

**AMENDMENT #2 TO FRANCHISE AGREEMENT
FOR THE AREAS OF HUMBOLDT COUNTY (HOLMES/REDCREST AREA)**

This is an amendment to the Franchise Agreement entered into on April 26, 2011 executed by and between the County of Humboldt (COUNTY) and Recology Humboldt County (CONTRACTOR). The parties entered into this Amendment on December 13, 2011, and the effective date of this Amendment is January 1, 2012.

RECITALS

WHEREAS, COUNTY and CONTRACTOR have entered into a Solid Waste Collection Franchise Agreement dated April 26, 2011 for the handling of solid waste and recyclables in the above-mentioned area (the "Franchise Agreement"), which took effect on July 1, 2011 and is set to expire on December 31, 2020; and

WHEREAS, the Franchise Agreement, and the associated Maximum Service Rates, originally contemplated that CONTRACTOR would provide residential curbside collection of Targeted Recyclables through semi-automated service using CONTRACTOR-provided containers; and

WHEREAS, COUNTY and CONTRACTOR subsequently agreed that CONTRACTOR would not initially provide collection of Targeted Recyclables, and accordingly the parties entered into an amendment to the Franchise Agreement, effective as of July 1, 2011, pursuant to which Maximum Service Rates were adjusted to reflect that such service was not being provided, and to reflect certain other adjustments; and

WHEREAS, COUNTY and CONTRACTOR have now agreed that CONTRACTOR will provide residential curbside collection of Targeted Recyclables through a "blue bag" program, and have agreed to amend the Franchise Agreement and the associated Maximum Service Rates accordingly, effective January 1, 2012, and

WHEREAS, the Franchise Agreement and State law allow for the adjustment of Maximum Service Rates charged by CONTRACTOR for the handling of solid waste and provision of curbside recycling services pursuant to said Agreement; and

WHEREAS, Section 521-8(b) of Chapter 1 of Division 2 of Title V of the Humboldt County Code provides that rate changes such as annual index-based adjustments, changes in the franchise fee and/or the recycling percentage set forth in the franchise agreement, and changes in disposal and/or processing costs, with total annual rate increase not exceeding eight percent (8%), may be implemented by amendment to the agreement executed by the Franchise Contract Administrator; and

WHEREAS, the parties have agreed to amend the Franchise Agreement to adjust Maximum Service Rates effective January 1, 2012 and to make certain other changes set forth herein.

NOW, THEREFORE, IT IS AGREED as follows:

1. The Maximum Service Rates which may be charged by CONTRACTOR pursuant to Section 14 of the above-referenced Franchise Agreement shall be as shown in Exhibit A hereto, and such Exhibit A shall supersede and replace Exhibit A of the Franchise Agreement, effective January 1, 2012.
2. Section 5.A(2)(b) of the Franchise Agreement is hereby amended to read as follows:

“Blue Bag System. Residential curbside collection of Targeted Recyclables shall be provided through a “blue bag” system, whereby customers will be asked to separate Targeted Recyclables from other materials, place the separated Targeted Recyclables in a CONTRACTOR-provided “blue bag,” and set out such bags at curbside next to the customer’s Solid Waste cart on the customer’s regular collection day. Such bags will be considered “containers” for purposes of this Agreement.”
3. Section 11.B of the Franchise Agreement is hereby amended to read as follows:

“Designated Recycling Facility. All “blue bags” collected by CONTRACTOR pursuant to Section 5.A(2)(b) of this Agreement shall be transported for processing to a facility designated by COUNTY (the “Designated Recycling Facility”), as may be changed from time to time in accordance with subsection C below. As of the Commencement Date, the Designated Recycling Facility is the Solid Waste of Willits (SWOW) site at the Humboldt Waste Management Authority Eureka Transfer Station located at 1059 West Hawthorne Street, Eureka, California.”
4. The Recycling Percentage as set forth in Sections 10.A and 10.B of the Franchise Agreement is hereby decreased from 17.0% to 7.9%.
5. Section 3(J) of the Franchise Agreement is hereby amended to read as follows:

“‘Transition Date’ means January 1, 2012.”
6. Except as modified herein or by prior amendments, the Franchise Agreement shall remain in full force and effect. In the event of a conflict between the provisions of this amendment and the original agreement, or any amendments thereto previously executed, the provisions of this amendment shall govern. Capitalized terms used but not defined herein shall have the meanings given to them in the Franchise Agreement.


[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this amendment on the date set forth above.

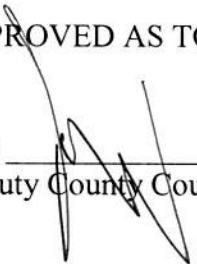
COUNTY OF HUMBOLDT

Attest:


Chair, County Board of Supervisors


Clerk of the Board of Supervisors

APPROVED AS TO FORM:

BY: 
Deputy County Counsel

INSURANCE certificates reviewed and APPROVED:

BY: 
Amy Orsen

RECOLOGY HUMBOLDT COUNTY

BY: 
Ed Farewell
Vice President & Group Manager


BY: 
Michael Leggins
Vice President & General Manager

EXHIBIT A: HOLMES AREA FRANCHISE RATES
EFFECTIVE JULY 1, 2011

Based on Tipping Fee of: \$126.80
Based on Processing Fee/Ton: \$0.00

TYPE OF SERVICE	COSTS FOR NEW PROGRAMS INCLUDE ANNUAL CPI ADJUSTMENTS												
	1	2	3	4	5	6	7	8	9	10	11	12	13
PR PERIOD	BASE RATE	RATE Adj	LABOR	FUEL	NOS	CURRENT BASE RATE	DISPOSAL FEE	COMBINED NEW RATE	FREQUENCY OF SERVICE				
1/mo./cont.	1/cont.	3.7500%	One cont.	One cont.	One cont.	One cont.	Actual	One cont.					

TABLE 1

CAN RATES - RESIDENTIAL & COMMERCIAL													
20 Gallon Can	\$11.10		\$3.56	\$0.76	\$4.33	\$8.65	\$6.04	\$14.69	Weekly				
30 Gallon Can	\$16.51		\$5.28	\$1.12	\$6.42	\$12.82	\$9.06	\$21.88	Weekly				
40 Gallon Can	\$21.10		\$6.65	\$1.42	\$8.09	\$16.16	\$12.08	\$26.24	Weekly				
64 Gallon Can	\$26.33		\$7.43	\$1.58	\$9.03	\$18.04	\$19.32	\$37.36	Weekly				
90 Gallon Toter	\$34.54		\$9.38	\$2.00	\$11.40	\$22.78	\$27.17	\$49.95	Weekly				
OCCASIONAL 30 Gal.	\$4.76		\$1.93	\$0.41	\$2.35	\$4.69	\$1.39	\$6.08	Per pick-up				

TABLE 2

LARGE CONTAINERS													
	Monthly service												
1.0 CY	\$63.61		\$15.05	\$3.21	\$18.30	\$36.56	\$60.98	\$87.54	Weekly				
2.0 CY	\$127.59		\$30.27	\$6.44	\$36.79	\$73.50	\$121.97	\$195.47	Weekly				
3.0 CY	\$175.57		\$38.57	\$8.21	\$46.89	\$93.67	\$182.95	\$276.62	Weekly				
4.0 CY	\$223.48		\$46.85	\$9.97	\$56.95	\$113.77	\$243.94	\$357.71	Weekly				
6.0 CY	\$327.17		\$66.80	\$14.22	\$81.21	\$162.23	\$365.91	\$528.14	Weekly				
15 CY	\$265.73		\$120.67	\$25.69	\$146.69	\$293.05	\$914.77	\$1,207.82	Weekly to 1,515 T				
20 CY	\$311.23		\$142.30	\$30.30	\$172.99	\$345.59	\$1,219.70	\$1,565.29	Weekly to 2,02 T				
40 CY	\$542.68		\$250.17	\$53.26	\$304.11	\$607.54	\$2,439.39	\$3,046.93	Weekly to 4.04 T				

Per Pick up rates for one container

1.0 CY	\$68.63		\$26.76	\$5.70	\$32.53	\$64.99	\$14.07	\$79.06	Weekly				
2.0 CY	\$132.47		\$51.44	\$10.95	\$62.54	\$124.93	\$28.15	\$153.08	Weekly				
3.0 CY	\$181.93		\$69.93	\$14.89	\$85.01	\$169.83	\$42.22	\$212.05	Weekly				
4.0 CY	\$229.84		\$87.75	\$18.68	\$106.67	\$213.10	\$56.29	\$269.39	Weekly				
6.0 CY	\$333.58		\$126.79	\$27.00	\$154.13	\$307.92	\$94.44	\$392.36	Weekly				
15 CY	\$295.26		\$94.50	\$17.99	\$102.72	\$205.21	\$211.10	\$416.31	Weekly to 1,515 T				
20 CY	\$335.16		\$87.42	\$18.61	\$106.27	\$212.30	\$281.47	\$493.77	Per Pickup to 2.02 T				
40 CY	\$586.58		\$130.06	\$27.69	\$158.11	\$315.86	\$562.94	\$878.80	Per Pickup to 4.04 T				
Over-weight Charge								\$139.34	Per Ton over Limit				

TOTAL:

**EXHIBIT A: HOLMES AREA FRANCHISE RATES
EFFECTIVE JULY 1, 2011**

Based on Tipping Fee of: **\$126.80**
Based on Processing Fee/Ton: **\$0.00**

TABLE 3 CONTAINER RENTAL COSTS

	PRIOR RATE		CURRENT RATE	
	Monthly	Weekly	Monthly	Weekly
1 YARD	\$12.42	\$4.64	12.99	4.85
2 YARD	\$15.54	\$4.64	16.25	4.85
3 YARD	\$15.54	\$4.64	16.25	4.85
4 YARD	\$18.69	\$4.64	19.54	4.85
6 YARD	\$21.72	\$4.64	22.72	4.85
15 YARD	\$23.30	\$12.42	24.36	12.99
20 YARD	\$31.07	\$15.54	32.49	16.25
40 YARD	\$31.07	\$15.54	32.49	16.25

TABLE 4 CHARGES FOR SPECIAL SERVICES

PER HOUR FOR ONE (1) MAN AND ONE (1) TRUCK: **\$41.89**
 OR
 PER CUBIC YARD PICKUP: 1.0 YD: **\$22.32 PER YD, WHICHEVER IS GREATER**
\$0.00 BASE, + \$0.99 REGULATORY

REINSTATEMENT OF SERVICE **\$25.00**

SPECIAL COLLECTION AFTER IMPROPER SET-OUT **\$43.75**

SPECIAL SERVICE FOR BULKY ITEMS & APPLIANCES:
\$44.64 PER STOP, PLUS "PASS-THROUGH" COST OF DISPOSAL OR RECYCLING

EXHIBIT A: HOLMES AREA FRANCHISE RATES
EFFECTIVE JANUARY 1, 2012

Based on Tipping Fee of:
Based on Processing Fee/Ton:

\$126.80
\$0.00

TYPE OF SERVICE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	PR PERIOD	BASE RATE	RATE Adj	LABOR	FUEL	NOS	CURRENT BASE RATE	DISPOSAL FEE	RECYCLING COSTS	COMBINED NEW RATE	FREQUENCY OF SERVICE				
	/mo./cont.	Add'l cont.	One cont.	One cont.	One cont.	One cont.	One cont.	Add'l cont.	Actual	Actual	New Program	Actual	One cont.	One cont.	One cont.
TABLE 1															
CAN RATES - RESIDENTIAL & COMMERCIAL															
20 Gallon Can	\$11.10			\$3.56	\$0.76	\$4.33	\$8.65		\$6.04			\$1.16	\$15.85		Weekly
30 Gallon Can	\$16.51			\$5.28	\$1.12	\$6.42	\$12.82		\$9.06			\$1.73	\$23.61		Weekly
40 Gallon Can	\$21.10			\$6.65	\$1.42	\$8.09	\$16.16		\$12.08			\$2.23	\$30.47		Weekly
64 Gallon Can	\$26.33			\$7.43	\$1.58	\$9.03	\$18.04		\$19.32			\$2.95	\$40.31		Weekly
90 Gallon Toter	\$34.54			\$9.38	\$2.00	\$11.40	\$22.78		\$27.17			\$3.95	\$53.90		Weekly
OCCASIONAL 30 Gal.	\$4.76			\$1.93	\$0.41	\$2.35	\$4.69		\$1.39			\$0.48	\$6.56		Per pick-up
TABLE 2															
LARGE CONTAINERS Monthly service															
1.0 CY	\$63.61			\$15.05	\$3.21	\$18.30	\$36.56		\$60.98			\$7.71	\$105.25		Weekly
2.0 CY	\$127.59			\$30.27	\$6.44	\$36.79	\$73.50		\$121.97			\$15.44	\$210.91		Weekly
3.0 CY	\$175.57			\$38.57	\$8.21	\$46.89	\$93.67		\$182.95			\$21.85	\$298.47		Weekly
4.0 CY	\$223.48			\$46.85	\$9.97	\$56.95	\$113.77		\$243.94			\$28.26	\$385.97		Weekly
6.0 CY	\$327.17			\$66.80	\$14.22	\$81.21	\$162.23		\$365.91			\$41.72	\$569.86		Weekly
15 CY	\$265.73			\$120.67	\$25.69	\$146.69	\$293.05		\$914.77			\$95.42	\$1,303.24		Weekly to 1.515 T
20 CY	\$311.23			\$142.30	\$30.30	\$172.99	\$345.59		\$1,219.70			\$123.66	\$1,688.95		Weekly to 2.02 T
40 CY	\$542.68			\$250.17	\$53.26	\$304.11	\$607.54		\$2,439.39			\$240.71	\$3,287.64		Weekly to 4.04 T
Per Pick up rates for one container															
1.0 CY	\$68.63			\$26.76	\$5.70	\$32.53	\$64.99		\$14.07			\$6.25	\$85.31		Weekly
2.0 CY	\$132.47			\$51.44	\$10.95	\$62.54	\$124.93		\$28.15			\$12.09	\$165.17		Weekly
3.0 CY	\$181.93			\$69.93	\$14.89	\$85.01	\$169.83		\$42.22			\$16.75	\$228.80		Weekly
4.0 CY	\$229.84			\$87.75	\$18.68	\$106.67	\$213.10		\$56.29			\$21.28	\$290.67		Weekly
6.0 CY	\$333.58			\$126.79	\$27.00	\$154.13	\$307.92		\$84.44			\$31.00	\$423.36		Weekly
15 CY	\$295.26			\$84.50	\$17.99	\$102.72	\$205.21		\$211.10			\$32.89	\$449.20		Weekly to 1.515 T
20 CY	\$335.16			\$87.42	\$18.61	\$106.27	\$212.30		\$281.47			\$39.01	\$532.78		Per Pickup to 2.02 T
40 CY	\$566.58			\$130.06	\$27.69	\$158.11	\$315.86		\$562.94			\$69.42	\$948.22		Per Pickup to 4.04 T
Over-weight Charge													\$139.34		Per Ton over Limit
TOTAL:															

EXHIBIT A: HOLMES AREA FRANCHISE RATES
EFFECTIVE JANUARY 1, 2012

Based on Tipping Fee of:
Based on Processing Fee/Ton:

\$126.80
\$0.00

TABLE 3 CONTAINER RENTAL COSTS

	PRIOR RATE		CURRENT RATE	
	Monthly	Weekly	Monthly	Weekly
1 YARD	\$12.42	\$4.64	14.02	5.23
2 YARD	\$15.54	\$4.64	17.54	5.23
3 YARD	\$15.54	\$4.64	17.54	5.23
4 YARD	\$18.69	\$4.64	21.08	5.23
6 YARD	\$21.72	\$4.64	24.51	5.23
15 YARD	\$23.30	\$12.42	26.29	14.02
20 YARD	\$31.07	\$15.54	35.05	17.54
40 YARD	\$31.07	\$15.54	35.05	17.54

TABLE 4 CHARGES FOR SPECIAL SERVICES

PER HOUR FOR ONE (1) MAN AND ONE (1) TRUCK: **\$45.20**
 OR
 PER CUBIC YARD PICKUP: 1.0 YD: **\$24.09** PER YD, **WHICHEVER IS GREATER**
 \$0.00 BASE, + \$0.99 REGULATORY
 REINSTATEMENT OF SERVICE **\$25.00**
 SPECIAL COLLECTION AFTER IMPROPER SET-OUT **\$43.75**

SPECIAL SERVICE FOR BULKY ITEMS & APPLIANCES:
\$48.17 PER STOP, PLUS "PASS-THROUGH" COST OF DISPOSAL OR RECYCLING

TABLE 5 RECYCLING SERVICE weekly \$4.00 per month