

**SEVENTH AMENDMENT
SOLID WASTE COLLECTION FRANCHISE AGREEMENT
FOR AREAS OF HUMBOLDT COUNTY (HOLMES/REDCREST AREA)**

This Seventh Amendment to the Solid Waste Collection Franchise Agreement dated April 26, 2011, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Recology Humboldt County, a California corporation, hereinafter referred to as "CONTRACTOR," shall be effective as of July 1, 2016.

RECITALS

WHEREAS, on April 26, 2011, COUNTY and CONTRACTOR entered into a Solid Waste Collection Franchise Agreement for the handling and disposal of solid waste and recyclables in the Holmes and Redcrest areas of Humboldt County ("Franchise Agreement"), for the period of July 1, 2011 to December 31, 2020; and

WHEREAS, COUNTY and CONTRACTOR subsequently modified the Franchise Agreement by amendments having effective dates of July 1, 2011, January 1, 2012, July 1, 2012, July 1, 2013, July 1, 2014 and July 1, 2015; and

WHEREAS, the parties desire to amend the Franchise Agreement to: (i) extend automated collection service with CONTRACTOR-provided carts and bins to all residential and commercial customers for both Franchise Solid Waste and Targeted Recyclables; (ii) provide residential customers with bulky item pickup service; (iii) change commercial bin service for Franchise Solid Waste from rear-load to higher-capacity front-load vehicles; (iv) adjust the Maximum Service Rates charged by CONTRACTOR to reflect both the annual adjustment and the adjustment required to fund such programs; (v) adjust the Recycling Percentage to reflect the change to CONTRACTOR's cost structure; (vi) modify the Solid Waste Collection Quarterly and Annual Franchise Report forms, which are currently attached to the Franchise Agreement as Exhibit B, to include data required of all California jurisdictions by CalRecycle; and (vii) extend the term of the Franchise Agreement for an additional ten (10) years.

NOW THEREFORE, the parties mutually agree as follows:

1. The Maximum Service Rates which may be charged by CONTRACTOR pursuant to Section 14 of the Franchise Agreement shall be as shown in the modified version of Exhibit A – Holmes/Redcrest Area Maximum Service Rates, which is attached hereto and incorporated herein by reference. Such Maximum Service Rates shall supersede and replace all prior Maximum Service Rates set forth in the Franchise Agreement, and all previous amendments thereto, as of the effective date of this Seventh Amendment.
2. The Franchise Agreement is hereby amended to delete Section 2 and replace it in its entirety with the following:

Unless earlier terminated pursuant to this Agreement, the term of this Agreement shall begin on July 1, 2011 ("Commencement Date") and terminate on December 31, 2030. The term may be further extended until December 31, 2035, by mutual agreement, provided that COUNTY determines that CONTRACTOR is providing service consistent with all requirements of this Agreement and all amendments hereto.

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3. The Franchise Agreement is hereby amended to delete the last paragraph of Section 4.B(2) and replace it in its entirety with the following:

Notwithstanding the foregoing, CONTRACTOR shall be deemed to have satisfied its reporting obligation under this Section 4.B(2) with respect to any year or quarter if CONTRACTOR submits a completed report using the applicable COUNTY report form attached hereto as Exhibit B by the deadline stated on such form, except that: (a) in reporting receipts on such reports, CONTRACTOR shall not be required to report any information not required by Section 4.B(2)(b); and (b) in reporting tonnages collected on such reports, CONTRACTOR may combine tonnages collected under this Agreement and under any other agreement between CONTRACTOR and COUNTY, as provided in Section 4.B(2)(c).

4. The Franchise Agreement is hereby amended to delete Sections 5.A(1) and 5.A(2) and replace them in their entirety with the following:

1. **Franchise Solid Waste.**

- a. **Frequency.** CONTRACTOR shall offer curbside collection of Franchise Solid Waste to all residential customers on a weekly basis. CONTRACTOR shall offer collection of Franchise Solid Waste from commercial customers at the frequency agreed with each such customer. The range of possible service frequencies for commercial customers is set forth in Exhibit A.
- b. **Containers.** Until September 30, 2016, CONTRACTOR shall not be required to provide customers with containers for Franchise Solid Waste, except that CONTRACTOR shall provide 96-gallon carts to residential customers receiving semi-automated service. Effective October 1, 2016, CONTRACTOR shall provide all residential and commercial customers with one or more containers for Franchise Solid Waste that are compatible with automated collection and that correspond to the service level for which the customer is subscribed. In addition, effective October 1, 2016, Franchise Solid Waste bin service for commercial customers shall be provided by front-load rather than rear-load vehicles.

2. **Targeted Recyclables.**

- a. **Frequency.** Effective as of the Transition Date, CONTRACTOR shall offer curbside collection of Targeted Recyclables to all residential customers who subscribe for solid waste service. Such collection shall occur every week, or on an alternative regular schedule mutually agreed by the Franchise Contract Administrator and CONTRACTOR. Effective October 1, 2016, CONTRACTOR shall offer collection of Targeted Recyclables to all commercial customers who subscribe for solid waste service. Such collection shall occur at the frequency agreed with each such customer. The range of possible service frequencies for commercial customers is set forth in Exhibit A.
- b. **Containers.** Until September 30, 2016, 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. Until September 30, 2016, such bags will be considered "containers" for purposes of this Agreement. Effective October 1, 2016, CONTRACTOR shall provide all residential and commercial customers who subscribe for recycling service with one or more carts for single-stream Targeted Recyclables that are compatible with automated collection and that correspond to the service level for which the customer is subscribed. In addition, effective October 1, 2016, the "blue bag" system shall be discontinued.

All Franchise Solid Waste and Targeted Recyclables collection services provided by CONTRACTOR shall be by subscription at rates established by CONTRACTOR not exceeding the applicable Maximum Service Rates set forth in Exhibit A.

5. The Franchise Agreement is hereby amended to add Section 5.A(4) which reads in its entirety as follows:

4. Bulky Item Collection Service.

- a. **Frequency.** CONTRACTOR shall offer curbside collection of Bulky Items to all residential customers who subscribe for solid waste service. Each residential customer shall be entitled to two (2) Bulky Item collection events per calendar year at no additional charge. Additional Bulky Item collection events shall be treated as special services and billed at a rate not exceeding the applicable Maximum Service Rate set forth in Exhibit A.
- b. **Scheduling.** Residential customers must schedule Bulky Item collections with CONTRACTOR's customer service representatives at least seven (7) days before the desired collection date. The collection date shall be as agreed by CONTRACTOR and the customer, and may be the same day as collection of Franchise Solid Waste, Targeted Recyclables or Green Waste.
- c. **Materials.** For each Bulky Item collection event, CONTRACTOR shall collect up to two (2) cubic yards of material. CONTRACTOR may reject any item placed for collection as a Bulky Item that does not conform to the definition of Bulky Item. CONTRACTOR shall use reasonable efforts to divert collected Bulky Items that are recyclable or compostable. CONTRACTOR shall deliver collected Bulky Items to the Designated Recycling Facility, the Designated Green Waste Facility or the Designated Disposal Facility, as applicable.
- d. **Definition.** "Bulky Items" means Franchise Solid Waste that is too large to be placed in the residential customer's subscribed-for Franchise Solid Waste container, and includes, without limitation, computers and other electronic waste, large household appliances, furniture, tires, carpets, mattresses and similar large items that require special handling due to their size, but excludes liquids and sludges, materials which exceed six (6) feet in length, commercial-sized refrigerators and freezers, construction and demolition debris and any individual item that weighs more than seventy-five (75) pounds (excluding major appliances).

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6. The Franchise Agreement is hereby amended to delete Section 5.B(3) and replace it in its entirety with the following:

Bag Service. Until September 30, 2016, CONTRACTOR shall offer to customers who require waste collection services only occasionally the option of purchasing trash bags from CONTRACTOR at a rate not exceeding the “Occasional 30 Gal.” Maximum Service Rate set forth in Exhibit A, which includes prepayment of the cost of collecting such bags. Subject to Section 5.B(ii)(c), CONTRACTOR shall collect such bags from the curbside on regular collection days, provided that the customer notifies CONTRACTOR at least seventy-two (72) hours in advance that the bag will be set out. Effective October 1, 2016, this service shall be discontinued.

7. The Franchise Agreement is hereby amended to delete Section 6.B and replace it in its entirety with the following:

Shut Containers; Weight Limits. CONTRACTOR shall not be required to collect Franchise Solid Waste or Targeted Recyclables that have not been placed in properly shut containers (i.e. with the container lid fully closed). CONTRACTOR shall not be required to collect containers that have been improperly locked, such that they cannot be opened by CONTRACTOR. Until September 30, 2016, CONTRACTOR shall not be required to collect customer-provided containers which exceed a laden weight (i.e. cart and contents combined) of fifty (50) pounds. Effective October 1, 2016, CONTRACTOR shall not be required to collect customer-provided containers, but may do so in its sole discretion if it wishes.

8. The Franchise Agreement is hereby amended to delete the fourth sentence of Section 10.A and replace it in its entirety with the following:

The “Recycling Percentage” shall initially be seventeen percent (17.0%), but effective as of October 1, 2016 shall be fourteen and twenty-six hundredths percent (14.26%).

9. The Franchise Agreement is hereby amended to delete Section 11.B and replace it in its entirety with the following:

Designated Recycling Facility. All Targeted Recyclables 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.

10. The Franchise Agreement is hereby amended to delete Section 14.D(2)(d) and replace it in its entirety with the following:

d. The number of CONTRACTOR’s customers in any of the service types listed below exceeds the size threshold for such service type, and CONTRACTOR is reasonably required to establish a new route in order to continue to provide the service to customers:

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Service Type	Size Threshold
Collection of residential Franchise Solid Waste in carts	700 customers
Collection of residential and commercial Targeted Recyclables in carts	700 customers (residential and commercial combined)
Collection of commercial Franchise Solid Waste in bins (front-load service)	200 customers

For purposes of determining whether the number of customers of a particular service type exceeds the applicable size threshold, the number of such customers in the Franchise Area as defined in this Agreement, and the number of such customers in the Franchise Area as defined in the Solid Waste Collection Franchise Agreement between COUNTY and CONTRACTOR for the Garberville area, shall be aggregated.

11. The Franchise Agreement is hereby amended to add Section 14.D(2)(g) which reads in its entirety as follows:
 - g. Participation in CONTRACTOR's Bulky Item pickup program exceeds seven hundred eighty (780) pickups per year.
12. The Franchise Agreement is hereby amended to delete Exhibit B – Solid Waste Collection Quarterly and Annual Franchise Reports referenced in Section 4.B(2) and replace it in its entirety with the revised version of Exhibit B – Solid Waste Collection Quarterly and Annual Franchise Reports that is attached hereto and incorporated herein by reference. The modified version of Exhibit B – Solid Waste Collection Quarterly and Annual Franchise Reports attached hereto shall supersede any and all prior versions thereof as of the effective date of this Seventh Amendment.
13. Except as modified herein, the Franchise Agreement dated April 26, 2011, as previously amended, shall remain in full force and effect. In the event of a conflict between the provisions of this Seventh Amendment and the original Franchise Agreement, or any prior amendments thereto, the provisions of this Seventh Amendment shall govern. Capitalized terms used, but not defined, herein shall have the meanings given to them in the Franchise Agreement. Unless otherwise expressly indicated, all references herein to sections refer to sections of the Franchise Agreement, as amended.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have entered into this Seventh Amendment as of the last date indicated below.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

(1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND

(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.

RECOLOGY HUMBOLDT COUNTY:

By: 
Michael J. Sangiacomo
President & CEO

Date: May 26, 2016

By: 
Cary Chen
Corporate Secretary

Date: 5/26/2016

COUNTY OF HUMBOLDT:

By: 
Mark Lovelace
Chair, Board of Supervisors

Date: 8/28/16

INSURANCE CERTIFICATES APPROVED:

By: 
Risk Management

Date: 6/24/16

Recology.

Reviewed by:



Legal

Exhibit A
Holmes/Redcrest Area Maximum Service Rates
Effective as of July 1, 2016

(see separate sheet(s) attached)

Exhibit B

Solid Waste Collection Quarterly and Annual Franchise Reports

(see separate sheets attached)

**COUNTY OF HUMBOLDT
SOLID WASTE COLLECTION QUARTERLY FRANCHISE REPORT**

Exhibit B

Quarter _____

(Due by the 15th day of the second month following the end of each calendar quarter.)

COUNTY OF HUMBOLDT

QUARTERLY FRANCHISE REPORT

Franchise Area _____
 Company Name _____
 Address _____
 City, State, Zip Code _____
 Contact Name _____
 Phone Number _____
 Fax Number _____
 E-mail Address _____

FRANCHISE TONS COLLECTED*

Franchise Area (Location)			
Solid Waste			
Ash			
E-waste			
Food Waste			
Greenwaste			
Mixed Recyclables			
OCC			
Sludge			
Wood Waste			
Total			

* As reported to Contractor by receiving facility. Non-Solid Waste materials reported only if source-separated.

Add additional pages as necessary to report all collected materials that are not landfilled

PUBLIC SELF-HAUL TONS ACCEPTED AT CONTRACTOR'S FACILITY OR SEPARATE FACILITY (If Applicable)

Location/s >>>>>>>>>>			
Solid Waste			
Facility			
SWIS			
Ash			
CRV			
E-waste			
Food Waste			
Greenwaste			
Mixed Recyclables			
OCC			
Sludge			
Wood Waste			

**COUNTY OF HUMBOLDT
SOLID WASTE COLLECTION ANNUAL FRANCHISE REPORT**

Exhibit B

Calendar Year (YYYY) _____
(Due April 1 following Calendar Year)

CONTRACTOR INFORMATION

Franchise Area _____
 Company Name _____
 Address _____
 City, State, Zip Code _____
 Contact Name _____
 Phone Number _____
 Fax Number _____
 E-mail Address _____

FRANCHISE TONS COLLECTED*

	Residential	Commercial	Total	Destination Facilities
Solid Waste				
Recycling & OCC				
C&D Recycling				
Green Waste				
E-waste				
White Goods				
Foodwaste				
Sludge				
Ash				

* As reported to Contractor by receiving facility. Non-Solid Waste materials reported only if source-separated.

SELF-HAULED TONNAGE TO CONTRACTOR'S SEPARATE FACILITY (if applicable)

	Total	Destination	How is it processed?
Solid Waste			
CRV			
C&D Recycling			
Green Waste			
e-waste			
used oil			
oil filters			
Non-CRV mixed recyclables			
OCC			
White Goods			
Other Metals			
Carpet			
Mattresses			

Add additional diverted materials and tonnages on separate sheets.

NUMBER OF FRANCHISE ACCOUNTS SERVED - SOLID WASTE

Can: Residential/Comm: Monthly Service Large Container: Monthly Service

20 Gallon	
30 Gallon	
32 Gallon	
40 Gallon	
45 Gallon	
48 Gallon	
55 Gallon	
60 Gallon	
64 Gallon	
90 Gallon	
93 Gallon	
96 Gallon	
Occasional 30-Gallon	
Prepaid bags	
"Blue-Bag"	

1 CY	
1.5 CY	
2 CY	
2.5 CY	
3 CY	
4 CY	
5 CY	
6 CY	
7 CY	
8 CY	
10 CY	
14 CY	
15 CY	
18 CY	
20 CY	

Large Container:	Monthly Service
30 CY	
40 CY	

Large Container:	On-call Pick Up
1 CY	
1.5 CY	
2 CY	
2.5 CY	
3 CY	
4 CY	
5 CY	
6 CY	
7 CY	
8 CY	
10 CY	
14 CY	
15 CY	
18 CY	
20 CY	
30 CY	
40 CY	

Large Container:	On-call Pick-Up
5 YD	
14 YD Covered	
14 YD Uncovered	
18 YD Covered	
18 YD Uncovered	
20 YD	
40 YD Uncovered	

NUMBER OF FRANCHISE ACCOUNTS SERVED - RECYCLING

	Residential	Commercial
Mixed Recycling		
Cardboard Only		

	# Commercial Solid Waste Accounts (4+ cu yds/wk)
	# of above Commercial Solid Waste Accounts (4+ cu yds/wk) with Curbside Recycling Service
	# Multi-Family Solid Waste Accounts (5+ units)
	# of above Multi-Family Solid Waste Accounts (5+ units) with Curbside Recycling Service

NUMBER OF FRANCHISE ACCOUNTS SERVED - *Organics

*AB1826 organic waste types: foodwaste, greenwaste, landscape & pruning waste, non-hazardous wood waste & food soiled paper mixed with foodwaste

	Residential	Commercial
Food waste w/soiled paper		
Green/yard/prune waste		
Non-haz wood waste		
Total		

	# Commercial Solid Waste Accounts (generating 8+ cu yds/wk of organics) in effect(April 1 2016)
	# Commercial Solid Waste Accounts (generating 4+ cu yds/wk of organics) in effect (January 1 2017)
	# of above Commercial Solid Waste Accounts (8+ cu yds/wk) with Organics Recycling Service
	# Multi-Family Solid Waste Accounts (5+ units)
	# of above Multi-Family Solid Waste Accounts (5+ units) with Organics Recycling Service

Do you provide info about AB 341 to applicable customers?

If applicable, please describe, or attach copy of info provided.

Do you provide info about AB 1826 to applicable customers?

If applicable, please describe, or attach copy of info provided.

NUMBER OF FRANCHISE ACCOUNTS SERVED - GREEN WASTE

	Residential	Commercial
Green Waste		
Rate?		

DIVERSION PROGRAMS

Describe any new waste diversion programs begun in the past year:

Describe any waste diversion programs discontinued in the past year:

Describe any economic incentives for diversion programs:

Large=over 2,000 people

Large Events Served:

Materials Collected

CRV

Non-CRV

OCC

Compostables

	Tons	Tons	Tons	Tons	Tons

City, State, Zip Code _____

Address _____

City, State, Zip Code _____

Address _____

City, State, Zip Code _____

Address _____

City, State, Zip Code _____

ADDITIONAL INFORMATION:

The undersigned, under penalty of perjury, states that the information listed on the above Annual Franchise Report are true and correct.

The undersigned, under penalty of perjury, also states that (1) all tonnages collected or accepted by Contractor are reported here, (2) if required to do so, Contractor has reported to each receiving landfill the jurisdiction of origin of all solid waste delivered by Contractor to that landfill for disposal, and (3) the tonnages in this report are consistent with the tonnages reported by Contractor to the HWMA for use in disposal reporting on behalf of Humboldt County.

Name of Preparer and Date

Signature

Form Revised/Effective 7/1/16