458	Corporation	Delaware
Nu-Way Live Oak Reclamation, Inc.	68-0236308	Corporation	Delaware
Oakridge Landfill, Inc.	25-1547187	Corporation	South Carolin
Oakwood Landfill, Inc.	57-0974474	Corporation	South Carolin
Okeechobee Landfill, Inc.	25-1628636	Corporation	Florida
Orange County Landfill, Inc.	25-1683729	Corporation	Florida
Ozark Ridge Landfill, Inc.	71-0692520	Corporation	Arkansas
P & R Environmental Industries, L.L.C.	04-3735653	Limited Liability Company	North Carolin:
Pacific Waste Management L.L.C.	98-0227312	Limited Liability Company	Delaware
Palmetto Seed Capital Fund	57-0889130	Trust	South Carolin
Palo Alto Sanitation Company	94-1075868	Corporation	California
Paper Recycling International, L.P.	36-3735699	Limited Partnership	Delaware
Pappy, Inc.	52-1561430	Corporation	Maryland
Peltz H.C., LLC	UK-0000100	Limited Liability Company	Wisconsin
Pen-Rob, Inc.	86-0504613	Corporation	Arizona
Pennwood Crossing, Inc.	22-2260307	Corporation	Pennsylvania
Penuelas Valley Landfill, Inc.	66-0560251	Corporation	Puerto Rico
People's Landfill, Inc.	38-3406998	Corporation	Delaware
Peterson Demolition, Inc.	41-1625867	Corporation	Minnesota
Phoenix Resources, Inc.	23-2483102	Corporation	Pennsylvania
Pine Grove Landfill, Inc. (DE)	31-1509609	Corporation	Delaware
Pine Grove Landfill, Inc. (PA)	23-2388139	Corporation	Pennsylvania
Pine Ridge Landfill, Inc.	76-0680343	Corporation	Delaware
Pine Tree Acres, Inc.	38-2544258	Corporation	Michigan
Plantation Oaks Landfill, Inc.	76-0638592	Corporation	Delaware
Polk Gas Producers, LLC		Limited Liability Company	Michigan
PPP Corporation	23-2146479	Corporation	Delaware
Prairie Bluff Landfill, Inc.	76-0638590	Corporation	Delaware
ProCentury Corporation	UK-0000026	Corporation	Ohio
Pulaski Grading, L.L.C.	76-0638043	Limited Liability Company	Delaware
Pullman-Hoffman, Inc.	34-0824706	Corporation	Ohio
Quail Hollow Landfill, Inc.	62-1727567	Corporation	Delaware

# Affiliate Entity Report

## Active Legal Entities

<i>Name</i>	<i>Federal ID No.</i>	<i>Entity Type</i>	<i>State of Incorporation</i>
Questquill Limited	98-0221631	Corporation	United Kingdom
R & B Landfill, Inc.	25-1754371	Corporation	Georgia
RAA Colorado, L.L.C.	20-2587942	Limited Liability Company	Colorado
RAA Trucking, LLC	39-2040612	Limited Liability Company	Wisconsin
Rail Cycle North Ltd.	NA-0000064	Corporation	Ontario
RCI Hudson, Inc.	04-3044820	Corporation	Massachusetts
RE-CY-CO, Inc.	41-0992714	Corporation	Minnesota
RECO Ventures, L.P.	76-0503271	Limited Partnership	Delaware
Recycle America Co., L.L.C.	04-3735636	Limited Liability Company	Delaware
Recycle America Holdings, Inc.	72-1541913	Corporation	Delaware
Redwood Landfill, Inc.	94-1443150	Corporation	Delaware
Refuse Services, Inc.	59-1098850	Corporation	Florida
Refuse, Inc.	88-0094235	Corporation	Nevada
REI Holdings Inc.	36-4124520	Corporation	Delaware
Reliable Landfill, L.L.C.	73-1654400	Limited Liability Company	Delaware
Remote Landfill Services, Inc.	62-1421307	Corporation	Tennessee
Reno Disposal Co.	88-0087833	Corporation	Nevada
Resco Holdings L.L.C.	20-0584193	Limited Liability Company	Delaware
Resource Control Composting, Inc.	04-3044833	Corporation	Massachusetts
Resource Control, Inc.	04-2655361	Corporation	Massachusetts
Reuter Recycling of Florida, Inc.	59-2376090	Corporation	Florida
Richland County Landfill, Inc.	58-1708996	Corporation	South Carolina
Riegel Ridge, LLC	56-2124210	Limited Liability Company	North Carolina
Riverbend Landfill Co.	93-0724866	Corporation	Oregon
Rolling Meadows Landfill, Inc.	76-0325383	Corporation	Delaware
RRT Design & Construction Corp.	16-1353118	Corporation	Delaware
RRT Empire of Monroe County, Inc.	16-1409567	Corporation	New York
RTS Landfill, Inc.	58-1924102	Corporation	Delaware
Rust Engineering & Construction Inc.	63-1081016	Corporation	Delaware
Rust Engineering (Thailand) Ltd	NA-0000162	Corporation	Thailand
Rust International Inc.	63-1081055	Corporation	Delaware
S & J Landfill Limited Partnership	76-0404581	Limited Partnership	Texas
S & S Grading, Inc.	58-1858013	Corporation	West Virginia
S. V. Farming Corp.	22-2976860	Corporation	New Jersey
Sanifill de Mexico (US), Inc.	76-0419331	Corporation	Delaware
Sanifill de Mexico, S.A. de C.V.	NA-0000070	Corporation	Mexico
Sanifill Power Corporation	76-0496422	Corporation	Delaware
SC Holdings, Inc.	36-2898300	Corporation	Pennsylvania
Serubam Servicos Urbanos E Ambientais Ltda	NA-0000077	Corporation	Brazil
SES Bridgeport L.L.C.	36-4057298	Limited Liability Company	Delaware
SES Connecticut Inc.	02-0390443	Corporation	Delaware
Shade Landfill, Inc.	23-2886198	Corporation	Delaware
Sierra Estrella Landfill, Inc.	86-0717293	Corporation	Arizona
Smyrna Landfill, Inc.	25-1562752	Corporation	Georgia
Southern Alleghenies Landfill, Inc.	25-1249160	Corporation	Pennsylvania
Southern One Land Corporation	72-1534481	Corporation	Delaware
Southern Plains Landfill, Inc.	73-1384828	Corporation	Oklahoma
Southern Waste Services, L.L.C.	61-1342585	Limited Liability Company	Delaware
Spruce Ridge, Inc.	41-1591957	Corporation	Minnesota
Stony Hollow Landfill, Inc.	76-0638597	Corporation	Delaware
Storey County Sanitation, Inc.	88-0264671	Corporation	Nevada
Suburban Landfill, Inc.	76-0638596	Corporation	Delaware

# Affiliate Entity Report

## Active Legal Entities

<i>Name</i>	<i>Federal ID No.</i>	<i>Entity Type</i>	<i>State of Incorporation</i>
Texarkana Landfill, L.L.C.	30-0239245	Limited Liability Company	Delaware
The Peltz Group of Ohio LLC	39-1977904	Limited Liability Company	Ohio
The Peltz Group, LLC	05-0545181	Limited Liability Company	Wisconsin
The Waste Management Charitable Foundation	04-3073733	Not For Profit Corporation	Delaware
The Woodlands of Van Buren, Inc.	36-3791221	Corporation	Delaware
TNT Sands, Inc.	57-0937314	Corporation	South Carolin
Trail Ridge Landfill, Inc.	36-3667296	Corporation	Delaware
Transamerican Waste Central Landfill, Inc.	76-0463386	Corporation	Delaware
Transamerican Waste Industries Southeast, Inc.	76-0438549	Corporation	Delaware
Trash Hunters, Inc.	64-0852590	Corporation	Mississippi
Tri-County Sanitary Landfill, L.L.C.	20-0937658	Limited Liability Company	Delaware
TX Newco, L.L.C.	61-1468715	Limited Liability Company	Delaware
United Waste Systems Leasing, Inc.	38-3324143	Corporation	Michigan
United Waste Systems of Gardner, Inc.	04-3320949	Corporation	Massachuset
USA South Hills Landfill, Inc.	25-1139448	Corporation	Pennsylvania
USA Valley Facility, Inc.	23-2886199	Corporation	Delaware
USA Waste Geneva Landfill, Inc.	34-1802751	Corporation	Delaware
USA Waste Industrial Services, Inc.	76-0555049	Corporation	Delaware
USA Waste Landfill Operations and Transfer, Inc.	76-0435557	Corporation	Texas
USA Waste of California, Inc.	68-0306154	Corporation	Delaware
USA Waste of New York City, Inc.	11-3301809	Corporation	Delaware
USA Waste of Pennsylvania, LLC	74-2921886	Limited Liability Company	Delaware
USA Waste of Texas Landfills, Inc.	76-0322548	Corporation	Delaware
USA Waste of Virginia Landfills, Inc.	58-1932248	Corporation	Delaware
USA Waste San Antonio Landfill, Inc.	91-2155334	Corporation	Delaware
USA Waste Services of Nevada, Inc.	76-0656629	Corporation	Nevada
USA Waste Services of NYC, Inc.	11-3301808	Corporation	Delaware
USA Waste-Management Resources, LLC	13-3853086	Limited Liability Company	New York
USA-Crinc, L.L.C.	04-3735654	Limited Liability Company	Delaware
UWS Barre, Inc.	04-3320948	Corporation	Massachuset
Valley Garbage and Rubbish Company, Inc.	95-2090787	Corporation	California
Vern's Refuse Service, Inc.	45-0435644	Corporation	North Dakota
VFB, LLC	22-3842831	Limited Liability Company	New Jersey
VHG, Inc.	UK-0000023	Corporation	Minnesota
Vickery Environmental, Inc.	31-1153176	Corporation	Ohio
Vista Landfill, LLC	59-3652174	Limited Liability Company	Florida
Voyageur Disposal Processing, Inc.	41-1734827	Corporation	Minnesota
Warner Company	51-0281233	Corporation	Delaware
Warner Hill Development Company	34-1043478	Corporation	Ohio
Waste Away Group, Inc.	63-0898842	Corporation	Alabama
Waste Management Arizona Landfills, Inc.	86-0683003	Corporation	Delaware
Waste Management Buckeye, L.L.C.	26-0076809	Limited Liability Company	Delaware
Waste Management Canadian Finance L.P.	75-2979395	Limited Partnership	Quebec
Waste Management Collection and Recycling, Inc.	95-2621587	Corporation	California
Waste Management Disposal Services of Colorado, Inc.	84-1004487	Corporation	Colorado
Waste Management Disposal Services of Maine, Inc.	01-0392888	Corporation	Maine
Waste Management Disposal Services of Maryland, Inc.	36-2898301	Corporation	Maryland
Waste Management Disposal Services of Massachusetts, Inc.	04-2320990	Corporation	Massachuset
Waste Management Disposal Services of Oregon, Inc.	36-3548405	Corporation	Delaware
Waste Management Disposal Services of Pennsylvania, Inc.	23-1655318	Corporation	Pennsylvania
Waste Management Disposal Services of Virginia, Inc.	36-3791008	Corporation	Delaware
Waste Management Environmental Services B.V.	98-0356001	Limited Liability Company	Netherlands

# Affiliate Entity Report

## Active Legal Entities

<i>Name</i>	<i>Federal ID No.</i>	<i>Entity Type</i>	<i>State of Incorporation</i>
Waste Management Financing Corporation	36-4200855	Corporation	Delaware
Waste Management Holdings, Inc.	36-2660763	Corporation	Delaware
Waste Management Inc. of Florida	59-1094518	Corporation	Florida
Waste Management Indycoke, L.L.C.	81-0640497	Limited Liability Company	Delaware
Waste Management International B.V.	NA-0000096	Limited Liability Company	Netherlands
Waste Management International plc	NA-0000097	Limited Partnership	United Kingdc
Waste Management International Services Limited	98-0336025	Corporation	United Kingdc
Waste Management International, Inc.	36-3255004	Corporation	Delaware
Waste Management International, Ltd.	NA-0000099	Limited Liability Company	Bermuda
Waste Management Municipal Services of California, Inc.	77-0151385	Corporation	California
Waste Management National Services, Inc.	76-0686861	Corporation	Delaware
Waste Management New England Environmental Transport, Inc.	04-3509618	Corporation	Delaware
Waste Management of Alameda County, Inc.	94-0727420	Corporation	California
Waste Management of Alaska, Inc.	91-1879241	Corporation	Delaware
Waste Management of Arizona, Inc.	86-0198265	Corporation	California
Waste Management of Arkansas, Inc.	04-2814811	Corporation	Delaware
Waste Management of California, Inc.	95-1735737	Corporation	California
Waste Management of Canada Corporation	NA-0000021	Corporation	Nova Scotia
Waste Management of Canada Corporation	NA-0000021	Corporation	Ontario
Waste Management of Carolinas, Inc.	56-0731307	Corporation	North Carolin
Waste Management of Colorado, Inc.	84-0523684	Corporation	Colorado
Waste Management of Connecticut, Inc.	06-1485581	Corporation	Delaware
Waste Management of Delaware, Inc.	51-0094505	Corporation	Delaware
Waste Management of Five Oaks Recycling and Disposal Facility,	37-1035820	Corporation	Delaware
Waste Management of Georgia, Inc.	36-3319564	Corporation	Georgia
Waste Management of Hawaii, Inc.	76-0638599	Corporation	Delaware
Waste Management of Idaho, Inc.	82-0364976	Corporation	Idaho
Waste Management of Illinois Holdings, L.L.C.	61-1466503	Limited Liability Company	Delaware
Waste Management of Illinois, Inc.	36-2660859	Corporation	Delaware
Waste Management of Indiana Holdings One, Inc.	36-4039079	Corporation	Delaware
Waste Management of Indiana Holdings Two, Inc.	36-4059574	Corporation	Delaware
Waste Management of Indiana, L.L.C.	36-4071447	Limited Liability Company	Delaware
Waste Management of Iowa, Inc.	42-0824220	Corporation	Iowa
Waste Management of Kansas, Inc.	48-0634806	Corporation	Kansas
Waste Management of Kentucky Holdings, Inc.	36-4059575	Corporation	Delaware
Waste Management of Kentucky L.L.C.	36-4035849	Limited Liability Company	Delaware
Waste Management of Leon County, Inc.	36-3319565	Corporation	Florida
Waste Management of Londonderry, Inc.	20-5657050	Corporation	Delaware
Waste Management of Louisiana Holdings One, Inc.	36-4142119	Corporation	Delaware
Waste Management of Louisiana, L.L.C.	36-4119910	Limited Liability Company	Delaware
Waste Management of Maine, Inc.	01-0267739	Corporation	Maine
Waste Management of Maryland, Inc.	52-0250430	Corporation	Maryland
Waste Management of Massachusetts, Inc.	04-2535063	Corporation	Massachusetts
Waste Management of Metro Atlanta, Inc.	58-1937966	Corporation	Georgia
Waste Management of Michigan, Inc.	38-1214786	Corporation	Michigan
Waste Management of Minnesota, Inc.	36-2698820	Corporation	Minnesota
Waste Management of Mississippi, Inc.	36-3005295	Corporation	Mississippi
Waste Management of Missouri, Inc.	43-0992367	Corporation	Delaware
Waste Management of Montana, Inc.	36-3564773	Corporation	Delaware
Waste Management of Nebraska, Inc.	36-3469702	Corporation	Delaware
Waste Management of Nevada, Inc.	88-0394159	Corporation	Nevada
Waste Management of New Hampshire, Inc.	04-2482447	Corporation	Connecticut

# Affiliate Entity Report

## Active Legal Entities

<i>Name</i>	<i>Federal ID No.</i>	<i>Entity Type</i>	<i>State of Incorporation</i>
Waste Management of New Jersey, Inc.	36-3700143	Corporation	Delaware
Waste Management of New Mexico, Inc.	85-0229020	Corporation	New Mexico
Waste Management of New York, L.L.C.	36-4206797	Limited Liability Company	Delaware
Waste Management of North Dakota, Inc.	36-3798294	Corporation	Delaware
Waste Management of Ohio, Inc.	25-1673264	Corporation	Ohio
Waste Management of Oklahoma, Inc.	73-0685975	Corporation	Oklahoma
Waste Management of Oregon, Inc.	93-0612655	Corporation	Oregon
Waste Management of Pennsylvania Gas Recovery, L.L.C.	20-2926331	Limited Liability Company	Delaware
Waste Management of Pennsylvania, Inc.	25-1232336	Corporation	Pennsylvania
Waste Management of Plainfield, L.L.C.	76-0722971	Limited Liability Company	Delaware
Waste Management of Rhode Island, Inc.	36-3668109	Corporation	Delaware
Waste Management of South Carolina, Inc.	36-2935124	Corporation	South Carolin
Waste Management of South Dakota, Inc.	46-0348394	Corporation	South Dakota
Waste Management of Texas Holdings, Inc.	43-1976001	Corporation	Delaware
Waste Management of Texas, Inc.	75-1223528	Corporation	Texas
Waste Management of Texas, L.P.	20-0552458	Limited Partnership	Delaware
Waste Management of Tunica Landfill, Inc.	64-0869334	Corporation	Mississippi
Waste Management of Utah, Inc.	87-0302156	Corporation	Utah
Waste Management of Virginia, Inc.	25-1578667	Corporation	Virginia
Waste Management of Washington, Inc.	36-3846342	Corporation	Delaware
Waste Management of West Virginia, Inc.	36-3553198	Corporation	Delaware
Waste Management of Wisconsin, Inc.	39-0967466	Corporation	Wisconsin
Waste Management of Wyoming, Inc.	36-3828554	Corporation	Delaware
Waste Management Paper Stock Company, Inc.	36-3726719	Corporation	Delaware
Waste Management Partners, Inc.	36-3220911	Corporation	Delaware
Waste Management Plastic Products, Inc.	36-3761543	Corporation	Delaware
Waste Management Recycling and Disposal Services of California	95-2370376	Corporation	California
Waste Management Recycling of New Jersey, L.L.C.	04-3735640	Limited Liability Company	Delaware
Waste Management Security, L.L.C.	43-1970495	Limited Liability Company	Delaware
Waste Management Service Center, L.P.	20-4017694	Limited Partnership	Delaware
Waste Management South America B.V.	NA-0000102	Limited Liability Company	Netherlands
Waste Management Technology Center, Inc.	36-3519386	Corporation	Delaware
Waste Management Thailand B.V.	98-0204718	Limited Liability Company	Netherlands
Waste Management, Inc.	73-1309529	Corporation	Delaware
Waste Management, Inc. of Tennessee	36-2935128	Corporation	Tennessee
Waste Resources of Tennessee, Inc.	54-0838353	Corporation	Tennessee
Waste Services of Kentucky, L.L.C.	94-3429202	Limited Liability Company	Delaware
Waste to Energy Holdings, Inc.	76-0652923	Corporation	Delaware
Waste to Energy I, LLC	02-0519035	Limited Liability Company	Delaware
Waste to Energy II, LLC	02-0519036	Limited Liability Company	Delaware
Wastech Inc.	93-0936732	Corporation	Nevada
WESI Baltimore Inc.	02-0357495	Corporation	Delaware
WESI Capital Inc.	36-3861933	Corporation	Delaware
WESI Peekskill Inc.	02-0363274	Corporation	Delaware
WESI Westchester Inc.	02-0360305	Corporation	Delaware
Westchester Resco Associates, L.P.	02-0367753	Limited Partnership	Delaware
Western One Land Corporation	76-0688224	Corporation	Delaware
Western Waste Industries	95-1946054	Corporation	California
Western Waste of Texas, L.L.C.	30-0239250	Limited Liability Company	Delaware
Wheelabrator Baltimore L.L.C.	36-4057301	Limited Liability Company	Delaware
Wheelabrator Baltimore, L.P.	36-4057307	Limited Partnership	Maryland
Wheelabrator Bridgeport, L.P.	36-4057309	Limited Partnership	Delaware

# Affiliate Entity Report

## Active Legal Entities

<i>Name</i>	<i>Federal ID No.</i>	<i>Entity Type</i>	<i>State of Incorporation</i>
Wheelabrator Cedar Creek Inc.	02-0443870	Corporation	Delaware
Wheelabrator Claremont Company, L.P.	02-0390003	Limited Partnership	Delaware
Wheelabrator Claremont Inc.	20-4284300	Corporation	Delaware
Wheelabrator Concord Company, L.P.	02-0394017	Limited Partnership	Delaware
Wheelabrator Concord Inc.	02-0393450	Corporation	Delaware
Wheelabrator Connecticut Inc.	36-3908786	Corporation	Delaware
Wheelabrator Culm Services Inc.	02-0442574	Corporation	Delaware
Wheelabrator Environmental Systems Inc.	02-0412779	Corporation	Delaware
Wheelabrator Falls Inc.	04-3024782	Corporation	Delaware
Wheelabrator Frackville Energy Company Inc.	02-0393452	Corporation	Delaware
Wheelabrator Frackville Properties Inc.	04-3100742	Corporation	Delaware
Wheelabrator Fuel Services Inc.	02-0442576	Corporation	Delaware
Wheelabrator Gloucester Company, L.P.	02-0396724	Limited Partnership	New Jersey
Wheelabrator Gloucester Inc.	02-0391601	Corporation	Delaware
Wheelabrator Guam Inc.	36-3926262	Corporation	Delaware
Wheelabrator Hudson Energy Company Inc.	04-3048379	Corporation	Delaware
Wheelabrator Hudson Falls L.L.C.	72-1541910	Limited Liability Company	Delaware
Wheelabrator Land Resources Inc.	04-3036313	Corporation	Delaware
Wheelabrator Lassen Inc.	36-3926261	Corporation	Delaware
Wheelabrator Lisbon Inc.	61-1167063	Corporation	Delaware
Wheelabrator Martell Inc.	36-4051558	Corporation	Delaware
Wheelabrator McKay Bay Inc.	36-3240315	Corporation	Florida
Wheelabrator Millbury Inc.	02-0412788	Corporation	Delaware
Wheelabrator New Hampshire Inc.	02-0390002	Corporation	Delaware
Wheelabrator New Jersey Inc.	02-0391598	Corporation	Delaware
Wheelabrator NHC Inc.	02-0393448	Corporation	Delaware
Wheelabrator North Andover Inc.	36-3062971	Corporation	Delaware
Wheelabrator North Broward Inc.	04-3030218	Corporation	Delaware
Wheelabrator North Shore Inc.	02-0416066	Corporation	Delaware
Wheelabrator Norwalk Energy Company Inc.	02-0395269	Corporation	Delaware
Wheelabrator Penacook Inc.	02-0393449	Corporation	Delaware
Wheelabrator Pinellas Inc.	36-3110153	Corporation	Delaware
Wheelabrator Putnam Inc.	36-3908789	Corporation	Delaware
Wheelabrator Ridge Energy Inc.	36-3820153	Corporation	Delaware
Wheelabrator Saugus Inc.	13-2740971	Corporation	Delaware
Wheelabrator Saugus, J.V.	04-2530905	Joint Venture	Massachusetts
Wheelabrator Shasta Energy Company Inc.	02-0395274	Corporation	Delaware
Wheelabrator Sherman Energy Company, G.P.	02-0390349	General Partnership	Maine
Wheelabrator Sherman Station L.L.C.	76-0743287	Limited Liability Company	Delaware
Wheelabrator Sherman Station One Inc.	02-0390312	Corporation	Delaware
Wheelabrator South Broward Inc.	02-0410154	Corporation	Delaware
Wheelabrator Spokane Inc.	02-0416522	Corporation	Delaware
Wheelabrator Technologies Inc.	22-2678047	Corporation	Delaware
Wheelabrator Technologies International Inc.	36-3965264	Corporation	Delaware
Wheelabrator Westchester, L.P.	02-0367751	Limited Partnership	Delaware
White Lake Landfill, Inc.	38-1889893	Corporation	Michigan
Williams Landfill, L.L.C.	61-1342579	Limited Liability Company	Delaware
Willow Oak Landfill, LLC	20-1457518	Limited Liability Company	Georgia
WM Arizona Operations, L.L.C.	32-0112690	Limited Liability Company	Delaware
WM Corporate Services Holdings, Inc.	20-4017651	Corporation	Delaware
WM Emergency Employee Support Fund, Inc.	11-3758170	Not For Profit Corporation	Delaware
WM Energy Solutions, Inc.	76-0695139	Corporation	Delaware

# Affiliate Entity Report

## Active Legal Entities

<i>Name</i>	<i>Federal ID No.</i>	<i>Entity Type</i>	<i>State of Incorporation</i>
WM Healthcare Solutions, Inc.	20-3483524	Corporation	Delaware
WM Illinois Renewable Energy, L.L.C.	45-0512000	Limited Liability Company	Delaware
WM International Holdings, Inc.	76-0607203	Corporation	Delaware
WM International Services (UK) Limited	NA-0000098	Corporation	England
WM Landfills of Georgia, Inc.	76-0638601	Corporation	Delaware
WM Landfills of Ohio, Inc.	31-1509696	Corporation	Delaware
WM Landfills of Tennessee, Inc.	62-1462526	Corporation	Delaware
WM Leasing of Arizona, L.L.C.	20-4017719	Limited Liability Company	Delaware
WM Leasing of Texas, L.P.	20-4017724	Limited Partnership	Delaware
WM Organic Growth, Inc.	20-4677155	Corporation	Delaware
WM Partnership Holdings, Inc.	36-3974344	Corporation	Delaware
WM Quebec Inc.	NA-0000041	Corporation	Canada
WM RA Canada Inc.	NA-0000172	Corporation	Ontario
WM Recycle America, L.L.C.	72-1541911	Limited Liability Company	Delaware
WM Renewable Energy, L.L.C.	45-0511978	Limited Liability Company	Delaware
WM Resources, Inc.	25-1536159	Corporation	Pennsylvania
WM Safety Services, L.L.C.	20-3887188	Limited Liability Company	Delaware
WM Security Services, Inc.	20-3714754	Corporation	Delaware
WM Service Center, L.L.C.	20-4017666	Limited Liability Company	Delaware
WM Services SA	NA-0000108	Corporation	Argentina
WM Tontitown Landfill, LLC	72-1541909	Limited Liability Company	Arkansas
WMI Medical Services of Indiana, Inc.	35-1724992	Corporation	Indiana
WMI Mexico Holdings, Inc.	36-3912290	Corporation	Delaware
WMNA Container Recycling, L.L.C.	04-3735649	Limited Liability Company	Delaware
WMSALSA, Inc.	20-2580150	Not For Profit Corporation	Texas
WMST Illinois, L.L.C.	94-3423874	Limited Liability Company	Illinois
WTI Air Pollution Control Inc.	36-4110833	Corporation	Delaware
WTI Financial L.L.C.	20-0584237	Limited Liability Company	Delaware
WTI International Holdings Inc.	36-3908839	Corporation	Delaware
WTI Rust Holdings Inc.	02-0351425	Corporation	Delaware



**POWER OF ATTORNEY**

**KNOWN ALL MEN BY THESE PRESENTS** that the National Guaranty Insurance Company of Vermont, 100 Bank Street, Suite 610, Burlington, Vermont Corporation (the "Corporation"), has constituted and appointed and does hereby constitute and appoint Julie S. Boucher, Jennifer A. George, Susan D. Precourt, and Marcy Waterfall of Burlington, Vermont, Marc W. Boots, Richard Covington, Maria D. Zuniga, Mary Ann Garcia, P.T. Osburn, and Stephen R. Smith of Houston, Texas, each its true and lawful Attorney-in-fact to execute under such designation in its name and to affix its corporate seal to deliver for and on its behalf as surety thereon or otherwise, bonds of any of the following classes, to wit:

1. Surety bonds to the United States of America or any agency thereof, including lease and miscellaneous surety bonds required or permitted under the laws, ordinances or regulations of any State, City, Town, Village, Board or any other body or organization, public or private.
2. Bonds on behalf of contractors in connection with bids, proposals or contracts.
3. Insurance policies and Certificates of Insurance related to financial assurance for closure, post-closure and/or corrective action obligations.

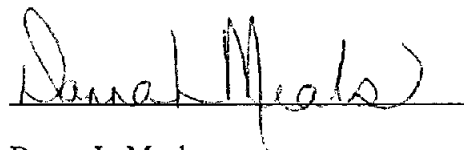
The foregoing powers granted by the corporation shall be subject to and conditional upon the written direction of any officer (or any designee of any such officer) to execute and deliver any such bonds.

The signatures and attestations of such Attorneys-in-fact and the seal of the Corporation may be affixed to any such bond, policy or to any certificate relating thereto by facsimile and any such bond, policy or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Corporation when so affixed.

**IN WITNESS WHEREOF**, the Corporation has caused these presents to be signed by its President and Secretary, and its corporate seal to be hereto affixed this

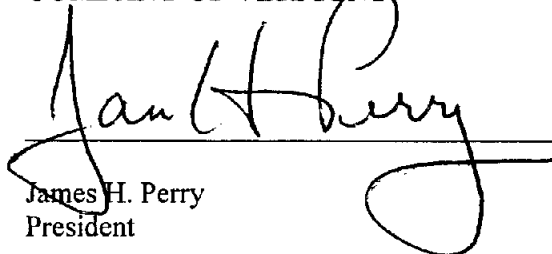
24<sup>th</sup> day of MAY, 2007, in Burlington, Vermont.

Witness:



Donna L. Meals  
Secretary

**NATIONAL GUARANTY INSURANCE  
COMPANY OF VERMONT**



James H. Perry  
President

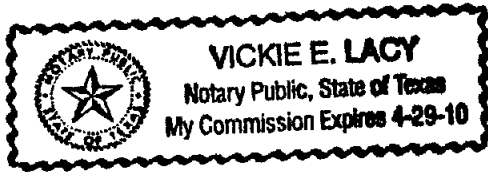
**ACKNOWLEDGMENT OF PRINCIPAL**

**STATE OF TEXAS**

**COUNTY OF HARRIS**

Before me, the undersigned authority, a Notary Public, on this day personally appeared Maria D. Zuniga known to me to be the person whose name is subscribed to the foregoing instrument as the attorney-in-fact for USA Waste of California, Inc. and acknowledged to me that he/she subscribed the name of USA Waste of California, Inc. thereto as Principal and his/her own name as attorney-in-fact, and executed the same for the purposes and consideration therein expressed, and in the capacity therein set forth.

Given under my hand and seal of office the 24th day of May, 2007.



*Vickie E. Lacy*  
\_\_\_\_\_  
Vickie E. Lacy  
Notary Public, State of Texas  
Expiration Date 04/29/2010

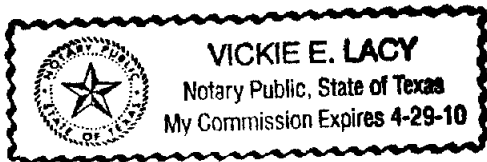
**ACKNOWLEDGMENT OF SURETY**

**STATE OF TEXAS**

**COUNTY OF HARRIS**

Before me, the undersigned authority, a Notary Public, on this day personally appeared Richard Covington known to me to be the person whose name is subscribed to the foregoing instrument as the attorney-in-fact for National Guaranty Insurance Company of Vermont and acknowledged to me that he/she subscribed the name of National Guaranty Insurance Company of Vermont thereto as Surety and his/her own name as attorney-in-fact, and executed the same for the purposes and consideration therein expressed, and in the capacity therein set forth.

Given under my hand and seal of office the 24th day of May, 2007.



*Vickie E. Lacy*  
\_\_\_\_\_  
Vickie E. Lacy  
Notary Public, State of Texas  
Expiration Date 04/29/2010

**FIRST AMENDMENT TO  
AMENDED AND RESTATED AGREEMENT  
FOR THE COLLECTION OF SOLID WASTE**

THIS FIRST AMENDMENT TO AMENDED AND RESTATED AGREEMENT FOR THE COLLECTION OF SOLID WASTE ("First Amendment") is effective as of the 14<sup>th</sup> day of December 2012, and is entered into by the City of Lancaster, a municipal corporation ("City") and Waste Management of California, Inc., a California corporation, dba Waste Management of Antelope Valley ("Company").

RECITALS:

The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (Public Resources Code Section 49100, etseq.; hereinafter the "Act") established a solid waste management process that requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices.

USA Waste of California, Inc., an affiliate of Company, and City entered into that certain agreement entitled Amended and Restated Agreement for the Collection of Solid Waste ("Agreement"), dated May 22, 2007.

USA Waste of California, Inc. desires to assign the Franchise Agreement to Company, its affiliate, and the City concurs with the requested assignment.

City and the Company desire to extend the term of the Agreement and modify certain service requirements.

In accordance with California Public Resources Code Section 40059(a)(2), the City has determined that the public health, safety, and well-being require that an exclusive franchise be awarded to a qualified company for the collection, transportation, recycling, processing, and

disposal of solid waste, and for other services related to meeting the diversion goals of AB 939, AB 341 and other requirements of the California Integrated Waste Management Act.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is acknowledged, the parties agree as follows:

1. The Agreement is hereby assigned from USA Waste of California, Inc. to Company. All rights and obligations set forth in the Agreement transfer to Company as of the effective date of the First Amendment. Company agrees to assume all obligations under the Agreement from USA Waste of California, Inc. City agrees to look to Company for performance of all obligations under the Agreement subsequent to the effective date hereof.

2. Exhibit 1: Initial Rates of the Agreement is deleted in its entirety and replaced with Exhibit 1 of the First Amendment.

3. Section 2.4.1 of the Agreement is deleted in its entirety and replaced with the following:

**“2.4.1** The term of this Agreement commences on the effective date and shall be in effect for an initial term ending on June 30, 2027. Thereafter, the term of this Agreement may be extended for two (2) additional terms of two (2) years each, upon mutual agreement of the parties. The parties agree to meet to discuss the potential extension of this Agreement not less than six (6) months prior to expiration of the initial term or any subsequent term.

4. Section 2.7 of the Agreement is to be deleted in its entirety and replaced with the following:

**“2.7 City’s Right to Direct Changes.** The City may direct the Company to perform additional services or to modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services that may entail new collection methods, different kinds of services or new requirements for

customers, and alternative rate structures are included among the kinds of changes that the City may direct. The Company will be entitled to an adjustment to the service rate to reimburse its increased costs if any for providing those additional or modified services. Notwithstanding the above, in the event the change in service is related to the City's ownership of the solid waste, green waste or recyclable materials collected by Company, or the City's direction to utilize a particular facility for the handling, sorting, process, composting, conversion, sale, transfer or disposal of such materials, the adjustment to the rate will be made in accordance with Section 9.7 herein."

5. Section 3 of the Agreement is to be deleted in its entirety and replaced with the following:

**“3. FEES AND SURCHARGES**

**3.1 Contract Modification Fee.** Company will pay a contract modification fee of one hundred fifty thousand dollars (\$150,000.00), on or before February 28, 2013.

**3.2 Disposal Franchise Fee.** Company will pay a Disposal Franchise Fee amount related to the entire Term of the Agreement, in the amount of six million, five hundred thousand dollars (\$6,500,000.00), on or before February 28, 2013.

**3.3 Cedar Street Theatre.** Company will pay City the amount of two hundred fifty thousand dollars (\$250,000.00), on or before February 28, 2013, for use by the City in promoting the Cedar Street Theatre. City will make reasonable arrangements to have Company identified as a sponsor of the Cedar Street Theatre.

**3.4 Solid Waste Contract Fee.**

**3.4.1** Up to and including June 30, 2017, Company shall pay to City a solid waste contract fee or franchise fee equal to eight and eleven hundredths percent (8.11%) of the gross receipts derived from services rendered to accounts within the

City. In accordance with Section 1.31, gross receipts excludes amounts billed and collected for the Solid Waste Contract Fee and the Integrated Waste Management Surcharge. The service rate will be adjusted automatically to reflect any increase or decrease in the solid waste contract fee.

**3.4.2** Commencing July 1, 2017, Company shall pay to City a solid waste contract fee or franchise fee equal to seventeen percent (17%) of the gross receipts derived from services rendered to accounts within the City. In accordance with Section 1.31, gross receipts excludes amounts billed and collected for the Solid Waste Contract Fee and the Integrated Waste Management Surcharge. In the event that Company enters into a new or amended agreement for solid waste handling services with one or more governmental entities within twenty-five (25) miles of City Hall that provides for a contract fee (or its equivalent) in excess of seventeen percent (17%) of gross revenues, the contract fee percentage paid to the City shall increase to the highest percentage rate provided in such other agreements. The service rate will be adjusted automatically to reflect any increase or decrease in the solid waste contract fee.

**3.4.3 Payment of Solid Waste Contract Fee.** Company shall pay to City the solid waste contract fee for each quarter of the Operating Year within thirty (30) days following the close of each successive calendar quarter. Each such payment by Company to City shall be accompanied by a statement setting forth total gross receipts collected by Company, the computation of the total solid waste contract fee due and other such information relating to the calculation and payment of this fee as may be reasonably requested by the City Manager.

### **3.5 Integrated Waste Management Surcharge.**

**3.5.1** Company shall charge a monthly surcharge in amount approved by the City for implementation of the solid waste diversion program required by AB 939. Such monthly surcharge shall be charged and collected by Company over and

above the rates provided for in Section 12. The amount of such monthly surcharge shall be denoted in the Resolution with attachments. Thirty percent (30%) of such monthly surcharge shall be paid to the City at the same time and together with the solid waste contract fee or franchise fee paid pursuant to Section 3.4, with seventy percent (70%) retained by Company for purposes of undertaking the programs described in Section 3.5.2. The overall service rate will be adjusted automatically to reflect any increase or decrease in the integrated waste management surcharge.

**3.5.2** The integrated waste management surcharge will be used to fund various programs performed by Company related to meeting and exceeding applicable diversion requirements under state law, and does not constitute additional compensation or gross receipts to Company under this Agreement. Programs may include the dissemination of customer education materials, and contacting and educating building contractors about available recycling services. The Company will receive seventy percent (70%) of the surcharge collected for providing the services described above. Programs must be presented to the City Agent and approved as to budget and scope prior to implementation.

**3.5.3** Should City exercises its right under Section 9.7 to assume ownership over the solid waste, green waste or recyclable materials collected by Company, or to direct Company to utilize a particular facility for the handling, sorting, process, composting, conversion, sale, transfer or disposal of such materials, City may direct that the seventy percent (70%) portion of the surcharge received by Company be paid to the City. In such event, Company will have no further obligation to undertake the programs or services funded through its portion of the surcharge.

**3.6 Impact Fee.** Commencing July 1, 2017, and each July 1 thereafter during the Term, Company shall pay to City an Impact Fee of one million dollars

(\$1,000,000.00), to offset damage or degradation to the City's infrastructure, including streets and sewers, and other impacts, including aesthetic and noise impacts, caused by solid waste collection services during each Operating Year. Payment shall be made within fifteen (15) days of July 1, 2017, and each July 1 thereafter during the Term. The service rate will be adjusted automatically to reflect any increase or decrease in the impact fee."

6. Section 7.7 of the Agreement is to be deleted in its entirety and replaced with the following:

**"7.7 Company Supplied Material.** Company shall provide, at no charge to the City, up to three hundred (300) cubic yards of finished compost or comparable material that is agreed upon and negotiated by both parties for use in maintenance operations each Operating Year, upon request of the City, at a fair market value of not more than eleven thousand dollars (\$11,000.00) per Operating Year. Company shall deliver all material at no charge to the City."

7. New Sections 7.8 through 7.13 are added to the Agreement, as follows:

**"7.8 Lancaster Community Gardens Sponsorship.** Commencing July 1, 2017, and each July 1 thereafter during the Term of the Agreement, Company shall pay City or a designee identified by the City in writing the amount of ten thousand dollars (\$10,000.00), for use by the City in promoting and maintaining the Lancaster Community Gardens. Payment shall be made within fifteen (15) days of July 1, 2017, and each July 1 thereafter during the Term. City will make reasonable arrangements to have Company identified as a sponsor of the Lancaster Community Gardens.

**7.9 Student Scholarships.** Commencing July 1, 2017, and each July 1 thereafter during the Term of the Agreement, Company shall pay City or a designee identified by the City in writing the amount of twenty five thousand dollars (\$25,000.00), for use by the City in providing scholarships to students residing in the City and related administrative costs. Payment shall be made within fifteen (15) days of July 1, 2017, and each July 1



thereafter during the Term. City will make reasonable arrangements to have Company identified as a provider of the scholarships.

**7.10 Portable Services.** Commencing July 1, 2017, during each Operating Year Company, upon request of the City, shall provide or arrange for portable toilets for use at City-sponsored events, up to a fair market value of not more than eighty thousand dollars (\$80,000.00) per Operating Year.

**7.11 Weekly Illegal Dump Alley Collection.** Commencing July 1, 2017, during each Operating Year Company, upon request of the City, will provide or arrange for weekly illegal dump alley collection services for those alley segments designated by the City Agent, up to a fair market value of not more than seventy thousand dollars (\$70,000.00) per Operating Year.

**7.12 Bicycle Redistribution Program.** Commencing July 1, 2017, Company agrees to implement a program to collect unused or discarded bicycles and redistribute them to persons in need. Company will prepare a program description on or before March 31, 2017, for review and comment by the City. Company will calculate the amount of diversion achieved through this program and include this information in its annual report.

**7.13 Operation CleanSweep.** Upon the request of City, Company will implement one or a combination of the programs described below, up to an annual aggregate fair market value of thirty thousand dollars (\$30,000) per Operating Year for all programs.

**7.13.1 CleanSweep.** Two (2) City-wide curbside clean-up events each year, in May and October, at no additional charge. Events shall be held on Saturdays and may be scheduled during five (5) consecutive Saturdays in order to hold events at locations throughout the City. Company shall process or dispose of all Collected Solid Waste at no charge to City or Customers. The following provisions shall apply to this program:

- No single item that cannot be handled by two workers will be accepted.
- The following items will not be picked up: Hazardous Substances, Hazardous

Waste, including waste oil or anti-freeze; concrete and dirt.

- Company shall record by class and weight (in tons) the Solid Waste Collected, diverted and disposed during cleanup events.

**7.13.2 Operation C.L.E.A.R Days Sponsorship.** Four (4) projects during a 12-month period focusing on enriching and revitalizing neighborhoods such as, but not limited to, UNITE Lancaster, Neighborhood Impact Clean-up Day, and MLK Day of Service. Company agrees to support each of the four programs requested by the City. Support may come in the form of equipment, supplies, services and cash sponsorships. In return, Company will receive top billing as the Event Sponsor for each program in all marketing, promotions, and advertising.

**7.13.3 Community Restoration Program.** Providing up to 24 roll-off containers each year for the collection of trash and debris from neighborhoods and public spaces. Upon forth-eight (48) hours notice, Company shall deliver container to the location specified by the City and haul away container upon notification that the event is complete. City shall be responsible for ensuring that no hazardous materials are loaded into container, and the container is not filled over the capacity limit.”

8. New Section 9.7 is added to the Agreement, as follows:

**“9.7 City Designation of Facilities.** The City shall maintain ownership over the solid waste, green waste or recyclable materials collected by Company, and has the right to direct Company to utilize a particular facility for the handling, sorting, process, composting, conversion, sale, transfer or disposal of such materials. City agrees to give Company not less than six (6) months advance notice of its election or direction. During the advance notice period, City and Company will use their best efforts to obtain indemnification against CERCLA, State Environmental Laws, and related claims from the owner or operator of the facility designated by City, and to determine the appropriate adjustment to the rates. In the event the City makes such election or direction, City and Company agree to negotiate in good faith for an equitable adjustment to the rates.

Should the City's election or direction adversely affect the ability of the Company to meet the requirements of Section 9.6, during the advance notice period the City and Company agree to negotiate in good faith on revised obligations under Sections 9.6."

9. Sections 12.1 through 12.4 of the Agreement are to be deleted in their entirety and replaced with the following:

**"12.1 General**

12.1.1 The compensation provided for in this Section 12 shall be the full compensation due to the Company under this Agreement for all labor, equipment, materials, supplies, taxes, insurance, bonds, overhead, disposal, transfer, profit and all other things necessary to perform all services required by this Agreement.

12.1.2 The Company shall perform the duties described in this Agreement in consideration of the right to receive compensation for such services rendered at maximum rates set forth in Exhibit 1 of the First Amendment, as adjusted from time-to-time in accordance with this Agreement.

12.2 **Service Rates.** The Company may charge residential or commercial accounts for services, including ancillary fees and charges, rendered from the effective date of the Agreement through the effective date of the First Amendment, at rates that do not exceed the rates set forth in Exhibit 1 of the Agreement, as adjusted. Commencing on the effective date of the First Amendment through June 30, 2013, Company may charge residential or commercial accounts for services, including ancillary fees and charges, at rates that do not exceed the rates set forth in Exhibit 1 of the First Amendment, unless otherwise provided for in a written amendment to this Agreement. Where Exhibit 1 does not provide a rate for additional services to accounts, Company and customer will determine that rate, with any disputes referred to the City Manager for resolution.

12.3 **Rate Adjustments.**

12.3.1 **Residential Cart Service, Can Service and Bin Service Adjustments.**

Beginning July 1, 2013, and on each July 1 thereafter during the Term, the rates for residential cart, bin, and can service, including ancillary fees and charges, shall be adjusted in accordance with the rate adjustment methodology set forth below. The Company shall submit to the City, within sixty (60) days of the effective date of the proposed adjustment, information in support of the adjustment. The City Manager or the City Agent shall review the information submitted by Company and approve the rate adjustment if the information submitted is determined to be accurate. As an alternative, the City Manager may refer the proposed adjustment to the City Council for approval, in its reasonable judgment.

12.3.1.1 **Rate Adjustment Methodology.** The rates consist of the following components, with the following component weightings determined for purposes of the first rate adjustment. An example rate adjustment is provided in Exhibit 2 of the First Amendment for the use of the parties.

<b>Cost Category</b>	<b>Weighting</b>	<b>Rate Adjustment Index</b>
Labor	27%	Average Hourly Compensation for a "Driver" under the <i>Articles of Agreement Between Waste Management of Lancaster and Teamsters Union Local No. 986</i> (1) as calculated per Exhibit 6 of this Agreement
Fuel (2)	7%	Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel, or Producer Price Index, WPU0531, not seasonally adjusted, Fuel and related products and power, natural gas. Percentage shall be based on a pro rata share of the fleet.
Equipment	14%	Producer Price Index, PCU336120336120. Heavy duty truck mfg
Disposal	24%	Changes in the average gate rates posted at Lancaster, Chiquita Canyon, Sunshine Canyon and Puente Hills landfills (3).

All Other	28%	Change in Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers, (CPI-U) for the Los Angeles-Riverside-Orange CA – All Items
<b>Total</b>	<b>100%</b>	

(1) The existing Articles of Agreement expire November 30, 2012, and shall be replaced by subsequent agreements after that time.

(2) Note: The percentage change in each fuel index will be weighted by the percentage of trucks of each fuel type servicing City of Lancaster. The sum of the weighted percent changes in the fuel indices shall be the percentage change in the fuel component used in the rate adjustment calculation.

(3) Puente Hills and Chiquita Canyon landfills are expected to close during the term of the contract. Company and City Agent will determine alternate landfills upon closure. If City and Company cannot agree on an alternate landfill, then adjustments will be based on the average change in rates at the Lancaster and Sunshine Canyon landfills. The gate rate at the Puente Hills MRF will not be used to calculate the adjustments upon the closure of the Puente Hills landfill.

(4) In the event labor is decertified, rate adjustments will be based on prevailing wages in the Antelope Valley.

Step One – Calculate the twelve (12) month annual average of the changes in the indices (or Labor Rate) between each month during the March to February period immediately preceding the date of the adjustment and the preceding year.

Step Two – Multiply the maximum allowed percentage changes for each rate adjustment component by that component’s weighting and add the percentages together to get the total weighted change to the rates.

Step Three – Multiply the total weighted percent change in rates by the existing customer rates to calculate the rate increase or decrease. Subject to the annual rate cap in Section 12.5, add the rate increase or decrease to the existing rates to derive the newly adjusted rates.

Step Four – Re-calculate weightings from the following year based upon these changes.

12.3.2 **Commercial Cart Service and Bin Service Adjustments.** Beginning July 1, 2013, and on each July 1 thereafter during the Term, the rates for providing commercial cart and bin service, including ancillary fees and charges, shall be adjusted in accordance with the rate adjustment methodology set forth below. The Company shall submit to the City, within sixty (60) days of the effective date of the proposed adjustment, information in support of the adjustment. The City Manager or the City Agent shall review the information submitted by Company and approve the rate adjustment if the information submitted is determined to be accurate. As an alternative, the City Manager may refer the proposed adjustment to the City Council for approval, in its reasonable judgment.

12.3.2.1 **Rate Adjustment Methodology.** The rates consist of the following components, with the following component weightings determined for purposes of the first rate adjustment. An example rate adjustment is provided in Exhibit 2 of the First Amendment for the use of the parties.

<b><u>Cost Category</u></b>	<b><u>Weighting</u></b>	<b><u>Rate Adjustment Index</u></b>
Labor	22%	Average Hourly Compensation for a "Driver" under the <i>Articles of Agreement Between Waste Management of Lancaster and Teamsters Union Local No. 986</i> (1) as calculated per Exhibit 6 of this Agreement
Fuel (2)	6%	Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel, or Producer Price Index, WPU0531, not seasonally adjusted, Fuel and related products and power, natural gas. Percentage shall be based on a pro rata share of the fleet.
Equipment	12%	Producer Price Index, PCU336120336120. Heavy duty truck mfg
Disposal	30%	Changes in the average gate rates posted at Lancaster, Chiquita Canyon, Sunshine Canyon and Puente Hills landfills (3).
All Other	30%	Change in Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers, (CPI-U) for the Los Angeles-Riverside-Orange CA – All Items
<b>Total</b>	<b>100%</b>	

(1) The existing Articles of Agreement expire November 30, 2012, and shall be replaced by subsequent agreements after that time.

(2) Note: The percentage change in each fuel index will be weighted by the percentage of trucks of each fuel type servicing City of Lancaster. The sum of the weighted percent changes in the fuel indices shall be the percentage change in the fuel component used in the rate adjustment calculation.

(3) Puente Hills and Chiquita landfills are expected to close during the term of the contract. Company and City Agent will determine alternate landfills upon closure. If City and Company cannot agree on an alternate landfill, then adjustments will be based on the average change in rates at the Lancaster and Sunshine Canyon landfills. The gate rate at the Puente Hills MRF will not be used to calculate the adjustments upon the closure of the Puente Hills landfill.

(4) In the event labor is decertified, rate adjustments will be based on prevailing wages in the Antelope Valley.

Step One – Calculate the twelve (12) month annual average of the changes in the indices (or Labor Rate) between each month during the March to February period immediately preceding the date of the adjustment and the preceding year.

Step Two – Multiply the maximum allowed percentage changes for each rate adjustment component by that component's weighting and add the percentages together to get the total weighted change to the rates.

Step Three – Multiply the total weighted percent change in rates by the existing customer rates to calculate the rate increase or decrease. Subject to the annual rate cap in Section 12.5, add the rate increase or decrease to the existing rates to derive the newly adjusted rates.

Step Four – Re-calculate weightings from the following year based upon these changes.

12.3.3 **Residential and Commercial Roll-off Service Adjustments.** Beginning July 1, 2013, and on each July 1 thereafter during the Term, the rates for providing residential or commercial roll-off service, including ancillary fees

and charges, shall be adjusted in accordance with the rate adjustment methodology set forth below. The Company shall submit to the City, within sixty (60) days of the effective date of the proposed adjustment, information in support of the adjustment. The City Manager or the City Agent shall review the information submitted by Company and approve the rate adjustment if the information submitted is determined to be accurate. As an alternative, the City Manager may refer the proposed adjustment to the City Council for approval, in its reasonable judgment.

12.3.3.1 **Rate Adjustment Methodology.** The rates consist of the following components, with the following component weightings determined for purposes of the first rate adjustment. An example rate adjustment is provided in Exhibit 2 of the First Amendment for the use of the parties.

Disposal Charge – The disposal charge will be adjusted by the change in the average gate rates posted at Lancaster, Chiquita Canyon, Sunshine Canyon and Puente Hills landfills for the twelve-month period ending in the March prior to the July 1 anniversary date.

Service Component – The haul charge and special charges will be adjusted based on the calculated change in the service component.

<b><u>Cost Category</u></b>	<b><u>Weighting</u></b>	<b><u>Rate Adjustment Index</u></b>
Labor	30%	Average Hourly Compensation for a “Driver” under the <i>Articles of Agreement Between Waste Management of Lancaster and Teamsters Union Local No. 986</i> (1) as calculated per Exhibit 6 of this Agreement
Fuel (2)	9%	Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel, or Producer Price Index, WPU0531, not seasonally adjusted, Fuel and related products and power, natural gas. Percentage shall be based on a pro rata share of the fleet.



Equipment	20%	Producer Price Index, PCU336120336120. Heavy duty truck mfg
All Other	41%	Change in Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers, (CPI-U) for the Los Angeles-Riverside-Orange CA – All Items
Total	100%	

(1) The existing Articles of Agreement expire November 30, 2012, and shall be replaced by subsequent agreements after that time.

(2) Note: The percentage change in each fuel index will be weighted by the percentage of trucks of each fuel type servicing City of Lancaster. The sum of the weighted percent changes in the fuel indices shall be the percentage change in the fuel component used in the rate adjustment calculation.

(3) In the event labor is decertified, rate adjustments will be based on prevailing wages in the Antelope Valley.

Step One – Calculate the twelve (12) month annual average of the changes in the indices (or Labor Rate) between each month during the March to February period immediately preceding the date of the adjustment and the preceding year.

Step Two – Multiply the maximum allowed percentage changes for each rate adjustment component by that component's weighting and add the percentages together to get the total weighted change to the rates.

Step Three – Multiply the total weighted percent change in rates by the existing customer rates to calculate the rate increase or decrease. Subject to the annual rate cap in Section 12.5, add the rate increase or decrease to the existing rates to derive the newly adjusted rates.

Step Four – Re-calculate weightings from the following year based upon these changes.

12.3.4 **C & D Disposal Rate Adjustment.** The rates consist of the following components, with the following component weightings determined for purposes of the first rate adjustment. An example rate adjustment is provided in Exhibit 2 of the First Amendment for the use of the parties.

Disposal Charge – The initial disposal rate of \$62.00 per ton is comprised of a \$44.00 per ton gate rate at Downtown Diversion and \$18.00 for the handling and transfer of the material to Downtown Diversion. The disposal component of \$44.00 will be adjusted by the percent change in the posted gate rates at Downtown Diversion. The handling and transfer component will be adjusted by the rate adjustment index as outlined in the service component.

Service Component – The haul charge and special charges will be adjusted based on the calculated change in the service component.

<b><u>Cost Category</u></b>	<b><u>Weighting</u></b>	<b><u>Rate Adjustment Index</u></b>
Labor	30%	Average Hourly Compensation for a “Driver” under the <i>Articles of Agreement Between Waste Management of Lancaster and Teamsters Union Local No. 986</i> (1) as calculated per Exhibit 6 of this Agreement
Fuel (2)	9%	Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel, or Producer Price Index, WPU0531, not seasonally adjusted, Fuel and related products and power, natural gas. Percentage shall be based on a pro rata share of the fleet.
Equipment	20%	Producer Price Index, PCU336120336120. Heavy duty truck mfg
All Other	41%	Change in Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers, (CPI-U) for the Los Angeles-Riverside-Orange CA – All Items
Total	100%	

(1) The existing Articles of Agreement expire November 30, 2012, and shall be replaced by subsequent agreements after that time.

(2) Note: The percentage change in each fuel index will be weighted by the percentage of trucks of each fuel type servicing City of Lancaster. The sum of the weighted percent changes in the fuel indices shall be the percentage change in the fuel component used in the rate adjustment calculation.

(3) In the event labor is decertified, rate adjustments will be based on prevailing wages in the Antelope Valley.

Step One – Calculate the twelve (12) month annual average of the changes in the indices (or Labor Rate) between each month during the March to February period immediately preceding the date of the adjustment and the preceding year.

Step Two – Multiply the maximum allowed percentage changes for each rate adjustment component by that component's weighting and add the percentages together to get the total weighted change to the rates.

Step Three – Multiply the total weighted percent change in rates by the existing customer rates to calculate the rate increase or decrease. Subject to the annual rate cap in Section 12.5, add the rate increase or decrease to the existing rates to derive the newly adjusted rates.

Step Four – Re-calculate weightings from the following year based upon these changes.”

10. New Section 12.5 is added to the Agreement, as follows:

**“12.5 Annual Rate Cap**

If the adjustment to the maximum rates as determined by the application of the formulas or methods set forth in Section 12.3 exceeds four percent (4%) with respect to any annual adjustment, the adjustment for the next Operating Year shall be limited to 4%. Any increase calculated pursuant to Section 12.3 which exceeds

the annual rate cap for such year shall be carried forward and added to future rate increases; provided, however, that the total increase for any future Operating Year is no more than the annual rate cap for such Operating Year. Any unused increase may be carried forward until fully applied, except that any unused increases remaining at the end of the Term hereof will expire unused.”

11. Section 15.2.3 of the Agreement is to be deleted in its entirety and replaced with the following:

“15.2.3 The foregoing indemnity and defense obligations shall apply irrespective of the negligence or willful misconduct of Company or any Affiliate of Company. However, the foregoing indemnity shall not apply to the extent any claims arise or result from the negligence, willful misconduct or violation of applicable law by any indemnitee, or from operations at a facility utilized at the direction of the City for the handling, sorting, process, composting, conversion, sale, transfer or disposal of materials collected by Company, in accordance with Section 9.7, which is not owned and operated by Company or an affiliate.”

12. Section 15.4 of the Agreement is to be deleted in its entirety and replaced with the following:

**“15.4. Insurance.**

15.4.1 The COMPANY, at its expense, shall maintain in effect at all times during the performance of work under this AGREEMENT not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A-, VII" or better in the Best's Key Rating Guide and that are admitted insurers in the State of California:

<b>Commercial General Liability</b>	
Each Occurrence	\$5,000,000
Per Project General Aggregate Including Products/Completed Operations	\$10,000,000

Including Contractual Liability/Independent Contractors  
Including Broad Form Property Damage

**Commercial Automobile Liability**

Combined Single Limit per Accident for  
Bodily Injury and Property Damage \$10,000,000

**Workers Compensation**

As Required by the State of California Statutory Limits

**Employer's Liability**

Each Accident \$1,000,000  
Bodily Injury by Disease \$1,000,000  
Each Employee \$1,000,000

**Pollution (Asbestos) Legal Liability**

Each Occurrence \$5,000,000  
Aggregate  
\$10,000,000

15.4.2 Insurance shall be at least as broad as ISO form CG 00 01 12 07 covering Commercial General Liability. Commercial Automobile coverage shall be at least as broad as ISO form CA 00 01.

15.4.3 The COMPANY's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insured's liability.

15.4.4 A Waiver of Subrogation must be provided on behalf of the Certificate Holder for the Workers Compensation/Employers Liability policies as respect to liability arising out of activities performed by or on behalf of the Company under this Agreement and a copy of the endorsement must accompany the certificate.

15.4.5 Any deductibles or self-insurance retentions are for the account of Company, and Company is solely responsible for their payment.

15.4.6 As respects the liabilities assumed by Company under this Agreement all insurance shall be primary and non-contributory as respects the City insured entities.

Any insurance or self-insurance maintained by the City insured entities shall be in excess of the COMPANY'S insurance and shall not contribute with it.

15.4.7 The coverage provided under this contract shall not contain any special limitations on the scope of protection afforded to the City insured entities as Additional Insured.

15.4.8 Insurance provided and maintained by COMPANY must be placed with insurers with a rating of A-, VII or better by Best's Key Rating Guide, latest edition, and that are admitted insurers in the State of California.

15.4.9. Insurance written on a "claims made" basis must be renewed for a period of five (5) years after this contract expires or is terminated. Such insurance must have the same coverage and limits as the policy that was in effect during the term of this contract and will cover COMPANY for all claims made by the City insured entities arising out of any acts or omissions of COMPANY or its officers, employees, or agents during the time this Agreement was in effect.

15.4.10 COMPANY shall furnish the City with Certificates of Insurance and with original endorsements effecting coverage required by this contract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the City before work commences.

15.4.11 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City insured entities.

15.4.12 Certificates of Insurance must be deposited with the City of Lancaster for all coverage required by this contract. Certificates shall meet the following requirements:

15.4.12.1 Show that the insurance policy has been endorsed to state that coverage

shall not be, cancelled, except after 30 days prior written notice (10 days written notice for non-payment) to the City of Lancaster.

15.4.12.2 List in the “Descriptions of Operations/Locations/Vehicles/ Special Items” section or by attachment to the certificate:

**Amended and Restated Agreement for the Collection of Solid Waste:**

The Certificate Holders, as well as their officers, agents, servants, and employees are included as additional insured as respect to liability arising out of activities performed by or on behalf of the Company; products and completed operations of the Company; premises owned, occupied, or used by Company or automobiles owned, leased, hired, or borrowed by the Company.

15.4.12.3 List in the “Certificate Holder” section or by attachment to the certificate:

The City of Lancaster, the Lancaster Redevelopment Agency, the Lancaster Financing Authority, the Lancaster Housing Authority, the Lancaster Boulevard Corporation, the Lancaster Community Services Foundation, and the Lancaster Museum and Public Art Foundation, as well as each of their officers, agents, servants, and employees, 44933 Fern Avenue, Lancaster, California 93534.

15.4.13 COMPANY shall include all subcontractors performing solid waste handling services in the City as an insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. Subcontractors performing solid waste handling services in the City are subject to the same insurance requirements as the COMPANY.

15.4.14 The coverage shall contain no special limitations on the scope of protection afforded to the insured entities as Additional Insured. The COMPANY’S insurance coverage shall be primary insurance as respects the City’s insured entities, but only as

respects the liabilities assumed by Company under this agreement.”

13. Except as provided herein, the terms and conditions of the Agreement remain in full force and effect.

TO EFFECTUATE THIS AGREEMENT, each of the parties has caused this Agreement to be executed by its duly authorized representative as of the date set forth below the authorized signature.

“CITY”

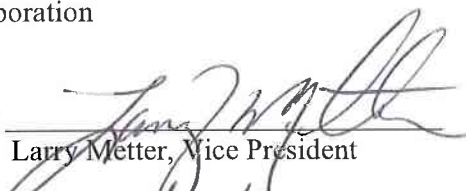
City of Lancaster

By:   
Mark V. Bozigian, City Manager

Dated: 12-14-12

“COMPANY”

WASTE MANAGEMENT OF  
CALIFORNIA, INC., a California  
corporation

By:   
Larry Metter, Vice President

Dated: 12/13/12

ATTEST:

  
Gen K. Bryan, CMC  
City Clerk:

APPROVED AS TO FORM:

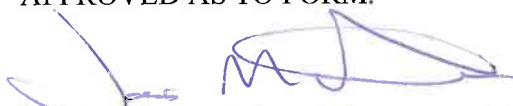
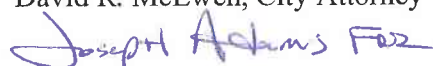
  
David R. McEwen, City Attorney  




EXHIBIT 1

INITIAL RATES

## EXHIBIT 1: INITIAL RATES

Residential Services	Rate
Single family & mobile home park service – 3 carts	\$23.51
Senior Citizen single family & mobile home discount – 3 carts	\$18.28
Mobile Home Park - Bag service	\$27.31
Mobile Home Park – 3 carts (64-gallon)	\$22.37
Mobile Home Park – 2 carts (64-gallon)	\$20.11
Additional Trash cart	\$13.11
Additional green waste cart - over 2	\$10.93
Additional recycling cart - over 2	\$10.93
Extra Bag Pick up	\$2.78
Home Compost Discount	\$20.68
Home Compost Discount – Senior	\$15.44
Residential Contamination fee – per incident	\$16.39
Bulky item pickup – beyond 4 per operating year	\$16.39
AB939 Surcharge per refuse container	\$0.81
On-Premise Service Fee	\$27.31
Electronic Waste Pickup	\$16.39

**Commercial Service Rates**

Bin Size	1x week	2x week	3x week	4x week	5x week	6x week	Extra Pick up
96-gal	\$31.19	N/A	N/A	N/A	N/A	N/A	\$59.42
1 yard	\$62.43	\$112.76	\$150.98	\$189.26	N/A	N/A	\$59.42
1.5 yard	\$76.54	\$136.90	\$189.26	\$219.46	N/A	N/A	\$59.42
2 yard	\$88.61	\$157.04	\$213.44	\$275.82	N/A	N/A	\$59.42
3 yard	\$126.85	\$201.37	\$306.00	\$392.62	\$408.69	\$448.98	\$59.42
4 yard	\$146.98	\$269.79	\$382.55	\$495.29	\$561.70	\$599.95	\$59.42
6 yard	\$199.33	\$336.22	\$440.93	\$587.87	\$654.34	\$736.84	\$59.42

**Commercial Service Rates – AB 939 Surcharge Fees**

Bin Size	1x week	2x week	3x week	4x week	5x week	6x week
96-gal	\$0.39	N/A	N/A	N/A	N/A	N/A
1 yard	\$0.75	\$1.52	\$2.28	\$3.05	N/A	N/A
1.5 yard	\$1.12	\$2.25	\$3.37	\$4.48	N/A	N/A
2 yard	\$1.48	\$2.98	\$4.45	\$5.92	N/A	N/A
3 yard	\$2.25	\$4.48	\$6.75	\$8.99	\$11.26	\$13.48
4 yard	\$3.01	\$5.98	\$8.99	\$11.98	\$15.01	\$17.97
6 yard	\$4.48	\$8.99	\$13.48	\$17.97	\$22.45	\$26.98

**Other Services/Fees****Fee**

Temporary 3 yard bins Delivery/Removal – includes 7 day rental	\$115.06
Temporary Bin - Extra Pickup Fee	\$59.42
Daily Rental Fee temporary bin - per day exceeding 7 days	\$8.04
Activation Fee	\$17.22
Bin Exchanges (more than 1 per year)	\$80.37
Bulky item pickup – commercial each	\$18.95
Cart replacement fee	\$81.92
Contamination fee - commercial	\$28.71
Contamination fee - residential	\$16.39
Lock lids (per month, per bin)	\$29.13
Phone Payment service fee	\$8.74
Push out service – flat rate over 15 feet	\$23.29
Reactivation fee	\$27.31
Trip charge - commercial	\$28.71
Overweight Fee - Commercial bin exceeding 300 lbs/yard	\$57.41
Extra pick up fee - all sizes of bins (snap shot and XP)	\$59.42

**Roll Off Services****Fee/Ton Rate**

Temporary Container any size per haul	\$299.39
Compactors any size per pull + temp rate	\$456.43
Recycling Cardboard roll off any size per haul flat fee	\$139.92
Daily rental fee - per day exceeding 7 days	\$7.84
Trip Charge	\$83.95
Relocation Fee	\$83.95
MSW per ton	\$47.69
C & D per ton	\$74.73
Green waste/wood per ton	\$35.81
Clean concrete/asphalt per ton	\$10.07
Fill Dirt per ton	\$8.95
AB939 Surcharge	\$11.83

EXHIBIT 2

RATE ADJUSTMENT EXAMPLES

EXHIBIT 2  
Sample Rate Increase Calculation

WASTE MANAGEMENT - Antelope Valley  
Lancaster Residential Price Increase Calculations

Row	Adjustment Factor	Index	C
			Average of 12 months of Year-over-Year Percent Change in Index
1	Labor	(1)	3.95%
2	Fuel	(2)	20.25%
3	Equipment	(3)	2.20%
4	Disposal	(4)	1.99%
5	All Other	(5)	2.68%

Step Two: Determine weighted percentage change in rates.

Row	Adjustment Factor	Index	E	F	G	
			Cost Factor Category Weighted as a % of Component Total (6j)	Percent Change in Index (from Column C)	Total Weighted Percentage Change	
6	Labor	(1)	27.0%	4.0%	1.1%	
7	Fuel	(2)	7.0%	20.2%	1.4%	
8	Equipment	(3)	14.0%	2.2%	0.3%	
9	Disposal	(4)	24.0%	2.0%	0.5%	
10	All Other	(5)	28.0%	2.7%	0.8%	Carry-over
11	Total		100.0%		4.1%	0.10%
				Prior Carry Over Adjusted %	0.0%	
					4.0%	Limit to 4% maximum

Step Three: Apply Percentage Change to Rates

Row	Adjustment Factor	H	I	J	K
		Existing Contractor Rate	Total Weighted Percentage Change (from Column G, Row 13)	Rate Increase or Decrease (Column H x Column I)	Adjusted Rate (Column H + Column J)
12	Single Family & Mobile Home Park	\$23.51	4.0%	\$0.94	\$24.45
13	Senior Citizen Single Family Rate	\$18.28	4.0%	\$0.73	\$19.01
14	Mobile Home Park Bag Service	\$27.31	4.0%	\$1.09	\$28.40
15	Mobile Home Park Service - 3 carts (64gal)	\$22.37	4.0%	\$0.89	\$23.26
16	Mobile Home Park Service - 2 carts (64gal)	\$20.11	4.0%	\$0.80	\$20.91
17	Additional trash cart	\$13.11	4.0%	\$0.52	\$13.63
18	Additional green waste cart - over 2	\$10.93	4.0%	\$0.44	\$11.37
19	Additional recycling cart - over 2	\$10.93	4.0%	\$0.44	\$11.37
20	Extra bag Pick up (each)	\$2.78	4.0%	\$0.11	\$2.89
21	Home Compost Discount	\$20.68	4.0%	\$0.83	\$21.51
22	Home Compost Discount - Senior	\$15.44	4.0%	\$0.62	\$16.06
23	Residential contamination fee - per incident	\$16.39	4.0%	\$0.66	\$17.05
24	Bulky item pickup - over 4 per year	\$16.39	4.0%	\$0.66	\$17.05
25	AB939 Surcharge per refuse container	\$0.81	4.0%	\$0.03	\$0.84
26	On-Premise Service Fee	\$27.31	4.0%	\$1.09	\$28.40
27	Electronic Waste Pick-up	\$16.39	4.0%	\$0.66	\$17.05

Step Four: Recalculate cost component weightings for next rate adjustment

Row	Adjustment Factor	Index	L	M	N	O	P
			Cost Component (E)	Percent Change as Applied to Rate Adjustment (Column F)	Increase in Cost Components (Column L x Column M)	Cost Component Increased (Column L + Column N)	Cost Component Reweighted to Equal 100%
26	Labor	(1)	27.0%	4.0%	1.1%	28.1%	27.0%
27	Fuel	(2)	7.0%	20.2%	1.4%	8.4%	8.1%
28	Equipment	(3)	14.0%	2.2%	0.3%	14.3%	13.7%
29	Disposal	(4)	24.0%	2.0%	0.5%	24.5%	23.5%
30	All Other	(5)	28.0%	2.7%	0.8%	28.8%	27.7%
31	Total		100.0%			104.1%	100.0%

(1) Rate increased for a "Driver" as described in the Articles of Agreement Between Waste Management of Lancaster and Teamsters Union Local No. 986.

(2) Fuel weighted (by number of trucks by fuel type) 12 month year over year average percentage change calculated on the index tab, using PPI, WPLU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel, and PPI, WPU0531, not seasonally adjusted, Fuels and related products and power, natural gas.

(3) Producer Price Index, PCU336120336120 Heavy Duty Truck Manufacturing, Heavy Duty Truck Manufacturing

(4) Changes in the average gate rates posted at Lancaster, Chiquita Canyon, Sunshine Canyon, and Puente Hills Landfills

(5) Consumer Price Index for All Urban Consumers (CPI-U), all items, not seasonally adjusted, Los Angeles-Riverside-San Bernardino

(6) The first rate adjustment is based upon percentage weightings include in the First Amendment to the Agreement and are effective for the July 1, 2013 rate adjustment. After the first rate adjustment, this column comes from Column P of the previous year's adjustment worksheet.

**EXHIBIT 2**

Sample of Average of 12 months of year-over-year percent change in index

**Producer Price Index Industry Data  
Original Data Value**

**Series Id:** PCU336120336120  
**Industry:** Heavy duty truck mfg  
**Product:** Heavy duty truck mfg  
**Base Date:** 200312  
**Years:** 2003 to 2012

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2003	101.3	101.3	101.3	101.5	101.5	101.9	101.8	102.4	102.9	103.8	103.3	103.4	100.0
2004	104.2	104.5	104.5	105.3	105.6	105.7	106.6	107.7	107.3	108.3	108.3	108.3	106.4
2005	108.3	108.5	108.8	110.2	110.2	110.3	110.3	110.5	110.3	111.4	113.2	113.2	110.4
2006	113.3	113.3	113.3	116.3	116.3	116.3	116.2	116.3	116.3	116.3	116.4	116.4	115.5
2007	117.8	117.8	117.9	118.1	118.1	118.7	118.8	118.8	119.1	120.4	120.5	120.5	118.9
2008	123.1	123.3	123.3	123.3	123.9	124.1	124.1	125.3	125.3	125.6	125.2	126.2	124.4
2009	126.2	126.2	126.2	126.2	126.2	129.4	129.5	129.2	129.4	129.6	129.8	129.8	128.1
2010	130.4	130.1	130.1	130.1	130.6	130.6	131.3	131.3	131.4	132.5	133.0	132.5	131.2
2011	132.7	133.6											
2012													

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Ave Chnge%
Mar 2011 to													
Feb 2012	130.1	130.1	130.6	130.6	131.3	131.3	131.4	132.5	133	132.5	132.7	133.6	
Mar 2010 to													
Feb 2011	126.2	126.2	126.2	129.4	129.5	129.2	129.4	129.6	129.8	129.8	130.4	130.1	
Chg	3.9	3.9	4.4	1.2	1.8	2.1	2	2.9	3.2	2.7	2.3	3.5	
% Chg	3.09%	3.09%	3.49%	0.93%	1.39%	1.63%	1.55%	2.24%	2.47%	2.08%	1.76%	2.69%	2.20%



**SECOND AMENDMENT TO  
AMENDED AND RESTATED AGREEMENT  
FOR THE COLLECTION OF SOLID WASTE**

THIS SECOND AMENDMENT TO AMENDED AND RESTATED AGREEMENT FOR THE COLLECTION OF SOLID WASTE ("Second Amendment") is effective as of the 26<sup>th</sup> day of June 2018, and is entered into by the City of Lancaster, a municipal corporation ("City") and Waste Management of California, Inc., a California corporation, dba Waste Management of Antelope Valley ("Company").

RECITALS:

The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (Public Resources Code Section 49100, *et seq.*; hereinafter the "Act") established a solid waste management process that requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices.

City and USA Waste of California, Inc., an affiliate of Company, entered into that certain agreement entitled Amended and Restated Agreement for the Collection of Solid Waste ("Agreement"), dated May 22, 2007.

City and Company entered into that certain agreement entitled First Amendment to Amended and Restated Agreement for the Collection of Solid Waste ("First Amendment"), dated December 14, 2012. Among other things, the First Amendment assigned the Agreement from USA Waste of California, Inc. to Company.

City and Company desire to extend the term of the Agreement and modify certain requirements.

In accordance with California Public Resources Code Section 40059(a)(2), the City has determined that the public health, safety, and well-being require that an exclusive franchise be awarded to a qualified company for the collection, transportation, recycling, processing, and disposal of solid waste, and for other services related to meeting the diversion goals of AB 939, AB 341 and other requirements of the California Integrated Waste Management Act.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is acknowledged, the parties agree as follows:

1. Section 2.4.1 of the Agreement, as revised in the First Amendment, is deleted in its entirety and replaced with the following:

**“2.4.1** The term of this Agreement commences on the effective date and shall be in effect for an initial term ending on June 30, 2030. Thereafter, the term of this Agreement may be extended for two (2) additional terms of two (2) years each, upon mutual agreement of the parties. The parties agree to meet to discuss the potential extension of this Agreement not less than six (6) months prior to expiration of the initial term or any subsequent term.

2. Section 3.1 of the Agreement, as revised in the First Amendment, is deleted in its entirety and replaced with the following:

**“3.1 Contract Extension Fee.** Company will pay a contract extension fee of two million five hundred thousand dollars (\$2,500,000.00), on or before July 1, 2018 for the extension of the term from July 1, 2027 to June 30, 2030.”

3. Section 3.2 of the Agreement, as revised in the First Amendment, is deleted in its entirety and replaced with the following:

**“3.2 Revenue Sharing Payment.** Company will pay a revenue sharing payment to the City of five million dollars (\$5,000,000.00), on or before January 1, 2019. This represents a prepaid sharing of anticipated future revenue increases to be received by Company in

accordance with Section 12 during the remaining initial term of contract starting July 1, 2018 and ending June 30, 2030.”

4. Section 3.3 of the Agreement, as revised in the First Amendment, is deleted in its entirety and replaced with the following:

**“3.3 Special Revenue Sharing Payment.** Company will pay a special revenue sharing payment to the City of one million eight hundred thousand dollars (\$1,800,000.00), on or before July 1, 2018, and nine hundred thousand dollars (\$900,000.00), on or before July 1, 2019.”

5. Section 3.4 of the Agreement, as revised in the First Amendment, is deleted in its entirety and replaced with the following:

**“3.4 Solid Waste Contract Fee**

**3.4.1** Up to and including June 30, 2018, Company shall pay to City a solid waste contract fee equal to eight and eleven hundredths percent (8.11%) of the Gross Receipts derived from services rendered to accounts within the City. Commencing July 1, 2018, Company shall pay to City a solid waste contract fee equal to twelve and forty-seven hundredths percent (12.47%) of the Gross Receipts derived from services rendered to accounts within the City. Commencing July 1, 2019, Company shall pay to City a solid waste contract fee equal to seventeen percent (17%) of the Gross Receipts derived from services rendered to accounts within the City. In accordance with Section 1.31, Gross Receipts exclude amounts billed and collected for the solid waste contract fee itself, the integrated waste management surcharge, and the amortized as earned Revenue Share and evenly amortized Special Revenue Share. In the event that Company enters into a new or amended agreement for solid waste handling services with one or more governmental entities within twenty-five (25) miles of City Hall that provides for a contract fee (or its equivalent) in excess of seventeen percent (17%) of Gross Receipts, the contract fee percentage paid to

the City shall increase to the highest percentage rate provided in such other agreements. Except for the percentage increases described above, the service rates will be adjusted automatically to reflect any increase or decrease in the solid waste contract fee.

**3.4.2 Payment of Solid Waste Contract Fee.** Company shall pay to City the solid waste contract fee for each quarter of the Operating Year within thirty (30) days following the close of each successive calendar quarter. Each such payment by Company to City shall be accompanied by a statement setting forth total Gross Receipts collected by Company, the computation of the total solid waste contract fee due and other such information relating to the calculation and payment of this fee as may be reasonably requested by the City Manager.

6. Section 3.5.1 of the Agreement, as revised in the First Amendment, is deleted in its entirety and replaced with the following:

“3.5.1 **AB 939.** Company shall charge a monthly surcharge in amount approved by the City for implementation of the solid waste diversion program required by AB 939. Such monthly surcharge shall be charged and collected by Company over and above the rates provided for in Section 12. The amount of such monthly surcharge is set forth in Exhibits A-1, B-1 and C-1 of this Second Amendment, and thereafter shall be adjusted for each type of service in accordance with Section 12.3. Thirty percent (30%) of such monthly surcharge shall be paid to the City at the same time and together with the solid waste contract fee or franchise fee paid pursuant to Section 3.4, with seventy percent (70%) retained by Company for purposes of undertaking the programs described in Section 3.5.2. The overall service rate will be adjusted automatically to reflect any increase or decrease in the integrated waste management surcharge.”

7. Section 12.2 of the Agreement, as revised in the First Amendment, is deleted in its entirety and replaced with the following:

“12.2 **Service Rates.** Up to and including June 30, 2018, Company may charge residential or commercial accounts for services, including ancillary fees and charges, at rates that do not exceed the rates set forth in Exhibit A-1 attached to this Second Amendment and incorporated herein by this reference. Commencing on July 1, 2018, Company may charge residential or commercial accounts for services, including ancillary fees and charges, at rates that do not exceed the rates set forth in Exhibit B-1 attached to this Second Amendment and incorporated herein by this reference. Commencing on July 1, 2019, Company may charge residential or commercial accounts for services, including ancillary fees and charges, at rates that do not exceed the rates set forth in Exhibit C-1 attached to this Second Amendment and incorporated herein by this reference. Where Exhibits A-1, B-1 or C-1 do not provide a rate for additional services to accounts, Company and customer will determine that rate, with any disputes referred to the City Manager for resolution.”

8. Section 12.3 of the Agreement, as revised in the First Amendment, is deleted in its entirety and replaced with the following:

“12.3 **Rate Adjustments.** Beginning July 1, 2020, and on each July 1 thereafter during the Term, Company is authorized to increase the then-existing rates for all services, including ancillary fees and charges, by the negotiated Consumer Price Index (CPI) amount of three and one-half percent (3½%).

9. Section 12.5 of the Agreement, as revised in the First Amendment (Annual Rate Cap), is deleted in its entirety.
10. Except as provided herein, the terms and conditions of the Agreement, as revised by the First Amendment, remain in full force and effect.

TO EFFECTUATE THIS AGREEMENT, each of the parties has caused this Agreement to be executed by its duly authorized representative as of the date set forth below the authorized signature.

“CITY”

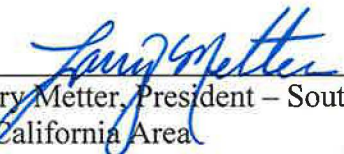
City of Lancaster

By:   
Mark V. Bozigian, City Manager

Dated: 6-26-18

“COMPANY”

WASTE MANAGEMENT OF CALIFORNIA, INC., a California corporation

By:   
Larry Metter, President – Southern California Area

Dated: 6/21/18

ATTEST:

  
Britt Avrit, City Clerk:

APPROVED AS TO FORM:

  
Allison Burns, City Attorney

**EXHIBIT A-1**

**RATES FOR SERVICES**

**EFFECTIVE DATE THROUGH JUNE 30, 2018**

**Exhibit A-1**  
**City of Lancaster**  
**Second Amendment**  
**Rate for July 1, 2017 to June 30, 2018**

<u>RESIDENTIAL</u>	<u>Rate</u>	<u>AB939 /</u> <u>Container</u>
Single Family & Mobile Home Park	\$ 24.80	\$ 0.85
Senior Citizen Single Family Rate	\$ 19.28	\$ 0.85
Mobile Home Park Bag Service	\$ 28.80	\$ 0.85
Mobile Home Park Service - 3 carts (64gal)	\$ 23.59	\$ 0.85
Mobile Home Park Service - 2 carts (64gal)	\$ 21.21	\$ 0.85
Additional trash cart	\$ 13.83	\$ 0.85
Additional green waste cart - over 2	\$ 11.53	\$ 0.85
Additional recycling cart - over 2	\$ 11.53	
Extra bag Pick up (each)	\$ 2.94	
Home Compost Discount	\$ 21.81	\$ 0.85
Home Compost Discount - Senior	\$ 16.28	\$ 0.85
Residential contamination fee - per incident	\$ 17.29	
Bulky item pickup - over 4 per year	\$ 17.29	
On-Premise Service Fee	\$ 28.80	
Electronic Waste Pick-up	\$ 17.29	

<u>COMMERCIAL</u>		<u>Rate</u>	<u>AB939 /</u> <u>Container</u>
Extra Pick Up	96gal	\$ 62.57	
96 Gallon cart, 1 pickup/wk	96gal	\$ 32.84	\$ 0.42
Extra Pick Up	1 cu yd	\$ 62.57	
1 cubic yard cart, 1 pickup/wk		\$ 65.74	\$ 0.79
1 cubic yard cart, 2 pickups/wk		\$ 118.72	\$ 1.55
1 cubic yard cart, 3 pickups/wk		\$ 158.97	\$ 2.38
1 cubic yard cart, 4 pickups/wk		\$ 199.28	\$ 3.17
Extra Pick Up	1.5 cu yd	\$ 62.57	
1.5 cubic yard cart, 1 pickup/wk		\$ 80.59	\$ 1.18
1.5 cubic yard cart, 2 pickups/wk		\$ 144.14	\$ 2.38
1.5 cubic yard cart, 3 pickups/wk		\$ 199.28	\$ 3.55
1.5 cubic yard cart, 4 pickups/wk		\$ 231.07	\$ 4.71
Extra Pick Up	2 cu yd	\$ 62.57	
2 cubic yard cart, 1 pickup/wk		\$ 93.30	\$ 1.55
2 cubic yard cart, 2 pickups/wk		\$ 165.34	\$ 3.14
2 cubic yard cart, 3 pickups/wk		\$ 224.74	\$ 4.68
2 cubic yard cart, 4 pickups/wk		\$ 290.40	\$ 3.15
Extra Pick Up	3 cu yd	\$ 62.57	
3 cubic yard cart, 1 pickup/wk		\$ 133.56	\$ 2.38
3 cubic yard cart, 2 pickups/wk		\$ 212.02	\$ 4.71
3 cubic yard cart, 3 pickups/wk		\$ 322.19	\$ 7.11
3 cubic yard cart, 4 pickups/wk		\$ 413.39	\$ 9.46



3 cubic yard cart, 5 pickups/wk		\$ 430.31	\$ 11.86
3 cubic yard cart, 6 pickups/wk		\$ 472.72	\$ 14.19
Extra Pick Up	4 cu yd	\$ 62.57	
4 cubic yard cart, 1 pickup/wk		\$ 154.76	\$ 3.17
4 cubic yard cart, 2 pickups/wk		\$ 284.06	\$ 6.30
4 cubic yard cart, 3 pickups/wk		\$ 402.78	\$ 9.46
4 cubic yard cart, 4 pickups/wk		\$ 521.48	\$ 12.61
4 cubic yard cart, 5 pickups/wk		\$ 591.41	\$ 15.81
4 cubic yard cart, 6 pickups/wk		\$ 631.69	\$ 18.93
Extra Pick Up	6 cu yd	\$ 62.57	
6 cubic yard cart, 1 pickup/wk		\$ 209.88	\$ 4.71
6 cubic yard cart, 2 pickups/wk		\$ 354.00	\$ 9.46
6 cubic yard cart, 3 pickups/wk		\$ 464.25	\$ 14.19
6 cubic yard cart, 4 pickups/wk		\$ 618.98	\$ 18.93
6 cubic yard cart, 5 pickups/wk		\$ 688.96	\$ 23.64
6 cubic yard cart, 6 pickups/wk		\$ 775.82	\$ 28.41

#### **ROLL-OFF**

Temporary Rolloff Box Pull Fee	\$ 308.44	\$ 12.19
Recycling Cardboard roll off	\$ 144.15	\$ 12.19
Compactor Box Pull Fee	\$ 470.23	\$ 12.19
Temporary Container Rental Fee	\$ 8.08	
Relocation Charge	\$ 86.49	
Dry Run Charge	\$ 86.49	
Green Waste / Wood per ton	\$ 36.89	
Clean Concrete / Asphalt per ton	\$ 10.37	
Fill Dirt per ton	\$ 9.23	
MSW Tonnage Charge	\$ 49.85	
C & D per ton, Transport & Handling	\$ 18.54	
C&D Tonnage Charge	\$ 59.29	

#### **OTHER COMMERCIAL AND RESIDENTIAL FEES**

Temp 3 yrd Bin Delivery/Removal includes 7 day rental	\$ 121.27
Extra Pick Up Temp Bin	\$ 62.62
Daily Rental Fee Temp Bin - Exceeding 7 days.	\$ 8.47
Activation Fee	\$ 18.15
Bin Exchange (more than 1 per year)	\$ 84.70
Bulky Item Pick up - commercial each	\$ 19.97
Cart Replacement Fee	\$ 86.33
Contamination Fee - Commercial	\$ 30.27
Contamination Fee - Residential	\$ 17.27
Lock Lids (per month, per bin)	\$ 30.70
Phone Payment service fee	\$ 9.21
Push out service - Flat rate over 15 feet	\$ 24.55
Reactivation Fee	\$ 28.78
Trip Charge - Commercial	\$ 30.27
Overweight Fee - Commercial bin exceeding 300lbs/yard	\$ 60.50

**EXHIBIT B-1**

**RATES FOR SERVICES**

**JULY 1, 2018 THROUGH JUNE 30, 2019**

**Exhibit B-1**

**City of Lancaster**

**Second Amendment**

**Rate for July 1, 2018 to June 30, 2019**

13.57%

7.12%

<u>RESIDENTIAL</u>	<u>Rate</u>	<u>AB939 / Container</u>
Single Family & Mobile Home Park	\$ 28.17	\$ 0.91
Senior Citizen Single Family Rate	\$ 21.90	\$ 0.91
Mobile Home Park Bag Service	\$ 32.71	\$ 0.91
Mobile Home Park Service - 3 carts (64gal)	\$ 26.79	\$ 0.91
Mobile Home Park Service - 2 carts (64gal)	\$ 24.09	\$ 0.91
Additional trash cart	\$ 15.71	\$ 0.91
Additional green waste cart - over 2	\$ 13.09	\$ 0.91
Additional recycling cart - over 2	\$ 13.09	
Extra bag Pick up (each)	\$ 3.34	
Home Compost Discount	\$ 24.77	\$ 0.91
Home Compost Discount - Senior	\$ 18.49	\$ 0.91
Residential contamination fee - per incident	\$ 19.64	
Bulky item pickup - over 4 per year	\$ 19.64	
On-Premise Service Fee	\$ 32.71	
Electronic Waste Pick-up	\$ 19.64	

<u>COMMERCIAL</u>		<u>Rate</u>	<u>AB939 / Container</u>
Extra Pick Up	96gal	\$ 71.06	
96 Gallon cart, 1 pickup/wk	96gal	\$ 37.30	\$ 0.45
Extra Pick Up	1 cu yd	\$ 71.06	
1 cubic yard cart, 1 pickup/wk		\$ 74.66	\$ 0.85
1 cubic yard cart, 2 pickups/wk		\$ 134.83	\$ 1.66
1 cubic yard cart, 3 pickups/wk		\$ 180.54	\$ 2.55
1 cubic yard cart, 4 pickups/wk		\$ 226.32	\$ 3.40
Extra Pick Up	1.5 cu yd	\$ 71.06	
1.5 cubic yard cart, 1 pickup/wk		\$ 91.53	\$ 1.26
1.5 cubic yard cart, 2 pickups/wk		\$ 163.70	\$ 2.55
1.5 cubic yard cart, 3 pickups/wk		\$ 226.32	\$ 3.80
1.5 cubic yard cart, 4 pickups/wk		\$ 262.43	\$ 5.05
Extra Pick Up	2 cu yd	\$ 71.06	
2 cubic yard cart, 1 pickup/wk		\$ 105.96	\$ 1.66
2 cubic yard cart, 2 pickups/wk		\$ 187.78	\$ 3.36
2 cubic yard cart, 3 pickups/wk		\$ 255.24	\$ 5.01
2 cubic yard cart, 4 pickups/wk		\$ 329.81	\$ 3.37
Extra Pick Up	3 cu yd	\$ 71.06	
3 cubic yard cart, 1 pickup/wk		\$ 151.68	\$ 2.55
3 cubic yard cart, 2 pickups/wk		\$ 240.79	\$ 5.05
3 cubic yard cart, 3 pickups/wk		\$ 365.91	\$ 7.62
3 cubic yard cart, 4 pickups/wk		\$ 469.49	\$ 10.13

3 cubic yard cart, 5 pickups/wk		\$ 488.70	\$ 12.70
3 cubic yard cart, 6 pickups/wk		\$ 536.87	\$ 15.20
Extra Pick Up	4 cu yd	\$ 71.06	
4 cubic yard cart, 1 pickup/wk		\$ 175.76	\$ 3.40
4 cubic yard cart, 2 pickups/wk		\$ 322.61	\$ 6.75
4 cubic yard cart, 3 pickups/wk		\$ 457.44	\$ 10.13
4 cubic yard cart, 4 pickups/wk		\$ 592.24	\$ 13.51
4 cubic yard cart, 5 pickups/wk		\$ 671.66	\$ 16.94
4 cubic yard cart, 6 pickups/wk		\$ 717.41	\$ 20.28
Extra Pick Up	6 cu yd	\$ 71.06	
6 cubic yard cart, 1 pickup/wk		\$ 238.36	\$ 5.05
6 cubic yard cart, 2 pickups/wk		\$ 402.04	\$ 10.13
6 cubic yard cart, 3 pickups/wk		\$ 527.25	\$ 15.20
6 cubic yard cart, 4 pickups/wk		\$ 702.98	\$ 20.28
6 cubic yard cart, 5 pickups/wk		\$ 782.45	\$ 25.32
6 cubic yard cart, 6 pickups/wk		\$ 881.10	\$ 30.43

#### **ROLL-OFF**

Temporary Rolloff Box Pull Fee		\$ 350.30	\$ 13.06
Recycling Cardboard roll off		\$ 163.71	\$ 13.06
Compactor Box Pull Fee		\$ 534.04	\$ 13.06
Temporary Container Rental Fee		\$ 9.18	
Relocation Charge		\$ 98.23	
Dry Run Charge		\$ 98.23	
Green Waste / Wood per ton		\$ 41.90	
Clean Concrete / Asphalt per ton		\$ 11.78	
Fill Dirt per ton		\$ 10.48	
MSW Tonnage Charge		\$ 56.61	
C & D per ton, Transport & Handling		\$ 21.06	
C&D Tonnage Charge		\$ 67.34	

#### **OTHER COMMERCIAL AND RESIDENTIAL FEES**

Temp 3 yrd Bin Delivery/Removal includes 7 day rental		\$ 137.73	
Extra Pick Up Temp Bin		\$ 71.12	
Daily Rental Fee Temp Bin - Exceeding 7 days.		\$ 9.62	
Activation Fee		\$ 20.61	
Bin Exchange (more than 1 per year)		\$ 96.19	
Bulky Item Pick up - commercial each		\$ 22.68	
Cart Replacement Fee		\$ 98.04	
Contamination Fee - Commercial		\$ 34.38	
Contamination Fee - Residential		\$ 19.61	
Lock Lids (per month, per bin)		\$ 34.87	
Phone Payment service fee		\$ 10.46	
Push out service - Flat rate over 15 feet		\$ 27.88	
Reactivation Fee		\$ 32.69	
Trip Charge - Commercial		\$ 34.38	
Overweight Fee - Commercial bin exceeding 300lbs/yard		\$ 68.71	

**EXHIBIT C-1**

**RATES FOR SERVICES**

**JULY 1, 2019 THROUGH JUNE 30, 2020**

**Exhibit C-1**

**City of Lancaster**

**Second Amendment**

**Rate for July 1, 2019 to June 30, 2020**

7.04%

2.99%

<u>RESIDENTIAL</u>	<u>Rate</u>	<u>AB939 / Container</u>
Single Family & Mobile Home Park	\$ 30.15	\$ 0.94
Senior Citizen Single Family Rate	\$ 23.44	\$ 0.94
Mobile Home Park Bag Service	\$ 35.01	\$ 0.94
Mobile Home Park Service - 3 carts (64gal)	\$ 28.68	\$ 0.94
Mobile Home Park Service - 2 carts (64gal)	\$ 25.79	\$ 0.94
Additional trash cart	\$ 16.82	\$ 0.94
Additional green waste cart - over 2	\$ 14.01	\$ 0.94
Additional recycling cart - over 2	\$ 14.01	
Extra bag Pick up (each)	\$ 3.58	
Home Compost Discount	\$ 26.51	\$ 0.94
Home Compost Discount - Senior	\$ 19.79	\$ 0.94
Residential contamination fee - per incident	\$ 21.02	
Bulky item pickup - over 4 per year	\$ 21.02	
On-Premise Service Fee	\$ 35.01	
Electronic Waste Pick-up	\$ 21.02	

<u>COMMERCIAL</u>		<u>Rate</u>	<u>AB939 / Container</u>
Extra Pick Up	96gal	\$ 76.06	
96 Gallon cart, 1 pickup/wk	96gal	\$ 39.93	\$ 0.46
Extra Pick Up	1 cu yd	\$ 76.06	
1 cubic yard cart, 1 pickup/wk		\$ 79.92	\$ 0.88
1 cubic yard cart, 2 pickups/wk		\$ 144.32	\$ 1.71
1 cubic yard cart, 3 pickups/wk		\$ 193.25	\$ 2.63
1 cubic yard cart, 4 pickups/wk		\$ 242.25	\$ 3.50
Extra Pick Up	1.5 cu yd	\$ 76.06	
1.5 cubic yard cart, 1 pickup/wk		\$ 97.97	\$ 1.30
1.5 cubic yard cart, 2 pickups/wk		\$ 175.22	\$ 2.63
1.5 cubic yard cart, 3 pickups/wk		\$ 242.25	\$ 3.91
1.5 cubic yard cart, 4 pickups/wk		\$ 280.91	\$ 5.20
Extra Pick Up	2 cu yd	\$ 76.06	
2 cubic yard cart, 1 pickup/wk		\$ 113.42	\$ 1.71
2 cubic yard cart, 2 pickups/wk		\$ 201.00	\$ 3.46
2 cubic yard cart, 3 pickups/wk		\$ 273.21	\$ 5.16
2 cubic yard cart, 4 pickups/wk		\$ 353.03	\$ 3.47
Extra Pick Up	3 cu yd	\$ 76.06	
3 cubic yard cart, 1 pickup/wk		\$ 162.36	\$ 2.63
3 cubic yard cart, 2 pickups/wk		\$ 257.74	\$ 5.20
3 cubic yard cart, 3 pickups/wk		\$ 391.67	\$ 7.85
3 cubic yard cart, 4 pickups/wk		\$ 502.54	\$ 10.43

3 cubic yard cart, 5 pickups/wk		\$ 523.10	\$ 13.08
3 cubic yard cart, 6 pickups/wk		\$ 574.67	\$ 15.65
Extra Pick Up	4 cu yd	\$ 76.06	
4 cubic yard cart, 1 pickup/wk		\$ 188.13	\$ 3.50
4 cubic yard cart, 2 pickups/wk		\$ 345.32	\$ 6.95
4 cubic yard cart, 3 pickups/wk		\$ 489.64	\$ 10.43
4 cubic yard cart, 4 pickups/wk		\$ 633.93	\$ 13.91
4 cubic yard cart, 5 pickups/wk		\$ 718.94	\$ 17.45
4 cubic yard cart, 6 pickups/wk		\$ 767.92	\$ 20.89
Extra Pick Up	6 cu yd	\$ 76.06	
6 cubic yard cart, 1 pickup/wk		\$ 255.14	\$ 5.20
6 cubic yard cart, 2 pickups/wk		\$ 430.34	\$ 10.43
6 cubic yard cart, 3 pickups/wk		\$ 564.37	\$ 15.65
6 cubic yard cart, 4 pickups/wk		\$ 752.47	\$ 20.89
6 cubic yard cart, 5 pickups/wk		\$ 837.53	\$ 26.08
6 cubic yard cart, 6 pickups/wk		\$ 943.13	\$ 31.34

#### **ROLL-OFF**

Temporary Rolloff Box Pull Fee	\$ 374.96	\$ 13.45
Recycling Cardboard roll off	\$ 175.24	\$ 13.45
Compactor Box Pull Fee	\$ 571.64	\$ 13.45
Temporary Container Rental Fee	\$ 9.83	
Relocation Charge	\$ 105.15	
Dry Run Charge	\$ 105.15	
Green Waste / Wood per ton	\$ 44.85	
Clean Concrete / Asphalt per ton	\$ 12.61	
Fill Dirt per ton	\$ 11.22	
MSW Tonnage Charge	\$ 60.60	
C & D per ton, Transport & Handling	\$ 22.54	
C&D Tonnage Charge	\$ 72.08	

#### **OTHER COMMERCIAL AND RESIDENTIAL FEES**

Temp 3 yrd Bin Delivery/Removal includes 7 day rental	\$ 147.43
Extra Pick Up Temp Bin	\$ 76.13
Daily Rental Fee Temp Bin - Exceeding 7 days.	\$ 10.30
Activation Fee	\$ 22.06
Bin Exchange (more than 1 per year)	\$ 102.96
Bulky Item Pick up - commercial each	\$ 24.28
Cart Replacement Fee	\$ 104.94
Contamination Fee - Commercial	\$ 36.80
Contamination Fee - Residential	\$ 20.99
Lock Lids (per month, per bin)	\$ 37.32
Phone Payment service fee	\$ 11.20
Push out service - Flat rate over 15 feet	\$ 29.84
Reactivation Fee	\$ 34.99
Trip Charge - Commercial	\$ 36.80
Overweight Fee - Commercial bin exceeding 300lbs/yard	\$ 73.55

**THIRD AMENDMENT TO AMENDED AND RESTATED AGREEMENT FOR THE  
COLLECTION OF SOLID WASTE**

THIS THIRD AMENDMENT TO AMENDED AND RESTATED AGREEMENT FOR THE COLLECTION OF SOLID WASTE (“**Third Amendment**”) is executed on June 27<sup>th</sup>, 2023 and is entered into by the City of Lancaster, a municipal corporation (“**City**”) and Waste Management of California, Inc., a California corporation, dba Waste Management of Antelope Valley (“**Company**”).

**RECITALS:**

The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (Public Resources Code Section 49100, et seq.; hereinafter the “**Act**”) established a solid waste management process that requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices.

City and USA Waste of California, Inc., an affiliate of Company, entered into that certain agreement entitled Amended and Restated Agreement for the Collection of Solid Waste (the “**Underlying Agreement**”), dated May 22, 2007.

City and Company entered into that certain agreement entitled First Amendment to Amended and Restated Agreement for the Collection of Solid Waste (the “**First Amendment**”), dated December 14, 2012. Among other things, the First Amendment assigned the Underlying Agreement from USA Waste of California, Inc. to Company.

City and Company also entered into that certain Second Amendment to Amended and Restated Agreement for the Collection of Solid Waste (the “**Second Amendment**”), executed by the City on June 26, 2018.

City and Company desire to amend the Underlying Agreement, as amended by the First Amendment and Second Amendment (the “**Amended Agreement**,” and together with this Third Amendment, the “**Agreement**”), to provide for additional collection services by Company, amend Customer billing and payment procedures, and provide for an adjustment to Company’s compensation and rates effective as of July 1, 2022, among other things.

In accordance with California Public Resources Code Section 40059(a)(2), the City has determined that the public health, safety, and well-being require that an exclusive franchise be awarded to a qualified company for the collection, transportation, recycling, processing, and disposal of solid waste, and for other services related to meeting the diversion goals of AB 939, AB 341 and SB 1383.

The Parties expressly agree that each of the charges, fees and payments set forth herein constitutes a charge imposed for the specific benefit conferred upon the Company and privilege granted directly to the Company that is not provided to those not charged, and that such charges, fees and payments do not exceed the reasonable costs to the City of conferring the benefit or granting the privilege to Company.

NOW, THEREFORE, for good and valuable consideration and the mutual covenants contained herein, the parties agree as follows:



1. **Effective Date.** The effective date of this Third Amendment is July 1, 2022.
2. **Definitions.** The following terms shall have the meanings ascribed to them below. Capitalized terms used in this Third Amendment but not defined herein shall have the meanings ascribed in the Amended Agreement; provided however that capitalized terms used in this Third Amendment but not defined herein or in the Amended Agreement shall be defined as set forth in 14 CCR Section 18982(a).

“Disbursement Report” has the meaning ascribed to it in Section 12.1.1.

“Excluded Waste” means biohazardous or biomedical waste, Hazardous Substances, sludge, Special Waste, used cooking FOG (fats, oil, grease, and similar materials), explosives, firearms, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, lead-acid batteries, dead animals, and those wastes under the control of the Nuclear Regulatory Commission. Excluded Waste also includes any material that is prohibited from being collected, transported, or processed by Company or disposed of in Class III landfills, or that would, as a result of or upon Collection, transportation, processing and/or disposal, be a violation of Applicable Law or would present a significant risk to human health or the environment, or requires special handling. Excluded Waste also includes materials containing information (in hard copy or electronic format, or otherwise) which information is protected or regulated under any local, state or federal privacy or data security laws, including, but not limited to the Health Insurance Portability and Accountability Act of 1996, as amended.

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells.

“Food-Soiled Paper” means compostable paper material that is mixed in with Food Waste.

“Food Waste” means source separated Food Scraps, Food-Soiled Paper.

“Multi-Family Account” means an Account for Solid Waste collection and recycling services provided at a property used for residential purposes with more than one dwelling unit.

“Organic Waste” means waste containing material originated from living organisms and their metabolic waste products including, but not limited to, Food Waste, Green Waste, untreated lumber, untreated wood, paper products, printing and writing paper, and manure. Notwithstanding the foregoing, paper products and printing and writing paper shall be as defined in 14 CCR Section 18982(a)(51) and 14 CCR Section 18982(a)(54), and shall be treated by Company as Recyclable Materials under this Agreement. Organic Waste does not include Excluded Waste.

“Refuse” means “Solid Waste” as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, Section 40191. Excluded from the definition of Refuse are Excluded Waste, Construction and Demolition Waste, Recyclable Materials, and Organic Waste.

“Residential Additional Services” means the following services invoiced to Residential Accounts by Company in accordance with Section 10.3 and provided at the rate(s) set forth on

## Exhibit 1:

- Additional Carts (as described in Section 5.1, Section 5.8, and Section 5.9 of the Agreement);
- Bin Service (as described in Section 5.3 and Section 5.9 of the Agreement);
- Temporary Solid Waste Roll-off Service (as described in Section 5.4) of the Agreement;
- On-Call Bulky Waste Pickup in excess of four Collections per year (as described in Section 5.5 of the Agreement);
- Electronic Waste collection services (as described in Section 5.7 of the Agreement);
- On-premises Services (as described in Section 5.13.3 of the Agreement); and
- Other Residential Bin-Related Services (as described in Section 5.13.7 of the Agreement).

“Residential Standard Charges” means charges and fees for Residential Standard Service added to Customer’s Los Angeles County property taxes for each Operating Year as submitted by Company to the City in accordance with Section 10.3.

“Residential Standard Service” means the following services offered to Single-Family Accounts:

- Curbside Service of one (1) 96-gallon Refuse Cart serviced weekly (as described in Section 5.1);
- Curbside Service of one (1) 64-gallon Recyclable Material Cart serviced weekly (as described in Section 5.8);
- Curbside Service of one (1) 64-gallon Organic Waste Cart serviced weekly (as described in Section 5.10);
- On-Call Bulky Item Pickup (as described in Section 5.5.1 of the Agreement)
- Holiday Tree Collection (as described in Section 5.11 of the Agreement)
- Fall Leaf Pick Up (as described in Section 5.12 of the Agreement)
- Sharps Collection (as described in Section 5.13.5 of the Agreement)
- Free Landfill Disposal (as described in Section 5.13.6 of the Agreement)

“Single-Family Account” means an Account for Solid Waste collection and recycling services provided at a property used for residential purposes with only one dwelling unit.

3. **Section 1.8** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**1.8 Bulky Waste**

“Bulky Waste” is defined as the following:

- Discarded furniture (including chairs, sofas, mattresses, and rugs);
- Appliances (including refrigerators, ranges, washers, dryers, water heaters,

dishwashers, small household appliances, and other similar items, commonly known as “white goods”);

- Yard Waste (including wood waste, tree trunks, and large branches if no longer than two (2) feet in diameter and four (4) feet in length, or yard waste less than (1) cubic yard);
- C&D Waste (including scrap wood, structural inert material, and debris from building remodeling less than one (1) cubic yard); and
- Bagged Refuse.

Bulky wastes do not include large items such as car bodies, or construction and demolition waste in amounts greater than approximately one (1) cubic yard, Jacuzzi tubs or spas, any other items that cannot be handled by two (2) persons, and waste tires. In addition, bulky wastes do not include any other item that in the future may be land banned by regulation.

4. **Section 1.10** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**1.10 Can/Bag Service**

[RESERVED].

5. The following language is added after the last sentence of **Section 1.11**:

Cart sizes vary depending on the manufacturer, and any reference to Cart sizes in this Agreement is an approximation.

6. **Section 1.44** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**1.44 Recyclable Material**

“Recyclable Material” means the materials identified in Exhibit 9 attached hereto and incorporated fully by this reference. Recyclable Material does not include Excluded Waste.

7. **Section 1.52** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**1.52 Solid Waste**

“Solid Waste” means Refuse, Special Waste, Recyclable Materials, Construction

and Demolition Waste, Green Waste, and Organic Waste. Solid Waste does not include Excluded Waste.

8. **Section 2.6.1.4** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**2.6.1.3** Organic Waste used for home composting, including Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting Site, as defined in 14 CCR Section 18982(a)(8).

9. **Section 2.6.1.4** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**2.6.1.4** Source separated Recyclable Material and Organic Waste donated to youth, civic, or charitable organizations.

10. **Section 2.6.1.5** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**2.6.1.5** Containers delivered by a Customer to a recycling facility under the California Beverage Container Recycling Litter Reduction Act, Sections 14500, *et seq.*, California Public Resources Code.

11. A new **Section 2.6.1.17** is added:

**2.6.1.17** The hauling of byproducts from the processing of food or beverages and use of such materials as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) processing byproducts, are source separated by the Customer of the byproducts, and are not discarded, and if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7). Organic Waste discarded by the Customer and collected by Company in accordance with this Agreement, as amended, and the SB 1383 Regulations shall not be considered food and beverage byproducts, and may not be collected by any third party for such purpose.

12. A new **Section 3.5.4** is added:

**3.5.4** In accordance with Article 10, Single-Family Accounts will have the charges for Residential Standard Service added to their Los Angeles County property taxes. As such, prior to the Effective Date, the City requested and approved Company to charge a one-time AB 939 surcharge, charged in advance, to all Single-Family Accounts on Company's final quarterly bill to such Customers in an amount of \$9.36, such amount representing the AB 939 surcharge for the period of October 1, 2022 through June 30, 2023. Such AB 939 surcharge was charged and shall be collected by Company over and above the rates provided for in Section 12. For such

AB 939 surcharges due after June 30, 2023, City shall include the applicable AB 939 surcharge on the property tax roll billing set forth herein.

13. **Section 3.6** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**3.6 Impact Fee.**

Commencing July 1, 2023, and each July 1 thereafter during the Term, Company shall pay to City an Impact Fee of one million two hundred thousand dollars (\$1,200,000.00), to offset damage or degradation, if any, to the City's infrastructure, including streets and sewers, and other impacts, including aesthetic and noise impacts, caused by solid waste collection services during each Operating Year. Payment shall be made within fifteen (15) days of July 1, 2023, and each July 1 thereafter during the Term. The service rate will be adjusted automatically to reflect any increase or decrease in the impact fee.

14. **Section 5.2** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**5.2 Solid Waste Can Service**

[RESERVED].

15. **Section 5.8** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**5.8 Recyclable Material Cart Service**

All Customers shall subscribe to and Company will provide weekly Cart Service for collection of Recyclable Material to all Residential Premises receiving Cart Service. Company will provide each Residential Premises one (1) 64-gallon Recyclable Material Cart. Customers may obtain one (1) additional Recyclable Material Carts from Company at no cost. Company may provide additional Recyclable Material Carts thereafter at the rate set forth in Exhibit 1. No discounts may be given for using smaller or no Carts. In addition, in the event that a Customer disposes more than the amount of Recyclable Material that will fit in its Cart three (3) or more times within any ninety (90) day period, Company may provide additional Containers or increase the volume of the Container(s) at the applicable rate(s) set forth in Exhibit 1.

16. **Section 5.9** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**5.9 Recyclable Material Bin Service**

All Customers shall subscribe to and Company will provide Recyclable Material Collection services to all Residential Accounts receiving Bin Service that request these services at the rate set forth in Exhibit 1. Customers receiving Bin Service may obtain additional Recyclable Material Containers from Company at the rate set forth in Exhibit 1. In addition, in the event that a Customer regularly recycles more than the amount of Recyclable Material that will fit in its Container, Company may provide additional Container(s) or increase the volume of the Container(s) at the applicable rate(s) set forth in Exhibit 1.

17. **Section 5.10** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**5.10 Organic Waste Cart Service.**

All Customers shall subscribe to and Company will provide weekly Cart Service for collection of Organic Waste to all Residential Premises receiving Cart Service unless the City grants a Customer a de minimis waiver, physical space constraint, or collection frequency waiver in accordance with 14 CCR Section 18984.11 and notifies Company of such waiver. Company will provide each Residential Premises one (1) 64-gallon Organic Waste Cart. Customers may obtain one (1) additional Organic Waste Carts from Company at no cost. Company may provide additional Organic Waste Carts thereafter at the rate set forth in Exhibit 1. No discounts may be given for using smaller or no Carts. In addition, in the event that a Customer disposes of more than the amount of Organic Waste that will fit in its Cart three (3) or more times within any ninety (90) day period, Company may provide additional Cart(s) at the applicable rate(s) set forth in Exhibit 1.

18. **Section 5.13.1** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**5.13.1 Contamination and Overage.**

**5.13.1.1 Contamination.** Customers shall not place Prohibited Container Contaminants or Excluded Waste in any of their Containers. Contamination is defined as more than 10% by volume. In addition to Prohibited Container Contaminants and Excluded Waste, Company shall not be required to Collect or process any Organic Waste or Recyclable Materials that are not accepted for processing by any facility to which Company delivers such Organic Waste or Recyclable Material for processing under this Agreement.. If the Company identifies contamination in a Container, Company shall follow the contamination protocols outlined in Section 5.13.1.3, and the Customer may be subject to a Contamination Fee as provided herein.

**5.13.1.2 Overage.** Customers shall not overfill a Container in a manner that exceeds

the capacity of the Container or prevents the safe collection of the Container by Company. Customers shall not dispose of Solid Waste, Organic Waste, or Recyclable Material by placing such materials on top of or around the Containers for Collection. If the Company identifies Overage in a Container, Company shall follow the overage protocols outlined Section 5.13.1.3, and the Customer may be subject to an Overage Fee as provided herein.

**5.13.1.3 Contamination and Overage Fee; Noticing Procedures.** Company shall follow the following contamination and overage noticing procedures:

First and Second Occurrence. For the first and second occurrence within a twelve (12) month period of contamination or overage for a particular Container, Company shall Collect the contaminated or overfilled Container and shall deliver to the Customer a contamination violation notice that contains instructions on the proper procedures for sorting Solid Waste. Company shall notify the Customer by phone, U.S. mail, e-mail, text, other electronic means that for the third and subsequent incidents of excess contamination or overfilling of the Container the Customer may be charged a contamination or overage fee, as applicable, and Company may increase the Container size, Collection frequency, or require an additional Container. Company shall document such contamination or overage.

Third and Subsequent Occurrences. For the third or subsequent occurrence within a twelve (12) month period of contamination or overage for a particular Container, Company shall collect the contaminated or overfilled Container and may charge the Customer a contamination or overage fee as set forth in Exhibit 1. Company shall continue providing Collection services. Company shall notify the Customer by phone, U.S. mail, e-mail, text, or other electronic means of such contamination or overage. Company shall provide (or have provided) photographic documentation to the Customer that clearly shows the Customer's contamination, as applicable, and written notices of contamination or overage, as described above. Company may also increase the Container size, Collection frequency, or require an additional Container. Company shall document such contamination or overage. City shall consult with Company and consider, and pursue as applicable, appropriate legal remedies against the offending Customer to discontinue the contamination or overage.

19. **Section 5.13.4** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**5.13.4 Self-Haul Exception**

**[RESERVED].**

20. **Section 6.5** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**6.5 Recyclable Material**

All Commercial Accounts shall subscribe to and Company will provide a minimum of weekly Bin or Cart Service for collection of Recyclable Material to all Commercial Accounts that do not have a City approved service waiver. Company will provide each Commercial Premises one (1) 64-gallon Recyclable Material Cart. Additional Containers requested by Commercial Accounts or provided by Company shall be provided at the rate set forth in Exhibit 1. No discounts may be given for using smaller or no Carts. In addition, in the event that a Customer disposes of more than the amount of Recyclable Material that will fit in its Bin or Cart more than once in any twelve-month period, Company may provide additional Containers or increase the volume of the Container(s) at the applicable rate(s) set forth in Exhibit 1.

21. **Section 6.6.3** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**6.6.3 Contamination and Overage.**

**6.6.3.1 Contamination.** Commercial Premises shall not place Prohibited Container Contaminants or Excluded Waste in any of their Containers. Contamination is defined as more than 10% by volume. In addition to Prohibited Container Contaminants and Excluded Waste, Company shall not be required to Collect or process any Organic Waste or Recyclable Materials that are not accepted or able to be processed by any facility to which Company delivers such Organic Waste or Recyclable Material for processing under this Agreement. If the Company identifies contamination in a Container, Company shall follow the contamination protocols outlined in Section 6.6.3.3, and the Customer shall be subject to a Contamination Fee as provided herein.

**6.6.3.2 Overage.** Customers shall not overfill a Container in a manner that exceeds the capacity of the Container or prevents the safe collection of the Container by Company. Customers shall not dispose of Solid Waste, Organic Waste, or Recyclable Material by placing such materials on top of or around the Containers for Collection. If the Company identifies Overage in a Container, Company shall follow the overage protocols outlined Section 6.6.3.3, and the Customer may be subject to an Overage Fee as provided herein.

**6.6.3.3 Contamination and Overage Fee; Noticing Procedures.** Company shall follow the following contamination and overage noticing procedures:



First and Second Occurrence. For the first and second occurrence within a twelve (12) month period of contamination or overage for a particular Container, Company shall Collect the contaminated or overfilled Container and shall deliver to the Customer a contamination violation notice that contains instructions on the proper procedures for sorting Solid Waste. Company shall notify the Customer by phone, U.S. mail, e-mail, text, other electronic means that for the third and subsequent incidents of excess contamination or overfilling of the Container the Customer may be charged a contamination or overage fee, as applicable, and Company may increase the Container size, Collection frequency, or require an additional Container. Company shall document such contamination or overage.

Third and Subsequent Occurrences. For the third or subsequent occurrence within a twelve (12) month period of contamination or overage for a particular Container, Company shall collect the contaminated or overfilled Container and may charge the Customer a contamination or overage fee as set forth in Exhibit 1. Company shall continue providing Collection services. Company shall notify the Customer by phone, U.S. mail, e-mail, text, or other electronic means of such contamination or overage. Company shall provide (or have provided) photographic documentation to the Customer that clearly shows the Customer's contamination, as applicable, and written notices of contamination or overage, as described above. Company may also increase the Container size, Collection frequency, or require an additional Container. Company shall document such contamination or overage. City may consult with Company and consider, and pursue as applicable, appropriate legal remedies against the offending Customer to discontinue the contamination or overage.

22. **Section 6.6.4** of the Amended Agreement is hereby deleted and removed in its entirety, and shall have no force or effect.

23. A new **Section 6.7** is added:

**6.7 Organic Waste**

All Commercial Accounts shall subscribe to and Company will provide Cart Service for collection of Organic Waste no less than once per week to all Commercial Accounts unless the City grants the Commercial Account a de minimis waiver, physical space constraint, or collection frequency waiver in accordance with 14 CCR Section 18984.11 and notifies Company of such waiver. Company will provide each Commercial Account one (1) 64-gallon Organic Waste Cart. Commercial Accounts may obtain additional Organic Waste Carts from Company at the rate(s)

set forth in Exhibit 1. No discounts may be given for using smaller or no Carts. In addition, in the event that a Commercial Account disposes of more than the amount of Organic Waste that will fit in its Cart, three (3) or more times within any ninety (90) day period, Company may provide additional Container(s), increase the volume of the Containers(s), or increase frequency of Collection at the applicable rate(s) set forth in Exhibit 1.

24. **Section 7.3** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**7.3 Provision of Roll-Off Containers**

Company shall provide two (2) 40-cubic yard roll-off containers at the City's Maintenance Yard, located at 615 W. Avenue H., Lancaster, California 93534, for use by the City's Public Works department. Company shall service such roll-off containers twice per week.

25. **Section 7.6** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**7.6 "Lookin' Good Lancaster Program**

[RESERVED].

26. **Section 7.11** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**7.11 Weekly Illegal Dump Alley Collection.**

[RESERVED].

27. **Section 7.12** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**7.12 Bicycle Redistribution Program.**

[RESERVED].

28. **Section 7.13** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**7.13 Operation CleanSweep.**

Upon the request of City, Company will implement one or a combination of the programs described below, not to exceed an annual aggregate fair market value of

fifty thousand dollars (\$50,000) per Operating Year for all programs.

29. **Section 7.13.1** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**7.13.1 [RESERVED].**

30. **Section 7.13.3** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**7.13.3 Community Restoration Program.** Providing up to forty-eight (48) roll-off containers each Operating Year for the collection of Refuse and debris from neighborhoods and public spaces. Upon forty-eight (48) hours' notice, Company shall deliver the roll-off container(s) to the location(s) specified by the City and haul away such roll-off container(s) upon notification that the event is complete. City shall be responsible for ensuring that no Hazardous Substances are loaded into the roll-off containers, and the roll-off container is not filled over the capacity limit.

31. **Section 8.3** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**8.3 Cart Specifications.**

All new Carts placed in service after July 1, 2022 shall comply with color and labeling requirements specified in 14 CCR Section 18984.7 and 14 CCR Section 18984.8 respectively, provided that existing Carts are not required to comply with the requirements of 14 CCR Section 18984.7 until the end of their useful life or January 1, 2036, whichever is sooner.

32. A new **Section 8.12** is added:

**8.12 SB 1383 Route Review**

Commencing on or before October 1, 2022, the Company shall conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is consistent with 14 CCR Section 18984.5(b) and is conducted in a manner that results in all Hauler Routes being reviewed at least annually as set forth below.

**8.12.1 Methodology and Frequency**

Company shall conduct route reviews of Company's Hauler Routes utilizing WM Smart Truck<sup>SM</sup> Technology. Collection trucks will be equipped with GPS and image capture technology.

Hauler Routes will be reviewed for Prohibited Container Contaminants in Bins and Carts such that a minimum of five percent (5%) of Bins and Carts on every Hauler Route are reviewed annually. The data collected from Hauler Route reviews will be analyzed and instances of contamination will be recorded. Notices of recorded contamination incidents will be sent to Customers along with targeted education materials. A report of instances identified during the review period and notices sent will be provided to the City in accordance with Section 14.4.1 to supplement City's annual reporting to CalRecycle.. Company shall submit any proposed modifications to the route review methodology for the coming year to the City no later than June 30 of each fiscal year describing its proposed modification for the fiscal year. Such proposed modification shall comply with 14 CCR Section 18984.5(b).

#### **8.12.2. Notice to Customers**

Upon finding Prohibited Container Contaminants or Excluded Waste in a Bin or Cart during a Hauler Route review and in addition to Company's obligations under Section 6.6.3.3, Company shall notify the Customer by sending a notice by electronic means, including e-mail, text, or otherwise digital messaging, of assessment of a contamination processing fee, and/or non-collection notice to the Customer, as applicable. Except in instance of Excluded Waste present in the Container(s), Company shall Collect the contaminated Bin or Cart and provide such notice as soon as reasonably practicable after identification of the Prohibited Container Contaminants or Excluded Waste.

#### **8.12.3. Record Keeping and Billing**

Company will maintain records of the non-collection notices, courtesy pick-up notices, and contamination/overage processing fee notices.

33. **Section 9.1** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

#### **9.1 End Uses for Organic Waste**

Company will use reasonable efforts to divert from disposal Organic Waste collected through curbside collection and through holiday tree collections by delivering Organic Waste for processing to Kochergen Farms Composting, located at 33915 Avenal Cutoff Road Avenal, California 93204, or an equivalent alternative solution that complies with 14 CCR Section 18983.1(b). Company will also use reasonable efforts to provide end uses for Organic Waste that maximize diversion credits for the City in accordance with 14 CCR Section 18993.1(f). Notwithstanding

the foregoing, Company shall not be required to deliver Organic Waste collected under the Agreement to a facility or operation that does not accept such Organic Waste or is unable to process or recover such Organic Waste, as determined by that facility or operation.

34. **Section 10.1** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**10.1 Instructions for Collection**

Upon commencement of service at any new Account for services directly billed by Company or annually at the beginning of each Operating Year to those Customers directly billed by Company, Company shall distribute a list approved by the City of instructions describing the services provided by Company and the manner in which they will be conducted. At a minimum, the instruction shall include the information contained in Exhibit 5.

35. **Section 10.2** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**10.2 Services Description**

Company must annually, within fifteen (15) days prior to the effective date of a rate change, prepare and distribute a notice to each Account receiving services directly billed by Company to the Customer setting forth the rates charged to the Customer, annual holiday schedule, recycling programs offered, and a general summary of services required to be provided under this Agreement and optional services that may be furnished by the Company. This notice shall be in a form that is subject to the approval of the City Manager or City Agent, which shall not be unreasonably withheld or delayed, prior to its distribution. The notice may be included with billings. The notice may also be included as part of the Company's public outreach and education plan.

36. **Section 10.3** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**10.3 Residential Billing**

On or about October 1, 2022, the City began charging all parcels zoned as single-family dwellings for Residential Standard Service. The charges for such service were added to the Los Angeles County property taxes for each Single-Family Account. City is responsible for collecting payment from Single-Family Accounts in the form of a charge on the property tax roll. The initial tax assessment covers services provided by Company commencing October 1, 2022, through June 30, 2023. Future annual assessments will cover Residential Standard Service provided

from July 1 to June 30 of each year. Company shall continue to invoice Customers for Residential Additional Services (in accordance with Section 10.3), services provided to Multi-Family Accounts (in accordance with Article 5), and Commercial Services (in accordance with Article 6), each at the rate(s) set forth on Exhibit 1.

### **10.3.1 Company Final Invoice**

Prior to the Effective Date and upon request of the City, Company processed a final quarterly invoice to all Single-Family Accounts receiving Residential Standard Services in July 2022 which covered service charges for the months of July, August, and September 2022 as well as the proration of the approved annual rate adjustment of 3.5% for that period. Company's final quarterly invoice also included the AB 939 surcharge for the period of October 1, 2022 through June 30, 2023, as requested by the City and as further described in Section 3.5.4.

### **10.3.2 Additional Services**

Company may provide Residential Additional Services upon request by a Residential Account. Company shall directly invoice such Customers for such Residential Additional Services in accordance with the rate(s) set forth on Exhibit 1. Charges and rates for such Residential Additional Services may be invoiced by Company in advance of providing such service(s) or prepaid by the Customer prior to receiving the Residential Additional Services.

### **10.3.3 Annual Reconciliation of Residential Accounts for Tax Roll Billing**

On or before May 31 of each year, the City shall provide to Company a preliminary report of all Single-Family Accounts that will be invoiced via the local tax roll for services to be rendered in the next Operating Year (July 1 through June 30) (the "**Preliminary Report**"). The Preliminary Report shall identify each and every Single-Family Account and for each state the parcel's assessor identification number (AIN), street address, owner name, and mailing address, if available. Thereafter, on or before July 5, Company shall provide to the City a report of Single-Family Accounts that were serviced by Company in the prior Operating Year, and the applicable Residential Standard Charges for each Single-Family Account and the total Residential Standard Charges for the applicable Operating Year (the "**Service Report**"). The Service Report shall also include a list of discrepancies between the City's Preliminary Report and Company's Service Report. On or before each July 15, Company and the City shall meet and confer in good faith to resolve any such discrepancies. Within ten (10) days of such meeting, Company shall provide to City, and City shall review and if appropriate confirm, a final report of Single-Family Accounts to be invoiced via the local tax roll in then-applicable year, including the Residential Standard Charges for each Single-Family Account, and the total Residential Standard Charges for the applicable

Operating Year. The deadline for submittal to the County Tax Assessor's Office is August 10 of each year.

The reports contemplated by this Section 10.3.3 shall be formatted as a Microsoft Excel spreadsheet or other such form as the parties may agree.

#### **10.3.4 New Single-Family Accounts**

For New Single-Family Accounts that commence Residential Standard Service after the Effective Date, the City shall direct the Single-Family Account to engage Company directly for Residential Standard Services. Company shall invoice the Single-Family Account directly at the rate(s) set forth on Exhibit 1 until the City is able to add such Single-Family Account to the tax roll. The City shall add new Single-Family Accounts to its tax roll as follows:

- For new Single-Family Accounts that commence service prior to July 1 in any Operating Year, the City shall add the Single-Family Account to the local tax roll in the same calendar year.
- For new Single-Family Accounts that commence service on or after July 1 in any Operating Year, the City shall add the Single-Family Account to the tax roll no later than the following fiscal year. Company shall continue to invoice the Single-Family Accounts directly at the rate(s) set forth on Exhibit 1 until the City adds the Single-Family Accounts on the local tax roll in the following calendar year.

By way of example only, if a new Single-Family Account commences service on March 30, 2024, the City shall add the Account to the local tax roll no later than fiscal year 2024-25. If a new Single-Family Account commences service on July 7, 2024, City shall add the Account to the local tax roll no later than fiscal year 2025-26.

37. **Section 10.4.1** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

#### **10.4.1 Senior Discounts**

A senior discount will be provided to Residential Accounts receiving Cart Service where the head of household is sixty-two (62) years of age or older. Residents may apply annually to the Company, prior to the month of May, for the senior citizen discount during the next applicable Operating Year, including but not limited to, presentation of a driver's license or other documentation to verify age. Company shall process such applications for senior discount, and, upon approval thereof,

Company shall provide a list to City of approved senior discounts. City shall arrange for senior discount rates on tax roll for approved customers.

38. **Section 10.4.2** of the Amended Agreement is hereby deleted and removed in its entirety, and shall have no force or effect.

39. **Section 10.6** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

## **10.6 Account Delinquency**

### **10.6.1 Directed Billed Residential Account Delinquency**

For Residential Standard Services provided by Company that are directly invoiced by Company to a Customer and Residential Additional Services directly invoiced by Company in accordance with Section 10.3, where the Customer does not timely pay the invoice resulting in a delinquency as set forth in the invoice, the accrued amount due will be recorded by Company. Company may terminate Collection services until payment in full has been received, including any accrued interests, payment of a reactivation fee in the amount set forth in Exhibit 1, and reimbursement of any NSF bank charges or other costs of collection of such payment. Company shall provide a list of such delinquent Accounts to the City and City shall add such delinquent Accounts as an additional charge on the City's next property tax assessment.

### **10.6.2 Commercial Account and Multi-Family Account Delinquency**

Company will provide Commercial Accounts and Multi-Family Accounts with a notice of delinquency in the event of non-payment after forty-five (45) days from the date of billing. If payment is not received within thirty (30) days from the date of the notice of delinquency, Company may terminate Collection services until payment in full has been received, including any accrued interest, payment of a reactivation fee in the amount set forth in Exhibit 1, and reimbursement of any NSF bank charges or other costs of collection of such payment. Company may charge interest on any delinquent Commercial Account or Multi-Family Account at the maximum annual rate allowed by law for such time as the bill remains unpaid after its due date, and a late fee of \$3.00 per delinquent billing per Account. Company's billings shall contain statements advising the Accounts of Company's right to charge interest on delinquent bills. Company will provide the City a list of delinquent Commercial Accounts or Multi-Family Accounts upon written request.

### **10.6.3 Company's Reservation of Legal Rights and Remedies**



Notwithstanding the foregoing, Company reserves its right to, and may take such action as is legally available to collect or cause collection of such past due amounts owed to Company for services provided under this Agreement, as amended.

40. **Section 11.4.1** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

**11.4.1** General

Company acknowledges that education and public awareness are essential elements of efforts to achieve AB 939 and SB 1383 requirements. Accordingly, the Company will implement a public education program to expand Customer awareness concerning the necessity for methods of reducing, reusing, and recycling Solid Waste and reducing organic waste disposal. Company and City shall cooperate and work together in implementation of the public education program. The detailed public education program is described in Exhibit 6. By May 1 of each Operating Year, Company will submit a revised public education program for the upcoming Operating Year, which will include an estimated budget, for review and approval by the City Manager or the City Agent.

41. A new **Section 11.5** is added:

**11.5** **SB 1383 Public Education and Outreach**

Company shall provide education and outreach to Customers regarding Organic Waste Collection services, using materials and in a manner to be mutually agreed upon by the parties. Not less than once per year during each Operating Year, Contractor shall prepare and distribute to each generator in the City a mailing that includes information specified in SB 1383 (14 CCR Section 18985.1(a)). Such mailer shall be distributed by Company to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units.

42. A new **Section 11.6** is added:

**11.6** **Compliance Reviews**

Subject to applicable law governing data security and privacy rights, Company shall, upon City's request, assist City with its annual compliance review of Commercial Customers as set forth in 14 CCR Section 18995.1(a)(1)(A). Any such compliance review shall mean a "desk" review of records to determine the Commercial Customer's compliance with 14 CCR Section 18984.9(a). Notwithstanding the foregoing, Company shall not have any obligation to inspect the premises of any

Customer or pursue any enforcement action related to, or arising out of, 14 CCR Section 18995.1, Section 18995.3, and Section 18995.4, which remain the sole obligations of City pursuant to applicable law. Company is not required to perform any such “desk” review of Food Recovery Organizations, Food Recovery Services and other similar entities regulated by 14 CCR Division 7, Chapter 12.

43. **Section 12.1** of the Amended Agreement is hereby superseded and replaced in its entirety to read as follows:

## **12.1 Compensation**

**12.1.1 Residential Standard Charges.** Within thirty (30) days of City’s receipt of tax disbursement payments from Los Angeles County for Residential Standard Services provided by Company, City shall notify Company of City’s receipt thereof. City shall deliver such payments received from Los Angeles County to Company within thirty (30) days of City’s receipt thereof.

Together with each tax disbursement payment paid to Company by the City, the City shall provide a report to Company detailing, at a minimum, for each Single-Family Account: the parcel assessor identification number (AIN), the street address, the applicable Residential Standard Charges and the portion of such tax disbursement payment attributable to each Single-Family Account (a “Disbursement Report”). The Disbursement Report shall be formatted as a Microsoft Excel spreadsheet or other such form as the parties may agree.

In the event that the tax disbursement payments paid to Company by City are less than the full Residential Standard Charges due to Company for any Operating Year, the City shall pay to Company the difference between the amounts received by City and the Residential Standard Charges on or before July 31 of the next Operating Year (each a “Shortfall”). Company shall post such payment against the Residential Standard Charges.

**12.1.2 Subsequent Collections by City.** In the event that City pays to Company a Shortfall for any Operating Year in accordance with Section 12.1.1, City shall be entitled to retain any subsequent collections, late charges, fees, or payments received by City from delinquent accounts related to the Shortfall for such Operating Year.

**12.1.3 Delay of Payment.** Notwithstanding anything to the contrary in this Agreement, in the event that City’s payment of any amounts owed to Contractor as set forth in Section 12.1.1 are delayed or not paid in full for any reason, Company may delay payment of the Solid Waste Contract Fee to City until such time as Company receives the Shortfall payment from City. After receiving the Shortfall payment, Contractor shall pay the Solid Waste

Contract Fee related to such Shortfall within thirty (30) days following the close of the next calendar quarter in accordance with Section 3.4.3.

30. A new **Section 14.4** is hereby added:

**14.4 SB 1383 Reporting.**

In order to comply with the requirements of SB 1383, within twenty (20) days after the end of each month, Company shall provide a monthly report, in full compliance with SB 1383 reporting requirements, to the City covering the most recently completed month. Such report shall contain the information set forth in Sections 14.4.1 and 14.4.2 below and be provided in a format mutually agreed upon between Company and City.

**14.4.1 Contamination Monitoring Report.** Company's report shall include the following information regarding route reviews conducted by Company under this Agreement:

**14.4.1.1.** Documentation of route reviews conducted pursuant to 14 CCR Section 18984.5(b), as described and in accordance with 14 CCR Section 18995.1, including a description of the process for determining the level of contamination and the number of route reviews conducted;

**14.4.1.2.** Documentation of "desk" compliance reviews conducted by Company under Section 5, in accordance with 14 CCR Section 18995.1, and the number of contamination notices, contamination fees issued to Customers, or targeted education materials issued to customers for Prohibited Container Contaminants, as applicable;

**14.4.1.3.** Copies of all documentation related to route reviews, "desk" compliance reviews, and notices issued to customers with Prohibited Container Contaminants; and

**14.4.1.4.** Documentation of the number of containers where the contents were disposed due to observation of Prohibited Container Contaminants.

**14.4.2. Compliance Report.** Company's report under this section shall include:

**14.4.2.1.** The total number of Customers receiving each type of Organic Waste collection services;

**14.4.2.2.** The number of Organic Waste Customers and Commercial Edible Food Generators that received information and the type of education and outreach used;

- 14.4.2.3.** The number of complaints that were received and reviewed by Company under Section 42; and
- 14.4.2.4.** Copies of information provided to customers related to SB 1383, including the date that the information was distributed to Customers, the number of accounts receiving the information, if applicable, in accordance with 14 CCR Section 18985.3.
- 14.4.3. Implementation Record.** Company shall provide information and documentation needed for the City’s implementation record related to its performance of this Agreement with respect to waivers and exemptions as required under 14 CCR Section 18984.14 and procurement of recovered organic waste as required under 14 CCR Section 18993.2.
- 14.4.4. Confidentiality.** Company acknowledges that City is legally obligated to comply with the California Public Records Act (“CPRA”). City acknowledges that Company may consider certain records, reports, or information contained therein, which Company is required to provide to City under this Agreement, to be of a proprietary or confidential nature. In such instances, Company will inform City in writing of which records are considered propriety or confidential. At such time as City receives a request for records under the CPRA or Federal Freedom of Information Act or a subpoena or other court order requesting disclosure of the records, City shall notify Company of the request, subpoena or order and of City’s obligation and intent to provide a response within 10 days. Company shall within five days either: (i) consent in writing to the disclosure of the records; or (ii) seek and obtain, at Company’s sole cost and expense, the order of a court of competent jurisdiction staying or enjoining the disclosure of the records.
31. The current Exhibit A-1, Exhibit B-1, and Exhibit C-1 are hereby deleted in their entirety and replaced with Exhibit 1 attached hereto and incorporated by reference as though fully set forth herein.
32. The current Exhibit 2 is hereby deleted in its entirety and marked as “[RESERVED].”
33. The current Exhibit 3 is hereby superseded and replaced with Exhibit 3 attached hereto and incorporated by reference as though fully set forth herein.
34. The current Exhibit 4 is hereby superseded and replaced with Exhibit 4 attached hereto and incorporated by reference as though fully set forth herein.
35. The current Exhibit 5 is hereby superseded and replaced with Exhibit 5 attached hereto and incorporated by reference as though fully set forth herein.

- 36. Each party to this Third Amendment hereby represents and warrants to the other party that: (a) it has the full right, power, and authority to enter into this Third Amendment and to perform its obligations hereunder; and (b) the execution of this Third Amendment by the individual whose signature is set forth at the end of this Third Amendment on behalf of such party, and the delivery of this Third Amendment by such party, have been duly authorized by all necessary action on the part of such party.
- 37. This Third Amendment may be executed in counterparts, each of which is deemed an original, but all of which constitute one and the same agreement. Delivery of an executed counterpart of this Third Amendment electronically or by facsimile shall be effective as delivery of an original executed counterpart of this Third Amendment.
- 38. This Third Amendment constitutes the sole and entire agreement between the parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

**In Witness Whereof**, the parties hereto have caused this Second Amendment to be executed and attested by their respective officers thereunto duly authorized.

**CITY OF LANCASTER:**

**WASTE MANAGEMENT OF CALIFORNIA, INC.**

DS	DocuSigned by: <i>Jason Caudle</i>	July 3, 2023	DocuSigned by: <i>Mike Hammer</i>	June 29, 2023   1:19:55
DD	Jason Caudle	Date	AD	Mike Hammer
	City Manager			President – Southern California Area

ADDRESS FOR NOTICE:  
CITY OF LANCASTER  
44933 Fern Avenue  
Lancaster, CA 93534

ADDRESS FOR NOTICE:  
Waste Management of California, Inc.  
Attn: Assistant General Counsel  
9081 Tujunga Ave.  
Sun Valley, CA 91352

**ATTEST:**

**DIRECTOR**

DocuSigned by:  
*Kathleen Stenback*  
04/06/2023 11:09:41 AM  
City Clerk

DocuSigned by:  
*Larissa De La Cruz*  
8/1/2023 11:19:55 AM  
Department Director

DS GN DS NJ

**APPROVE AS TO FORM:**

DocuSigned by:  
*Allison Burns*  
8/1/2023 11:19:55 AM  
City Attorney

X Risk Management Approved

**EXHIBIT 1  
RATE SCHEDULE**

**Exhibit 1 | Rate Schedule****Exhibit 1 - Rate Schedule**

City of Lancaster

Waste Management of California, Inc., dba Waste Management of Antelope Valley

Effective July 1, 2023

**Residential Service**

Residential Service charges are a monthly rate, plus an Integrated Waste Management Surcharge (AB 939), unless otherwise specified.

<b>Residential Standard Service</b>	<b>Monthly Rate</b>	<b>AB 939</b>
Residential Standard Service – Three Carts [One (1) 96-gallon Refuse Cart, one (1) 64-gallon Recyclable Material Cart and one (1) 64-gallon Organic Waste Cart], serviced one-time per week	\$ 38.86	\$ 1.08
Residential Standard Service [[One (1) 96-gallon Refuse Cart, one (1) 64-gallon Recyclable Material Cart and one (1) 64-gallon Organic Waste Cart] with Senior Citizen Discounted Rate	\$ 30.21	\$ 1.08
Mobile Home Park Service – Three Carts [One (1) 64-gallon Refuse Cart, one (1) 64-gallon Recyclable Material Cart and one (1) 64-gallon Organic Waste Cart], serviced one-time per week	\$ 36.96	\$ 1.08
Additional 96-Gallon Refuse Cart, Each	\$ 21.68	\$ 1.08
Second Additional 64-Gallon Organic Waste Cart, Each [First Additional Cart is provided upon request at no charge]	\$ 18.06	\$ 1.08
Second Additional 64-Gallon Recyclable Material Cart, Each [First Additional Cart is provided upon request at no charge]	\$ 18.06	N/A
Extra Bag Pickup, Each	\$ 4.62	N/A
Residential Contamination Fee, Per Container	\$ 27.10	N/A
Bulky Item Pickup, Each [Exceeding four (4) items per pickup, chargeable per item, or exceeding four (4) pickups per year, chargeable per item]	\$ 27.10	N/A
Electronic Waste Pickup, Each [Exceeding four (4) items per pickup, chargeable per item, or exceeding four (4) pickups per year, chargeable per item]	\$ 27.10	N/A
On-Premise Service Fee [Non-Disabled]	\$ 45.14	N/A

**Exhibit 1 | Rate Schedule****Commercial Refuse Cart Service Rates**

Commercial Refuse Cart Service includes one-time per week service of one (1) 96-gallon Refuse Cart, one (1) 64-gallon Recyclable Material Cart and one (1) 64-gallon Organic Waste Cart.

<b>Commercial Refuse Service (per month charge unless noted)</b>	<b>Monthly Rate</b>	<b>AB 939</b>
96-Gallon Refuse Cart, 1 pickup/week	\$ 52.09	\$ 0.54
96-Gallon Refuse Cart, extra pickup	\$ 49.61	N/A

**Commercial Refuse Bin Service Rates**

Commercial Refuse Bin Service is provided in one or more Refuse Bins in the Customer's selected quantities, sizes, and service frequency, are charged at monthly rate per Bin, plus an Integrated Waste Management Surcharge (AB 939), unless otherwise specified. All combinations of Refuse Bin service include one-time per week service of one (1) 64-gallon Recyclable Material Cart and one (1) 64-gallon Organic Waste Cart at no additional charge.

<b>Commercial Refuse Service (per month charge unless noted)</b>	<b>Service Rate</b>	<b>AB 939</b>
1 Cubic Yard Bin, 1 pickup/week	\$ 104.25	\$ 1.00
1 Cubic Yard Bin, 2 pickup/week	\$ 188.24	\$ 1.96
1 Cubic Yard Bin, 3 pickup/week	\$ 252.05	\$ 3.02
1 Cubic Yard Bin, 4 pickup/week	\$315.98	\$ 4.02
1 Cubic Yard Bin, Extra Pickup, Per Container	\$ 99.20	N/A
1.5 Cubic Yard Bin, 1 pickup/week	\$ 127.78	\$ 1.50
1.5 Cubic Yard Bin, 2 pickup/week	\$ 228.54	\$ 3.02
1.5 Cubic Yard Bin, 3 pickup/week	\$ 315.98	\$ 4.49
1.5 Cubic Yard Bin, 4 pickup/week	\$ 366.39	\$ 5.96
1.5 Cubic Yard Bin, Extra Pickup, Per Container	\$ 99.20	N/A
2 Cubic Yard Bin, 1 pickup/week	\$ 147.93	\$ 1.96
2 Cubic Yard Bin, 2 pickup/week	\$262.17	\$ 3.97
2 Cubic Yard Bin, 3 pickup/week	\$ 356.35	\$5.92
2 Cubic Yard Bin, 4 pickup/week	\$ 460.46	\$ 3.98
2 Cubic Yard Bin, Extra Pickup, Per Container	\$ 99.20	N/A
3 Cubic Yard Bin, 1 pickup/week	\$211.76	\$3.02
3 Cubic Yard Bin, 2 pickup/week	\$336.17	\$ 5.96
3 Cubic Yard Bin, 3 pickup/week	\$510.86	\$ 8.99
3 Cubic Yard Bin, 4 pickup/week	\$ 655.46	\$ 11.97
3 Cubic Yard Bin, 5 pickup/week	\$ 682.28	\$ 15.01
3 Cubic Yard Bin, 6 pickup/week	\$ 749.54	\$ 17.97
3 Cubic Yard Bin, Extra Pickup, Per Container	\$ 99.20	N/A
4 Cubic Yard Bin, 1 pickup/week	\$ 245.37	\$ 4.02
4 Cubic Yard Bin, 2 pickup/week	\$ 450.40	\$ 7.97
4 Cubic Yard Bin, 3 pickup/week	\$ 638.65	\$11.97
4 Cubic Yard Bin, 4 pickup/week	\$ 826.83	\$15.96
4 Cubic Yard Bin, 5 pickup/week	\$ 937.70	\$ 20.02
4 Cubic Yard Bin, 6 pickup/week	\$ 1,001.60	\$ 23.97



**Exhibit 1 | Rate Schedule**

4 Cubic Yard Bin, Extra Pickup, Per Container	\$ 99.20	N/A
6 Cubic Yard Bin, 1 pickup/week	\$ 332.77	\$ 5.96
6 Cubic Yard Bin, 2 pickup/week	\$ 561.29	\$ 11.97
6 Cubic Yard Bin, 3 pickup/week	\$ 736.09	\$ 17.97
6 Cubic Yard Bin, 4 pickup/week	\$ 981.45	\$ 23.97
6 Cubic Yard Bin, 5 pickup/week	\$ 1,092.38	\$ 29.92
6 Cubic Yard Bin, 6 pickup/week	\$ 1,230.12	\$ 35.98
6 Cubic Yard Bin, Extra Pickup, Per Container	\$ 99.20	N/A

**Commercial Recyclable Material Bin Service Rates**

Commercial Recyclable Material Bin Service is provided in one or more Recyclable Material Bins in the Customer's selected quantities, sizes, and service frequency, charged at a monthly rate per Bin, unless otherwise specified. As noted under Refuse Bin Services, one (1) 64-Gallon Recyclable Material Cart, serviced one-time per week, is included with all Refuse Bin Service levels.

Commercial Recyclable Material Bin Service Rates							
Bin Size / Service Frequency	1 x week	2 x week	3 x week	4 x week	5 x week	6 x week	Extra Pickup, each
1 Cubic Yard	\$ 40.47	\$ 73.08	\$ 97.85	\$ 122.67	N/A	N/A	\$32.74
1.5 Cubic Yard	\$ 49.61	\$ 88.72	\$ 122.67	\$ 142.24	N/A	N/A	\$32.74
2 Cubic Yard	\$ 57.43	\$ 101.78	\$ 138.34	\$ 174.75	N/A	N/A	\$32.74
3 Cubic Yard	\$ 82.81	\$ 130.50	\$ 198.32	\$ 254.47	\$ 264.87	\$ 290.98	\$32.74
4 Cubic Yard	\$ 95.25	\$ 174.85	\$ 247.93	\$ 320.98	\$ 364.03	\$ 388.83	\$32.74
6 Cubic Yard	\$ 129.19	\$ 217.90	\$ 285.76	\$ 381.01	\$ 424.08	\$ 477.55	\$32.74

**Commercial Organic Waste Service Rates**

Commercial Organic Waste Service is offered in 64-gallon Carts at a frequency of one to three times per week on specified days (Monday, Wednesday and/or Friday).

Container Count/Service Frequency	1 pickup/week	2 pickups/week	3 pickups/week
First 64-Gallon Organic Waste Cart	Included with all Refuse Bin Service levels	\$52.09	\$104.17
Additional 64-Gallon Organic Waste Cart, Per Cart	\$52.09	\$ 104.17	\$156.27

**Industrial Service Rates**

Industrial Services are charged per container, plus the applicable disposal, processing and/or handling charge per ton and the Integrated Waste Management Surcharge (AB 939), unless otherwise specified.

Industrial Services	Rate	AB 939
Temporary Rolloff Box Pull Charge, Per Container	\$ 430.27	\$ 14.91
Cardboard Rolloff Pull Charge (Flat Rate, No Per Ton Charge), Per Service	\$ 201.09	\$ 14.91
Compactor Box Pull Charge, Per Container	\$ 655.97	\$ 14.91
Temporary Container Rental Charge, Per Day (After 7 Days)	\$ 11.28	N/A

**Exhibit 1 | Rate Schedule**

Relocation Charge, Per Container	\$ 120.66	N/A
Dry Run Charge, Per Container	\$ 120.66	N/A
Refuse Disposal, Per Ton	\$ 69.54	N/A
Commingled Recyclable Material Processing, Per Ton	\$ 128.43	N/A
Organic Waste / Green Waste Processing, Per Ton	\$ 119.78	N/A
Clean Wood Waste Recycling/Reuse, Per Ton	\$ 51.46	N/A
Clean Concrete / Asphalt Recycling/Reuse, Per Ton	\$ 14.47	N/A
Clean Fill Dirt Recycling/Reuse, Per Ton	\$ 12.88	N/A
C&D Processing, Per Ton	\$ 82.71	N/A
C&D Transport and Handling Charge, Per Ton	\$ 25.88	N/A

**Additional Service Rates/Charges (Residential/Commercial)**

<b>Additional Services</b>	<b>Rate</b>
Temporary Bin (3 cubic yard) Delivery/Removal (Includes 7-day rental)	\$ 192.29
Temporary Bin, Extra Pick Up, Per Collection	\$ 99.30
Temporary Bin Rental Charge, Per Day (Exceeding Initial 7-day rental)	\$ 13.43
Account Activation Charge	\$ 28.43
Bin Exchange, Per Instance (Exceeding 1 Exchange Per Year)	\$ 134.29
Bulky Item Pick up - Commercial (Each Item)	\$ 31.67
Cart Replacement Charge, Each (beyond ordinary wear and tear)	\$ 135.25
Contamination Charge – Commercial, Per Container	\$ 47.99
Contamination Charge – Residential, Per Container	\$ 27.04
Lock Lids - Commercial (per month, per bin)	\$ 48.68
Phone Payment Service Charge	\$ 14.44
Push Out Service - Flat rate (Over 15 feet from container location)	\$ 38.92
Account Reactivation Charge	\$ 45.09
Trip Charge - Commercial	\$ 47.99
Overweight Charge - Commercial (Exceeding 300 pounds per yard)	\$ 95.92

**EXHIBIT 2**

**[RESERVED]**

**EXHIBIT 3**  
**CITY FACILITIES RECEIVING FREE SERVICE**

**Exhibit 3 | City Facility Service Locations****Exhibit 3 - City Facility Service Locations**

City of Lancaster

Waste Management of California, Inc., dba Waste Management of Antelope Valley

Effective July 1, 2023

Facility Location	Street Address	Service Level
<b>Park, Recreation and Cultural Facilities</b>		
American Heroes Park	710 W Kettering St.	(4) - 3CY Refuse Bins x 1/week
Community Center	44611 Yucca Ave.	(1) - 3CY Refuse Bin x 1/week (1) - 3CY Recyclable Material Bin x 1/week (1) - 64gal Organic Waste Cart x 1/week
Deputy Pierre Bain Park / Eastside Pool	45045 5 <sup>th</sup> St. East	(2) - 3CY Refuse Bins x 2/week
El Dorado Park	44501 5 <sup>th</sup> St. East	(2) - 3CY Refuse Bins x 2/week
Forrest Hull Park	30 <sup>th</sup> St. West & W. Ave. L-12	(1) - 3CY Refuse Bin x 3/week
Jane Reynolds Park	716 W. Oldfield St.	(2) - 4CY Refuse Bins x 1/week
Lancaster Municipal Stadium	45116 Valley Central Wy.	(1) - 40CY Roll Off x 1/week (1) - 30CY Roll Off x 1/week (6) - 3CY Refuse Bins x 5/week
Mariposa Park	737 W. Ave. H-6	(1) - 4CY Refuse Bin x 1/week
MOAH	665 W. Lancaster Blvd.	(2) - 3CY Recyclable Material Bins (1) - 64gal Recyclable Material Cart x 1/week
MOAH Cedar	44857 Cedar Ave.	(2) - 4CY Refuse Bins x 1/week
National Soccer Center	43000 30 <sup>th</sup> St. East	(2) - 10CY Roll Offs - On Call (4) - 25CY Roll Offs x 1/week (2) - 10CY Recyclable Material Roll Offs - On Call (6) - 3CY Refuse Bins x 1/week (1) - 3CY Recyclable Material Bin x 1/week
Performing Arts Center	750 W. Lancaster Blvd.	(1) - 3CY Refuse Bins x 2/week (1) - 3CY Recyclable Material Bins x 2/week
Prime Desert Woodlands Preserve	43201 35 <sup>th</sup> St. West	(1) - 3CY Trach Bin x 1/week
Rawley Duntley Park	3334 W. Ave. K	(1) - 3CY Refuse Bin x 3/week
Sgt. Steve Owen Memorial Park	43063 10 <sup>th</sup> St. West	(3) - 30CY Roll Offs x 2/week (1) - 1.5CY Refuse Bin x 1/week (5) - 2CY Refuse Bins x 3/week (2) - 3CY Refuse Bins x 3/week
Skytower Park	43434 Vineyard Dr.	(2) - 3CY Refuse Bins x 1/week
Tierra Bonita Park	44910 27 <sup>th</sup> St. East	(2) - 10CY Roll Off - On Call (1) - 25CY Roll Off - On Call (2) - 3CY Refuse Bins x 1/week

**Exhibit 3 | City Facility Service Locations**

<b>Facility Location</b>	<b>Street Address</b>	<b>Service Level</b>
Western Hotel Museum	557 W. Lancaster Blvd.	(1) - 96gal Refuse Cart x 1/week
Whit Carter Park	45635 Sierra Hwy.	(1) - 3CY Refuse Bin x 1/week
<b>City Hall, Offices, Maintenance and Storage Facilities</b>		
Annex	845 Kildare St. West	(1) - 30CY Roll Off - On Call (3) - 3CY Refuse Bin x 1/week
City Hall	44933 Fern Ave.	(2) - 3CY Refuse Bins x 3/week (1) - 3CY Recyclable Material Bin x 5/week
Office Space	44814 Cedar Ave.	(1) - 1.5CY Refuse Bin x 1/week
Public Works Maintenance Yard - Rolloff Services	615 W. Ave. H	(4) - 25CY Street Sweeping RO x 5/week (1) - 10CY Concrete RO on call (2) - 30CY Illegal Dumping RO x 3/week and 2/week (1) - 40CY Organic Waste RO on call (1) - 40CY Tires RO on call
Public Works Maintenance Yard - Commercial Services	615 W. Ave. H	(1) - 3CY Refuse Bin x 2/week (1) - 3CY Refuse Bin x 1/week (1) - 3CY Recyclable Material Bin x 2/week
<b>Other City Facilities</b>		
BLVD Refuse Receptacles (10 <sup>th</sup> Street West to Sierra Highway)	Lancaster Blvd.	(36) - 96gal Refuse Carts x 2/week
Community Garden	44758 1/2 Elm Ave.	(2) - 64gal Recyclable Material Carts x 1/week (2) - 64gal Organic Waste Carts x 1/week (1) - 96gal Refuse Cart x 1/week
Economic Development Center	104 E. Ave. K-4	(1) - 1.5CY Refuse Vin x 3/week (1) - 3CY Recyclable Material Bin x 3/week (2) - 3CY Refuse Bins x 1/week
Metrolink Station	44812 Sierra Hwy.	(2) - 3CY Refuse Bins x 5/week
University Center	45356 Division St.	(2) - 3CY Refuse Bin x 1/week (1) - 1.5CY Recyclable Material Bin x 2/week (1) - 3CY Recyclable Material Bin x 1/week
<b>Neighborhood Homes</b>		
Neighborhood Home	43745 12 <sup>th</sup> St. West	(1) - 64gal Organic Waste Cart x 1/week (1) - 64gal Recyclable Material Cart x 1/week (1) - 96gal Refuse Cart x 1/week
Neighborhood Home	302 E. Ave. J-12	(1) - 64gal Organic Waste Cart x 1/week (1) - 64gal Recyclable Material Cart x 1/week (1) - 96gal Refuse Cart x 1/week

**Exhibit 3 | City Facility Service Locations**

<b>Facility Location</b>	<b>Street Address</b>	<b>Service Level</b>
Neighborhood Home	45304 5 <sup>th</sup> St. East	(1) - 64gal Organic Waste Cart x 1/week (1) - 64gal Recyclable Material Cart x 1/week (1) - 96gal Refuse Cart x 1/week
1 <sup>st</sup> Missionary Baptist Church - Neighborhood Home	422 Langsford St.	(1) - 64gal Organic Waste Cart x 1/week (1) - 64gal Recyclable Material Cart x 1/week (1) - 96gal Refuse Cart x 1/week
AV Partners for Health - Neighborhood Home	45534 Gadsden Ave.	(1) - 64gal Organic Waste Cart x 1/week (1) - 64gal Recyclable Material Cart x 1/week (1) - 96gal Refuse Cart x 1/week
AV Partners for Health - Neighborhood Home	44381 Stanridge Ave.	(1) - 64gal Organic Waste Cart x 1/week (1) - 64gal Recyclable Material Cart x 1/week (1) - 96gal Refuse Cart x 1/week
AV Partners for Health - Neighborhood Home	1102 W. Ave. H-5	(1) - 64gal Organic Waste Cart x 1/week (1) - 64gal Recyclable Material Cart x 1/week (1) - 96gal Refuse Cart x 1/week
AV Partners for Health - Neighborhood Home	43057 39 <sup>th</sup> St. West	(1) - 64gal Organic Waste Cart x 1/week (1) - 64gal Recyclable Material Cart x 1/week (1) - 96gal Refuse Cart x 1/week
Central Christian Church - Neighborhood Home	43028 Guyman Ave	(1) - 64gal Organic Waste Cart x 1/week (1) - 64gal Recyclable Material Cart x 1/week (1) - 96gal Refuse Cart x 1/week
First Baptist Church of Lancaster - Neighborhood Home	45740 Kingtree Ave.	(1) - 64gal Organic Waste Cart x 1/week (1) - 64gal Recyclable Material Cart x 1/week (1) - 96gal Refuse Cart x 1/week

**EXHIBIT 4**  
**CITY EVENTS RECEIVING FREE SERVICE**



**Exhibit 4 | City Events Services****Exhibit 4 - City Events Services**

City of Lancaster

Waste Management of California, Inc., dba Waste Management of Antelope Valley

Effective July 1, 2023

<b>Event Name / Approximate Date</b>	<b>Service Level</b>
Poppy Festival – April	(5) - 30-yard Refuse Roll-offs (1) - 30-yard Recyclable Material Roll-off (60) - 96-gallon Refuse carts (60) - 96-gallon Recyclable Material carts
Earth Day – April	(9) - 40-yard Refuse Roll-offs
Annual Tent Revival Event – August	(1) - 40-yard Refuse Roll-off
Antelope Valley Fair (Fair Time Service) - August	(7) - 40-yard MSW Roll-offs Dumpsters emptied every day of fair
Celebrate America – September	(1) - 30-yard Recyclable Material Roll-off (20) - 96-gallon Refuse carts (20) - 64-gallon Recyclable Material carts
Streets of Lancaster – September/October	(2) - 40-yard Recyclable Material Roll-off (30) - 96-gallon Refuse carts (30) - 64-gallon Recyclable Material carts
BooLVD/Haunt at the Hanger – October	(30) - 96-gallon Refuse carts (1) - 40-yard Refuse Roll-off
Field of Drafts – October/November	(1) - 30-yard Refuse Roll-off
Magical Christmas BLVD – December	(1) - 40-yard Refuse Roll-off (30) - 96-gallon Refuse carts
AV Walls – September	(40) - 96-gallon Refuse carts
Annual Justice Sunday - January	(1) - 40-yard Refuse Roll-off
Antelope Valley Fair (Fair Time Service)	(7) - 40-yard Refuse Roll-offs
Open Streets Event (Walk & Roll) - September	(1) - 40-yard Refuse Roll-off (80) - 96-gallon Refuse carts
Bark at the Park - October	(40) - Event Boxes

**EXHIBIT 5  
CUSTOMER INSTRUCTIONS**

## Exhibit 5 | Customer Instructions

# Exhibit 5 – Customer Instructions

As outlined in Section 10.1, upon commencement of service at any new Account for services directly billed by Company or annually at the beginning of each Operating Year to those Customers directly billed by Company, Company shall distribute a list approved by the City of instructions describing the services provided by Company and the manner in which they will be conducted.

At a minimum, the instruction shall include the following information:

- A list of holidays where Collection occurs on a delayed schedule;
- The location where Containers shall be placed on the Premises for Collection service and the type of Containers to be used for disposing of Refuse, Organic Waste and Recyclable Material;
- A statement regarding the fee established by the City Council for Collection services and that such fees are mandatory;
- A list of the Refuse materials accepted in the Refuse Container;
- A list of the Recyclable Material accepted in the Recyclable Material Container;
- A list of Organic Waste materials accepted in the Organic Waste Container;
- If a residential account, information about additional services and special programs, such as Bulky Item Collection, Fall Leaf Collection, Holiday Tree Collection, Landfill Vouchers, Sharps Mail Back Program and the Senior Citizen Discount/Rebate; and
- Any other information relating the Refuse Collection program reasonably requested by the City Agent.

**EXHIBIT 6**  
**EDUCATION AND PUBLIC AWARENESS PLAN**



**City of Lancaster**  
**2023/2024 Integrated Waste Management Surcharge**  
**Programming Budget**

Category	Description of Program	Budgeted Amount
Customer Education & Outreach	WM will create and distribute Lancaster-specific customer education, in both electronic (via the home.wm.com/Lancaster, business.wm.com/Lancaster, wm.com/recycleright, email, radio, and social media) and physical form (newsletters, flyers and brochures), as well as in media releases and other advertisements. This education will include information about available recycling, organic waste recycling, and waste disposal programs; proper program usage guidelines; options for proper disposal or recycling of Household Hazardous Waste (HHW); additional service amenities; and the benefits of diverting waste materials from landfills. Specific to Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulation Section 18985.1 (a), information will be provided to all customers in both English and Spanish.	\$296,504
Residential Outreach	WM will provide outreach staffing to conduct residential outreach to Lancaster's ~45,000 residential customers. This includes participation in Lancaster's community events to distribute recycling and organics recycling education materials and providing one-on-one, in-person recycling assistance. We will also offer to conduct assemblies, workshops and presentations at no charge for Lancaster' schools, churches, and civic/community groups.	\$140,000
Business & Multifamily Outreach	WM will provide outreach staffing to conduct outreach to Lancaster's ~2,300 businesses and multifamily properties. This includes identifying and/or assessing applicable generators, including waiver applicants and Tier 1 and Tier 2 edible food generators; conducting waste/recycling audits, site visits, presentations to staff/tenants, and providing additional assistance with establishing required diversion programs for recyclables and organic materials. We will also offer to conduct presentations and workshops at no charge for Lancaster's business groups and local chambers of commerce.	\$140,000

Green Business Recognition Program	WM will publically recognize members of Lancaster's business community for their sustainable operating practices and recycling and waste reduction efforts at their business or multifamily property. Working in partnership with Lancaster city staff, these recognitions are intended to identify local best practices that can be shared with other businesses and multifamily properties in Lancaster.	\$8,000
Residential Recycling Recognition Campaign	WM will employ cart tags or similar notices that would be distributed to residential customers observed to have good waste diversion habits to thank them and reinforce the benefits of properly sorting their recycables and organic materials.	\$8,000
<b>Total Budgeted Amount</b>		<b>\$ 592,504.43</b>

*Proposed Budget Subject to Change Dependent on Community Recycling Needs and Program Participation*



**EXHIBIT 7**  
**RATE ADJUSTMENT EXAMPLES**

Exhibit 7  
Waste Management  
City of Lancaster  
Proposed Service Rates - July 1, 2023 to June 30, 2024

Table with 4 columns: Row, Index, Fixed 3.50% Percent Change, Extraordinary (Exhibit 6), Total Percent Change Requested. Rows 1-3 show Residential, Commercial, and Roll Off services.

Table with 10 columns: Row, Service, Current Service Rate, Percent Change (from Column A), Rate Increase or Decrease (Column D x Column E), Adjusted Rate\* (Column D + Column F), Extraordinary Request (Column B), Rate Increase or Decrease (Column D x Column H), Final Adjusted Rate\* (Column D + Column F + Column I).

Main table with 10 columns: Row, Service, Current Service Rate, Percent Change (from Column A), Rate Increase or Decrease (Column D x Column E), Adjusted Rate\* (Column D + Column F), Extraordinary Request (Column B), Rate Increase or Decrease (Column D x Column H), Final Adjusted Rate\* (Column D + Column F + Column I). Rows 12-87 cover Residential and Commercial services, and rows 88-95 cover Commercial Organics and Industrial Services.

Table with 2 columns: Current AB939, Adjusted AB939. This column provides the adjusted rates for all services listed in the main table.



96	Relocation Charge	\$116.58	3.50%	\$4.08	\$120.66	0.00%	\$0.00	\$	120.66
97	Dry Run Charge	\$116.58	3.50%	\$4.08	\$120.66	0.00%	\$0.00	\$	120.66
98	Wood per ton	\$49.72	3.50%	\$1.74	\$51.46	0.00%	\$0.00	\$	51.46
99	Organics / Green Waste Per Ton	\$115.73	3.50%	\$4.05	\$119.78	0.00%	\$0.00	\$	119.78
100	Clean Concrete / Asphalt per ton	\$13.98	3.50%	\$0.49	\$14.47	0.00%	\$0.00	\$	14.47
101	Fill Dirt per ton	\$12.44	3.50%	\$0.44	\$12.88	0.00%	\$0.00	\$	12.88
102	MSW Per Ton	\$67.19	3.50%	\$2.35	\$69.54	0.00%	\$0.00	\$	69.54
103	Commingled Recyclables Per Ton	\$124.09	3.50%	\$4.34	\$128.43	0.00%	\$0.00	\$	128.43
104	C&D per ton, Transport & Handling	\$25.00	3.50%	\$0.88	\$25.88	0.00%	\$0.00	\$	25.88
105	C&D Tonnage Charge	\$79.91	3.50%	\$2.80	\$82.71	0.00%	\$0.00	\$	82.71
<b>Additional Services</b>									
106	Temporary Bin (3yd) Delivery/Removal (Includes 7-d	\$185.79	3.50%	\$6.50	\$192.29	0.00%	\$0.00	\$	192.29
107	Temporary Bin, Extra Pick Up	\$95.94	3.50%	\$3.36	\$99.30	0.00%	\$0.00	\$	99.30
108	Temporary Bin, Daily Rental Fee (Exceeding Initial 7-d	\$12.98	3.50%	\$0.45	\$13.43	0.00%	\$0.00	\$	13.43
109	Account Activation Charge	\$27.47	3.50%	\$0.96	\$28.43	0.00%	\$0.00	\$	28.43
110	Bin Exchange (Exceeding 1 per year)	\$129.75	3.50%	\$4.54	\$134.29	0.00%	\$0.00	\$	134.29
111	Bulky Item Pick up - Commercial (Each Item)	\$30.60	3.50%	\$1.07	\$31.67	0.00%	\$0.00	\$	31.67
112	Cart Replacement Charge, Each (Customer Negligenc	\$130.68	3.50%	\$4.57	\$135.25	0.00%	\$0.00	\$	135.25
113	Contamination Charge - Commercial	\$46.37	3.50%	\$1.62	\$47.99	0.00%	\$0.00	\$	47.99
114	Contamination Charge - Residential	\$26.13	3.50%	\$0.91	\$27.04	0.00%	\$0.00	\$	27.04
115	Lock Lids - Commercial (per month, per bin)	\$47.03	3.50%	\$1.65	\$48.68	0.00%	\$0.00	\$	48.68
116	Phone Payment Service Charge	\$13.95	3.50%	\$0.49	\$14.44	0.00%	\$0.00	\$	14.44
117	Push Out Service - Flat rate (Over 15 feet)	\$37.60	3.50%	\$1.32	\$38.92	0.00%	\$0.00	\$	38.92
118	Account Reactivation Charge	\$43.57	3.50%	\$1.52	\$45.09	0.00%	\$0.00	\$	45.09
119	Trip Charge - Commercial	\$46.37	3.50%	\$1.62	\$47.99	0.00%	\$0.00	\$	47.99
120	Overweight Charge - Commercial (Exceeding 300 pou	\$92.68	3.50%	\$3.24	\$95.92	0.00%	\$0.00	\$	95.92

**EXHIBIT 9  
RECYCLABLE MATERIALS**

**Exhibit 9 | Acceptable Recyclable Materials****Exhibit 9 – Acceptable Recyclable Materials**

City of Lancaster

Waste Management of California, Inc., dba Waste Management of Antelope Valley

Effective July 1, 2023

<b>Single Stream Recyclable Materials</b>	
<b>Acceptable Materials</b>	<b>Unacceptable Materials</b>
<b>Paper</b>	
<ul style="list-style-type: none"> <li>White paper, colored paper, envelopes, junk mail, soft cover books/manuals, glossy paper, brown paper bags, packaging, wrapping paper and carbonless paper</li> </ul>	<ul style="list-style-type: none"> <li>Paper tissues, paper towels, paper with plastic coating (i.e. photographs, label paper), paper with food, waxed paper, foil lined paper, hardcover books/manuals, Tyvek (non-tearing) envelopes, and non-paper bags</li> </ul>
<b>Cardboard</b>	
<ul style="list-style-type: none"> <li>Cardboard, chipboard/boxboard, milk/juice cartons, egg cartons</li> </ul>	<ul style="list-style-type: none"> <li>Waxed cardboard</li> </ul>
<b>Aluminum and Tin</b>	
<ul style="list-style-type: none"> <li>Empty aluminum cans, empty aerosol cans</li> <li>Tin cans, loose jar lids</li> </ul>	
<b>Glass</b>	
<ul style="list-style-type: none"> <li>Glass including empty glass beverage containers, empty glass food containers, all glass colors</li> </ul>	Windows, mirrors, dishware, ceramics, light bulbs, fluorescent tubes, Pyrex or similar material
<b>Plastic</b>	
<ul style="list-style-type: none"> <li>Empty PET bottles #1, HDPE bottles #2, plastics #3, #4, #6 and #7, HDPE bottles #5</li> </ul>	<ul style="list-style-type: none"> <li>Plastic liners (i.e. cereal bags), bubble wrap, plastic film</li> </ul>
<b>Other</b>	
	<ul style="list-style-type: none"> <li>Wood furniture, Styrofoam, solid waste, hazardous waste, fiberglass materials, tarps, textiles, clothes, shoes, E-Waste, U-Waste, and small manufactured goods (i.e. purses, handbags, and backpacks)</li> </ul>

# STAFF REPORT

## City of Lancaster

CC 10
6/27/2023
JC

Date: June 27, 2023

To: Mayor Parris and City Council Members

From: Larissa De La Cruz, Director – Community Development  
Gabe Nevarez, Assistant Director – Beautification and Special Districts  
Travis Lange, Supervisor – Beautification and Special Districts

Subject: Third Amendment to Amended and Restated Agreement for the Collection of Solid Waste

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### Recommendations:

1. Approve Third Amendment to Amended and Restated Agreement for the Collection of Solid Waste in reference to Amended and Restated Agreement for the Collection of Solid Waste effective May 22, 2007 (“Restated Agreement”) and Second Amendment to Amended and Restated Agreement for the Collection of Solid Waste effective June 26, 2018 (“Second Amendment”) between the City of Lancaster and Waste Management (WM) of Antelope Valley.
2. Authorize the City Manager, or his designee, to approve and sign all documents relating to this amendment and future amendments.

### Fiscal Impact:

On or before June 30, 2023, both the City and WM will ensure that all Consumer Price Index (CPI) adjustments and franchise fee payments have been brought current or have been scheduled to be brought current under the terms of the Restated Agreement and Amendments.

### Background:

The State SB1383 Short-Lived Climate Pollutant Reduction Act and the regulations associated with it are in full force. In order to implement the necessary compliance programs, City staff has been working with WM. As the City’s Solid Waste Franchisee WM is an integral part of the City’s efforts to meet these new State rules. Some of the required programs are recycling of organic waste, outreach to explain the new laws and what solid waste material goes into which bin, providing information needed for annual reporting to the State, and rolling out services for recycling and organics collection to all impacted businesses. This amendment helps to further these efforts and implementation of the City’s recently approved Organics Ordinance per State law.

This Third Amendment also formalizes and details the impacts of the standard single-family

residence solid waste billing through the property taxes. It makes clear the responsibilities required of both entities for ensuring this ongoing method of billing is accurate and provides for ongoing service to the community.

Over the years of the franchise there have been changes in the events and locations WM services. Updating those services is an important part of contract management and ensuring both parties have a clear understanding of expectations. The proposed amendment captures those changes and helps the agreement more accurately reflect current operations.

The City's partnership with WM has helped to address the State's ever changing regulations, provide for vital solid waste services in the community, and support various events and expanding programs over the years.

**Attachment:**

Waste Management Third Amendment to Amended and Restated Agreement for the Collection of Solid Waste June 2023



# CERTIFICATE OF LIABILITY INSURANCE

1/1/2024

DATE (MM/DD/YYYY)

12/7/2022

**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).**

<b>PRODUCER</b> LOCKTON COMPANIES 3657 BRIARPARK DRIVE, SUITE 700 HOUSTON TX 77042 866-260-3538	<b>CONTACT NAME:</b> <b>PHONE (A/C. No. Ext):</b> _____ <b>FAX (A/C. No.):</b> _____ <b>E-MAIL ADDRESS:</b> _____												
<b>INSURER(S) AFFORDING COVERAGE</b>													
<b>INSURED</b> 1300299 WASTE MANAGEMENT HOLDINGS, INC. & ALL AFFILIATED, RELATED & SUBSIDIARY COMPANIES INCLUDING: WASTE MANAGEMENT OF ANTELOPE VALLEY 1200 WEST CITY RANCH ROAD PALMDALE CA 93551	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">INSURER A : Indemnity Insurance Co of North America</td> <td style="width: 20%; text-align: center;">43575</td> </tr> <tr> <td>INSURER B : ACE American Insurance Company</td> <td style="text-align: center;">22667</td> </tr> <tr> <td>INSURER C : ACE Fire Underwriters Insurance Company</td> <td style="text-align: center;">20702</td> </tr> <tr> <td>INSURER D : ACE Property and Casualty Insurance Company</td> <td style="text-align: center;">20699</td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER A : Indemnity Insurance Co of North America	43575	INSURER B : ACE American Insurance Company	22667	INSURER C : ACE Fire Underwriters Insurance Company	20702	INSURER D : ACE Property and Casualty Insurance Company	20699	INSURER E :		INSURER F :	
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INSURER E :													
INSURER F :													

**COVERAGES** **CERTIFICATE NUMBER:** 15686167 **REVISION NUMBER:** XXXXXXXX

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
B	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> XCU INCLUDED <input checked="" type="checkbox"/> ISO FORM CG00010413 GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:	Y	Y	HDO G72955924	1/1/2023	1/1/2024	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 5,000,000 MED EXP (Any one person) \$ XXXXXXXX PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 6,000,000 PRODUCTS - COMP/OP AGG \$ 6,000,000 \$
B	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> MCS-90	Y	Y	MMT H25575398	1/1/2023	1/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ XXXXXXXX
D	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$	Y	Y	XEUG27929242 008	1/1/2023	1/1/2024	EACH OCCURRENCE \$ 15,000,000 AGGREGATE \$ 15,000,000 \$ XXXXXXXX
A B C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	Y N/A	WLR C70311094 (AOS) WLR C70311057 (AZ,CA & MA) SCF C70311136 (WI)	1/1/2023 1/1/2023 1/1/2023	1/1/2024 1/1/2024 1/1/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 3,000,000 E.L. DISEASE - EA EMPLOYEE \$ 3,000,000 E.L. DISEASE - POLICY LIMIT \$ 3,000,000
B	<b>EXCESS AUTO LIABILITY</b>	Y	Y	XSA H25575350	1/1/2023	1/1/2024	COMBINED SINGLE LIMIT \$9,000,000 (EACH ACCIDENT)

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**  
 BLANKET WAIVER OF SUBROGATION IS GRANTED IN FAVOR OF CERTIFICATE HOLDER ON ALL POLICIES WHERE AND TO THE EXTENT REQUIRED BY WRITTEN CONTRACT WHERE PERMISSIBLE BY LAW. CERTIFICATE HOLDER IS NAMED AS AN ADDITIONAL INSURED ON ALL POLICIES (EXCEPT FOR WORKERS' COMP/EMPLOYER'S LIABILITY) WHERE AND TO THE EXTENT REQUIRED BY WRITTEN CONTRACT. RE: BOOLDV EVENT: OCTOBER 26, 2019. ADDITIONAL INSURED IN FAVOR OF CITY OF LANCASTER, ITS ELECTED OFFICIALS, OFFICERS, EMPLOYEES AND VOLUNTEERS ON ALL POLICIES (EXCEPT WORKERS' COMPENSATION/EL) WHERE AND TO THE EXTENT REQUIRED BY WRITTEN CONTRACT.

**CERTIFICATE HOLDER**

**CANCELLATION**

15686167 CITY OF LANCASTER 44933 FERN AVENUE LANCASTER CA 93534	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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