

AMENDED AND RESTATED
FRANCHISE AGREEMENT

BETWEEN

WEST VALLEY SOLID WASTE MANAGEMENT
AUTHORITY

AND

WEST VALLEY COLLECTION & RECYCLING, LLC

FOR THE

COLLECTION OF SOLID WASTE, RECYCLABLE MATERIALS, GREEN
WASTE, FOOD SCRAPS AND CONSTRUCTION AND DEMOLITION
DEBRIS WITHIN THE AUTHORITY, THE TRANSPORTATION OF
SUCH MATERIALS TO APPROPRIATE PLACES OF PROCESSING,
RECYCLING, COMPOSTING AND/OR DISPOSAL, AND THE
PROCESSING OF RECYCLABLE MATERIALS AND FOOD SCRAPS

* * *

As of

March 1, 2014

TABLE OF CONTENTS

	<u>PAGE</u>
ARTICLE 1 DEFINITIONS	15
1.1 AB 939	15
1.2 Agreement	15
1.3 Annual Fee	15
1.4 Approved Materials Processing Sites	15
1.5 Authority	16
1.6 Billings	16
1.7 Bin	16
1.8 Board of Directors	16
1.9 California Integrated Waste Management Act	16
1.10 Cart	16
1.11 City	16
1.12 City Fees	17
1.13 Cities	17
1.14 Collect (or Collection)	17
1.15 Commercial Property	17
1.16 Company	17
1.17 Company Compensation	17
1.18 Company Party(ies)	17
1.19 Company's Proposal	18
1.20 Composting (or Compost)	18
1.21 Compost Product	18
1.22 Construction and Demolition Debris	18
1.23 Construction and Demolition Debris Fee Component	18
1.24 Construction and Demolition Debris Proprietary Rate	19
1.25 Containers	19
1.26 Criminal Activity	19
1.27 Curbside	19
1.28 Customer	19
1.29 Designated Construction and Demolition Debris Processing Site	19
1.30 Designated Disposal Site	19

1.31	Designated Drop-Off Facility	20
1.32	Designated Green Waste Processing Site.....	20
1.33	Designated Waste.....	20
1.34	Discarded Material.....	20
1.35	Disposal or Dispose.....	20
1.36	Disposal Fee Component	20
1.37	Disposal Proprietary Rate	20
1.38	Disposal Site(s).....	21
1.39	Diversion Goal	21
1.40	Divert (or Diversion).....	21
1.41	Due Care	21
1.42	Effective Date	21
1.43	Environmental Laws.....	21
1.44	E-Waste Items	22
1.45	Facility.....	22
1.46	Fiscal Year.....	22
1.47	Food Scraps	22
1.48	Food Scraps Processing Fee	22
1.49	Franchise.....	22
1.50	Franchise Fee.....	23
1.51	Franchised Services	23
1.52	Generator	23
1.53	Green Waste	23
1.54	Green Waste Processing Fee Component	23
1.55	Green Waste Processing Proprietary Rate.....	23
1.56	Gross Revenues.....	24
1.57	Gross Revenues Collected.....	24
1.58	Hazardous Substance	24
1.59	Hazardous Waste	25
1.60	Household Hazardous Waste (HHW)	25
1.61	HHW Fee.....	25
1.62	Infectious Waste	25
1.63	JPA Administrative Cost.....	25
1.64	Legislation	25
1.65	Managers	25

1.66	Members	26
1.67	Missed Pick-Up.....	26
1.68	Multi-Family Dwelling Unit.....	26
1.69	Occupant.....	26
1.70	Organic Materials.....	26
1.71	Owner.....	27
1.72	Parent Company.....	27
1.73	Pass-Through Cost.....	27
1.74	Person.....	27
1.75	Premises.....	27
1.76	Process (or Processing).....	27
1.77	Rate Year.....	27
1.78	Rate(s).....	28
1.79	Recycle and Recycling.....	29
1.80	Recyclable.....	29
1.81	Recyclable Materials.....	29
1.82	Recycled.....	30
1.83	Related-Party Entity(ies).....	30
1.84	Residential Household Batteries.....	31
1.85	Residential Property.....	31
1.86	Roll-Off Container.....	31
1.87	Roll-Off Collection Services.....	31
1.88	Rubbish.....	31
1.89	Salvageable Material.....	31
1.90	Single-Family Dwelling Unit.....	31
1.91	Solid Waste.....	32
1.92	Source Separation (or Source Separated).....	32
1.93	Special Event.....	32
1.94	Street Sweeping Fee.....	32
1.95	Ton (or Tonnage).....	32
1.96	Transport (or Transportation).....	33
1.97	Unacceptable Waste.....	33
1.98	Universal Waste.....	33
1.99	Vehicle Impact Fee.....	33

ARTICLE 2 REPRESENTATIONS AND WARRANTIES OF COMPANY34

2.1	Company Status.....	34
2.2	Company Authorization	34
2.3	Agreement Duly Executed.....	34
2.4	No Conflict With Applicable Law or Other Documents	34
2.5	No Litigation.....	35
2.6	Financial Ability, Disclosures, No Material Change.....	35
2.7	Expertise	36
2.8	Company's Investigation.....	36
2.9	Company's Statements	36
2.10	Voluntary Use of Designated Disposal Site, Designated Green Waste Processing Site, and Designated Construction and Demolition Debris Processing Site	36
ARTICLE 3 AMENDED AND RESTATED AGREEMENT / TERM OF FRANCHISE ...		37
3.1	Amended and Restated 2006 Agreement	37
3.2	Effective Date and Commencement Date.....	37
3.3	Term of Agreement.....	37
3.4	Conditions to Effectiveness of Agreement	37
ARTICLE 4 SCOPE OF FRANCHISE.....		39
4.1	Grant and Acceptance of Franchise.....	39
4.2	Scope of Franchise.....	39
4.3	Limitations to Scope.....	41
4.4	Ownership of Materials.....	42
4.5	Authority-Directed Changes to Scope	43
4.5.1	Types of Changes.....	43
4.5.2	Procedure for Making Changes in Scope.....	44
4.5.3	Change in Designated Disposal Site, Designated Green Waste Processing Site, Approved Food Scraps Processing Site, or Designated Construction and Demolition Debris Processing Site.....	45
4.5.4	Adjustment to Company's Compensation.....	45
4.5.5	Implementation of New Services.....	45
4.5.6	Monitoring and Evaluation of Changes in Scope.....	46
4.6	Authority's Right to Perform Services and Possess Equipment	46
4.6.1	General.....	46
4.6.2	Duration of Authority's Possession.....	48
4.6.3	Condemnation.....	48

4.7	Transition to Next Company at End of Agreement.....	48
4.8	Authority Free to Negotiate with Third Parties.....	49
ARTICLE 5 FRANCHISE FEE AND OTHER FEES.....		50
5.1	Franchise Fee Amount.....	50
5.2	Annual Fee Amount.....	50
5.3	HHW Fee	50
5.4	Street Sweeping Fee	50
5.5	Vehicle Impact Fee	50
5.6	JPA Administrative Costs	50
5.7	Other Fees and Surcharges	51
5.8	Time and Method of Payment.....	51
5.8.1	Adjustment to Franchise, HHW, Street Sweeping, Vehicle Impact Fee, JPA Administrative Costs and Other Fees and Surcharges.....	51
ARTICLE 6 DIRECT SERVICES.....		52
6.1	Solid Waste Collection.....	52
6.1.1	General.....	52
6.1.2	Residential Solid Waste - Single-Family Dwelling Unit.....	52
6.1.3	Commercial, Industrial, and Multi-Family Dwelling Units	53
6.1.4	Temporary Bins/Roll-off Box Service.....	53
6.2	Recyclable Materials Collection	54
6.2.1	General.....	54
6.2.2	Single-Family Premises	54
6.2.3	Multi-Family Premises	55
6.2.4	Commercial Premises.....	55
6.3	Organic Materials Collection	56
6.3.1	General.....	56
6.3.2	Single-Family Premises	57
6.3.3	Multi-Family Premises	57
6.3.4	Holiday Tree Collection	57
6.3.5	Commercial Food Scraps Collection	58
6.4	Construction and Demolition Debris Collection	58
6.4.1	General.....	58
6.4.2	Recycling	58
6.5	Cleanups	58

6.5.1	City-Directed Cleanups.....	58
6.5.2	Annual Cleanups.....	59
6.5.3	E-Waste Items, Oil, Universal Waste and Paint Collection.....	60
6.6	City Facilities' Collection.....	60
6.7	Recyclable Materials and Food Scrap Processing.....	60
6.7.1	Processing.....	60
6.7.2	Transfer.....	61
6.7.3	Marketing.....	62
6.7.4	Disposal of Recyclable Materials and Food Scraps Prohibited.....	62
6.8	Operations.....	63
6.8.1	Schedules.....	63
6.8.2	Vehicles.....	64
6.8.3	Containers.....	66
6.8.4	Cleaning and Maintenance.....	67
6.8.5	Litter Abatement.....	68
6.8.6	Personnel.....	69
6.8.7	Identification Required.....	70
6.8.8	Fees and Gratuities.....	70
6.8.9	Non-Discrimination.....	70
6.8.10	Report of Accumulation of Solid Waste; Unauthorized Dumping.....	70
6.9	Contingency Plan.....	71
6.10	Transportation of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris.....	71
6.11	Disposal of Solid Waste.....	71
6.12	Processing of Green Waste.....	71
6.13	Processing of Construction and Demolition Debris.....	72
6.14	Service Exceptions; Hazardous Waste Notifications.....	72
ARTICLE 7 OTHER SERVICES.....		74
7.1	Public Education.....	74
7.2	Services and Customer Billing.....	74
7.2.1	Service Description.....	74
7.2.2	Billing.....	74
7.2.3	Review of Billings.....	75
7.3	Customer Service.....	75

7.3.1	Business Office.....	75
7.3.2	Web Site.....	76
7.3.3	Customer Service Representative Training.....	76
7.3.4	Complaint Documentation.....	76
7.3.5	Resolution of Customer Complaints.....	77
7.3.6	Liaisons.....	77
7.4	Waste Generation/Characterization Studies.....	78
ARTICLE 8 COMPANY'S COMPENSATION AND RATES.....		79
8.1	General.....	79
8.2	Initial Rates.....	79
8.3	Subsequent Rates for Rate Years 8 through 15 and Rate Year 17.....	80
8.3.1	Monthly Collection Rate per Generator Adjustment.....	80
8.3.2	Monthly Disposal Rate per Generator Adjustment.....	80
8.3.3	Monthly Green Waste Processing Rate per Generator Adjustment.....	81
8.3.4	Monthly Construction and Demolition Debris Processing Rate per Generator Adjustment.....	81
8.3.5	Franchise Fee Adjustment.....	81
8.3.6	Other City Fees and Surcharges Adjustment.....	81
8.4	Rates for Rate Years 6 and 16.....	81
8.5	Variances from Projections.....	89
8.6	Schedule.....	89
8.7	Interim Rate Adjustment.....	89
8.8	Subsequent Rates.....	90
ARTICLE 9 REVIEW OF SERVICES AND PERFORMANCE.....		91
9.1	Performance Hearing.....	91
ARTICLE 10 RECORDS, REPORTS AND INFORMATION REQUIREMENTS.....		93
10.1	General.....	93
10.2	Records.....	93
10.2.1	Maintenance of Records.....	93
10.2.2	Security and Retention of Records.....	93
10.2.3	Inspection of Records.....	94
10.2.4	Financial Records.....	94

10.2.5	Solid Waste, Recyclable Materials, Green Waste, Food Scraps and Construction and Demolition Debris Records.....	94
10.2.6	Processing Records	95
10.2.7	Disposal Records.....	95
10.2.8	Other Programs Records.....	96
10.2.9	Customer Service Records	96
10.2.10	CERCLA Defense Records.....	96
10.3	Reports.....	97
10.3.1	Report Formats and Schedule	97
10.3.2	Quarterly Reports	98
10.3.3	Annual Report.....	100
10.4	Adverse Information.....	101
ARTICLE 11 INDEMNIFICATION, INSURANCE AND BOND		103
11.1	Indemnification.....	103
11.2	Hazardous Substances Indemnification	104
11.3	Insurance	105
11.4	Faithful Performance Bond.....	109
ARTICLE 12 AUTHORITY'S RIGHT TO PERFORM SERVICE		111
12.1	General.....	111
12.2	Temporary Possession of Company's Property	113
12.3	Billing and Compensation to City and Authority During Authority's Possession.....	113
12.4	Authority's Right to Relinquish Possession	113
12.5	Duration of Authority's Possession	113
ARTICLE 13 DEFAULT, REMEDIES AND LIQUIDATED DAMAGES		114
13.1	Events of Default	114
13.2	Right to Terminate Upon Default	116
13.3	Termination for Cause.....	116
13.4	Possession of Property Upon Termination.....	117
13.5	Authority's Remedies Cumulative; Specific Performance	117
13.6	Liquidated Damages.....	118
13.7	Excuse from Performance	123
13.8	Notice, Hearing and Appeal of Authority Breach.....	124
13.9	Assurance of Performance	125

ARTICLE 14 OTHER AGREEMENTS OF THE PARTIES	126
14.1 Relationship of Parties	126
14.2 Compliance with Law	126
14.3 Governing Law	126
14.4 Jurisdiction	126
14.5 Assignment.....	127
14.5.1 Company’s Assignment.....	127
14.5.2 Authority’s Assignment.....	129
14.6 Contracting or Subcontracting	129
14.7 Binding on Assigns	129
14.8 Transition to Next Company	129
14.9 Parties in Interest.....	130
14.10 Waiver	130
14.11 Condemnation	130
14.12 Notice	130
14.13 Representatives of the Parties.....	131
14.14 Authority Free to Negotiate with Third Parties.....	132
14.15 Compliance with Municipal Code.....	132
14.16 Criminal Activity of Company.....	132
14.16.1 Criminal Activity	132
14.16.2 Notice.....	133
14.16.3 Company’s Cure	133
14.16.4 Transfer and Hiring	134
14.16.5 Authority’s Remedy	134
14.17 Privacy	134
ARTICLE 15 MISCELLANEOUS AGREEMENTS.....	136
15.1 Entire Agreement	136
15.2 Section Headings	136
15.3 References to Laws and Other Agreements	136
15.4 Interpretation	136
15.5 Agreement.....	136
15.6 Severability	136
15.7 Exhibits	137
15.8 Non-Waiver Provision.....	137

Exhibits

1. Company Secretary's Certificate
2. Corporate Chief Financial Officer's Certificate
3. Public Facilities and Events – Intentionally omitted
4. Clarification of Company's Compensation
5. Public Education and Community Outreach Programs
6. Initial Rates
7. Implementation Plan – Intentionally Omitted
8. Payments by Company
9. Faithful Performance Bond
10. Disposal Payment Provisions
11. Authority Approved Subcontractors
12. Notary Certification – Intentionally omitted
13. Cart Specifications
- 14a. Current Service Description
- 14b. Possible Future Diversion Services
15. Corporate Guaranty

RECITALS

This Amended and Restated Franchise Agreement (Agreement) is entered as of the 1st day of March, 2014, by and between the West Valley Solid Waste Management Authority (Authority) and West Valley Collection & Recycling, LLC (Company), for the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps and Construction and Demolition Debris within the Authority, the Transportation of such materials to appropriate places of Processing, Recycling, Composting and/or Disposal, and the Processing of Recyclable Materials and Food Scraps.

Recitals

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris handling within their jurisdictions; and,

WHEREAS, effective October 1, 1997, the Cities of Campbell, Monte Sereno, and Saratoga, and the Town of Los Gatos formed the Authority pursuant to Government Code Section 6500 et. Seq. to manage and oversee the Franchised Services originating in the Cities of Campbell, Monte Sereno and Saratoga and the Town of Los Gatos; and,

WHEREAS, among the powers granted the Authority is the power to arrange for the Franchised Services; and,

WHEREAS, pursuant to California Public Resources Code Section 40059(a)(2), the Board of Directors of the Authority has determined that the public health, safety, and well-being require that an exclusive Franchise be awarded to a qualified company for the Franchised Services; and,

WHEREAS, the Company currently provides the Franchised Services in the Authority pursuant to that certain Agreement between West Valley Solid Waste Management Authority and West Valley Collection & Recycling, LLC for the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps and Construction and Demolition Debris within the Authority, the Transportation of Such Materials to Appropriate Places of Processing, Recycling, Composting, and/or Disposal, and the Processing of Recyclable

Materials and Food Scraps, dated as of March 14, 2006 (2006 Agreement), as amended on December 2nd 2010 to include Collection of Food Scraps; and,

WHEREAS, the Company, through its proposal to the Authority, has proposed and represented that it has the ability and capacity to continue to provide for the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris within the Authority, the Transportation of such material to appropriate places of Processing, Recycling, Composting and/or Disposal; the Processing of Recyclable Materials; the Diversion of materials in accordance with the Public Resources Code and in a manner that will achieve the Authority's Diversion Goals; and,

WHEREAS, the Company and its affiliates, through its discussions with the Authority and subsequent proposal, has agreed to enhance current services and compensation to Authority and has demonstrated its capability of further increasing the Diversion of materials in the future through creative programs such as mixed material Processing, Composting and anaerobic digestion of Organic Materials as well as operational changes such as redesigning and rerouting Collection operations (refer to Exhibit 14b); and,

WHEREAS, the Authority Board of Directors has determined that Company, by demonstrated experience, reputation and capacity, is qualified to continue to provide the services described in this Agreement; and,

WHEREAS, the Authority Board of Directors desires that Company be engaged to perform such services on the basis set forth in this Agreement; and,

WHEREAS, Authority and Company are mindful of the provisions of the laws governing the safe Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris within the Authority, the Transportation of such material to appropriate places of Processing, Recycling, Composting and/or Disposal, and the Processing of Recyclable Materials, the Resource Conservation and Recovery Act (RCRA) and the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601, et seq. ("CERCLA"); and,

WHEREAS, the Authority Board of Directors declares its intention of maintaining reasonable Rates and quality service related to the Franchised Services, and other services; and,

WHEREAS, Authority and Company (Parties) wish to extend the term of the 2006 Agreement, to provide for additional Franchised Services, and to amend certain other rights and obligations of each of the parties as provided for pursuant to the 2006 Agreement; and,

WHEREAS, it is the intent of the Parties that this Agreement amend and restate the 2006 Agreement.

WHEREAS, the Parties hereto have developed and desire to enter said Agreement.

NOW, THEREFORE, in consideration of the premise above stated and the terms, conditions, covenants and agreements contained herein, the Parties do hereby agree as follows:

ARTICLE 1 DEFINITIONS

1.1 AB 939

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

1.2 Agreement

"Agreement" means this Amended and Restated Franchise Agreement between Authority and Company for the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris within the Authority, the Transportation of such material to appropriate places of Processing, Recycling, Composting and/or Disposal, and the Processing of Recyclable Materials, including all exhibits and attachments, and any amendments thereto.

1.3 Annual Fee

"Annual Fee" means the additional Four Hundred Fifty Thousand and 00/100 Dollars (\$450,000.00) annually paid by Company to Authority for the right to continue to hold the Franchise for the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris within the Authority, the Transportation of such material to appropriate places of Processing, Recycling, Composting and/or Disposal, and the Processing of Recyclable Materials and Food Scraps granted by this Agreement for the ten year period ending midnight February 28, 2024. This shall be a non-allowable cost for purposes of calculating Company's Compensation.

1.4 Approved Materials Processing Sites

1.4.1 "Approved Recyclable Materials Processing Site" means the GreenWaste Recovery, Incorporated's Material Recovery Facility at 625 Charles Street in San Jose, California, which was selected by Company and approved by the Authority in writing.

1.4.2 "Approved Food Scraps Processing Site" means the Z-Best Composting Facility at 980 State Highway 25, Gilroy, California, which was selected by Company and approved by the Authority in writing.

1.5 Authority

"Authority" means the West Valley Solid Waste Management Authority and the geographic area of the Cities.

1.6 Billings

"Billings" means any and all statements of charges for services rendered, howsoever made, described or designated by Authority or Company, or made by others for Authority or Company, to Owners or Occupants of property, including Residential Property and Commercial Property, served by Company for the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris within the Authority, the Transportation of such material to appropriate places of Processing, Recycling, Composting and/or Disposal, and the Processing of Recyclable Materials.

1.7 Bin

"Bin" means any front-load Container which is able to accept Solid Waste, Recyclable Materials, and Food Scraps.

1.8 Board of Directors

"Board of Directors" means the Board of Directors of the Authority.

1.9 California Integrated Waste Management Act

"California Integrated Waste Management Act" means Public Resources Code, Section 40000 et seq.

1.10 Cart

"Cart" means any side-load or front-load wheeled Container of 20, 35, 65 or 95 gallon capacity which is able to accept Solid Waste, Recyclable Materials, Green Waste, or Food Scraps.

1.11 City

"City" means the City of Campbell, Monte Sereno, Saratoga, or the Town of Los Gatos and includes all of the territory lying within their municipal boundaries as presently existing or as such boundaries may be modified during the term of this Agreement.

1.12 City Fees

"City Fees" shall mean all of the fees described in Article 5.

1.13 Cities

"Cities" means the cities of Campbell, Monte Sereno, Saratoga, and the Town of Los Gatos collectively and includes all of the territory lying within their boundaries as presently existing or as such boundaries may be modified during the Term of this Agreement.

1.14 Collect (or Collection)

"Collect" or "Collection" means to take physical possession, Transport, and remove Solid Waste, Recyclable Materials, Green Waste, Food Scraps and Construction and Demolition Debris within and from Authority.

1.15 Commercial Property

"Commercial Property" means commercial and industrial property upon which business activity is conducted, including but not limited to retail sales, services, wholesale operations, manufacturing and industrial operations, but excluding businesses conducted upon Residential Property which are permitted under applicable zoning regulations and are not the primary use of the property.

1.16 Company

"Company" means West Valley Collection & Recycling, LLC, a limited liability company organized and operating under the laws of the State of California and its Managers, Members, directors, employees and agents. It is a joint venture between GreenWaste Recovery Inc., and Waste Connections of California, Inc., dba GreenTeam of San Jose.

1.17 Company Compensation

"Company Compensation" means the revenue received by the Company from Billings in return for providing services in accordance with this Agreement and any amendments to this Agreement.

1.18 Company Party(ies)

"Company Party(ies) shall mean Company, officers, directors, or management or fiscal employees (where "management employee" means any employee with direct or indirect

responsibility for direction or control over the Company's activities under this Agreement and "fiscal" employee means an employee with direct or indirect responsibility and control duties relating to financial matters under this Agreement).

1.19 Company's Proposal

"Company's Proposal" means the proposal submitted by Company and received on November 15, 2005 by the Authority (in response to the Authority's August 2005 Request for Proposals for the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris within the Authority, the Transportation of such material to appropriate places of Processing, Recycling, Composting and/or Disposal, and the Processing of Recyclable Materials and certain supplemental written materials, which are incorporated by reference) as amended by the terms of this Agreement.

1.20 Composting (or Compost)

"Composting" means a controlled biological decomposition of Organic Materials yielding a safe and nuisance free Compost Product.

1.21 Compost Product

"Compost Product" means the product resulting from Composting.

1.22 Construction and Demolition Debris

"Construction and Demolition Debris" means construction materials resulting from construction, remodeling, repair or demolition operations, as part of a total service offered by a duly-licensed demolition company or the City, including rocks, soil, tree remains, and other Green Waste which normally results from land clearing or land development operations for a construction project and such materials as defined as "construction and demolition debris" by applicable local ordinances in existence as of the Effective Date of this Agreement. Construction and Demolition Debris shall be Source Separated from Solid Waste at the site of generation and contain no more than thirty percent (30%) by volume of residue.

1.23 Construction and Demolition Debris Fee Component

"Construction and Demolition Debris Fee Component" means the total of taxes and fees assessed to the Designated Construction and Demolition Debris Processing Site solely for purposes related to the Processing operation.

1.24 Construction and Demolition Debris Proprietary Rate

"Construction and Demolition Debris Proprietary Rate" means the proprietary Rate charged by the Designated Construction and Demolition Debris Processing Site for Processing of Construction and Demolition Debris.

1.25 Containers

"Containers" means any and all types of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris receptacles.

1.26 Criminal Activity

"Criminal Activity" means those activities described in Section 14.16.

1.27 Curbside

"Curbside" means the placement of Containers for pickup, where such Container is placed on the street or alley against the face of the curb, or where no curb exists the Container is placed no more than five (5) feet from the outside edge of the street or alleyway or as designated by the Authority.

1.28 Customer

"Customer" means the Person whom Company submits billing invoice to and collects payment from for Collection services provided to a Premises. The Customer may be the Occupant or Owner of the Premises provided that the Owner of the Premises shall be responsible for payment of Collection services if an Occupant of a Premises, which is identified as the Customer of Owner's Premises, fails to make such payment.

1.29 Designated Construction and Demolition Debris Processing Site

"Designated Construction and Demolition Debris Processing Site" means the Guadalupe Landfill at 15999 Guadalupe Mines Road in San Jose unless the Authority designates, in writing, a different Processing site(s).

1.30 Designated Disposal Site

"Designated Disposal Site" means the Guadalupe Landfill at 15999 Guadalupe Mines Road in San Jose unless the Authority designates, in writing, a different Disposal Site in accordance with Section 6.11.

1.31 Designated Drop-Off Facility

“Designated Drop-Off Facility” means the GreenTeam of San Jose’s Materials Recovery Facility at 575 Charles Street in San Jose, unless the Company designates in writing, with Authority approval, a different drop-off site.

1.32 Designated Green Waste Processing Site

“Designated Green Waste Processing Site” means the Guadalupe Landfill at 15999 Guadalupe Mines Road in San Jose unless the Authority designates, in writing, a different processing site in accordance with Section 6.12.

1.33 Designated Waste

“Designated Waste” means non-Hazardous Waste which may pose special Disposal problems because of its potential to contaminate the environment and which may be Disposed of only in Class II Disposal Sites or Class III Disposal Sites pursuant to a variance issued by the California Department of Health Services. Designated Waste consists of those substances classified as Designated Waste by the State of California, in California Code of Regulations Title 23, Section 2522 as may be amended from time to time.

1.34 Discarded Material

“Discarded Material” means Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris placed by a Generator in a receptacle and/or at a location that is designated for Collection pursuant to the Cities’ Municipal Code.

1.35 Disposal or Dispose

“Disposal” or “Dispose” means the ultimate disposition of Solid Waste Collected by Company at a landfill in full regulatory compliance.

1.36 Disposal Fee Component

“Disposal Fee Component” means the total of taxes and fees assessed to the Designated Disposal Site solely for Disposal purposes related to the waste operation.

1.37 Disposal Proprietary Rate

“Disposal Proprietary Rate” means the proprietary Rate charged by the Designated Disposal Site for Disposal of Solid Waste.

1.38 Disposal Site(s)

"Disposal Site(s)" mean the Solid Waste handling Facility or Facilities meeting all applicable local, state, and federal licensing and permitting regulations utilized for the ultimate Disposal of Solid Waste Collected by Company.

1.39 Diversion Goal

"Diversion Goal" means the means the target Diversion ratio for each City, the numerator of which is the annual Tons of material from the Cities handled by the Company which is not Disposed and the denominator of which is the total annual Tons of material from the Cities handled by the Company. The specific Diversion Goal for each City will be negotiated based on the first six months experience, with target goals not less than 33% for Campbell, 68% for Monte Sereno, 61% for Saratoga, and 42% for the Town of Los Gatos.

1.40 Divert (or Diversion)

"Divert" or "Diversion" means activities that reduce or eliminate the amount of Solid Waste from Solid Waste Disposal including, but not limited to, Recycling and Composting.

1.41 Due Care

"Due Care" means reasonable and sufficient care, so far as the circumstances demand it; the absence of negligence including no violation of law.

1.42 Effective Date

"Effective Date" means midnight on March 1, 2014.

1.43 Environmental Laws

"Environmental Laws" means all federal and state statutes, county, local 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 hereafter amended, and all rules and regulations promulgated thereunder.

1.44 E-Waste Items

"E-Waste Items" means discarded electronic equipment such as, but not limited to, television sets, computer monitors, central processing units (CPU's), laptop computers, external computer hard drives, computer keyboards, computer mice, computer printers, DVD's and VCR's.

1.45 Facility

"Facility" means any plant or site, owned or leased and maintained, operated or used by Company for purposes of performing under this Agreement.

1.46 Fiscal Year

"Fiscal Year" means the period commencing July 1 of one year and concluding June 30 of the subsequent year for Company.

1.47 Food Scraps

"Food Scraps" means food scraps such as those discarded Organic Materials that will decompose and/or putrefy including (i) all kitchen and table food waste, and animal or vegetable waste that attends or results from the storage, preparation, cooking or handling of food stuffs, and (ii) un-coated paper waste contaminated with Food Scraps and placed in Containers for Collection. Food Scraps is a subset of Organic Materials.

1.48 Food Scraps Processing Fee

"Food Scrap Processing Fee" means the per-Ton tip fee for the Transport and Processing of Food Scraps, applied to each Ton as delivered to GreenWaste Recovery, Incorporated's transfer station.

1.49 Franchise

"Franchise" means the special right granted by Authority for the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris within the Authority, the Transportation of such material to appropriate places of

Processing, Recycling, Composting and/or Disposal, and the Processing of Recyclable Materials and Food Scraps.

1.50 Franchise Fee

“Franchise Fee” means the fee paid by Company to Cities for the right to hold the Franchise for the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris within the Authority, the Transportation of such material to appropriate places of Processing, Recycling, Composting and/or Disposal, and the Processing of Recyclable Materials and Food Scraps granted by this Agreement.

1.51 Franchised Services

“Franchised Services” mean the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris within the Authority, the Transportation of such material to appropriate places of Processing, Recycling, Composting and/or Disposal, and the Processing of Recyclable Materials and Food Scraps.

1.52 Generator

“Generator” means any Person as defined by the Public Resources Code, whose act or process produced Solid Waste, Recyclable Materials, Green Waste, or Food Scraps as defined in the Public Resources Code, or other materials as defined in this Agreement, or whose act first causes Solid Waste to become subject to regulation.

1.53 Green Waste

“Green Waste” means tree trimmings, grass cuttings, dead plants, leaves, branches and dead trees (not more than three (3) inches in diameter), garden and tree fruits and vegetables, and similar materials generated and separated from other materials at the Premises

1.54 Green Waste Processing Fee Component

“Green Waste Processing Fee Component” means the total of taxes and fees assessed to the Designated Green Waste Processing Site solely for Green Waste Processing purposes.

1.55 Green Waste Processing Proprietary Rate

“Green Waste Processing Proprietary Rate” means the proprietary Rate for transferring and Processing Green Waste at the Designated Green Waste Processing Site.

1.56 Gross Revenues

"Gross Revenues" means any and all revenue or compensation in any form to Company or subsidiaries, or Parent Companies of Company, for the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris within the Authority, the Transportation of such material to appropriate places of Processing, Recycling, Composting and/or Disposal, and the Processing of Recyclable Materials and Food Scraps pursuant to this Agreement, without subtracting Franchise Fees, HHW Fees, Street Sweeping Fees, Vehicle Impact Fees, JPA Administrative Costs or any other cost of doing business.

1.57 Gross Revenues Collected

"Gross Revenues Collected" shall mean cash receipts collected by the Company for the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris within the Authority, the Transportation of such material to appropriate places of Processing, Recycling, Composting and/or Disposal, and the Processing of Recyclable Materials and Food Scraps, without subtracting Franchise Fees, Vehicle Impact Fees or any other cost of doing business, except City Fees.

1.58 Hazardous Substance

"Hazardous Substance" shall mean any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous Wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 *et seq.* (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, *et seq.*; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 *et seq.*; (iv) the Clean Water Act, 33 USC §1251 *et seq.*; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 *et seq.*; and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable federal, state or local Environmental Laws currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

1.59 Hazardous Waste

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

1.60 Household Hazardous Waste (HHW)

"Household Hazardous Waste" means Hazardous Waste generated at residential Premises within the Authority.

1.61 HHW Fee

"HHW Fee" means the fee paid by Company to Authority or Cities to offset expenses for HHW programs and Facilities which benefits all Residents.

1.62 Infectious Waste

"Infectious Waste" means biomedical waste generated at hospitals, public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities and other similar establishments that are identified in Health and Safety Code Section 25117.5 as may be amended from time to time.

1.63 JPA Administrative Cost

"JPA Administrative Cost" means the operating costs of the West Valley Solid Waste Authority.

1.64 Legislation

"Legislation" means any code, ordinance, resolution or any other forms/enactment of the governing body of City or Authority which now exists or which may hereafter be adopted which constitutes law or regulation governing the operation of Company.

1.65 Managers

"Managers" mean the Directors of the Company.

1.66 Members

“Members” means Waste Connections of California, Inc., a California Corporation and GreenWaste Recovery Inc., a California Corporation.

1.67 Missed Pick-Up

“Missed Pick-Up” means failure of Company to pick up Solid Waste, Recyclable Materials, Green Waste, and/or Food Scraps that has been set out by the Customer at the time, at the weight, in the volume, in the proper Container, with the lawful contents in accordance with this Agreement, and at the prescribed level of service, as mutually agreed upon by the Customer and Company.

1.68 Multi-Family Dwelling Unit

“Multi-Family Dwelling Unit” means any Premises with five (5) or more units serviced in a manner similar to Commercial Property, but used for residential purposes (not including hotels or motels), irrespective of whether residence therein is transient, temporary or permanent.

1.69 Occupant

“Occupant” means the Person who occupies a Premise.

1.70 Organic Materials

“Organic Materials” means those discarded materials that will decompose and/or putrefy and that the Cities’ Municipal Code permits, directs, and/or requires Generators to separate from Solid Waste and Recyclable Materials for Collection in separately designated Containers for Organic Materials Collection. Organic Materials include Green Waste and Food Scraps such as but not limited to, green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, small wood pieces, other types of organic yard waste, vegetable waste, fruit waste, grain waste, dairy waste, meat waste, fish waste, paper contaminated with Food Scrap or otherwise not accepted in the Recyclable Materials Collection program, pieces of unpainted and untreated wood, and pieces of unpainted and untreated wallboard. No Discarded Material shall be considered to be Organic Materials, however, unless such material is separated from Solid Waste and Recyclable Materials.

1.71 Owner

"Owner" means the Person holding the legal title to the real property constituting the Premises to which Solid Waste, Recyclable Materials, and/or Green Waste Collection service are to be provided under this Agreement.

1.72 Parent Company

"Parent Company" refers to a company owning more than fifty percent (50%) of the shares of another company (subsidiary) or a company that has management control over such subsidiary.

1.73 Pass-Through Cost

"Pass-Through Cost" means a cost to which no element of overhead, administrative expense, profit, or other cost is added nor with respect to which any other amount is credited, such that the specific amount of such cost is included without modification in the calculations or reports to which such costs pertain.

1.74 Person

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

1.75 Premises

"Premises" means any land, or building, in Authority where Solid Waste, Recyclable Materials, Green Waste, or Food Scraps are generated or accumulated.

1.76 Process (or Processing)

"Process" or "Processing" means to prepare, treat, or convert through some special method.

1.77 Rate Year

"Rate Year" means the twelve month period, commencing July 1, of one year and concluding June 30 of the subsequent year, for which Company Compensation is calculated. The Rate Years, commencement and concluding dates are shown below:

Rate Year 1	July 1, 2007	June 30, 2008
Rate Year 2	July 1, 2008	June 30, 2009
Rate Year 3	July 1, 2009	June 30, 2010
Rate Year 4	July 1, 2010	June 30, 2011
Rate Year 5	July 1, 2011	June 30, 2012
Rate Year 6	July 1, 2012	June 30, 2013
Rate Year 7	July 1, 2013	June 30, 2014
Rate Year 8	July 1, 2014	June 30, 2015
Rate Year 9	July 1, 2015	June 30, 2016
Rate Year 10	July 1, 2016	June 30, 2017
Rate Year 11	July 1, 2017	June 30, 2018
Rate Year 12	July 1, 2018	June 30, 2019
Rate Year 13	July 1, 2019	June 30, 2020
Rate Year 14	July 1, 2020	June 30, 2021
Rate Year 15	July 1, 2021	June 30, 2022
Rate Year 16	July 1, 2022	June 30, 2023
Rate Year 17	July 1, 2023	February 28, 2024

1.78 Rate(s)

"Rate(s)" means the unit to be charged Customers by Company for providing the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps and Construction and Demolition Debris within the Authority, the Transportation of such material to appropriate places of Processing, Recycling, Composting and/or Disposal, and the Processing of

Recyclable Materials and Food Scraps. Rates may be adjusted from time to time in accordance with this Agreement.

1.79 Recycle and Recycling

"Recycle" and "Recycling" means recycling as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, §40180 and includes the process of Collecting, sorting, cleansing, treating, and reconstituting materials that would otherwise become Solid Waste, and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet quality standards necessary to be used in the market place. "Recycling" does not include transformation, as defined in Public Resources Code §40201.

1.80 Recyclable

"Recyclable" means a material which can be Processed into a form suitable for reuse through reprocessing or re-manufacture consistent with the requirements of the California Integrated Waste Management Act.

1.81 Recyclable Materials

"Recyclable Materials" means residential, commercial or industrial Source Separated by-products of some potential economic value, set aside, handled, packaged, or offered for Collection in a manner different from Solid Waste, which are able to fit in Residential Recycling Containers or Commercial Recycling Containers, as the case may be. As of the date of execution of this Agreement, Recyclable Materials shall include, but not be limited to the following:

- (1) **Metals:** aerosol cans, aluminum foil, aluminum pans, beverage cans, can lids, car parts, doors and screens, electrical motors, food/soup cans, furniture, hangers, keys, lids/caps, nuts and bolts, paint cans, pet food cans, pipes, plumbing fixtures, pots and pans, propane tanks, scrap metal, screws and nuts, sporting goods, tools, toys, umbrellas, and utensils
- (2) **E-Waste:** appliances, calculators, cameras, cell phones, computer mice, computer tower, cords, DVD players, DVRs, fax machines, inkjet toner cartridges, keyboards, microwaves, pagers, PDAs, printers, radios, scanners, stereos, telephones, and VCRs

- (3) **Paper:** aseptic packaging, books, carbonless paper, cardboard, catalogs, cereal boxes, coffee cups, colored paper, computer paper, construction paper, coupons, egg cartons, envelopes, frozen food boxes, gift wrap, juice boxes, junk mail, magazines, mailers, milk cartons, newspapers (including inserts), office paper, paper bags, paper cups/plates, photographs, pizza boxes, shoe boxes, shredded paper, telephone books, and tissue paper
- (4) **Plastic:** auto parts, baby wipe containers, baskets, beverage bottles, bleach/detergent bottles, buckets, coffee cup lids, coolers, crates, disposable razors, flower pots, food containers, furniture, gloves, hangers, hoses, household cleaner bottles, mouthwash bottles, pet carriers, pipes, plastics (numbers 1 – 7), prescription bottles, shampoo bottles, shelving, squeeze bottles, swimming pools, take-out containers, toys, and umbrellas
- (5) **Film Plastics:** bread bags, bubble wrap, cellophane bags, dry cleaning bags, frozen food bags, newspaper bags, pallet wrap, plastic liners, plastic wrap, produce bags, and shrink wrap
- (6) **Glass:** beverage bottles, broken glass, dishware, food jars, windows, and wine bottles
- (7) **Miscellaneous:** textiles, and used oil and used oil filters

1.82 Recycled

"Recycled" means the act of having Processed Recyclable Materials into a form suitable for reuse and having marketed those Processed materials for a use consistent with the requirements of the California Integrated Waste Management Act for Recycled materials. The act of marketing does not require that revenue is generated from the Processed materials.

1.83 Related-Party Entity(ies)

"Related Party Entity(ies)" means any Affiliate which has financial transactions with Company pertaining to this Agreement that has been approved by the Authority. For the purposes of this Agreement and at the time of its execution, Related-Party Entities shall include, but are not limited to: GreenWaste Recovery, Inc., and Waste Connections of California, Inc.

1.84 Residential Household Batteries

"Residential Household Batteries" means household consumable batteries, except for car batteries.

1.85 Residential Property

"Residential Property" means property used for residential purposes, irrespective of whether such dwelling units are rental units or are Owner-occupied.

1.86 Roll-Off Container

"Roll-Off Container" means any unit, Container, or enclosure including, but not limited to sizes ranging from 8 to 40 cubic yards which can be used for Solid Waste. A Roll-Off Container may be an open top Container or an enclosed Container with a compaction unit.

1.87 Roll-Off Collection Services

"Roll-Off Collection Services" means the service provided to Customers for the Collection of Solid Waste using a Roll-Off Container.

1.88 Rubbish

"Rubbish" means all waste wood, wood products, printed materials, paper, paste board, rags, straw, used and discarded clothing, packaging materials, ashes, floor sweepings, glass and other materials not included in the definition of Solid Waste, Hazardous Substance, Green Waste or Recyclable Materials, and such materials defined as "Rubbish" by applicable local ordinances in existence as of the Effective Date of this Agreement.

1.89 Salvageable Material

"Salvageable Material" means those Discarded Materials that may be reused in their existing form or may be reused after some form of Processing including, but not limited to, Green Waste and Recyclable Materials.

1.90 Single-Family Dwelling Unit

"Single-Family Dwelling Unit" means each Premises used for or designated as a single family residential dwelling, including each unit of a duplex, triplex, four-plex, or town house in all cases in which there is separate or individual Solid Waste Collection service using cans or Carts.

1.91 Solid Waste

"Solid Waste" means Solid Waste as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, §40191. Excluded from the definition of Solid Waste are Construction and Demolition Debris, Hazardous Waste, Infectious Waste, Designated Waste, Source Separated Recyclable Materials, Source Separated Green Waste, Food Scraps, and radioactive waste. Notwithstanding any provision to the contrary, Solid Waste may include de minimis volumes or concentrations of waste of a type and amount normally found in Residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment, and Disposal of HHW in compliance with Section 41500 and 41802 of the California Public Resources Code as may be amended from time to time.

Solid Waste includes Salvageable Materials only when such materials are included for Collection in a Solid Waste Container.

1.92 Source Separation (or Source Separated)

"Source Separation" or "Source Separated" means the segregation into separate Containers by the Generator of individual components of material which otherwise would become Solid Waste, such as glass bottles, metal cans, newspapers, plastic containers, construction materials, etc., for the sole purpose of Recycling, to be picked up by Company.

1.93 Special Event

"Special Event" means a large event as defined in AB2176 (Montanez, Chapter 879, Statutes of 2004) which includes all events that charge admission or are operated by a local agency and serve an average of at least 2,000 attendees and workers per day of the event.

1.94 Street Sweeping Fee

"Street Sweeping Fee" means the fee paid by the Company to reimburse the Cities for street sweeping costs incurred to clean up all City streets because of Collection Vehicles travelling on Cities' streets.

1.95 Ton (or Tonnage)

"Ton (or Tonnage)" means a unit of measure for weight equivalent to two thousand (2,000) standard pounds where each pound contains sixteen (16) ounces.

1.96 Transport (or Transportation)

“Transport” means the Transportation of Solid Waste, Recyclable Materials, Green Waste or Food Scraps from the point of Collection to a MRF, Processing Facility, or Disposal Site.

1.97 Unacceptable Waste

“Unacceptable Waste” means any and all waste, including but not limited to, Hazardous Waste, Hazardous Substances, Biohazardous and Biological Waste, the acceptance or handling of which would cause a violation of any permit condition or legal or regulatory requirements, substantial damage to Company's equipment or Facilities, or present a substantial endangerment to the health or safety of the public or Company's employees, provided, that de minimis quantities or waste of a type and amount normally found in residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment and Disposal of HHW in compliance with Section 41500 and 41802 of the California Public Resources Code shall not constitute Unacceptable Waste.

1.98 Universal Waste

“Universal Waste “ means Universal Waste as defined in California Code of Regulations Title 22, Division 4.5, Ch 11, Article 1, §66261.9. Included in the definition are, but are not limited to, common Residential Household Batteries, fluorescent tubes and bulbs and other mercury-containing lamps, thermostats, electronic devices, electrical switches and relays, pilot light sensors, mercury gauges, mercury added novelties, mercury thermostats and non-empty aerosol cans that contain hazardous materials.

1.99 Vehicle Impact Fee

“Vehicle Impact Fee” means the fee paid by Company to reimburse the Cities for public rights of way maintenance costs incurred because of Collection Vehicles traveling on Authority streets.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES OF COMPANY

2.1 Company Status

Company is a duly organized, validly existing and in good standing under the laws of the State of California. It is qualified to transact business in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

2.2 Company Authorization

Company has the authority to enter into and perform its obligations under this Agreement. The Managers and Members of the Company have taken all actions required by law, its operating agreement or otherwise to authorize the execution of this Agreement.

2.3 Agreement Duly Executed

The Person(s) signing this Agreement on behalf of Company have been duly authorized by Company to do so, and this Agreement has been duly executed and delivered by Company in accordance with the authorization of its Managers and Members, if necessary, and is enforceable against Company in accordance with its terms, except as enforcement of this Agreement may be limited by bankruptcy, insolvency, reorganization moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefore may be brought as confirmed by the Company's Secretary's Certificate in Exhibit 1.

2.4 No Conflict With Applicable Law or Other Documents

To the best of Company's knowledge after reasonable investigation, neither the execution and delivery by Company of this Agreement, nor the performance by Company of its obligations hereunder and the transactions described herein:

- A) Conflicts with, violates or will result in a violation of any existing applicable law;
or
- B) Conflicts with, violates or will result in a breach or default under any term or condition of any existing judgment, order or decree of any court, administrative

agency or other governmental authority, or of any existing agreement or instrument to which Company is a party, or by which Company or any of Company's properties or assets is bound; or

- C) Will result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of Company which will interfere materially with Company's performance hereunder.

2.5 No Litigation

To the best of Company's knowledge after reasonable investigation, there is no judicial decision, action, suit, proceeding or action at law or equity, or to the best of Company's knowledge, any investigation before or by any court or governmental entity, pending or threatened against Company or otherwise affecting Company, wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect Company's performance hereunder, or which in any way, would adversely affect the validity or enforceability of this Agreement, or which would, in any single case or in the aggregate:

- A) Materially adversely affect the performance by Company of its obligations hereunder;
- B) Adversely affect the validity or enforceability of this Agreement;
- C) Have a material adverse effect on the financial condition of Company, or any surety or entity guaranteeing Company's performance under this Agreement; or,
- D) Prohibit this Agreement or subject this Agreement to legal challenge

2.6 Financial Ability, Disclosures, No Material Change

Company represents that it has sufficient financial resources to perform all aspects of its obligations hereunder. Company has provided the Authority with audited financial statements as of August 31, 2012 for Green Waste Recovery, Inc. and as of December 31, 2012 for Waste Connections, Inc., the Parent Company of Waste Connections of California, Inc. prepared by a certified public accountant whose audit was performed in accordance with Generally Accepted Auditing Standards which present fairly, in accordance with Generally Accepted Accounting Principles, the financial resources of such Members. Company represents that there has been no material adverse change in Company's or its Members

financial circumstances since the date of the most recent financial statements, as confirmed by Corporate Chief Financial Officer's Certificate in Exhibit 2.

2.7 Expertise

Company has the expert, professional, and technical capability to perform all of its obligations under this Agreement.

2.8 Company's Investigation

Company has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed by Company under the Agreement, and enters into this Agreement on the basis of that independent investigation.

2.9 Company's Statements

The Company's Proposal and any other supplementary documents submitted to the Authority, which the Authority relied upon in awarding and entering this Agreement, do not: (i) contain any untrue statement of a material fact, or (ii) omit a material fact that is necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading.

2.10 Voluntary Use of Designated Disposal Site, Designated Green Waste Processing Site, and Designated Construction and Demolition Debris Processing Site

The Company, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Designated Disposal Site for the purposes of Disposing of all Solid Waste Collected in the Authority, the Designated Green Waste Processing Site for purposes of Processing of all Green Waste Collected in the Authority, and the Designated Construction and Demolition Debris Processing Site for purposes of Processing of all Construction and Demolition Debris Collected in the Authority. Such decision by Company in no way constitutes a restraint of trade notwithstanding any Change in Law regarding flow control limitations or any definition thereof.

ARTICLE 3

AMENDED AND RESTATED AGREEMENT / TERM OF FRANCHISE

3.1 Amended and Restated 2006 Agreement

The parties mutually agree that this Agreement is intended to amend and restate the 2006 Agreement, as amended in December 2010, and that all rights and obligations of the parties set forth in the 2006 Agreement shall be modified, amended and restated as set forth herein.

3.2 Effective Date and Commencement Date

The Effective Date of this Agreement shall be March 1, 2014.

The Commencement Date shall be March 1, 2014 and shall be the date on which Company initiates provision of the Franchised Services required by this Agreement.

3.3 Term of Agreement

The term of this Agreement shall be ten (10) years commencing at 12:00 a.m. March 1, 2014, and expiring at midnight February 28, 2024.

3.4 Conditions to Effectiveness of Agreement

The obligation of Authority to permit this Agreement to become effective and to perform its undertakings provided for in this Agreement is subject to the satisfaction of each and all of the conditions set out below, each of which may be waived in whole or in part by Authority, upon Authority's expressed written consent. Waivers are limited to those expressed in writing, and are in the sole and exclusive discretion of the Authority.

- A) Accuracy of Representations. Representations and warranties made by Company throughout this Agreement are accurate, true and correct on and as of the Effective Date of this Agreement.
- B) Absence of Litigation. There is no litigation pending or threatened in any court challenging the award of this Franchise to Company or the execution of this Agreement or seeking to restrain or enjoin its performance.
- C) Furnishing of Insurance and Bonds. Company has furnished evidence of the insurance and bonds required by Article 11.

D) Effectiveness of Authority Board Action. Authority's Resolution No. Resolution No. 2013-06 approving this Agreement shall have become effective pursuant to California law prior to the Effective Date.

ARTICLE 4 SCOPE OF FRANCHISE

4.1 Grant and Acceptance of Franchise

Subject to Section 3.4, Authority hereby grants to Company, and the Company hereby accepts the exclusive Franchise, right and privilege for the Franchised Services that is required to be accumulated and offered for Collection to Company in accordance with terms and conditions set forth in this Agreement, and such rules and regulations set forth by ordinances of the Cities that are not inconsistent with this Agreement.

This grant to Company of an exclusive Franchise, right and privilege for the Franchised Services shall be interpreted to be consistent with state and federal laws, now and during the term of the Franchise, and the scope of this exclusive Franchise shall be limited by current and developing state and federal laws with regard to Solid Waste, Recyclable Materials, Organic Materials, and Construction and Demolition Debris handling, exclusive Franchise, Solid Waste, Organics Materials, and Construction and Demolition Debris, flow control, and related doctrines. In the event that future interpretations of current law, enactment or developing legal trends limit the ability of Authority to lawfully provide for the scope of Franchise services as specifically set forth herein, Company agrees that the scope of the Franchise will be limited to those services and materials which may be lawfully provided for under this Agreement, and that Authority shall not be responsible for any lost profits claimed by Company to arise out of further limitations of the scope of the Agreement set forth herein. In such an event, it shall be the responsibility of Company to minimize the financial impact to other services being provided as much as possible.

4.2 Scope of Franchise

This Franchise granted to Company shall be exclusive with regards to the Franchised Services, except as described in Section 4.3 or except where otherwise precluded by applicable law.

The Company shall be responsible for the following services:

- A) Collecting all separated Solid Waste, Recyclable Materials, Green Waste, Construction and Demolition Debris and Food Scraps generated in the Authority and placed by Generator for Collection.

- B) Transporting Collected materials to the Designated Disposal Site, Designated Green Waste Processing Site, Designated Construction and Demolition Debris Processing Site, Approved Recyclable Materials Processing Site, and Approved Food Scraps Processing Site.
- C) Processing and marketing of the following materials Collected in the Authority by Company:
 - i. Recyclable Materials
 - ii. Food Scraps
- D) Processing and marketing the products resulting from Composting of Food Scraps Collected in the Authority by Company.
- E) Providing temporary Bins/Roll-Off Collection Service for the purpose of Collection of non-Hazardous Waste.
- F) Furnishing all labor supervision, vehicles, Containers, other equipment, materials, supplies, and all other items and services necessary to perform its obligations under this Agreement.
- G) Paying all expenses related to provision of services required by this Agreement including but not limited to, taxes, regulatory fees, and utilities.
- H) Providing all service required by this Agreement in a thorough and professional manner so that residents, businesses, and the Cities are provided timely, reliable, courteous and high-quality service at all times.
- I) Perform all service in substantial compliance with the Company's Proposal and in full accordance with this Agreement at all time using best industry practices for comparable operations. If the Company's Proposal, other written documents submitted by Company as part of the selection process and attached hereto and this Agreement conflict, the Agreement shall prevail and the supplemental material shall prevail over the Company's Proposal.
- J) Complying with applicable laws.
- K) Performing or providing all other service necessary to fulfill its obligations under this Agreement.

- L) Accomplishing the Diversion Goals set in Section 1.39.

4.3 Limitations to Scope

The categories of materials listed below may be Collected and Transported by others provided that nothing in this Agreement is intended to or shall be construed to excuse any Person from obtaining any authorization from Authority or Cities which is otherwise required by law:

- A) Solid Waste which is removed from any Premises by the Generator, and which is Transported personally by the Owner or Occupant of such Premises (or by his or her full-time employees) to any Processing or Disposal Site;
- B) Collection and Processing of Recyclable Materials not specifically included in the definition of Recyclable Materials in Section 1.81;
- C) Source separated Recyclable Materials that are generated in the Authority that are donated by the Generator to youth, civic, charitable, or other nonprofit organizations;
- D) Source separated Recyclable Materials generated in the Authority that are placed in Containers, Collected through a private arrangement with the Generator and the Generator is compensated for the Recyclable Materials Collected; provided, however, that the Owner or Occupant of such Premises shall be required to subscribe to and pay for the basic level of service provided by Company;
- E) Recyclable Materials containers delivered for Recycling under the California Beverage Container Recycling Litter Reduction Act, Section 14500 et.seq. California Public Resources Code as may be amended from time to time;
- F) Green Waste Composted on residential Premises;
- G) Solid Waste, Recyclable Materials, and/or Organic Materials removed from a Premises by a contractor (e.g., gardener, landscaper, tree-trimming service, but not by a subcontractor whose primary service is such removal) as an incidental part of the service being performed and such contractor is providing a service which is not included in the scope of this Agreement;
- H) Animal waste and remains from slaughterhouses or butcher shops, grease waste, or used cooking oil;

- I) Construction and Demolition Debris which is removed from any Premises by employees of the construction or demolition company or the City, using equipment owned by the company or the City;
- J) By-products of sewage treatment, including sludge, sludge ash, grit and screenings;
- K) Hazardous Waste, Household Hazardous Waste, Infectious Waste and Designated Waste regardless of its source; and,
- L) Materials generated by public schools and other State institutions located in the Authority.
- M) Clean up Services including removal of Rubbish from residential or commercial Premises where all of the following conditions are met:
 - a) The Person who Transports the Rubbish for Disposal or Processing is the Person who actually enters on the Customer's Premises and performs the clean-up services, loads the Rubbish directly to the Transportation vehicle, and removes the Rubbish from the Premises.
 - b) The Rubbish is not stored or Collected in a debris box, Roll-Off Container, a Container designed to be emptied by a Collection Vehicle, or a Container provided by the Person performing the services.
 - c) The services are provided to the particular Premises on a temporary basis, not on a regular or on-going basis.
- N) Any services not specifically identified in Section 4.2.

Company acknowledges and agrees that Authority may permit other Persons besides Company to Collect any or all types of the Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris listed in this Section 4.3, without seeking or obtaining approval of Company under this Agreement.

4.4 Ownership of Materials

Once Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and/or Construction and Demolition Debris are placed in Containers and properly placed at the designated Collection location and picked up by the Company, ownership and the right to possession shall transfer

directly from the Generator to Company by operation of this Agreement. Subject to the provisions of this Agreement, Company shall have the right to retain any benefit resulting from its right to retain, Recycle, Process, Dispose of, or reuse the Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and/or Construction and Demolition Debris, which it Collects. Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and/or Construction and Demolition Debris, or any part thereof, which is Disposed of or Processed at a Facility (whether landfill, Composting facility, transfer station, Recyclable Materials Processing site, Green Waste Processing site, Food Scrap Processing site, and/or Construction and Demolition Debris Processing site) shall become the property of the Owner or operator of the Facility/Facilities once deposited there by Company. Authority may obtain ownership or possession of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and/or Construction and Demolition Debris placed for Collection upon written notice of its intent to do so, however, nothing in this Agreement shall be construed as giving rise to any inference that Authority has such ownership or possession unless such written notice has been given to Company.

4.5 Authority-Directed Changes to Scope

4.5.1 Types of Changes.

Authority may, by written notice, direct Company to perform additional services or modify existing services. For example, and without limitation, the Authority may request the following:

- A) Collection of certain materials, which were originally Solid Waste, but during the Term can be, in the reasonable opinion of the Authority, economically Recycled or Composted;
- B) Inclusion of new Diversion programs;
- C) Expansion of public education activities;
- D) Elimination of programs;
- E) Modification of the manner in which Company performs existing services;
- F) Performance of pilot programs;

- G) Implementation of innovative services, which may entail new Collection methods, targeted routing, different kinds of services, different types of Collection vehicles, and/or new requirements for Generators;
- H) Transportation of materials to a Disposal Site, or Green Waste Processing Site other than that specified on the Effective Date;
- I) Increasing or decreasing the Diversion Goals.

4.5.2 Procedure for Making Changes in Scope.

Company shall present, within 30 calendar days of the Authority's written request, a written proposal to provide revised, additional or expanded services. At a minimum, the proposal shall contain a complete description of the following:

- A) Collection methodology to be employed (equipment, manpower, etc.).
- B) Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- C) Labor requirements (number of employees by classification).
- D) Type of materials to be Collected or Containers to be utilized.
- E) Provision for program publicity/education/marketing.
- F) Five-year projection of the financial results of the program's operations in a balance sheet and operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions, giving full effect to the savings or costs to existing services.
- G) Plans for implementing the service change.

The Authority shall review the Company's proposal for the change in scope of services. If the Company's proposal is desirable to the Authority, the Authority may negotiate with the Company to amend the Agreement to reflect the change in scope. If the Authority chooses not to negotiate with the Company, then the Authority waives its right to permit Persons other than the Company to provide the additional services. Company acknowledges and agrees that Authority may permit other Persons besides Company to provide additional Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris Collection and Diversion services if Company and Authority cannot agree on terms and conditions of such services in 120 calendar days from the date when Authority

first requests a proposal from Company to perform such services. If the Company and Authority do not reach an agreement on the change in scope, the Company shall forfeit its exclusive right to Collect such material from Generators or provide the services under consideration and the Authority may solicit proposals from one or more other parties for such service and Company shall be invited to submit a proposal during the process.

4.5.3 Change in Designated Disposal Site, Designated Green Waste Processing Site, Approved Food Scraps Processing Site, or Designated Construction and Demolition Debris Processing Site.

If the Authority changes the Designated Disposal Site, the Designated Green Waste Processing Site, or the Designated Construction and Demolition Debris Processing Site, or specifies use of a Recyclable Materials Processing site that is different from the Approved Recyclable Materials Processing Site or use of Food Scraps Processing site that is different from the Approved Food Scraps Processing Site, the Authority shall provide written notice to Company six months before effective date of the change and the date Company shall commence use of the site.

4.5.4 Adjustment to Company's Compensation.

If the Authority directs a change in scope, Designated Disposal Site, Designated Green Waste Processing Site, or Designated Construction and Demolition Debris Processing Site, Company may be entitled to an adjustment in its compensation in accordance with Section 8.8. Company shall not be compensated for the proposal preparation costs or other costs incurred during the negotiation of its proposal for the change in scope of such services.

4.5.5 Implementation of New Services.

The Company's implementation of the new services or change in the Designated Disposal Site, Designated Green Waste Processing Site, Designated Construction and Demolition Debris Processing Site, Approved Recyclable Materials Processing Site, or Approved Food Scraps Processing Site shall occur in a timely, smooth, and seamless manner such that Customers and/or Generators do not experience disruption in Collection services. Company shall be responsible for managing implementation of new Collection services or change in the Designated Disposal Site, Designated Green Waste Processing Site, Designated Construction and Demolition Debris Processing Site, Approved Recyclable Materials Processing Site, or Approved Food Scraps Processing Site, and other related services, and shall do so in accordance with an Authority-approved implementation plan.

4.5.6 Monitoring and Evaluation of Changes in Scope.

If the Authority requests, the Company shall meet with the Authority to describe the progress of each new service. If applicable, Company shall document the results of the new programs on a monthly basis, including at a minimum the Tonnage Diverted by material type, the end use or processor of the Diverted materials and the cost per Ton for Transporting and Processing each type of material and other such information the Authority deems is necessary to evaluate the performance of each program.

At each meeting, the Authority and Company shall have the opportunity to revise the program based on mutually agreed upon terms in accordance with provisions of this Section. The Authority shall have the right to terminate a program if, in its sole discretion, the Company is not cost effectively achieving the program's goals and objectives. Before such termination, the Authority shall meet and confer with the Company for a period not to exceed 90 calendar days to resolve the Authority's concerns. Thereafter, the Authority may utilize a third party to perform these services if the Authority reasonably believes the third party can improve on Company's performance and/or cost. Notwithstanding these changes, Company shall continue the program during the meet and confer period and, thereafter, until the third party takes over the program.

4.6 Authority's Right to Perform Services and Possess Equipment

4.6.1 General

The Authority, in its sole discretion, may determine a period of emergency if both of the following conditions occur: (i) Company, for any reason whatsoever, fails, refuses, or is unable to perform its Collection, Processing, and Disposal obligations, at the time and in the manner provided in this Agreement, for a period of more than 48 hours, and (ii) the Authority finds that such failure, refusal, or inability endangers or menaces the public health, safety, or welfare. If the Authority determines a period of emergency, then the Authority shall have the right during the period of such emergency to: (i) perform, or cause to be performed, such services with its own or other personnel without liability to Company; and/or (ii) take possession of and use any or all of Company's land, equipment, and other property used or useful in providing the Collection, Transportation, Processing, and Disposal services under this Agreement. If the Authority chooses to exercise such rights, the Authority shall provide written notice to the Company 24-hours prior to its plans to exercise its rights. Upon exercise of that right the Authority shall assume complete responsibility for the proper and normal use of such equipment and Facilities while in its possession.

The Authority shall provide oral notice (by telephone or in person) to Company of the Company's failure, refusal, or inability to perform its Collection obligations and of the Authority's intent to perform Collection services and/or possess Company's equipment. The Authority shall send written confirmation of such oral notification to Company, by certified mail, within 24 hours of the oral notification, unless the 24 hour deadline ends on a Sunday, or U.S. Postal Service holiday, then confirmation of such notice shall be sent on the day following such day.

Company agrees that in such event:

- A. It will take direction from the Authority to effect the transfer of possession of property to the Authority for Authority's use.
- B. It will, if Authority so requests, keep in good repair and condition all of such property, provide all motor vehicles with fuel, oil and other service, and provide such other service as may be necessary to maintain said property in satisfactory operational condition.
- C. Authority may immediately engage all or any personnel necessary or useful for the Collection and Transportation of Solid Waste, Recyclable Material, Green Waste and Food Scraps, including, if the Authority so desires, but subject to the terms of any labor agreements then in effect employees then employed by Company. Company further agrees, if Authority so requests, to furnish Authority the services of any or all management or office personnel employed by Company whose services are necessary or useful for Collection, Transportation, Processing, and Disposal operations. If the Authority so requests, Company shall continue to perform billing services of the Authority and shall remit all payments received for Collection, Processing and Disposal services provided by Authority to Authority. Authority shall reimburse Company for the costs of such services.

If the interruption or discontinuance of service is caused by any of the reasons listed in Section 13.7, the Authority shall pay to Company \$100 per day for use of each Collection vehicle, \$2 per square foot per month (prorated for the actual time used) for use of the Facilities, and the reasonable rental value of other equipment, possession of which is taken by the Authority, for the period of the Authority's possession, if any, which extends beyond the period of time for which Company has rendered bills to Customers in advance of service.

Except as otherwise expressly provided in the previous paragraph, the Authority's exercise of its rights under this Article: (i) does not constitute a taking of private property for which compensation must be paid; (ii) will not create any liability on the part of Authority to Company; and (iii) does not exempt Company from the indemnity provisions of Article 11, which are meant to extend to circumstances arising under this Section, provided that Company is not required to indemnify Authority against claims and damages arising from the sole negligence of Authority officers, employees, and agents in the operation of Collection vehicles during the time the Authority has taken possession of such vehicles.

4.6.2 Duration of Authority's Possession

Authority has no obligation to maintain possession of Company's property and/or continue its use in Collection, Transportation, Processing and Disposal operations for any period of time and may, at any time, in its sole discretion, relinquish possession to the Company.

The Authority's right to retain temporary possession of Company's property, and to provide Collection services, shall continue until the event which caused the taking of possession is cured and Company can demonstrate to the Authority's satisfaction that it is ready, willing and able to resume such services or for 180 calendar days, whichever occurs first.

4.6.3 Condemnation

The Authority fully reserves the rights to acquire the Company's property utilized in the performance of this Agreement, by purchase or through the exercise of the right of eminent domain.

4.7 Transition to Next Company at End of Agreement

If applicable, before expiration or earlier termination of this Agreement, Company will take direction from the Authority and cooperate with the subsequent Company to assist in a timely and orderly transition of services from Company to subsequent Company. In response to the Authority's direction, Company shall provide route lists (which identify each Customer on the route, its service level and scheduled Collection day, and any special Collection notes) and detailed Customer account and Billing information. Company may, but shall not be obliged to, sell Collection vehicles, equipment, or Facilities to the subsequent Company. Authority has the option to maintain ownership of all Carts at expiration or earlier termination of the Agreement.

4.8 Authority Free to Negotiate with Third Parties

The Authority may investigate all options for Collection, Transportation, Processing and Disposal services that will be scheduled to commence after the expiration of the Term or earlier termination of this Agreement. Without limiting the generality of the foregoing, the Authority may solicit proposals from Company and from third parties for the provision of Collection, Transportation, Processing, or Disposal of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris, and any combination thereof. The Authority may negotiate and execute agreements for such services that will take effect upon the expiration or earlier termination of this Agreement.

ARTICLE 5 FRANCHISE FEE AND OTHER FEES

5.1 Franchise Fee Amount

In consideration of the exclusive Franchise provided in Section 4.2 of this Agreement, Company shall pay to the Cities in accordance with the schedule on Exhibit 8. Payment will be calculated as a percentage (%) of Gross Revenues Collected (or another amount as provided in Section 5.7) by the Company from services provided in the Authority.

5.2 Annual Fee Amount

In addition to the Franchise Fee provided for in Section 5.1 above, Company shall make an annual payment to the Authority of Four Hundred Fifty Thousand and 00/100 Dollars (\$450,000.00) (Annual Fee). The Annual Fee shall be payable in equal monthly installments of Thirty-Seven Thousand Five Hundred and 00/100 Dollars (\$37,500.00), due on or before the fifteenth (15th) of each month, in arrears, of the term of this Agreement.

5.3 HHW Fee

Company shall pay an HHW Fee to the Cities each month in accordance to the schedule on Exhibit 8.

5.4 Street Sweeping Fee

Company shall pay a Street Sweeping Fee to the Cities each month in accordance to the schedule on Exhibit 8.

5.5 Vehicle Impact Fee

Company shall pay a Vehicle Impact Fee to the Cities each month in accordance to the schedule on Exhibit 8.

5.6 JPA Administrative Costs

Company shall reimburse the Cities their applicable share of the JPA Administrative Costs each month in accordance to the schedule on Exhibit 8.

5.7 Other Fees and Surcharges

The Authority may set other fees and surcharges, as it deems necessary. The amount, time and method of payment and adjustment process will be set in a manner similar to that for other fees described in this Article or as prescribed by State law.

5.8 Time and Method of Payment

On or before the twentieth (20th) day of each month, Company shall calculate and pay the Franchise, HHW, Street Sweeping, Vehicle Impact Fee, JPA Administrative Costs, and other fees and surcharges due to the Cities for services rendered during the preceding calendar month. Payment is to be made as an Electronic Funds Transfer (EFT). Company shall send support for the calculation to the City and to the Authority. The City and Authority shall review the Company's schedule and calculations and may request, and Company shall provide, supporting documents related to the schedule provided. Should the City or Authority identify adjustments to the schedules or calculations, City or Authority shall notify Company within thirty (30) days after receipt of Franchise, HHW, Street Sweeping, Vehicle Impact Fee, JPA Administrative Costs, and other fee payment and seek an explanation for any apparent differences. If the Franchise, HHW, Street Sweeping, Vehicle Impact Fee, JPA Administrative Costs, and other fee is not paid on or before the twentieth (20th) day of any month, Company shall pay to City a late payment fee in an amount equal to one percent (1%) of the amount owing for that month for each thirty (30) day period the Franchise Fee remains unpaid.

5.8.1 Adjustment to Franchise, HHW, Street Sweeping, Vehicle Impact Fee, JPA Administrative Costs and Other Fees and Surcharges

Authority may adjust the amount of the Franchise, HHW, Street Sweeping, Vehicle Impact Fee, JPA Administrative Costs, and other fees and surcharges annually. Such adjustment shall be reflected in the Rates that Company is allowed to charge and collect from Customers in accordance with Article 8, such that Company may receive the calculated Company Compensation including the amount of Franchise, HHW, Street Sweeping, Vehicle Impact Fee, JPA Administrative Costs, and other fees and surcharges payable to the Cities.

ARTICLE 6 DIRECT SERVICES

6.1 Solid Waste Collection

6.1.1 General

The work to be done by Company pursuant to this Agreement shall include, but not be limited to, the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Company of the duty to furnish all others, as may be required, whether enumerated elsewhere in the Agreement or not.

The work to be done by Company pursuant to this Agreement shall be accomplished in a thorough and professional manner so that the residents and businesses within Authority are provided reliable, courteous and high-quality Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris Collection at all times. The enumeration of, and specification of requirements for, particular aspects of service quality shall not relieve Company of the duty of accomplishing all other aspects in the manner provided in this Section, whether such other aspects are enumerated elsewhere in the Agreement or not.

Company shall direct its employees not to Collect Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris beyond each Customer's subscription level of service unless the business office of Company has granted prior authorization to make such Collection.

Company shall not damage private property. Company shall ensure that its employees: (i) close all gates opened in making Collections, unless otherwise directed by the Generator, (ii) do not cross landscaped areas, and (iii) do not climb or jump over hedges and fences.

6.1.2 Residential Solid Waste - Single-Family Dwelling Unit

Company shall Collect Solid Waste from the 20, 35, 65, and 95-gallon Company-provided Carts, as requested by the Customer and placed for Collection by the Generator, not less than once per week. Standard Collection service shall be automated Collection from the curb, unless another method is approved by the Authority. Authority approval will not be unreasonably withheld. If Occupant is physically unable to place the Cart Curbside,

Company shall Collect Carts from an alternative service location (such as a porch, side yard, or backyard). Time restrictions are detailed in Section 6.8.1.

6.1.3 Commercial, Industrial, and Multi-Family Dwelling Units

Company shall Collect Solid Waste, as frequently as scheduled by the Customers but not less than once per week and in compliance with any and all local ordinances in existence as of the Effective Date of this Agreement, from: 35, 65, 95-gallon Company-provided Carts; 1 to 6 cubic yard Bins; and/or, 8 to 40 cubic yard Roll-Off Containers and compactors as selected by the Customer. Special consideration shall be given when determining the pickup area for Commercial, and/or Multi-Family accounts to ensure that the flow of traffic is not impeded and that it does not result in aesthetic degradation of an area. Additionally, if in the Authority's opinion the location of an existing pickup area is inappropriate, Authority may require the Customer to relocate the pickup area. Time restrictions are detailed in Section 6.8.1.

6.1.4 Temporary Bins/Roll-off Box Service

Company shall provide temporary Bins/Roll-Off Container service for the purpose of Collection of non-hazardous Solid Waste. Company shall deliver and Collect Bins/Roll-Off Containers at the direction of the Customer within seven (7) days of such request Bins/Roll-Off Containers shall be free of graffiti and in good repair. Bins/Roll-Off Containers must be clearly marked and identifiable as belonging to Company (such Bins may be temporarily substituted but not replaced by Bins of affiliated or related parties). Special consideration shall be given when determining the pickup area for temporary Bins/Roll-Off Containers service accounts to ensure that the flow of traffic is not impeded and that it does not result in aesthetic degradation of an area. The designated pick up area, shall be in accordance with all applicable laws and permit conditions. Additionally, if in Authority's opinion the location of an existing pickup area is inappropriate, Authority may require the Customer or Company to relocate the pickup area. Time restrictions are detailed in Section 6.8.1.

Should a non-franchised hauler provide service that falls under the scope of this Franchise, the Authority, upon notification by Company, shall attempt to give written notification, within twenty-four (24) hours, but no later than seventy-two (72) hours, of Company's notification, to the non-franchised hauler to cease and desist such activity. Should the non-franchised hauler fail to cease and desist, within twenty-four (24) hours of receipt of the Authority's written notification, and the activity consists of the placement of Bins/Roll-Off Containers on Authority streets or other City-owned property, the Authority, or Company

on behalf of the Authority, if so authorized in advance by the City in which the Bin or Roll-Off Container is located, may summarily remove or have the same removed. If the Bins/Roll-Off Containers are located on private property, Company may, in cooperation with the Authority, initiate all appropriate civil or criminal action to cause the activity to cease and desist. Notwithstanding the foregoing and without regard to any actions taken by the Authority, Company shall have the right to enforce its rights hereunder, including, but not limited to, notification to and filing suit against non-franchised haulers.

6.2 Recyclable Materials Collection

6.2.1 General

Company shall Collect Recyclable Materials that are commingled in the Customer's Recyclable Materials Collection Container provided that the Customer has separated the Recyclable Materials from Solid Waste.

In accordance with Section 4.5, the Authority may request Company to modify its scope of service to include Collection of additional types of Recyclable Materials beyond those materials defined in Article 1. If the Authority requests Collection of additional Recyclable Materials, the Company shall not receive additional compensation for Collection service, if the Recyclable Materials are placed by Generator in the Recyclable Materials Container unless Company can demonstrate that Collection of the additional material(s) requires modifications to Collection routes to accommodate the additional volume of the material(s). An adjustment to Company's Compensation may be made for changes in Processing costs in accordance with Sections 4.5 and 8.7.

6.2.2 Single-Family Premises

Company shall Collect commingled Recyclable Materials from 35, 65, or 95-gallon Company-provided Carts, as requested by the Customer, and placed for Collection by the Recyclable Materials Generator, not less than once per week. Standard Collection service shall be automated Collection from the curb, unless another method is approved by the Authority. Authority approval will not be unreasonably withheld. If Occupant is physically unable to place the Cart Curbside, Company shall Collect Carts from an alternative service location (such as a porch, side yard, or backyard). In addition, as part of Company's Recyclable Materials Collection, Company shall Collect Residential Household Batteries that are placed on top of the Single-Family Dwelling Units Customer's Recyclable Materials Collection Container in a clear-sealed plastic bag. In addition, as part of Company's Recyclable

Materials Collection, Company shall Collect bundled cardboard (of a size that would be able to fit within the Collection Container) that are placed next to the Single-Family Dwelling Units Customer's Recyclable Materials Collection Container.

6.2.3 Multi-Family Premises

Company shall Collect commingled Recyclable Materials from Multi-Family Premises as frequently as scheduled by Customer, but not less than once per week. Recycling Collection shall be provided to all Multi-Family Customers subscribing to Solid Waste Collection of at least four (4) cubic yards per week or is a Multi-Family Dwelling of five (5) units or more.

Company shall provide each Customer with a 95- Cart, or Bins with capacities ranging from 1 to 6 cubic yards, as requested by the Customer. Carts and Bins may be shared by the Occupants of the Multi-Family Premises.

Company shall Collect Recyclable Materials at the designated location agreed upon by Company and Customer. Special consideration shall be given when determining the pickup area for Multi-Family accounts to ensure that the flow of traffic is not impeded and that it does not result in aesthetic degradation of an area. Additionally, if in the Authority's opinion, the location of an existing pickup area is inappropriate, Authority may require the Customer to relocate the pickup area. In addition, as part of Company's Recyclable Materials Collection, Company shall Collect Multi-Family Household Batteries that are placed on top of the Multi-Family Dwelling Units Customer's Recyclable Materials Collection Cart in a clear-sealed plastic bag. In addition, as part of Company's Recyclable Materials Collection, Company shall Collect bundled cardboard (of a size that would be able to fit within the Collection Container) that are placed next to the Multi-Family Dwelling Units Customer's Recyclable Materials Collection Container.

6.2.4 Commercial Premises

Company shall Collect Recyclable Materials from Commercial Premises as frequently as scheduled by Customer. If Customer requests Recyclable Materials Collection services more frequently than once per week, Company shall provide requested service. Recycling Collection shall be provided to all Commercial Customers subscribing to Solid Waste Collection of at least four (4) cubic yards per week or is a Multi-Family Dwelling of five (5) units or more.

Company shall allow Commercial Customers to select a Collection service method that best suits the needs of its Premises. Specifically, the Company shall offer the following choices to Commercial Customers:

- A) **Cart or Bin service.** Company shall allow Commercial Customers to use Cart(s) or Bin(s) for Recyclable Materials Collection. Company shall provide each Customer with a choice of one or more Carts with capacities of 95 gallons, or Bins with capacity ranging from 1 to 6 cubic yards.
- B) **Centralized Cart or Bin service.** Company shall allow for Commercial Customers to use Cart(s) or Bin(s) for Recyclable Materials Collection that are shared by the Occupants of two or more Commercial Premises. In such case, Company shall provide one or more Carts or Bins to such Premises as requested by Customer(s) provided that a minimum of 96 gallons (or similar volume) of Container capacity for Recyclable Materials is provided for every four Commercial Premises.
- C) **Drop Boxes and Compactors.** Company shall allow Commercial Customers to use a Drop Box or Compactor for Recyclable Materials Collection to meet Customer's permanent needs. In such case, Company shall provide Customers with a choice of Container capacities ranging from 8 to 40 cubic yards. Company shall offer Customers the option to purchase or lease Compactors either through Company or an outside vendor.

Company agrees to identify commercial and industrial Solid Waste Containers containing significant quantities of Recyclable Materials and offer the Generator commercial Recycling service.

6.3 Organic Materials Collection

6.3.1 General

Company shall Collect Green Waste placed in the Customer's Green Waste Materials Collection Container provided that the Customer has Source Separated the Green Waste from Solid Waste. Company shall Transport all Green Waste to the Designated Green Waste Processing Site.

In accordance with Section 4.5, the Authority may request Company to modify its scope of service to include Collection of additional types of Organic Materials (e.g., Food Scraps). If

the Authority requests Collection of Food Scraps or other Organic Materials, the Company shall not receive additional compensation for Collection service if the Food Scraps or other Organic Materials are placed by Generator in the Green Waste Container unless Company can demonstrate that Collection of the additional material(s) requires modifications to Collection routes to accommodate the additional volume of the material(s). An adjustment to Company's Compensation may be made for changes in Collection costs in accordance with Sections 4.5 and 8.7.

6.3.2 Single-Family Premises

Company shall Collect Green Waste from Single-Family Premises once a week. Company shall provide each Customer with a 35, 65 or 95-gallon Cart, as requested by the Customer. Customer has the option to receive up to three (3) 95-gallon Carts at no additional charge. Company shall Collect Carts from the Curb unless Occupant is physically unable to place the Container at the Curb. In such event, Company shall Collect Carts from an alternative service location (such as the porch, side yard, or backyard).

6.3.3 Multi-Family Premises

Company shall Collect Green Waste from Multi-Family Premises as frequently as scheduled by Customer, but not less than once per week. Company shall provide each Customer with a 95-gallon Cart, or Bins with capacities ranging from 1 to 6 cubic yards, as requested by Customer. Company shall Collect Green Waste at the designated location agreed upon by Company and Customer.

If Customer requests Green Waste Collection services, Company shall provide requested service and shall charge Customer for service at Authority-approved Rates.

6.3.4 Holiday Tree Collection

Holiday Tree Collection will be available for all residential and multi-family Customers. Collection will begin the first business day after December 25 and continuing through the Friday of the third full week in January. Residential Customers will be able to place their tree in their Green Waste Container or cut-up in lengths of five (5) feet or less and placed next to the Green Waste Container on their regular service day. The Company will coordinate the placement and Collection of commercial boxes at multi-family Premises with the Owners or property managers.

6.3.5 Commercial Food Scraps Collection

Company shall Collect Food Scraps from each participating commercial Customer up to two times per week (if Company so determines), and not less than once per week. An increase in Collections to more than two (2) times per week, it shall only occur when there is sufficient Customer demand for an additional whole route. Company shall provide each participating Customer with a 96-gallon Cart, or Bins with capacities of up to 6 cubic yards (or similar volume), as requested by Customer and approved by Company. Company shall Collect Food Scraps at the designated location agreed upon by Company and Customer.

If Customer requests Food Scrap Collection services, Company shall provide requested service and shall charge Customer at the Authority-approved Rates for Commercial service, which are inclusive of Food Scraps Collection.

6.4 Construction and Demolition Debris Collection

6.4.1 General

Company shall Collect Construction and Demolition Debris placed in the Company-provided Construction and Demolition Debris Collection Container provided that the Customer has Source Separated the Construction and Demolition Debris from Solid Waste. Company shall Transport all Construction and Demolition Debris to the Designated Construction and Demolition Debris Processing Site.

6.4.2 Recycling

The Cities may establish an ordinance for Construction and Demolition Debris Diversion during the term of this Agreement. It is expected the ordinances will mandate a fifty percent (50%) Diversion Goal based upon the material being taken to any City-approved Processing facility through a contract with the Generator. Customer may use any Collection company and any City-approved Processing facility if the Diversion Goal is met.

Upon the adoption of the ordinance, the Collection of Construction and Demolition Debris delivered to a City-approved Processing facility will not be under the Scope of this Agreement. See Section 4.3.I.

6.5 Cleanups

6.5.1 City-Directed Cleanups.

Company shall provide services for Solid Waste cleanups as directed by the City within five (5) working days of a request. If the City determines that the public health or safety is threatened, Company shall provide clean up services within twenty-four (24) hours of a request to do so by City. Company shall pick up authorized cleanup items and Transport such items to the Disposal Site. Services shall be provided at the Customer's sole cost and expense and the Company shall bill the Customers for the services. If Company is unable to collect the Customer's bill from Customer, Authority shall use whatever means it reasonably has available to it to obtain payment on behalf of Company.

6.5.2 Annual Cleanups.

The Authority elects to have the Company provide each Customer account with Single-Family Cart Collection service one (except for the Town of Los Gatos which will have two) pre-scheduled clean-up during a period mutually established by the Company and the City or Authority. The Company shall pick up Solid Waste placed at Curbside and Transport such items to the Disposal Facility at no additional charge to Customers. The following guidelines must be followed for either type of service:

- A) All waste must be left at the curb by 6:00 a.m.
- B) Items, where appropriate, should be placed in Company-approved cans, bags or boxes.
- C) Tree prunings and branches cannot exceed three (3) inches in diameter, or be longer than three (3) feet, and weigh no more than seventy (70) pounds per bundle.
- D) Items that cannot be safely loaded by one Person will not be accepted. No single item can weigh more than seventy (70) pounds.
- E) The following items will not be picked up: Hazardous Waste, including Waste Oil or anti-freeze; concrete or dirt; tires; and items containing CFCs.

Company may refuse to Collect clean-up items and shall not be obligated to provide this service to any Person who does not set out Solid Waste, as described above.

Company shall record the kinds and weights (in Tons) of Solid Waste Diverted from the landfill, if any, during these cleanups through Recycling, reuse, transformation or other means of approved Diversion.

6.5.3 E-Waste Items, Oil, Universal Waste and Paint Collection.

Company shall provide E-Waste Items, Universal Waste, oil, and paint Collection at a permanent drop-off site. Customers may drop off E-Waste Items, Universal Waste, water based paints, and oil during pre-scheduled times at the Designated Drop-Off Facility.

6.6 City Facilities' Collection

Company shall Collect and Dispose of all Solid Waste, Collect and Process all Recyclable Materials and Green Waste generated at public facilities as a result of routine and customary municipal operations and City-sponsored events at no charge to the City or Authority. Company shall make Collections from Containers Monday through Friday or on Saturdays following non-working holidays, as mutually agreed upon between City and Company. Collections from Bins and Roll-Off Containers shall be scheduled at a time mutually agreed upon by Company and City. Within six months of the execution of this Agreement, Company shall meet with each City to confirm the quantity, size and frequency of bins and containers collected historically by the Company pursuant to this section, as well as City-sponsored events for which the Company has historically provided collection services. Cities and Company shall meet annually to review the services being provided under this section.

6.7 Recyclable Materials and Food Scrap Processing

6.7.1 Processing.

Company agrees to Transport and deliver all Recyclable Materials and Food Scraps it Collects in the Authority to the Approved Recyclable Materials Processing Site and the Approved Food Scraps Processing Site, respectively. The Company shall arrange for the Approved Food Scraps Processing Site to Process the Food Scraps to produce Compost. Residue from the Processing of Recyclable Materials and Food Scraps shall be Disposed of by the Approved Food Scraps Processing Site or Compost Facility, as the case may be, at a Disposal Site selected by Company.

Company shall secure sufficient capacity to Process Recyclable Materials and Food Scraps Collected under this Agreement. Company shall provide the Authority, upon request, with documentation demonstrating the availability of such capacity. All costs associated with Transporting to and Processing Recyclable Materials at the Approved Recyclable Materials Processing Site, and with Transporting to and Processing Food Scraps at the Approved Food Scraps Processing Site shall be paid by Company.

Company shall ensure that all existing permits and approvals necessary for use of the Approved Recyclable Materials Processing Site(s) and the Approved Food Scraps Processing Site(s) in full regulatory compliance are maintained by the owners of those Facilities at all times during the term of this Agreement. Company shall, upon request of Authority, provide copies of notices of violation or permits that it receives to the Authority.

If Company elects to use a Recyclable Materials Processing site(s) that is different than the Approved Recyclable Materials Processing Site, or a Food Scraps Processing site(s) that is different than the Approved Food Scraps Processing Site, it shall request written approval from the Authority Executive Director sixty (60) days prior to use of the site and obtain the Authority's written approval no later than ten (10) days prior to use of the site. Company shall not be compensated for paying any increased Transportation and Processing costs associated with the use of Processing site(s) different from the Approved Recyclable Materials Processing Site, or the Approved Food Scraps Processing Site.

If Company is unable to use the Approved Recyclable Materials Processing Site or Approved Food Scraps Processing Site due to an emergency or sudden unforeseen closure of the Approved Recyclable Materials Processing Site or Approved Food Scraps Processing Site, Company may use an alternative Processing site provided that the Company provides verbal and written notice to the Authority within 24 hours of use of an alternative Processing site. The written notice shall include a description of the reasons the Approved Recyclable Materials Processing Site or Approved Food Scraps Processing Site is not feasible and the period of time Company proposes to use the alternative Processing site. Company shall receive the Authority's written approval to use the alternative Processing site within twenty-four (24) hours of the Authority's receipt of the Company's written notice. Except in the event of an emergency, Company shall not be compensated for paying any increased Transportation and Processing costs associated with the use of Processing site(s) different from the Approved Recyclable Materials Processing Site or Approved Food Scraps Processing Site.

6.7.2 Transfer.

If the Company (i) Transports Recyclable Materials or Food Scraps to a Facility where the materials will be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Processing site(s) or, (ii) pulls two or more Collection trailers in tandem with one truck, and the Company is unable to do so then the Company shall be responsible for making other Transportation arrangements. In such event, Company shall

not be compensated for any additional costs. If the Company plans to change its transfer method, Company shall obtain written approval from the Authority prior to making the change which approval shall not be unreasonably withheld, delayed or conditioned.

6.7.3 Marketing.

The Company shall be responsible for marketing Recyclable Materials and Compost produced from Food Scraps Collected in the Authority. Company shall be compensated for such Recyclable Materials and Compost at not less than fair market value.

Company shall prepare and maintain an Authority-approved marketing plan for all Recyclable Materials and Food Scraps Collected in the Authority. The plan shall be in place on or before the Commencement Date of this Agreement. The marketing plan shall fully describe the Company's marketing methods and approach, targeted primary and contingent markets, pricing policy and assumed salvage value for each Collected type of Recyclable Material products and Food Scrap Compost Products, and contingency plans if market conditions are severe.

Company shall provide proof to the Authority that all Recyclable Materials and Food Scraps Collected are marketed for Recycling or reuse in such a manner that materials shall be considered as Diverted in accordance with the State regulations established by the Act, except that Compost produced from Food Scraps may not be used for beneficial reuse at a Disposal Site. All residual material from the Processing activities that is not marketed for use shall be accounted for as Disposal Tonnage at a permitted Disposal Site. No Recycling Material or Food Scraps shall be Transported to a domestic or foreign location if Solid Waste Disposal of such material is its intended use.

Company shall provide Authority with a list of broker/buyers used in its marketing program each quarter. Authority may audit one broker or buyer per month to confirm that materials are being Recycled. If Company becomes aware that a broker or buyer has illegally handled or Disposed of material generated by the Authority or elsewhere, Company shall immediately inform the Authority and terminate its contract or working relationship with such party immediately.

6.7.4 Disposal of Recyclable Materials and Food Scraps Prohibited.

Recyclable Materials and Food Scraps may not be Disposed of in lieu of Recycling the material, without the written approval of the Authority which approval shall not be unreasonably withheld, delayed or conditioned. If Company believes that it cannot Divert

the Recyclable Material and Food Scraps from Disposal, then it shall prepare a written request for approval to Dispose of such material. Such request shall contain the basis for its belief, describe the Company's efforts to arrange for the Diversion from Disposal of such material, the period required for such Disposal, the incremental costs or cost savings resulting from such Disposal, and any additional information supporting the Company's request. The Authority shall consider the Company's request and inform Company in writing of its decision within 30 calendar days of the date of its written request for approval. If the Authority approves such request, any difference in the cost of such Disposal compared to Diversion shall be adjusted in accordance with Section 8.7.

6.8 Operations

6.8.1 Schedules

To preserve peace and quiet, no Solid Waste, Recyclable Materials, Green Waste or Construction and Demolition Debris shall be Collected from Residential Property between 6:00 P.M. and 6:00 A.M. on any day. The times for Collection in non-residential areas that are two hundred (200) feet or less from residential areas shall be fixed by mutual agreement of City and Company after consideration, among others, of traffic conditions, accessibility to and from the Collection areas and any other circumstances which may require an early pickup. If Company and City fail to agree on a Collection time, the Company must take direction from the City. Such Solid Waste, Recyclable Materials, Green Waste, or Construction and Demolition Debris shall be Collected, Monday through Friday. Annually, Company shall notify Authority and Customers in writing of the alternate Collection day when the regularly scheduled Collection day falls on Christmas Day or New Year's Day. Collection of Solid Waste, Recyclable Materials, Food Scraps, or Construction and Demolition Debris from Commercial Properties may include Saturdays and shall be between the hours of 3:00 a.m. and 10:00 p.m.

Company shall provide Authority with route maps and daily schedules for each type of Collection. The Authority shall review and approve such maps and schedules. Company may not change its regularly scheduled Residential Collection days without prior written approval from the Authority. Company shall obtain such written approval from the Authority thirty (30) calendar days before the effective date of the schedule change, and such approval will not be unreasonably withheld, delayed or conditioned. Once approved, Company shall notify any Residential Customer not less than four weeks before any Collection schedule changes. Company shall not permit any Customer to go more than

- B) **Specifications.** All vehicles used by Company in providing Solid Waste, Recyclable Materials, Green Waste, or Food Scraps services shall be registered with the California Department of Motor Vehicles. All such vehicles shall have bodies designed to prevent leakage, spillage or overflow.
- C) **Vehicle Identification.** Company's name, local telephone number, and a unique vehicle identification number designed by Company for each vehicle shall be prominently displayed on all vehicles, in letters and numbers no less than two and one-half (2 1/2) inches high. Company shall not place City's and/or Authority's name and/or any City and/or Authority logos on Company vehicles.
- D) **Operation.** Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Company shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by state or local weight restrictions on vehicles. Company shall balance each load on a route to avoid overweight loads, balance loads between and among routes to avoid overweight loads, place Roll-Off Containers at City corporation yards City for the Collection of leaves, maximize Recycling of material to avoid overweight refuse loads, and acquire trucks with wheel bases and tare weights to maximize payloads to avoid overloading trucks. Having taken these actions, should such overweight loads persist, Company shall make commercially reasonable efforts to resolve any remaining overweight loads. In the case where such overweight loads persist Company and Executive Director shall meet and confer to discuss the resolution of such chronic overweight problems.
- E) **CNG Vehicle Replacement.** In Rate Years 8, 9, and (10), Company shall replace all Collection vehicles in its fleet used in connection with this Agreement with compressed natural gas Collection vehicles. Company shall replace such Collection vehicles in accordance with the following schedule:
- i. Rate Year 8– twenty (20) Collection vehicles replaced
 - ii. Rate Year 9 – ten (10) Collection vehicles replaced
 - iii. Rate Year 10 – eight (8) Collection vehicles replaced

Equipment shall comply with US EPA noise emission regulations, currently codified at 40 CFR Part 205 and other applicable noise control regulations, and shall incorporate noise

control features throughout the entire vehicle. Noise levels of equipment used for Collection shall comply with applicable City ordinances.

Subject to Section 11.1, Company shall be responsible for any damage resulting from or directly attributable to any of its operations.

6.8.3 Containers

6.8.3.1 Residential Solid Waste, Recyclable Materials and Green Waste Containers.

The standard sizes of Containers for single-family residential Solid Waste Collection shall be 20, 35, 65 and 95-gallons and shall be compatible with automated Collection equipment. The standard sizes of Containers for single-family residential Recyclable Materials and Green Waste Collection shall be 35, 65 and 95-gallons and shall be compatible with automated Collection equipment. Green Waste Collection shall continue in the 90-101 gallon Carts provided under previous agreement. Company will, within the first six months of Rate Year 8, inspect all Carts and repair or replace the existing Carts. A new Cart of the same color will be provided at no cost to the Customer if Container is replaced due to normal wear and tear. Authority has the option to maintain ownership of all Carts at the end of the Agreement.

At the inception of the Agreement, the Company shall encourage Customers to retain their existing Solid Waste and Recyclable Materials Containers for storage or future use as part of their annual clean-up. If the Customer chooses to have the existing Containers picked up by the Company, the Company is to Recycle the Containers where possible.

6.8.3.2 Non-Residential Solid Waste, Recyclable Materials, Green Waste, Food Scraps Containers, or Construction and Demolition Debris.

Company shall furnish Customers appropriate Containers to Collect Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris at Multi-Family Dwelling Unit, commercial, and other Premises upon Customer request. Company shall furnish Customers appropriate Containers to Commercial Premises to Collect Food Scraps upon Customer request. The standard sizes for Multi-Family Dwelling Unit, commercial, and other non-residential Premises Solid Waste Collection shall be: automated Collection Carts of 35, 65 and 95-gallons capacity; Bins of 1 to 6 cubic yard capacity; and Roll-Off Containers of 8 to 40 cubic yards capacity. The standard sizes for Recyclable Materials,

Green Waste and Food Scraps Collection shall be 95-gallon Carts or Bins of 1 to 6 cubic yard capacity. The kind, size and number of Containers furnished to particular Customers shall be as determined mutually by the Customer and Company. Containers which are front loading Bins shall have lids. All Containers with a capacity of one (1) cubic yard or more shall meet applicable regulations for Solid Waste Bin safety, shall have reflectorized marking (unless normally located in an enclosure), shall be maintained in good repair with neatly and uniformly painted surfaces, and shall prominently display the name and telephone number of Company. Reflectorized markings are to be placed on Bins by Company.

6.8.4 Cleaning and Maintenance

- A) Company shall maintain all of its properties, vehicles, Facilities, and equipment used in providing service under this Agreement in a good, safe, neat, clean and operable condition at all times.
- B) Vehicles used in the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, or Construction and Demolition Debris shall be painted, thoroughly washed, and thoroughly steam cleaned on a regular basis so as to present a clean appearance. Upon reasonable notice, Authority may inspect vehicles at any time to determine compliance with this Agreement. Company shall repaint or refurbish to the reasonable satisfaction of the Authority all vehicles used in the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps or Construction and Demolition Debris within thirty (30) days' notice from Authority, if Authority reasonably determines that their appearance warrants painting. Company shall also make vehicles available to the Santa Clara County Health Department for inspection, at any frequency it requests.
- C) Company shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles which are not operating properly shall be removed from service until repaired and operating properly. Company shall 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. If an item of repair is covered by a warranty, Company shall obtain warranty performance. Company shall maintain accurate records of repair, which shall include the date and operating

hours, nature of repair and the verification by signature of a maintenance supervisor that the repair has been properly performed.

- D) Company shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Company shall keep accurate records of all vehicle maintenance, recorded according to date and operating hours and shall make such records available to Authority upon request.
- E) Company shall furnish Authority a written inventory of all Collection equipment, including Collection vehicles, used in providing service under this Agreement, and shall update the inventory annually. The inventory shall list all equipment by manufacturer, ID number, date of acquisition, type, and capacity.

6.8.5 Litter Abatement

- A) **Minimization of Spills.** Company shall use Due Care to prevent Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris or fluids from leaking, being spilled, and/or scattered during the Collection or Transportation process. If any Solid Waste, Recyclable Materials, Green Waste, Food Scraps, or Construction and Demolition Debris or fluids leak or are spilled during Collection, Company shall promptly clean up all such materials. Each Collection vehicle shall carry a broom and shovel at all times for this purpose.
- B) **Transfer of Loads.** Company shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure or accidental damage to a vehicle, without prior written approval by Authority.
- C) **Clean Up.** During the Collection or Transportation process, Company shall clean up litter in the immediate vicinity of any Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris storage area (including the areas where Collection Bins and debris boxes are delivered for Collection) unless the litter is pre-existing. Company shall discuss instances of repeated spillage not caused by it directly with the Generator responsible and will report such instances to Authority. Authority will attempt to rectify such situations with the Generator if Company has already attempted to do so without success.

D) **Covering of Loads.** Company shall properly cover all open debris boxes during Transport to the Disposal Site.

6.8.6 Personnel

Company shall 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 shall 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.

Company also agrees to establish and vigorously enforce an educational program which will train Company's employees in the identification of Hazardous Waste. Company's employees shall not knowingly place such Hazardous Waste in the Collection vehicles, nor knowingly Dispose of such Hazardous Wastes at the Disposal Site.

Company shall include stormwater topics in its regular driver training sessions, including litter topics related to Collecting, Transporting and dumping of material. The Authority may review training material and suggest topics for future training sessions related to stormwater.

Company shall train its employees in Customer courtesy, shall prohibit the use of loud or profane language, and shall instruct Collection crews to perform the work as quietly as reasonably practicable. Company shall 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, Company shall take all necessary corrective measures including, but not limited to, transfer, discipline or termination. If Authority has notified Company of a complaint related to discourteous or improper behavior, Company will consider reassigning the employee to duties not entailing contact with the public within the Authority while Company is pursuing its investigation and corrective action process. Authority shall have the right to approve the selection of the Company's general manager for purposes of this contract, provided that the Authority's approval is not unreasonably withheld, and to request the Company to reassign such general manager if liquidated damages levied against Company exceed \$10,000 in any three consecutive month period. If Authority requests a general manager be replaced, Company shall reassign the general manager and shall provide an interim general manager and shall propose a replacement

general manager within ninety (90) days of the date Authority notifies Company to replace a general manager.

Company shall provide suitable operations, health and safety training for all of its employees who use or operate equipment or who are otherwise directly involved in Collection or other related operations.

6.8.7 Identification Required

Company shall provide its employees, companies and subcontractors with identification for all individuals who may make face-to-face contact with residents or businesses in Authority. Authority may require Company to notify Customers yearly of the form of said identification. Company shall provide a list of current employees, companies, and subcontractors to Authority upon request.

6.8.8 Fees and Gratuities

Company shall not, nor shall 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 temporary Bin/Roll-Off Container services or the Collection and Transportation of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris otherwise required under this Agreement. Compensation or gratuity shall exclude Holiday gifts.

6.8.9 Non-Discrimination

Company shall not discriminate in the provision of service or the employment of Persons engaged in performance of this Agreement on account of race, color, religion, sex, age, sexual orientation, physical handicap or medical condition in violation of any applicable federal or state law.

6.8.10 Report of Accumulation of Solid Waste; Unauthorized Dumping

Company shall direct its drivers to note (1) the addresses of any Premises at which they observe that Solid Waste is accumulating and is not being delivered for Collection; and (2) the address, or other location description, at which Solid Waste has been dumped in an apparently unauthorized manner. Company shall deliver the address or description to Authority within five (5) working days of such observation.

6.9 Contingency Plan

Company shall submit to Authority on or before the Effective Date of the Agreement, a written contingency plan demonstrating Company's arrangements to provide vehicles and personnel and to maintain uninterrupted service during breakdowns, and in case of natural disaster or other emergency (not including a labor dispute), including the events described in Section 13.7.

6.10 Transportation of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris

The Company shall Transport all Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris Collected under Section 6.1 through Section 6.4 for Disposal and Processing. The Company shall maintain accurate records of the quantities of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris Transported for Disposal and Processing and will cooperate with the Authority in any audits or investigations of such quantities.

The Company shall cooperate with the operator(s) of the Disposal Site and Processing site with regard to operations therein, including, but not limited to, complying with directions from the operator to unload Collection vehicles in designated areas, accommodating to maintenance operations and construction of new Facilities, and cooperating with its Hazardous Waste exclusion program.

6.11 Disposal of Solid Waste

The Company shall Dispose of all Solid Waste Collected under Section 6.1 at the Designated Disposal Site. Company shall conform to the payment provisions of the Designated Disposal Site operator included in Exhibit 10. If the Designated Disposal Site becomes unable to accept and Dispose of Authority's Solid Waste for reasons outside the Company's control, the Authority shall direct the Company to an alternative Disposal Site and the Company shall Transport and Dispose of the Authority's Solid Waste at the alternative Disposal Site. Company shall be compensated for the net additional Transportation and Disposal cost incurred in delivering the Solid Waste to another Disposal Site.

6.12 Processing of Green Waste

The Company shall deliver for Processing all Green Waste Collected under Section 6.3 at the Designated Green Waste Processing Site. The Company shall conform to the payment

provisions of the Designated Green Waste Processing Site operator included in Exhibit 10. If the Designated Green Waste Processing Site becomes unable to accept and Dispose of the Authority's Green Waste for reasons outside the Company's control, the Authority shall direct the Company to an alternative Green Waste Processing site and the Company shall Transport and Dispose of the Authority's Green Waste at the alternative Processing site. The Company shall be compensated for the net additional Transportation and Disposal cost incurred in delivering the Green Waste to another Processing site, if any.

6.13 Processing of Construction and Demolition Debris

The Company shall deliver for Processing all Construction and Demolition Debris Collected under Section 6.4 at the Designated Construction and Demolition Debris Processing Site. Company shall conform to the payment provisions of the Designated Construction and Demolition Debris Processing Site operator included in Exhibit 10. If the Designated Construction and Demolition Debris Processing Site becomes unable to accept and Dispose of Authority's Construction and Demolition Debris for reasons outside the Company's control, the Authority shall direct the Company to an alternative Construction and Demolition Debris Processing site and the Company shall Transport and Dispose of the Authority's Construction and Demolition Debris at the alternative Processing site. Company shall be compensated for the net additional Transportation and Disposal cost incurred in delivering the Construction and Demolition Debris to another Processing site, if any.

6.14 Service Exceptions; Hazardous Waste Notifications

- A) **Hazardous Waste Inspection and Reporting.** Company reserves the right and has the duty under law to inspect Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris put out for Collection and to reject such material that is contaminated with Hazardous Waste and the right not to Collect Hazardous Waste put out with Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris. Company shall notify all agencies with jurisdiction and Authority, if appropriate, including the California Department of Toxic Substances Control and Local Emergency Response Providers and the National Response Center of reportable quantities of Hazardous Waste, found or observed in Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris anywhere within the Authority. In addition to other required notifications, if Company observes any substances which it or

its employees reasonably believe or suspect to contain Hazardous Wastes unlawfully Disposed of or released on any City property, including storm drains, streets or other public rights of way, Company will immediately notify the City Manager or the City Manager's designee of the effected City and then the Authority Executive Director.

- B) **Failure to Collect.** When Solid Waste, Recyclable Materials, Green Waste, or Construction and Demolition Debris is not Collected from any Residential Premises, Company shall notify the Generator in writing, at the time Collection is not made, through the use of a "tag" or otherwise, of the reasons why the Collection was not made. When Solid Waste, Recyclable Materials, Green Waste, Food Scraps, or Construction and Demolition Debris is not Collected from any Commercial Premises, Company shall notify Customer by phone of the reasons why the Collection was not made.
- C) **Hazardous Waste Diversion Records.** Company shall maintain records showing the types and quantities, if any, of Hazardous Waste found in Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris and which was inadvertently Collected from service recipients within the Authority, but Diverted from landfilling.

ARTICLE 7 OTHER SERVICES

7.1 Public Education

Company's public education program shall focus on providing information to Customers in accordance with the specific requirements described in Exhibit 5. Educational media shall include, but not be limited, to newsletters, flyers, door hangers, notification tags, and direct contact. Information shall be provided for the initial start of service, to solicit feedback about the service and suggested improvements/changes, and to educate Customers about source reduction, reuse, and Recycling opportunities. Materials shall be printed on paper containing the highest levels of Recycled content material as is reasonably practical with a minimum requirement of 30% post-consumer content based on Federal standards.

The Authority shall review and approve all public education materials.

During the Term of the Agreement, the Company shall employ public education personnel in accordance with staffing levels in Section A of Exhibit 5.

If Company fails to perform some or all of the requirements of the public education program described in this Section and in Exhibit 5, the Company shall pay the Authority Liquidated Damages as described in Section 13.6.

7.2 Services and Customer Billing

7.2.1 Service Description

Company shall annually prepare and distribute, subject to the direction of Authority, a notice to each Owner or Occupant of property entitled to service under this Agreement a listing of Company's Collection Rates, Rates for other services, annual holiday schedule, and a general summary of services required to be provided hereunder and optional service which may be furnished by Company. Such notice shall be in a form subject to Authority's approval prior to its distribution and may be included with Billings made by Company.

7.2.2 Billing

Company shall bill and collect from Persons receiving Collection, Disposal, and Processing services at Rates fixed by the Authority from time-to-time. Billing shall be performed quarterly for each Residential account. The bill will be mailed during the second month of the billing period, thereby billing one month in arrears, one month in advance, and one

month currently. Commercial accounts shall be billed monthly in advance or arrears. Company may terminate Collection service to Solid Waste accounts that become more than sixty (60) days past due from the last day of the billing period, following thirty (30) days written notice. In the event of such termination, the Company shall notify the City in which the account is located of such termination within 10 days of termination. Company shall promptly restore service when the delinquent charges, including reinstatement charges, have been paid in full. The Company may require a deposit from Customers who are habitually delinquent. Late fees may be assessed on delinquent accounts after 30 days from the last day of the billing period.

7.2.3 Review of Billings

Annually, Company shall review its Billings to Customers under Section 7.2.2. The purpose of the review is to determine that the amount which Company is billing each Customer is correct in terms of the level of service (i.e., frequency of Collection, size of Container, location of Container) being provided to such Customer by Company. Company shall provide documentation of the Billings Review to the Authority on an annual basis. Company shall distribute new route books to its drivers each quarter. Each driver is to provide the service level shown in the route book, adding and subtracting Customers and service levels, as necessary. Route supervisors shall periodically check the routes to ensure that drivers are providing service in accordance with their route books.

Company shall maintain copies of said Billings and receipts, each in chronological order, for a period of five (5) years after the date of service for inspection by Authority upon request. Company may, at its option, maintain those records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner.

7.3 Customer Service

7.3.1 Business Office

Office hours shall be, at a minimum, from 8:00 A.M. to 4:30 P.M., Monday through Friday, exclusive of holidays. A responsible and qualified representative of Company shall be available during office hours for communication with the public at an office located within Authority or no further than 15 miles from Authority.

Normal office hour telephone numbers shall either be a local or toll free call. Company's telephone system shall be adequate to handle the volume of calls typically experienced on

the busiest days (i.e., resulting in customers typically being placed on hold for not more than 3 (three) minutes). Company shall also maintain a local or toll free telephone number for use during other than normal business hours. Company shall have a representative, answering or message providing/receiving (voice-mail) service available at said after-hours telephone number.

7.3.2 Web Site

Company shall develop and maintain a web site describing services provided in the Authority that is accessible by the public. The site shall include answers to frequently asked questions, service Rates, Recyclable Materials, Construction and Demolition Debris, and Green Waste and Food Scraps specifications, Collection service schedule and map, and other related topics. Company shall arrange for the Cities web sites to include an e-mail link to Company and a link to Company's web site. The Company's web site shall provide the public the ability to e-mail Company and make payments on-line. The Company shall provide the Authority the option to utilize the Company's website for its specific use for such purposes as publishing meeting agendas and minutes, Board of Director's information, etc.; provided, however, Company shall have the right to review and approve, in its reasonable discretion, all materials to be posted to its website and Company shall be entitled to include a disclosure on its website that such information has been provided by the Authority. Company accepts no responsibility for the accuracy or completeness of such information provided by the Authority, and the Authority shall be liable for all claims, damages and losses resulting from or arising out of such information.

7.3.3 Customer Service Representative Training

Customer service representatives shall receive training during each quarter of the calendar year on City-specific service requirements. During the training, a City-specific Collection service and fee information sheet, training agenda, and associated documentation shall be provided to employees.

7.3.4 Complaint Documentation

All service complaints shall be directed to Company. Daily logs of complaints concerning Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris shall be retained for a minimum of twenty-four (24) months and shall be available to Authority at all times upon request.

Company shall log all complaints received by telephone and said log shall 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 Company to respond to and remedy complaint. Complaints should be categorized into complaint types as requested by the Authority and the Company should have the ability to summarize each category for a specific time period.

All written Customer complaints and inquiries shall be date-stamped when received and shall be initially responded to within one (1) business day of receipt. Company shall log action taken by Company to respond to and remedy the complaint.

All Customer service records and logs kept by Company shall be available to Authority upon request and at no cost to Authority. Authority shall, at any time during regular Company business hours, have access to Company's Customer service department for purposes that may include monitoring the quality of Customer service or researching Customer complaints.

7.3.5 Resolution of Customer Complaints

A Customer dissatisfied with Company's decision regarding a complaint may ask Authority to review the complaint. Company shall provide the Customer with the number of the Authority Liaison, as designated in accordance with Section 7.3.6. Authority Liaison shall contact Company's Government Liaison to request additional information and ask Company to respond to the complaint. Company shall attempt to cure the complaint and notify Authority Liaison by telephone or in writing of resolution. If the Customer is still dissatisfied, the matter may be referred to the Authority Executive Director.

The decision of Authority Executive Director or his/her designee shall be final on any matter under One Thousand Dollars (\$1,000.00). In the event of a decision on a matter awarding one thousand dollars or more (\$1,000.00), Company may seek review by an appeal/review board appointed as described in Section 13.8.

Nothing in this Section is intended to affect the remedies of third parties against Company.

7.3.6 Liaisons

Company shall designate in writing a "Government Liaison" who shall be responsible for working with Authority and/or Authority's designated representative(s) to resolve Customer complaints. Authority shall designate in writing an "Authority Liaison" who shall

be responsible for working with Company and/or Company's designated representative to resolve Customer complaints.

7.4 Waste Generation/Characterization Studies

Company acknowledges that Authority must perform Solid Waste generation and Disposal characterization studies periodically to comply with AB 939 requirements and plan future programs. Company agrees to participate and cooperate with Authority and its agents and to accomplish studies and data collection and prepare reports, as needed, to determine weights and volumes of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris and characterize Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris generated, Disposed, Diverted, or otherwise handled/Processed to satisfy AB 939 requirements.

ARTICLE 8 COMPANY'S COMPENSATION AND RATES

8.1 General

The Company's Compensation provided for in this Article shall be the full, entire and complete compensation due to the Company pursuant to this Agreement for all labor, equipment, materials and supplies, taxes, insurance, bonds, overhead, Disposal, and Materials Processing profit and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed.

The Company will perform the responsibilities and duties described in this Agreement in consideration of the right to charge and collect from Customers for services rendered at Rates ratified by the Authority from time-to-time in accordance with this Agreement. The Company does not look to the Authority for the payment of any sums under this Agreement.

The Company's compensation shall cover all costs related to Company's ability to fulfill its obligations under this Agreement. Adjustments to Company's Compensation during the Term of the Agreement shall only be made for changes in inflation (which shall be determined in accordance with procedures described in this Article). As described in Section 8.3 and 8.4, the compensation mechanism in this Agreement calls for a comprehensive compensation adjustment in Rate Years 6 and 16 and indexed compensation adjustments for other Rate Years.

The Authority will incur costs, including consulting and legal fees, when determining adjustments to the Company's Compensation and shall require the Company to pay for such fees within sixty (60) calendar days of receipt of the Authority's invoice for such fees. The Company shall recover such costs through the Company's Compensation by treating it as an allowable Pass-Through Cost as described in Section 8.4.2.D.8.

8.2 Initial Rates

The Rates for the Rate Year 7 ending June 30, 2014, are those established by Authority Resolution No. 2013-05 (a copy of which is attached as Exhibit 6), unless amended in accordance with this Agreement. The Company will provide the service required by this Agreement, charging no more and no less than the Rates authorized by Exhibit 6 unless ratified by the Authority.

The Authority and Company agree that the Rates set forth on Exhibit 6 have been calculated to generate an amount of revenue necessary to compensate Company for its costs (including Disposal and Materials Processing) and profit and to cover the Authority's and Cities' Franchise Fees, HHW, Street Sweeping, Vehicle Impact Fees, JPA Administrative Costs, and other fees and surcharges.

The Rates shall be fixed and shall not be increased to reflect decreases in revenues below those anticipated by the Authority and Company, nor decreased to reflect increases in revenues above those anticipated by the Authority and Company.

8.3 Subsequent Rates for Rate Years 8 through 15 and Rate Year 17

For each Rate Year beginning with Rate Year 8 (i.e., from July 1, 2014 to June 30, 2015), Rates shall be adjusted as described below. For purposes of this calculation, Rates shall be composed of five (5) components: a Collection Rate, a monthly Disposal Rate, a monthly Green Waste Processing Rate, a monthly Construction and Demolition Debris Processing Rate, a Franchise Fee, and other City Fees and Surcharges.

8.3.1 Monthly Collection Rate per Generator Adjustment

The monthly Solid Waste Collection Rate, monthly Recycling Collection Rate, and monthly Green Waste Collection Rate and Food Scrap Processing Fee shall be adjusted upward or downward to reflect eighty percent (80%) of the change in the "San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index (All Urban Consumers; 1982-84=100)" for the most recent twelve (12) month period ending December 31, as published by the U.S. Department of Labor, Bureau of Labor Statistics. No monthly Collection Rate increase shall exceed five percent (5%) per annum, nor shall it be less than one and one-half percent (1.5%). The commercial Solid Waste Collection Rate is inclusive of the total of Food Scrap Collection costs.

8.3.2 Monthly Disposal Rate per Generator Adjustment

The monthly Disposal Rate consists of two components: the Disposal Base Rate and Disposal Surcharge Rate. The Disposal Rate shall be adjusted in accordance with the Agreement between Guadalupe Rubbish Disposal, Inc. and the Authority dated August 30, 2005.

8.3.3 Monthly Green Waste Processing Rate per Generator Adjustment

The monthly Green Waste Processing Rate consists of two components: the Processing Base Rate and the Processing Surcharge Rate. The monthly Green Waste Processing Base Rate shall be adjusted in accordance with the Agreement between Guadalupe Rubbish Disposal, Inc. and the Authority dated August 30, 2005.

8.3.4 Monthly Construction and Demolition Debris Processing Rate per Generator Adjustment

The monthly Construction and Demolition Debris Processing Rate consists of two components: the Processing Base Rate and the Processing Surcharge Rate. The monthly Construction and Demolition Debris Processing Base Rate shall be adjusted in accordance with the Agreement between Guadalupe Rubbish Disposal, Inc. and the Authority dated August 30, 2005.

8.3.5 Franchise Fee Adjustment

The Franchise Fee component shall be calculated as described in Exhibit 8 to the Agreement.

8.3.6 Other City Fees and Surcharges Adjustment

The Surcharges component is composed of charges for the Vehicle Impact Fee, Street Sweeping Fee, HHW Fee, JPA Administrative Costs and other miscellaneous surcharges, as determined by the Cities, individually or collectively. The Fees component shall be calculated as described in Exhibit 8 to the Agreement.

8.4 Rates for Rate Years 6 and 16

8.4.1 Company's Application

One hundred eighty (180) days before the first day of Rate Years 6 and 16, Company shall submit an application requesting the amount of Company's Compensation for Rate Years 6 and 16. The application shall be based on the Company's actual revenues and expenses for Rate Years 4 and 14 (its supplementary information contained in Company's cost proposal, which is contained in Company's Proposal); audited financial statements for Rate Years 4 and 14; and actual and forecasted costs of Company's operations for Rate Years 4 and 14 and 5 and 15; and such application shall be prepared in accordance with this Section. Audited financial statements shall be submitted in accordance with requirements of Section 10.3.3.1. Company's application shall also include supplemental schedules, which include the data

requested in Section 10.3.3.2, for the most recent audited Rate Year and for the most recently completed twelve (12) months. Authority may request additional information as part of its review.

The application shall be submitted in the format and shall calculate Company's Compensation in the manner described in Section 8.4.2 below. Company shall assemble, provide, and submit such information that is necessary to support the assumptions made by Company with regard to the assumptions underlying the forecasted Company's Compensation for Rate Years 6 and 16.

Company shall provide all information requested by the Authority during its review of the application, including, but not limited to, all information from related parties requested by the Authority regarding any transactions between Company and any Related-Party Entity pertaining to Company's performance under this Agreement.

8.4.2 Determination of Company's Compensation

The Authority, or its representative, will review Company's application for compliance with this Agreement, accuracy, and reasonableness. The application shall clearly document Company's calculation of Company's Compensation based on the methodology described in this Section.

Company's Compensation shall equal the sum of forecasted annual cost of operations, profit, and forecasted Pass-Through Costs, each of which shall be calculated in accordance with procedures set forth below.

- A) Forecasted Annual Cost of Operations. The forecasted annual cost of operations consists of the sum of:
 - 1. Forecasted labor-related costs
 - 2. Forecasted vehicle-related costs
 - 3. Forecasted Recyclable Materials Processing costs
 - 4. Forecasted other costs
 - 5. Forecasted depreciation expense.

- B) Methodology for Forecasting Annual Cost of Operations

1. Determine Actual Costs. Company's audited financial statement shall be reviewed to determine Company's actual costs necessary to perform all the services in the manner required by this Agreement for each of the forgoing categories during Rate Years 4 and 14. The Company's auditor shall determine that costs have actually been incurred and have been assigned to the appropriate cost category.
2. Calculate Adjusted Costs. Company shall adjust actual costs for Rate Years 4 and 14 (determined in Section 8.4.2.B.1) above to ensure that non-allowable costs are not included in actual costs. Non-allowable costs include the following:
 - a. Labor and equipment costs for personnel and vehicles that are not specified in Exhibit 4.
 - b. Payments to directors and/or owners of Company unless paid as reasonable compensation for services actually rendered.
 - c. Promotional advertising, entertainment, and travel expenses (above \$5,000 annually in total) unless authorized in advance by the Authority.
 - d. Payments to repair damage to property of third parties or the Authority for which Company is legally liable.
 - e. Fines for penalties of any nature.
 - f. Liquidated Damages assessed under this Agreement.
 - g. Federal or State income taxes.
 - h. Charitable or political donations.
 - i. Depreciation or interest expense for Collection vehicles, Containers, other equipment, offices and other Facilities if such items are leased as specified in Exhibit 4.
 - j. Attorney's fees and other expenses incurred by Company in any court proceeding in which the Authority and Company are adverse Parties, unless Company is the prevailing Party in such proceeding.

- k. Attorney's fees and other expenses incurred by Company arising from any act or omission in violation of this Agreement.
- l. Attorneys' fees and other expenses incurred by Company in any court proceeding in which Company's own negligence, violation of law or regulation, or wrong doing are in issue and occasion, in whole or in part, the attorneys' fees and expenses claimed; and attorneys' fees and expenses incurred by Company in a court proceeding in which the legal theory or statute providing a basis of liability against Company also provides for separate potential liability for the Authority derived from the action of its citizens or Rate payers (such as in a CERCLA lawsuit) unless the Company is found not liable in such claims and such claims arise from acts or occurrences within the Term of the Agreement.
- m. Payments to Related-Party Entities for products or services, in excess of the cost to the Related-Party Entities for those products or services, except for Recyclable Materials Processing.
- n. Goodwill.
- o. Processing costs for Recyclable Materials in excess of Processing costs stated in Exhibit 4 based on Tonnage provided in Exhibit 4.
- p. Unreasonable profit sharing distributions.
- q. Replacement costs for Carts, Bins, or Drop Boxes that need to be replaced because the useful life of such Container was less than the Term.
- r. Administrative costs greater than the administrative costs proposed for Rate Year 6 adjusted using the consumer price index described in Section 8.4.2.B.5.d.
- s. Bad debt write-offs in excess of 2% of annual Rate revenues.
- t. Annual Fee payment in accordance with Section 5.2.

3. Adjust Costs to Reflect Change to Customer Base and Program Changes. The Company may propose adjustments to the actual costs for Rate Years 4 and 14 for the following reasons:
 - a. To adjust costs that Company has demonstrated to the Authority to be necessary in order to provide service to Customers due to growth or decline in the Customer base (based on the number of Customers and subscription level).
 - b. To adjust for changes in costs due to an Authority approved interim compensation adjustment as described in Section 8.7 that will carry forward into the following Rate Year.
4. Summarize Allowed Costs. The adjusted costs for Rate Years 4 and 14 determined in accordance with Section 8.4.2.B.3 shall be considered "Allowed Costs" for the purposes of forecasting costs for Rate Years 6 and 16 following procedures described in Section 8.4.2.B.5 and shall be presented in cost categories which are consistent with Rate Years 4 and 14 cost categories as follows:
 - a. Allowed labor-related costs
 - b. Allowed vehicle-related costs
 - c. Allowed other costs
5. Forecast Annual Cost of Operations. Forecasted annual cost of operations for Rate Years 6 and 16 shall be calculated using allowed costs of operations for Rate Years 4 and 14 determined in Sections 8.4.2.B.1 through 8.4.2.B.4 above, adjusted to reflect the impact of consumer price indices, forecasted Recyclable Materials Processing costs, and forecasted depreciation expenses. The forecasts shall be performed in the following manner:
 - a. Forecasted labor-related costs shall be calculated for Rate Years 6 and 16 by multiplying (i) the Allowed labor-related costs for Rate Years 4 and 14 by one plus the percentage change in the "San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index (Urban Wage Earners; 1982-84=100)," which is compiled and published by

the U. S. Department of Labor, Bureau of Labor Statistics or its successor agency, between the most-recently-published monthly index at the time of the application and the corresponding monthly index published 12 months earlier, and (ii) multiplying the result of step one by the same percentage change used in step one.

- b. Forecasted vehicle-related costs shall be calculated for the Rate Years 6 and 16 by (i) multiplying the Allowed vehicle-related costs for Rate Years 4 and 14 by one plus the percentage change in the "Motor Vehicle Repair Index, All Urban Consumers, U.S. Authority Average (PI-U) 1982-1984 = 100," which is compiled and published by the U. S. Department of Labor, Bureau of Labor Statistics or its successor agency, between the most-recently-published monthly index at the time of the application and the corresponding monthly index published 12 months earlier, and (ii) multiplying the result of step one by the same percentage change used in step one.

- c. Forecasted Recyclable Materials Processing costs shall be calculated for Rate Years 6 and 16 in the following manner:

Forecasted Recyclable Materials Processing cost = (Recyclable Materials Processing cost per Ton in accordance with Exhibit 4) x (total Tons of Recyclable Materials Collected for the most-recently reported twelve month Year).

- d. Forecasted other costs shall be calculated for the Rate Years 6 and 16 by (i) multiplying the allowed other-related costs for Rate Years 4 and 14 by 1 one plus 75% of the percentage change in the "San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index (All Urban Consumers; 1982-84=100)," which is compiled and published by the U. S. Department of Labor, Bureau of Labor Statistics or its successor agency, between the most-recently-published monthly index at the time of application and the corresponding monthly index published 12 months earlier, and (ii) multiplying the result of step one by the same percentage change used in step one.

- e. Forecasted depreciation expense shall be the amount specified in Exhibit 4 for vehicles, Containers, and Facilities.
 - f. Forecasted annual cost of operations for Rate Years 6 and 16 shall equal the sum of the following costs, which shall have been calculated in accordance with procedures in this Section:
 - (1) Forecasted labor-related costs
 - (2) Forecasted vehicle-related costs
 - (3) Forecasted Recyclable Materials Processing costs
 - (4) Forecasted other costs
 - (5) Forecasted depreciation expense
- C) Calculate profit. Company shall be entitled to profit on forecasted annual costs of operations. Profit shall be calculated by dividing the forecasted annual cost of operations, which shall be determined in accordance with procedures described in Section 8.4.2.B.5.f above, by 84.7% and subtracting the forecasted annual costs of operations from the dividend. The Annual Fee payment shall be paid from the Company's profits. It shall not be passed on to the Rate payers and shall be a non-allowable cost as referenced in Section 8.4.2.B.2.t.
- D) Forecast Pass-Through Costs. Company's Compensation shall include Pass-Through Costs as calculated below:
1. Forecasted Disposal cost. Annual forecasted Disposal cost = (Disposal fee at Designated Disposal Site) x (total Tons of Solid Waste Collected for the most-recently reported twelve-month Year).
 2. Forecasted Green Waste Processing cost and Food Scraps Processing Fee. Annual forecasted Green Waste Processing cost = (Green Waste Processing fee at Designated Green Waste Processing Site) x (total Tons of Green Waste Collected for the most-recently reported twelve month Year). Annual forecasted Food Scraps Processing fee = (Food Scraps Processing fee at Approved Food Scraps Processing Site) x (total Tons of Food Scraps Collected for the most-recently reported twelve month Year).

3. Forecasted Construction and Demolition Debris Processing cost.
Annual forecasted Construction and Demolition Debris Processing cost
= (Construction and Demolition Debris Processing fee at Designated
Construction and Demolition Debris Processing Site) x (total Tons of
Construction and Demolition Debris Collected for the most-recently
reported twelve month Year).
 4. Forecasted interest expense. Forecasted interest expense shall be
amount specified in accordance with Exhibit 4.
 5. Forecasted lease cost. Forecasted lease cost shall be the amount
specified in Exhibit 4 for vehicles, equipment, Containers, and Facilities.
 6. Forecasted regulatory fees. The forecasted regulatory fees shall be
calculated in accordance with the appropriate methodology for the
relevant fees using forecasted Rate Years 6 and 16 values.
 7. Forecasted Franchise Fees, HHW Fees, Street Sweeping Fees, Vehicle
Impact Fees, and other fees. The forecasted Franchise Fees, Vehicle
Impact Fees, JPA Administrative Costs and other fees specified in
Article 5 shall be calculated using forecasted Rate Years 6 and 16 values.
 8. Compensation Review Fee. An amount agreed-upon by the Authority
and Company to reimburse the Company payment of the Authority's
costs, including consulting and legal fees, associated with determination
of the Company's Compensation under this Article.
- E) Determine Company's Compensation for Rate Years 6 and 16. Company's
Compensation necessary to perform all the services in the manner required by
this Agreement for Rate Years 6 and 16 shall be equal to the sum of the
following:
1. Forecasted annual cost of operations (determined in accordance with
Section 8.4.2.B.5 above)
 2. Profit (determined in accordance with Section 8.4.2.C above)
 3. Forecasted Pass-Through Costs (determined in accordance with Section
8.4.2.D above).

- F) The Rate Adjustment Factor shall be equal the Total Company Compensation for the coming Rate Period divided by the Gross Revenues for the most-recently reported 12-month period, which shall be rounded to the nearest thousandth. It shall be shall it be composed of five (5) components: a Collection Rate Adjustment, a Disposal Rate Adjustment, a Green Waste Processing Rate Adjustment, a Construction and Demolition Debris Processing Rate Adjustment, and City Fees Adjustment (Franchise Fee, HHW Fee, Street Sweeping Fee, Vehicle Impact Fee, JPA Administration Costs and other City Fees and Surcharges). The Collection Rate Adjustment factor shall not exceed five percent (5%), nor less than one and one-half percent (1.5%).

The Company's Compensation for Rate Years 6 and 16 shall be the only compensation due to Company for such Rate Year. No adjustments for actual costs shall be made at the conclusion of Rate Years 6 and 16 or at any other time during the Agreement.

8.5 Variances from Projections

The Company assumes all risk of variations from the revenue projection such that the Company shall retain any revenue from actual revenue being greater than projected but shall not be compensated for actual revenue being less than projected. In addition, calculations of the Rates shall not be adjusted for past variances of actual revenues from those projected.

8.6 Schedule

The Company shall submit its annual Calculation of Rate Adjustment on or before March 1 of each year for the following Rate Year. The Authority shall use its best efforts to make the adjustment effective by July 1 of the following year. However, the Authority shall not make any retroactive adjustments to compensate for any delay in calculating the Rates which results in whole or in part from the failure of the Company to submit its request by March 1 and/or respond promptly and completely to requests of the Authority for information related to any of the calculations required by this Section. The Authority shall make retroactive CPI adjustments calculated in accordance with Section 8.3 to compensate for any delay in processing and approving the calculation of the Rate Adjustment that is the sole responsibility of the Authority.

8.7 Interim Rate Adjustment

In the event the Authority directs the Company to change its operations in accordance with Section 4.5 of this Agreement or in the event of an extraordinary or unanticipated event

including a change in law, a change in Disposal Site, Green Waste Processing site, Food Scraps Processing site, Construction and Demolition Debris Processing site, or an extraordinary adjustment to the Disposal Proprietary Rate, Disposal Fee Component, Green Waste Processing Proprietary Rate, Green Waste Processing Fee Component, Food Scraps Processing fee, Construction and Demolition Debris Proprietary Rate and/or Construction and Demolition Debris Fee Component, and such adjustment materially affects the Company's annual cost of operations then the Company or the Authority may submit a request for an interim Rate adjustment. In such case, the Company shall provide Authority with its calculations of the impact of the change in a format approved by the Authority. Any proposed change in the approved Rates shall be subject to Authority review and approval. The Company shall not be entitled to an interim Rate adjustment for any costs associated with additional routes beyond those outlined in the Proposal, unless required under Section 4.5. Nothing in this section shall be construed to require Authority to accept Company's calculations as correct.

8.8 Subsequent Rates

From time to time and based on changes to the Rates, as described above, and other considerations, the Authority Board of Directors shall ratify the Rates presented by Company by resolution or ordinance, as determined in the good faith exercise of its legislative discretion.

ARTICLE 9 REVIEW OF SERVICES AND PERFORMANCE

9.1 Performance Hearing

Authority may hold a public hearing on or about ninety (90) days after receipt of the Annual Report from Company, at which time Company shall be present and shall participate to review the Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris Collection services and overall performance. The purpose of the hearing is to provide for a discussion and review of technological, economic, and regulatory changes in Collection to achieve a continuing, advanced Solid Waste, Recyclable Materials, Green Waste, Food Scraps and Construction and Demolition Debris Collection system; and to ensure services are being provided with adequate quality, effectiveness and economy.

Forty-five (45) days after receiving notice from Authority of a Solid Waste, Recyclable Materials, Green Waste, Food Scraps and Construction and Demolition Debris services performance review hearing, Company shall, at a minimum, submit a report to Authority indicating the following:

- A) Changes recommended and/or new services to improve Authority's Collection Services and to contain costs and minimize impacts on Rates.
- B) Any specific plans for provision of changed or new services by Company.

The reports required by this Agreement regarding Customer complaints may be used as one basis for review. Company may submit other relevant performance information and reports for consideration. Authority may request, and Company shall submit, specific information related to the performance for the hearing. In addition, any Customer may submit comments or complaints during or before the hearing, either orally or in writing, and these shall be considered.

Topics for discussion and review at the Solid Waste, Recyclable Material, Green Waste, Food Scraps and Construction and Demolition Debris services performance review hearing shall include, but shall not be limited to, services provided, feasibility of providing new services, application of new technologies, Customer complaints, amendments to this Agreement, developments in the law, regulatory constraints and Company performance. Authority and Company may each select additional topic for discussion at any Solid Waste, Recyclable

Material, Green Waste, Food Scraps and Construction and Demolition Debris Services Performance Review Hearing.

Not later than sixty (60) days after the conclusion of each Solid Waste, Recyclable Material, Green Waste, Food Scraps and Construction and Demolition Debris Services Performance Review Hearing, Authority may issue a report. As a result of the review, Authority may require Company to provide expanded or new services within a reasonable time and for reasonable Rates and compensation, as determined in the Authority Board of Director's good faith legislative discretion, and Authority may direct or take corrective actions for any performance inadequacies.

ARTICLE 10

RECORDS, REPORTS AND INFORMATION REQUIREMENTS

10.1 General

Company shall maintain such accounting, statistical and other records related to its performance under this Agreement as shall be necessary to develop the financial statements and other reports required by this Agreement and to conduct the review of services and performance described in Article 9 above. Also, Company agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulation and to meet the reporting and Solid Waste, Recyclable Material, Green Waste, Food Scraps, and Construction and Demolition Debris program management needs of Authority. To this extent, such requirements set out in this and other Articles of this Agreement shall not be considered limiting or necessarily complete. In particular, this Article is intended to only highlight the general nature of records and reports and is not meant to define exactly what the records and reports are to be and their content. Further, with the written direction or approval of Authority, the records and reports to be maintained and provided by Company in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency. The foregoing is not intended to require significant additional administrative labor or the modification of Company's computer software.

10.2 Records

10.2.1 Maintenance of Records

Company shall maintain records required to conduct its operations, to support requests it may make to Authority, and to respond to requests from Authority in the conduct of Authority business.

10.2.2 Security and Retention of Records

Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated such as a fire, theft and earthquake. Electronically maintained data/records shall be protected and backed up.

All records shall be maintained for five (5) years after the expiration of this Agreement, with the exception of accounts payable records, which will be maintained for three (3) years after payment.

Company agrees that the specific records required to be maintained by this Agreement shall be provided or made available in a timely manner to Authority and its official representatives during normal business hours. Records and data not specifically identified in this Agreement that are not required for the determination of the Company's compensation or performance do not need to be retained by Company. In such a case and when such records and data are required but are not retained by the Company, the Authority may make reasonable assumptions regarding what information is contained in such records and data, and such assumption(s) shall be conclusive in whatever action the Authority takes.

10.2.3 Inspection of Records

The Authority and its agents shall have the right during regular business hours, to conduct unannounced on-site inspections of specific documents required by this Agreement or any other similar records or reports of Company that the Authority shall deem, at its sole discretion, necessary to evaluate annual reports, compensation applications, and the Company's performance provided for in this Agreement. The Authority may make copies of documents it deems relevant to this Agreement.

10.2.4 Financial Records

Company shall maintain financial records containing the underlying financial data relating to and showing the basis for computation of all costs associated with providing services in a manner such that cost and revenue information can be allocated among the service types (residential Solid Waste, Recycling, and Green Waste, Food Scraps, commercial Solid Waste, Recycling, and Food Scraps, and drop box Solid Waste and Construction and Demolition Debris) and to the Authority, distinct from other similar operations of the Company. The accounting records shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied.

10.2.5 Solid Waste, Recyclable Materials, Green Waste, Food Scraps and Construction and Demolition Debris Records

Records shall be maintained by Company for Authority relating to:

- A) Customer services and billing including service exemption information;
- B) Weight and volume of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris. Information is to be separated

between Single-Family Dwelling Units, Multi-Family Dwelling Units, and Commercial Premises by City;

- C) Special annual cleanup event results;
- D) Routes;
- E) Facilities, equipment and personnel used;
- F) Facilities and equipment operations, maintenance and repair;
- G) Tonnage by City
- H) Processing of Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris (Tonnage, participation and set-out rates, end-use, revenue);
- I) Diversion level;
- J) Complaints; and,
- K) Missed Pick-Ups.

10.2.6 Processing Records

Company shall maintain records of Processing of all Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris Collected in Authority for the period of this Agreement and all extensions to this Agreement or successor Agreements. In the event Company discontinues providing Recyclable Materials and Green Waste services to Authority, Company shall provide all records of Processing of all Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris Collected in Authority within thirty (30) days of discontinuing service. Records shall be in chronological and organized form and readily and easily interpreted.

10.2.7 Disposal Records

Company shall maintain records of Disposal of all Solid Waste Collected in Authority for the period of this Agreement and all extensions to this Agreement or successor Agreements. In the event Company discontinues providing Solid Waste services to Authority, Company shall provide all records of Disposal or Processing of all Solid Waste Collected in Authority

within thirty (30) days of discontinuing service. Records shall be in chronological and organized form and readily and easily interpreted.

10.2.8 Other Programs Records

Records for other programs shall be tailored to specific needs. In general, the records shall include:

- a) Plans, tasks and milestones; and.
- b) Accomplishments in terms such as dates, activities conducted, quantities of materials Collected, Processed and/or sold or distributed, and numbers of participants and responses.

10.2.9 Customer Service Records

Records shall be maintained by Company for Authority related to:

- a. Number of calls;
- b. Average hold time for calls; percentage of calls answered in 30 seconds; percentage of calls answered in 3 minutes;
- c. Categories (Missed Pick-Ups, complaints, damage, etc.) of calls;
- d. Training materials and records;
- e. Complaint log noting the name and address of complainant, date and time of complaint, nature of complaint, and nature of resolution; and,
- f. New Customer log.

10.2.10 CERCLA Defense Records

Authority views the ability to defend against CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 USC §9601, et seq.) and related litigation as a matter of great importance. For this reason, the Authority regards the ability to prove where Solid Waste Collected in the Authority was taken for Disposal, as well as where it was not taken, to be matters of concern. Company shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the Authority was landfilled (and therefore establish where it was not landfilled) and provide a copy or summary of the reports required in Section 6.14 for five (5) years after the term during which

Collection services are to be provided pursuant to this Agreement, or to provide copies of such records to Authority. Company agrees to notify Authority's Risk Manager and Authority Counsel before destroying such records. This provision shall survive the expiration of the period during which Collection services are to be provided under this Agreement.

10.3 Reports

10.3.1 Report Formats and Schedule

Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

- A) Determine and set Rates and evaluate the financial efficacy of operations;
- B) Evaluate past and expected progress towards achieving AB 939 goals and objectives;
- C) Determine needs for adjustment to programs; and,
- D) Evaluate Customer service and complaints.

Company may propose report formats that are responsive to the objectives and audiences for each report. The format of each report will be mutually agreed upon by Authority and Company. Company agrees to submit all reports on computer discs in a mutually agreed upon format at no additional charge, if requested by Authority. Company will provide a certification statement, under penalty of perjury, by the responsible Company official, that the report being submitted is true and correct.

Monthly reports shall be submitted within thirty (30) calendar days after the end of the report month. Quarterly reports shall be submitted within forty-five (45) calendar days after the end of the quarter. Quarter's end on September 30, December 31, March 31, and June 30. Annual reports shall be submitted before September 30th following the reporting Rate Year.

All reports shall be submitted to:

Executive Director
West Valley Solid Waste Management Authority
c/o HF&H Consultants, LLC
201 North Civic Drive, Suite 230

Walnut Creek, CA 94596

City Manager
City of Campbell
70 North First Street
Campbell, CA 95008

City Manager
City of Monte Sereno
18041 Saratoga – Los Gatos Road
Monte Sereno, CA 95050

City Manager
City of Saratoga
13777 Fruitvale Avenue
Saratoga, CA 95070

Town Manager
Town of Los Gatos
110 East Main Street
Los Gatos, CA 95030

10.3.2 Quarterly Reports

The information listed shall be the minimum reported for each service:

A. Regular Services

1. Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris Tonnage Collected by Company, sorted by each City and between Single-Family Dwelling Units, Multi-Family Dwelling Units and Commercial and Industrial Premises and the Processing and Disposal Sites used, in Tons.
2. Tonnage Diverted by Company divided by the Tonnage Collected by Company multiplied by 100. The report shall state the Tonnage Diverted and Tonnage Collected as well as the calculated Diversion Level.
3. Customer Service
 - a) Number of calls by category (Missed Pick-Ups, complaints, damage, etc.)

- b) Number of complaints, resolved complaints, and number of complaints which were unresolved for more than five business days, for month and cumulative for report year, with explanations for unresolved complaints
- c) In table format, the number of Customers and service levels for all programs (Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris) and service types (single-family, multi-family, commercial, industrial, etc.) and the number of all service location exemptions.
- d) Education Activities:
 - i. Public education materials produced and total number of each distributed;
 - ii. Dates, times and group names of meetings attended; and,
 - iii. Dates, times and names of schools where presentations were performed.
- 4. In table format, list all overweight vehicle citations.
- 5. List of Customers that received warning notices from Company for contamination levels.
- 6. Narrative summary of problems encountered (including scavenging) and actions taken with recommendations for Authority, as appropriate.
- 7. A summary or copy of the Hazardous Waste records required under Section 6.14.
- 8. Other information or reports that Authority may reasonably request or require.

B. Event Specific Information

1. **Special Event Collection.** The Company shall submit to the Authority a written report identifying the Tonnage of Solid Waste and Recyclable Materials Collected from Special Events. The report shall be submitted no later than ten (10) business days following each event.
2. **Report of Overflowing Containers and Improper Enclosure Maintenance.** As required by Section 6.8.5.C, Company shall report the addresses of any Premises at which the driver observes that Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and/or Construction and Demolition Debris is overflowing on a consistent basis and/or the Premises' enclosures are not adequately maintained in regards to litter abatement.
3. **Report of Unauthorized Dumping.** As required by Section 6.8.10, Company shall report: (i) the addresses of any Premises at which the driver

observes that Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and/or Construction and Demolition Debris is accumulating; and (ii) the address, or other location description, at which Solid Waste, Recyclable Materials, and/or Green Waste has been dumped in an apparently unauthorized manner. The report shall be delivered to the City within five Business Days of such observation.

4. **Hazardous Waste.** As required by Section 6.14, the Company shall notify the City of any Hazardous Waste identified in Containers or left at any Premises within twenty-four (24) hours of identification of such material.

C. Summary Assessment. Provide a summary assessment of the overall Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris program from Company's perspective relative to financial and physical status of program. The physical status is to relate to how well the program is operating for efficiency, economy and effectiveness relative to meeting all the goals and objectives of this Agreement and AB 939. Provide recommendations and plans to improve. Highlight significant accomplishments and problems.

10.3.3 Annual Report

The annual report is to be essentially in the form and content of the quarterly reports. In addition, Company's annual audited/reviewed financial statements shall be included as well as certain operational information. The annual report shall also include a list of Company's Managers and Members.

10.3.3.1 Financial Statements.

Financial statements shall show Company's results of operations on a combined basis for the Cities of Campbell, Monte Sereno, Saratoga and the Town of Los Gatos, including the specific revenues and expenses in connection with the operations provided for in this Agreement and others included in such financial statements. The financial statements and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP). The financial statements shall be prepared by the Company and marked "unaudited" except for Rate Year 4. The financial statements for Rate Year 4 shall be audited in accordance with Generally Accepted Auditing Standards (GAAS) by a certified public accountant (CPA) licensed (in good standing) to practice public accounting in the State of California as determined by the State of California Department of Consumer Affairs Board of

Accountancy. The CPA opinion on Company's audited financial statements shall be unqualified.

10.3.3.2 Operational Information

In addition to requirements stated elsewhere in this Agreement, the annual report shall include the following information:

- A. Routes by Service Type
 - 1. Number of routes per day
 - 2. Number of full time equivalent (FTE) routes
 - 3. Number of accounts per route
- B. Personnel
 - 1. Organizational chart
- C. Productivity Statistics
 - 1. Number of accounts per service type
 - 2. Summary of Tonnage information provided in Section 10.3.2.A.1
- D. Operational Changes
 - 1. Number of routes
 - 2. Staffing
 - 3. Supervision
 - 4. Collection services.
- E. Equipment: An inventory of equipment in accordance with Section 6.8.4.
- F. Billing: Billing review report in accordance with Section 7.2.3.

10.4 Adverse Information

- A) **Reporting Adverse Information.** Company shall provide Authority two (2) copies (one to the Authority Executive Director, one to the Authority Counsel) of all reports, pleadings, applications, notifications, Notices of Violation, or other formal actions relating specifically to Company's performance of services pursuant to this Agreement, submitted by Company to, or received by Company from, the United States or California Environmental Protection Agency, the California Integrated Waste Management Board, the Securities and Exchange Commission or any other federal, state or local agency, including any federal or state court actions brought by any of the aforementioned agencies, with regard to

Company's operations in the State of California. Copies shall be submitted to Authority simultaneously with Company's filing or submission of such matters with said agencies. Company's routine correspondence to said agencies need not be routinely submitted to Authority, but shall be made available to Authority promptly upon Authority's written request.

- B) **Failure to Report.** The refusal or failure of Company to file any required reports, or to provide required information to Authority, or the inclusion of any materially false or misleading statement or representation by Company in such report shall be deemed a material breach of the Agreement as described in Section 13.1 and shall subject Company to all remedies which are available to the Authority under the Agreement or otherwise.

ARTICLE 11 INDEMNIFICATION, INSURANCE AND BOND

11.1 Indemnification

Company hereby agrees to and shall indemnify and hold harmless Authority, its elected and appointed boards, commissions, officers, employees, and agents and Cities, its elected officials and employees (collectively, indemnities) 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) 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, 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 apply regardless of whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of the indemnitees' negligence, but shall not extend to matters resulting from the indemnitees' negligence, willful misconduct or breach of this Agreement. Company further agrees to and shall, upon demand of Authority, at Company's sole cost and expense, defend (with attorneys acceptable to Authority) Authority, its elected and appointed boards and commissions, officers, employees, and agents and Cities, its elected officials and employees 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.

Company, upon demand of the Authority, made by and through the Authority Counsel, shall protect Authority and appear in and defend the Authority and its elected officials, officers, employees and agents, 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 the limits of Authority's authority with respect to the grant of licenses, or agreements, exclusive or otherwise, asserting rights under the Dormant Commerce Clause or federal or state laws to provide Solid Waste services in the Authority.

This provision shall survive the expiration of the period during which Collection services are to be provided under this Agreement. The Company shall be entitled to recover costs of defense and damages arising only under this paragraph from the Authority in accordance with Section 8.3.6, if authorized in accordance with State law.

Company's duty to indemnify and defend from the aforementioned events arising during the Term of the Agreement and as it may be extended shall survive the expiration or earlier termination of this Agreement.

11.2 Hazardous Substances Indemnification

Company shall indemnify, defend with counsel reasonably acceptable to Authority and City, protect and hold harmless Authority, its elected and appointed boards, commissions, officers, employees, and agents (collectively, Indemnitees) from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages), injuries, costs, (including without limit any and all response, remediation and removal costs), losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, attorney's fees for the adverse party and expenses (including without limit attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity), (collectively, "Damages") of any kind whatsoever paid, incurred or suffered by, or asserted against, Indemnities arising from or attributable to the acts or omissions of Company, its officers, directors, employees, companies or agents, whether or not negligent or otherwise culpable, in connection with or related to the performance of this Agreement, including without limit Damages arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Substance, Hazardous Waste, and/or HHW (Collectively, "Waste") at any places where Company Collects and Transports, Processes, stores, or Disposes of Authority Solid Waste, and/or construction and street debris, or other waste. The foregoing indemnity shall not apply to the Processing, storage, or Disposal of City-Generated Solid Waste, and/or construction and street debris, or other waste, if the Company can establish the Waste generated by one of the Cities directly caused the claims or damages. The foregoing indemnity is intended to operate as an agreement pursuant to §107(e) of CERCLA and California Health and Safety Code §25364, to defend, protect, hold harmless, and indemnify Authority from liability. This provision is in addition to all other provisions in this Agreement and shall survive the end of the term of this Agreement. The

foregoing applies only to Facilities owned or operated by Company pursuant to this Agreement.

11.3 Insurance

Authority does not, and shall not, waive any rights against Company which it may have by reason of the aforesaid hold harmless agreements, because of acceptance by Authority or the deposit with Authority by Company of the insurance policies described in this provision. Company shall maintain insurance policies meeting the following specifications at all times during the term of this Agreement.

A) **Minimum Scope of Insurance.** Coverage shall be at least as broad as:

1. The most recent editions of Insurance Services Office form number GL 0002 covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001).
2. The most recent editions of Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 "any auto" and endorsement CA 0025.
3. Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.
4. Employee Blanket Fidelity Bond.
5. Pollution Legal Liability.

B) **Minimum Limits of Insurance.** Company shall maintain in force for the term of this Agreement limits no less than:

1. Comprehensive General Liability: Ten Million Dollars (\$10,000,000) combined single limit per occurrence for bodily injury, Personal injury and property damage.
2. Automobile Liability: Ten Million Dollars (\$10,000,000) combined single limit per accident for bodily injury and property damage.
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 \$1,000,000 per accident.
4. Employee Blanket Fidelity Bond in the amount of Five Hundred Thousand Dollars (\$500,000) per employee, covering dishonesty, forgery, alteration, theft, disappearance, destruction (inside or outside).

5. Pollution Legal Liability: Five Million Dollars (\$5,000,000) for bodily injury, property damage and remediation of contamination site.

C) **Deductibles and Self-Insured Retentions.** If Company wants to increase its deductibles over the amount as of the Effective Date of this Agreement, the Company shall obtain the written consent of the Authority. Authority's consent will not be unreasonably withheld.

D) **Other Insurance Provisions.** The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverage

- a. Authority, its elective and appointive boards, commissions, officials, employees, agents and volunteers are to be named as additional insureds as respects: liability arising out of activities performed by or on behalf of Company; products and completed operations of Company; Premises owned, leased or used by Company; or vehicles owned, leased, hired or borrowed by Company. The coverage shall contain no special limitations on the scope of protection afforded to Authority, its elective and appointive boards, commissions, officials, employees, agents or volunteers.
- b. Company's insurance coverage shall be primary insurance as respects Authority, its elective and appointive boards, commissions, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by Authority, its officials, elective and appointive boards, commissions, employees, agents or volunteers shall be excess of Company's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to Authority, its officials, elective and appointive boards, commissions, employees, agents or volunteers.
- d. Coverage shall state that 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 insurer's liability.

2. **Workers' Compensation and Employers Liability Coverage** - The insurer shall agree to waive all rights of subrogation against Authority, its officials, elective and appointive boards, commissions, employees, agents and volunteers for losses arising from work performed by Company for Authority.
3. **All Coverages** - Each insurance policy required by this clause shall be endorsed to state that should any of the policies carried pursuant hereto be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. Notwithstanding any obligation of the insurer, Company shall notify Executive Director in writing thirty (30) days prior to the suspension, voiding, cancelling by either party or reductions in coverage or limits and Company shall describe and provide copies of the replacement policy and said policy shall have an effective date not later than the termination date of the original insurance.

- E) **Acceptability of Insurers.** The insurance policies required by this Section shall 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 Reports of size category VII or larger and a rating classification of A or better.
- F) **Verification of Coverage.** Simultaneously with the execution of this Agreement, Company shall furnish Authority with certificates of insurance and with original endorsements affecting coverage required hereunder, in form and substance satisfactory to Authority. 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. Such certificates and endorsements shall show the type and amount of coverage, effective date and dates of expiration of policies, and shall have all required endorsements. Authority reserves the right to review copies of all required insurance policies, at a site within the Authority, upon the reasonable request of the Authority.

Renewal certificates will be furnished periodically to Authority to demonstrate maintenance of the required coverage throughout the Term.

If Company fails to procure and maintain any insurance required by this Agreement, Authority may take out and maintain, at Company's expense, such insurance as it may deem proper.

G) Companies and Subcontractors. Company shall include all companies and subcontractors providing Collection services under this Agreement as insureds under its policies or shall furnish separate certificates and endorsements for each company and subcontractor. All coverages for companies and subcontractors shall be subject to all of the requirements stated herein. All other subcontractors having face-to-face contact with the Customers shall be required by Company to carry general liability insurance.

H) Required Endorsements

1. The Workers' Compensation policy shall contain an endorsement in substantially the following form:

"Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions." Such notice shall be sent to:

Executive Director
West Valley Solid Waste Management Authority
c/o HF&H Consultants, LLC
201 North Civic Drive, Suite 230
Walnut Creek, CA 94596

2. Each Company's Automobile and Pollution Liability Policy shall contain endorsements in substantially the following form:

- a. "Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions." Such notice shall be sent to:

Executive Director
West Valley Solid Waste Management Authority
c/o HF&H Consultants, LLC
201 North Civic Drive, Suite 230
Walnut Creek, CA 94596

- b. "Authority, its officers, elective and appointive boards, commissions, employees, and agents are additional insureds on this policy."

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

l) **Delivery of Proof of Coverage.**

Simultaneously with the execution of this Agreement, Company shall furnish the Authority certificates of each policy of insurance required, hereunder, in form and substance satisfactory to City. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall have all required endorsements. If the Authority requests, copies of each policy, together with all endorsements, shall also be promptly delivered to Authority; provided, however, Company shall be entitled to redact: the amounts of any premiums, deductibles, or self-insured retentions; any other additional insured names and/or addresses; any names and addresses of any other properties, facilities, or operations not directly related to the services provided by Contractor under this Agreement; any other policies held by Contractor not explicitly requested under the Agreement; and, any other endorsements not explicitly requested under this Agreement from such policies. Renewal certificates will be furnished periodically to Authority to demonstrate maintenance of the required coverages throughout the Term.

11.4 Faithful Performance Bond

Company shall deposit either a letter of credit or a performance bond (collectively referred to as "Performance Bond") in the amount of One Million Dollars (\$1,000,000). The letter of credit or Performance Bond shall be in a form acceptable to the Authority (see Exhibit 9).

The Performance Bond shall serve as security for the faithful performance by Company of all the provisions and obligations of this Agreement.

ARTICLE 12 AUTHORITY'S RIGHT TO PERFORM SERVICE

12.1 General

In the event that Company, for any reason whatsoever, fails, refuses or is unable to Collect or Transport any or all Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris which it is required by this Agreement, at the time and in the manner provided in this Agreement, for a period of more than forty-eight (48) hours, and if, as a result thereof, Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris should accumulate in Authority to such an extent, in such a manner, or for such a time that Authority should find that such accumulation endangers or menaces the public health, safety or welfare, then Authority shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to Company during the period of such emergency as determined by Authority, (1) to perform, or cause to be performed, such services itself with its own or other personnel without liability to Company; and/or (2) to take temporary possession of any or all of Company's land, equipment and other property used or useful in the Collection and Transportation of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris, and to use such property to Collect and Transport any Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris generated within Authority which Company would otherwise be obligated to Collect and Transport pursuant to this Agreement.

If Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris accumulates in Authority to such an extent, in such a manner or for such a time that Authority finds that such accumulation represents an immediate danger or menace to the public health safety or welfare, Authority shall not be required to provide the twenty-four (24) hour prior written notice set forth above in order to take the above actions.

Notice of Company's failure, refusal or neglect to Collect and Transport Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris may be given orally by telephone to Company at its principal office and shall be effective immediately. Written confirmation of such oral notification shall be sent to Company within twenty-four (24) hours of the oral notification.

Company further agrees that in such event:

- A) It will take direction from Authority to effect the transfer of possession of equipment and property to Authority for Authority's use.
- B) It will, if Authority so requests, keep in good repair and condition all of such equipment and property, provide all motor vehicles with fuel, oil and other service, and provide such other service as may be necessary to maintain said property in operational condition.
- C) Authority may immediately engage all or any personnel necessary or useful for the Collection and Transportation of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris, including, if Authority so desires, employees previously or then employed by Company, Company further agrees, if Authority so requests, to furnish Authority the services of any or all management or office Personnel employed by Company whose services are necessary or useful for Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris Collection, Transportation, Processing and Disposal operations and for the billing and Collection of fees for these services.

Authority agrees that it assumes complete responsibility for the proper and normal use of such equipment and Facilities while in its possession.

If the interruption or discontinuance in service is caused by any of the reasons listed in Section 13.7, Authority shall pay to Company the reasonable rental value of the equipment and Facilities, possession of which is taken by Authority, for the period of Authority's possession, if any, which extends beyond the period of time for which Company has rendered bills in advance of service, for the class of service involved.

Except as otherwise expressly provided in the previous paragraph, Authority's exercise of its rights under this Article 12 (1) does not constitute a taking of private property for which compensation must be paid; (2) will not create any liability on the part of Authority to Company; and (3) does not exempt Company from any of the indemnity or insurance provisions of this Agreement, which are meant to extend to circumstances arising under this Section, provided that Company is not required to indemnify Authority against claims and damages arising from the negligence or willful misconduct of Authority, its elective and appointive boards, commissions, officers, employees and agents in the operation of Collection vehicles during the time Authority has taken possession of such vehicles.

12.2 Temporary Possession of Company's Property

If Authority suffers an interruption or discontinuance of service (including interruptions and discontinuance due to events described in Section 13.7), Authority may take possession of and use all of Company's property described above until other suitable arrangements can be made for the provision of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris Services.

12.3 Billing and Compensation to City and Authority During Authority's Possession

During such time that Authority is providing Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris services, as above provided, Company shall bill and Collect payment from all users of the above-mentioned services as described in Section 7.2. Company further agrees that, in such event, it shall reimburse Authority for any and all costs and expenses incurred by Authority beyond that billed and received by Company in taking over possession of the above-mentioned equipment and property for Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris service in such manner and to an extent as would otherwise be required of Company under the Terms of this Agreement. Such reimbursement shall be made from time to time after submission by Authority to Company of each statement listing such costs and expenses, but in no event later than five (5) working days from and after each such submission.

12.4 Authority's Right to Relinquish Possession

It is further mutually agreed that Authority may at any time at its discretion relinquish possession of any or all of the above-mentioned property to Company and thereupon demand that Company resume the Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris services as provided in this Agreement, whereupon Company shall be bound to resume the same.

12.5 Duration of Authority's Possession

Authority's right pursuant to this Article to retain temporary possession of Company's Facilities and equipment, and to render Collection services, shall terminate when the event which caused the taking possession under Section 12.1 is cured and the Performance Bond is fully restored. In any case, Authority has no obligation to maintain possession of Company's property or equipment and/or continue its use for any period of time and may at any time, in its sole discretion, relinquish possession to Company.

ARTICLE 13
DEFAULT, REMEDIES AND LIQUIDATED DAMAGES

13.1 Events of Default

All provisions of the Franchise and this Agreement to be performed by Company are considered material. Each of the following shall constitute an event of default.

- A) **Fraud or Deceit.** If Company practices any fraud or deceit upon Authority.
- B) **Failure to Maintain Coverage.** If Company fails to provide or maintain in full force and effect the Workers' Compensation, liability, or indemnification coverage as required by this Agreement unless such insurance becomes unavailable.
- C) **Violations of Regulation.** If Company violates any orders or filings of any regulatory body having jurisdiction over Company, which orders or filings have a material impact on Company's ability to perform this Agreement, provided that Company may contest any such orders or filings by appropriate proceedings conducted in good faith, in which case no breach of the Franchise and this Agreement shall be deemed to have occurred.
- D) **Failure to Perform.** If Company ceases to provide Collection services as required under this Agreement for a period of two (2) consecutive days or more, for any reason within the control of Company, including labor disputes. If Authority performs service under Article 12, the Company's failure to perform shall not be considered a default.
- E) **Failure to Pay.** If Company fails to make any payments required under this Agreement and/or Solid Wastes to provide Authority with required information, reports, and/or records in a timely manner as provided for in the Agreement.
- F) **Acts or Omissions.** Any other act or omission by Company which violates the terms, conditions, or requirements of this Agreement, the California Integrated Waste Management Act of 1989, as it may be amended from time to time, or any law, statute, ordinance, order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if Company cannot reasonably correct or remedy the breach

within the time set forth in such notice, if Company should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

- G) **False or Misleading Statements.** Any material representation, warranty or disclosure made to Authority by Company in connection with or as an inducement to entering into this Agreement, or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time such representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.
- H) **Seizure or Attachment.** There is a seizure of, attachment of, or levy on, the operating equipment of Company, including without limits its equipment, maintenance or office Facilities, or any part thereof.
- I) **Petition for Debt Relief.** If Company files a voluntary petition for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or shall consent to the appointment of or taking of possession by a receiver, liquidator, assignee (other than as a part of a transfer of equipment no longer useful to Company or necessary for this Agreement), trustee (other than as security for an obligation under a deed of trust), custodian, sequestrator (or similar official) of the Company for any part of Company's operating assets or any substantial part of Company's property, or shall make any general assignment for the benefit of Company's creditors, or shall fail generally to pay Company's debts as they become due or shall take any action in furtherance of any of the foregoing;
- J) **Bankruptcy.** A court having jurisdiction shall enter a decree or order for relief in respect of the Company, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Company shall consent to or shall fail to oppose any such proceeding, or any such court shall enter a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any part of the Company's operating equipment or assets, or orders the winding up or liquidation of the affairs of Company;
- K) **Failure to Provide Assurance of Performance.** If Company fails to provide reasonable assurances of performance as required under Section 13.7.

Company shall be given forty-eight (48) hours from notification by Authority to cure any default arising under subsections B, D, E, H, and K

13.2 Right to Terminate Upon Default

In the event that Company should default and subject to the right of the Company to cure, in the performance of any provisions of this contract, and the default is not cured within forty-eight (48) hours from notification of default from Authority for any default arising under Section 13.1.B, D, E, H, and K, or ten (10) days' notice if the public health or safety is threatened, or otherwise thirty (30) days after receipt of written notice of default from the Authority, then the Authority may, at its option, hold a hearing at its next practically available Authority Board of Directors meeting to determine whether this contract should be terminated. In the event Authority decides to terminate this contract, Authority shall serve thirty (30) days' written notice of its intention to terminate upon Company. In the event Authority exercises its right to terminate this contract, Authority may, at its option, either directly undertake performance of the services or arrange with other Persons to perform the services with or without a written agreement. This right of termination is in addition to any other rights of Authority upon a failure of Company to perform its obligations under this Agreement.

Authority's right to terminate this Agreement and to take possession of Company's Facility are not exclusive, and Authority's termination of this Agreement shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which Authority may have.

By virtue of the nature of this Agreement, the urgency of timely continuous and high-quality service, the time required to effect alternative service, and the rights granted by Authority to Company, the remedy of damages for a breach hereof by Company may be inadequate and Authority may seek injunctive relief.

13.3 Termination for Cause

In the event the Company does not meet the productivity standards as set out in their proposal, the Authority may take the following progressive actions:

- A) Assess liquidated damages as listed in Section 13.6.B.1.b for failure to complete Collection of Solid Waste, Recyclable Materials, Green Waste and Construction and Demolition Debris within the prescribed hours and on the scheduled day;

- B) Require Company to add a route(s) at the Company's cost;
- C) If, in the event twenty (20) days of Collecting Solid Waste, Recyclable Materials, and Green Waste during unauthorized hours occurs in two consecutive quarters (occurrences in the first ninety (90) days of this Agreement will not apply towards Rate Year 1 total) after the Company has added a route(s) in accordance with Section 13.3.B, the Authority has the right to terminate the Agreement.

13.4 Possession of Property Upon Termination

In the event of termination for default, the Authority shall have the right to take possession of any and all of Company's land, equipment, and other property used or useful in the Collection, Transportation, Processing, and Disposal of Solid Waste, Recyclable Materials, or Green Waste, Food Scraps, and the Billing and collection of fees for these services and to use such property. The Authority shall have the right to retain the possession of such property until other suitable arrangements can be made for the provision of Solid Waste, Recyclable Materials, or Green Waste Collection services and Recyclable Materials Processing, which may include the award of an Agreement to another waste hauling company or for 180 days, whichever occurs first. If the Authority retains possession thereof after the period of time for which Company has already been paid by means of bills issued in advance of providing service for the class of service involved, the Company shall be entitled to the reasonable rental value of such property (which shall be offset against any damages due the Authority for the Company's default).

Company shall furnish the Authority with immediate access to all of its business records related to its Customers and Billing of accounts for Collection services.

13.5 Authority's Remedies Cumulative; Specific Performance

The Authority's rights to terminate the Agreement under Section 13.2 and to take possession of the Company's properties under Section 13.3 are not exclusive, and the Authority's termination of the Agreement and/or the imposition of Liquidated Damages shall not constitute an election of remedies. Instead, these rights shall be in addition to any and all other legal and equitable rights and remedies which the Authority may have.

By virtue of the nature of this Agreement, the urgency of timely, continuous and high quality service, the lead time required to effect alternative service, and the rights granted by Authority to the Company, the remedy of damages for a breach hereof by Company is inadequate and Authority shall be entitled to injunctive relief.

13.6 Liquidated Damages

- A) **General.** The Authority finds, and Company agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by Authority as a result of a breach by 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: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) that Franchised Services might be available at substantially lower costs than alternative services and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and, (iv) the termination of this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.
- B) **Service Performance Standards; Liquidated Damages for Failure to Meet Standards.** The parties further acknowledge that consistent, reliable Solid Waste, Recyclable Material, Green Waste, and Food Scraps Collection service is of utmost importance to Authority and that Authority has considered and relied on Company's representations as to its quality of service commitment in awarding the Franchise to it. 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 Company fails to achieve the performance standards, or fails to submit required documents in a timely manner, Authority and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which Authority will suffer. Therefore, without prejudice to Authority's right to treat such non-performance as an event of default under this Article 13, 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 Authority 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 obtain an explanation of the liquidated damage provisions at the time that the Agreement was made.

Company

Initial Here AD

Authority

Initial Here Adam

Company agrees to pay (as liquidated damages and not as a penalty) the amounts set forth below.

The amount of Liquidated Damages specified below shall be adjusted annually on the first day of the Rate Year. The adjustment shall be rounded to the nearest cent. Liquidated Damage amounts shall be adjusted to reflect changes in the All Urban Consumers Index (CPI-U), all items, for the San Francisco-Oakland-San Jose, CA, Base Period 1982 – 1984 = 100, not seasonally adjusted, compiled and published by the U. S. Department of Labor, Bureau of Labor Statistics or its successor agency, using the method following:

1. Collection Reliability

- a) For each failure to commence service to a new Customer account within seven (7) days after order, which exceed twenty-four (24) such failures annually: \$150.00
- b) For each failure to Collect Solid Waste, Recyclable Materials, Green Waste, Food Scraps, or Construction and Demolition Debris, which has been properly set out for Collection, from an established Customer account on the scheduled Collection day and not Collected within the period described in this Agreement which exceeds twenty (20) such failures quarterly: \$150.00

- c) For each failure to Collect Solid Waste, Recyclable Materials, Green Waste, Food Scraps, or Construction and Demolition Debris, which has been properly set out for Collection, from the same Customer on two (2) consecutive scheduled pickup days: \$150.00
- d) For each failure to prepare for or properly conduct Annual Cleanups including advertising and press releases: \$250.00
- e) For each failure to perform and submit billing reviews: \$250.00

2. Collection Quality

- a) For each occurrence of damage to private property which exceeds 36 such occurrences annually: \$250.00
- b) For each occurrence of failure to properly return empty Containers to avoid pedestrian or vehicular traffic impediments or to place cans upright with lids secured which exceeds twenty (20) such occurrences annually: \$150.00
- c) For each occurrence of excessive noise or discourteous behavior: \$250.00
- d) For each failure to clean up Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris spilled from Containers which exceeds twenty (20) such failures annually: \$150.00
- e) For each day one or more routes Company Collects Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris during unauthorized hours (occurrences in the first ninety (90) days of this Agreement will not apply towards Rate Year 1 total): \$150.00

- | | | |
|----|---|--------------------------|
| f) | For each day one or more routes Company Collects Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris during unauthorized hours which exceeds twenty (20) such occurrences quarterly (occurrences in the first ninety (90) days of this Agreement will not apply towards Rate Year 1 total): | \$500.00 |
| g) | In the event twenty (20) days of Collecting Solid Waste, Recyclable Materials, Food Scraps, and Green Waste during unauthorized hours occurs in two consecutive quarters then the Company will add one route (occurrences in the first ninety (90) days of this Agreement will not apply towards Rate Year 1 total). | Cost absorbed by Company |
| h) | For each overweight vehicle citation (occurring on or after July 1, 2017): | \$675.00 |

3. Customer Responsiveness

- | | | |
|----|--|----------|
| a) | For each failure to initially respond to a Customer complaint within one (1) business day: | \$100.00 |
| b) | For each failure to process Customer complaints to Authority as required by Article 7: | \$500.00 |
| c) | For each failure to carry out responsibilities for establishing service: | \$500.00 |

4. Public Education

- | | | |
|----|---|---|
| a) | For each failure to prepare and distribute door hanger, flyer or mailer to Customers regarding specific Collection day, holiday, holiday tree, and clean-up events. | \$150.00
per day for each day
until mailer is sent. |
| b) | For each failure to conduct community presentations targeted at residents | \$150.00
per event. |

- | | |
|--|--|
| c) For each failure to prepare and mail quarterly newsletter to all residents by the end of each quarter | \$150.00
per day for each day until mailer is sent. |
| d) For each failure to prepare and distribute "how-to" brochures for each of the four (4) business types | \$150.00
per day. |
| e) For each failure to meet with business associations | \$150.00
per day. |
| f) For each failure to conduct waste audits and submit audit reports | \$150.00
per audit. |
| g) For each failure to provide comprehensive report of findings and suggestions to each company for which an audit was performed | \$150.00
per day. |
| h) For each failure to distribute period update for Holiday tree Recycling on or before December 25 of each year | \$150.00
per day. |
| i) For each failure to develop outreach program for individual Commercial sectors | \$150.00
per day. |
| j) For each failure to prepare and during the Rate Year update to Recycling resource guide | \$150.00
per day. |
| k) For each failure to participate in Special Events listed in this Agreement | \$300.00
per event-day. |

5. Timeliness of Submissions to Authority

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

- | | |
|-----------------------|---------------|
| a) Quarterly Reports: | \$100 per day |
| b) Annual Reports: | \$350 per day |

C) **Process.** Liquidated damages will only be assessed after Company has been given the opportunity but failed to rectify the damages as described in this Agreement.

Authority may determine the occurrence of events giving rise to liquidated damages through the observation of its representative or investigation of Customer complaints.

Prior to assessing liquidated damages, Authority shall give Company written notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. Company may review (and make copies at its own expense) all information in the possession of Authority relating to incident(s)/non-performance. Company may, within ten (10) days after receiving the notice, request a meeting with Authority. Company may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. Authority will provide Company with a written explanation of its determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of Authority shall be final.

- D) **Amount.** Authority may reasonably assess liquidated damages for each calendar day or event, as appropriate, that Company is determined to be liable in accordance with this Agreement.
- E) **Timing of Payment.** Company shall pay Authority any liquidated damages assessed by Authority within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, Authority may proceed against the performance bond required by the Agreement or order the termination of the Franchise granted by this Agreement, or both.

13.7 Excuse from Performance

The parties shall be excused from performing their respective obligations hereunder in the event they are prevented from so performing by reason of floods, earthquakes, other natural disasters, war, civil insurrection, riots, acts of terrorism, acts of any government (including judicial action), and other similar catastrophic events which are beyond the control of and not the fault of the party claiming excuse from performance hereunder. Labor unrest, including, but not limited to, strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action conducted by Company's employees or directed at Company is not an excuse from performance and Company shall be obligated to continue to provide service notwithstanding the occurrence of any or all of such events.

The party claiming excuse from performance shall, within two (2) days after such party has notice of such cause, give the other party notice of the facts constituting such cause and asserting its claim to excuse under this Section.

The interruption or discontinuance of Company's services caused by one or more of the events excused shall not constitute a default by Company under this Agreement.

Notwithstanding the foregoing, however, if Company is excused from performing its obligations hereunder for any of the causes listed in this Section for a period of seven (7) days or more, Authority shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) days' notice, in which case the provisions relative to taking possession of Company's land, equipment and other property and engaging Company's Personnel in Article 11 and Article 12 will apply.

13.8 Notice, Hearing and Appeal of Authority Breach

Should Company contend that Authority is in breach of this Agreement, it shall file with the Authority Executive Director a written request with Authority for an administrative hearing. Said request shall be made within ninety (90) days of the event or incident which allegedly gave rise to the breach. Authority shall notify Company of the time and date said hearing shall be held within thirty (30) days of receipt of Company's request. Company shall present its position and all relevant facts after Authority staff has made its presentation. Company shall be notified of Authority's ruling in writing within fourteen (14) days of the administrative hearing.

If Company is not in agreement with the ruling issued by Authority at the administrative hearing, it shall have the right to appeal this ruling to the Authority Board of Directors or to a three (3) Person appeal/review board, one member appointed by the Authority Board of Directors, another member appointed by Company, and the third member selected by the other two appointees. This appeal shall be made in writing to Authority no later than fourteen (14) days after receipt of the administrative hearing ruling. Authority shall notify Company of the time and date the Board will review Company's allegation. Company shall present its position and all relevant facts after staff has made its presentation. Company shall be notified in writing within thirty (30) days of the Board's ruling. The Board's ruling shall be final, and Company shall have no further rights of appeal.

Notwithstanding any other provision to the contrary in this Agreement, Company's sole remedy for any dispute or claim it may have relating to compensation or Rates is to file a

petition for writ of mandate pursuant to C.C.P. Section 1085. Company shall have no cause of action for damages against Authority in relation to any such dispute or claim.

13.9 Assurance of Performance

Each party may, at its option and in addition to all other remedies it may have, demand from the other Party reasonable assurances of timely and proper performance of this Agreement, citing specific reasons for the Party's concern over the other Party's ability to perform, in such form and substance as the Party may require. If the other Party fails to provide satisfactory assurances of timely and proper performance in the form and by the date required by the Party, such failure or refusal shall be an event of default.

ARTICLE 14 OTHER AGREEMENTS OF THE PARTIES

14.1 Relationship of Parties

The parties intend that Company shall perform the services required by this Agreement as an independent Company engaged by Authority and not as an officer or employee of Authority, nor as a partner of or joint venture with Authority. No employee or agent of Company shall be or shall be deemed to be an employee or agent of Authority. Except as expressly provided herein, Company shall have the exclusive control over the manner and means of conducting the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris and the Processing of Recyclable Materials performed under this Agreement, and all Persons performing such services. Company shall be solely responsible for the acts and omissions of its officers, employees, Companies, subcontractors and agents. Neither Company nor its officers, employees, Companies, subcontractors and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to Authority employees by virtue of their employment with Authority.

14.2 Compliance with Law

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

14.3 Governing Law

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

14.4 Jurisdiction

Any lawsuits between the parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits.

With respect to venue, the parties agree that this Agreement is made in and will be performed in Santa Clara County.

14.5 Assignment

14.5.1 Company's Assignment

Except as may be provided for in Article 12 (Authority's Right to Perform Service), Company shall not 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 shall be void and the attempted assignment shall constitute a material breach of this Agreement.

For purposes of this Section when used in reference to Company, "assignment" shall include, but not be limited to (i) a sale, exchange or other transfer of substantially all of Company's assets dedicated to service under this Agreement to a third party including the account receivables from Authority Customers; (ii) a sale, exchange or other transfer of outstanding common stock of Company to a third party provided said sale, exchange or transfer may result in a change of control of Company, excluding stock transfers among the existing shareholders; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction to which results in a change of Ownership or control of Company; (iv) any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Company's property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of Ownership, or change of control of Company.

Company acknowledges that this Agreement involves rendering a vital service to Authority's residents and businesses, and that Authority has selected Company to perform the services specified herein based on (1) Company's experience, skill and reputation for conducting its Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris management operations in a safe, effective and responsible fashion, at all times in keeping with applicable Environmental Laws, regulations and best Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris management practices, and, (2) Company's financial resources to maintain the required equipment and to support its indemnity obligations to Authority

under this Agreement. Authority has relied on each of these factors, among others, in choosing Company to perform the services to be rendered by Company under this Agreement.

If Company requests Authority's consideration of and consent to an assignment, Authority may reasonably deny or approve such request. No request by Company for consent to an assignment need be considered by Authority unless and until Company has met the following requirements:

- A) Company shall undertake to pay Authority its reasonable expenses for attorney's fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment;
- B) Company shall furnish Authority with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years;
- C) Company shall furnish Authority with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris management experience on a scale equal to or exceeding the scale of operations conducted by Company under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any significant citations or other censure from any federal, state or local agency having jurisdiction over its Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris management operations due to any significant failure to comply with state, federal or local Environmental Laws and that the assignee has provided Authority with a complete list of such citations and censures; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed assignee conducts its Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris management practices in accordance with sound Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris management practices in full compliance with all federal, state and local laws regulating the Collection of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and

Demolition Debris including Hazardous Substances; and, (v) of any other information required by Authority to ensure the proposed assignee can fulfill the Terms of this Agreement in a timely, safe and effective manner.

Under no circumstances shall Authority be obliged to consider any proposed assignment by Authority if Company is in default at any time during the period of consideration.

14.5.2 Authority's Assignment

Authority may assign and delegate all rights and duties of the Authority, and its Council, Boards and Officials, its rights under this Agreement to any joint powers authority or other public agency; provided, however, that this Agreement will continue to govern only the Collection and Transportation of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris and Processing of Recyclable Materials generated within Authority.

14.6 Contracting or Subcontracting

Company shall not engage any Companies or subcontractors for Collection or Transportation of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris and Processing of Recyclable Materials without the prior written consent of Authority.

14.7 Binding on Assigns

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

14.8 Transition to Next Company

If the transition of services to another company occurs through expiration of term, default and termination, or otherwise, Company will cooperate with Authority and subsequent company(ies) to assist in an orderly transition which will include Company providing route lists and billing information. Company will not be obliged to sell Collection vehicles, Bins and Containers to the next company. Depending on Company's circumstances at the point of transition, Company at its option may enter into negotiations with the next company to sell (in part or all) Collection vehicles, Bins and Containers, except Carts. The Authority has the option to maintain ownership of Carts at the end of the term of this Agreement.

14.9 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.

14.10 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 which 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.

14.11 Condemnation

Authority fully reserves the rights to acquire Company's property utilized in the performance of this Agreement, by purchase or through the exercise of the right of eminent domain. This provision is additive, and not intended to alter the rights of the parties set forth in Article 12.

14.12 Notice

All notices, demands, requests, proposals, approvals, consents and other communications which this Agreement requires, authorizes or contemplates shall be in writing and shall either be personally delivered to a representative of the parties at the address below or be deposited in the United States mail, first class postage prepaid, addressed as follows:

If to Authority:

Executive Director
West Valley Solid Waste Management Authority
c/o HF&H Consultants, LLC
201 North Civic Drive, Suite 230
Walnut Creek, CA 94596

If to City/Town:

City Manager
City of Campbell
70 North First Street
Campbell, CA 95008

City Manager
City of Monte Sereno
18041 Saratoga – Los Gatos Road
Monte Sereno, CA 95050

City Manager
City of Saratoga
13777 Fruitvale Avenue
Saratoga, CA 95070

Town Manager
Town of Los Gatos
110 East Main Street
Los Gatos, CA 95030

If to Company:

Mr. Paul Nelson
General Manager
West Valley Collection & Recycling, LLC
1333 Old Oakland Road
San Jose, CA 95112

With a copy to:

Waste Connections, Inc.
Attn: Legal Department
3 Waterway Square Place, Suite 110
The Woodlands, Texas 77380

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.

Notice shall be deemed given on the day it is personally delivered or, if mailed, three days from the date it is deposited in the mail.

14.13 Representatives of the Parties

References in this Agreement to the "Authority" shall mean the Authority Board of Directors and all actions to be taken by Authority shall be taken by the Authority Board of Directors except as provided below. The Authority Board of Directors may delegate, in writing, authority to the Authority Executive Director, and/or to other Authority employees and may

permit such employees, in turn, to delegate in writing some or all of such authority to subordinate employees. Company may rely upon actions taken by such delegates if they are within the scope of the authority properly delegated to them.

Company shall, by the Effective Date, designate in writing a responsible officer who shall serve as the representative of Company in all matters related to the Agreement and shall inform Authority in writing of such designation and of any limitations upon his or her authority to bind Company. Authority may rely upon action taken by such designated representative as actions of Company unless they are outside the scope of the authority delegated to him/her by Company as communicated to Authority.

14.14 Authority Free to Negotiate with Third Parties

During the Term of this Agreement, Authority may investigate all options for the Collection, Transportation, Processing and Disposal of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris after the expiration of the Term. Without limiting the generality of the foregoing, Authority may solicit proposals from Company and from third parties for the provision of Collection, Transportation, Processing or Disposal of Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris, and may negotiate and execute agreements for such services which will take effect upon the expiration or earlier termination under Section 13.1 of this Agreement.

14.15 Compliance with Municipal Code

Company shall comply with those provisions of the municipal code of City which are applicable, and with any and all amendments to such applicable provisions during the term of this Agreement.

14.16 Criminal Activity of Company

14.16.1 Criminal Activity

For purpose of this Section, Criminal Activity shall mean any of the following events or circumstances:

A. Convictions. The entry against any Company Party of a criminal conviction or a permanent mandatory or prohibitory injunction from a court, municipality or regulatory agency of competent jurisdiction based on acts taken in his or her official capacity on behalf of Company with respect to:

1. Fraud or criminal offense in connection with obtaining, attempting to obtain, procuring or performing a public or private agreement related to Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris of any kind (including Collection, Transportation, transfer, Processing, Composting or Disposal), including this Agreement or any amendment thereto;
2. Bribery or attempting to bribe a public officer or employee of a local, State, or Federal agency;
3. Embezzlement, extortion, racketeering, false claims, false statements, forgery, falsification or destruction of records, obstruction of justice, knowingly receiving stolen property, theft, or misprision (failure to disclose) of a felony;
4. Unlawful Disposal of material quantities of Hazardous Waste or Designated Waste the occurrence of which any of Company Party knew or should have known;
5. Violation of antitrust laws, including laws relating to price-fixing, bid-rigging and sales and market allocation, and of unfair and anti-competitive trade practices laws, including with respect to inflation of fees for Solid Waste, Recyclable Materials, Green Waste, Food Scraps, and Construction and Demolition Debris Collection, Transportation, Processing or Disposal;
6. Violation of securities laws;
7. Felonies.

B. Pleas. A conviction shall mean an entry of a plea of "guilty," "nolo contendere," or "no contest" by a Company Party based on acts taken in his, her, or its official capacity on behalf of Company with respect to the conduct described in preceding subdivision (1) of this Section.

14.16.2 Notice

Company shall notify Authority in writing within five calendar days of occurrence of any Criminal Activity.

14.16.3 Company's Cure

Upon occurrence of any Criminal Activity, Company shall immediately do or cause to be done all of the following:

A. Terminate from employment or remove from office any offending individual Company Party, unless otherwise directed or ordered by a court or regulatory agency of competent jurisdiction or authority, and unless that termination would constitute a breach of any labor agreement entered into by Company, or

B. In the event of a court or regulatory agency order prohibiting termination, eliminate participation by any individual offending Company Party in any management, supervision, or decision activity that affects or could affect, directly or indirectly, the performance of the Company under this Agreement.

14.16.4 Transfer and Hiring

Company shall not allow the hiring or transfer of any individual who has committed Criminal Activity to the position of Company representative, field supervisor, officer, or director who is directly or indirectly responsible for performance of this Agreement without obtaining prior written consent of Authority, following full disclosure to Authority of the facts and circumstances surrounding such Criminal Activity.

14.16.5 Authority's Remedy

In the event of any occurrence of Criminal Activity, the Authority, in its sole discretion, may terminate the Agreement within 30 calendar days written notice to Company, or may impose other sanctions (which may include financial sanctions, temporary suspensions, or any other condition deemed appropriate short of termination) as it will deem proper, in the following events:

- A.** Company fails to comply with the foregoing obligation of this Section, or
- B.** The Criminal Activity concerns or relates directly or indirectly to this Agreement.

Company shall be given the opportunity to present evidence in mitigation during the thirty (30) calendar day notice period.

14.17 Privacy

Company shall strictly observe and protect the rights of privacy of Customers. Information identifying individual Customers or the composition or contents of a Customer's waste stream shall not be revealed to any Person, governmental unit, private agency, or company, unless upon the authority of a court of law, by statute, or upon valid authorization of the Customer. This provision shall not be construed to preclude Company from preparing,

participating in, or assisting in the preparation of waste characterization studies or waste stream analyses which may be required by AB 939.

ARTICLE 15 MISCELLANEOUS AGREEMENTS

15.1 Entire Agreement

This Agreement, including the Exhibits, represents the full and entire Agreement between the parties with respect to the matters covered herein.

15.2 Section Headings

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

15.3 References to Laws and Other Agreements

All references in this Agreement to laws shall be understood to include such laws as they may be subsequently amended or recodified, unless otherwise specifically provided. This Agreement supersedes any and all agreements heretofore entered into by the parties and Authority.

15.4 Interpretation

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

15.5 Agreement

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

15.6 Severability

If any non-material provision of this Agreement is for any reason deemed to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

15.7 Exhibits

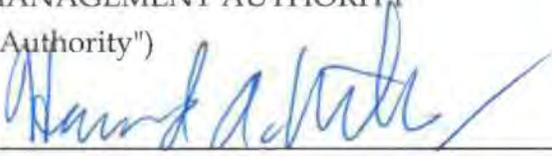
Each of the Exhibits identified as Exhibit "1" through "15" is attached hereto and incorporated herein and made a part hereof by this reference. In the case of conflict between the Exhibits and this Agreement, the Agreement shall govern.

15.8 Non-Waiver Provision

Failure of either party to exercise any of the remedies set forth herein within the time periods provided for shall not constitute a waiver of any rights of that party with regard to that failure to perform or subsequent failures to performing whether determined to be a breach, excused performance or unexcused defaults by the other party.

IN WITNESS WHEREOF, Authority and Company have executed this Agreement as of the day and year first above written.

WEST VALLEY SOLID WASTE
MANAGEMENT AUTHORITY
("Authority")

By: 
AUTHORITY



ATTEST: _____
AUTHORITY CLERK

APPROVED AS TO FORM:

WEST VALLEY COLLECTION & RECYCLING,
LLC
("COMPANY")

By: Waste Connections of California, Inc.,
Manager

By: 
Name: Ronald J. Mittelstaedt
Title: Chief Executive Officer


AUTHORITY ATTORNEY

By: 
Name: Patrick J. Shea
Title: Secretary

EXHIBIT 1
COMPANY SECRETARY'S CERTIFICATE

Certificate of Secretary of

West Valley Collection & Recycling, LLC

The undersigned Secretary of Waste Connections of California, Inc., as manager of West Valley Collection & Recycling, LLC (the "Company") hereby certifies that the person signing the Agreement between the Company and the West Valley Solid Waste Management Authority dated as of March 1, 2014 (the "Agreement") on behalf of the Company has been duly authorized by the Company to do so, and that the Agreement has been duly executed and delivered by the Company in accordance with the authorization of its managers and members, and is enforceable against the Company in accordance with its terms, except as enforcement of the Agreement may be limited by bankruptcy, insolvency, reorganization moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefore may be brought.

IN WITNESS WHEREOF the undersigned has hereunto set his hand as of January 10, 2014.

WEST VALLEY COLLECTION & RECYCLING,
LLC
("COMPANY")

By: Waste Connections of California, Inc., Manager

By: 
Name: Patrick J. Shea
Title: Secretary

EXHIBIT 2

CORPORATE CHIEF FINANCIAL OFFICER'S CERTIFICATE

Certificate of Chief Financial Officer of

West Valley Collection & Recycling, LLC

The undersigned hereby certifies that he is the Chief Financial Officer of Waste Connections of California, Inc., as manager of West Valley Collection & Recycling, LLC (the "Company") and Waste Connections, Inc. (the "Guarantor") that the Company has provided the West Valley Solid Waste Management Authority (the "Authority") with audited financial statements as of December 31, 2012 for the Guarantor, prepared by the Guarantor and audited by a certified public accountant whose audit was performed in accordance with Generally Accepted Auditing Standards, which financial statement present fairly, in accordance with Generally Accepted Accounting Principles, the financial resources of the Guarantor as of that date, and that there has been no material adverse change in the Guarantor's financial circumstances since the date of such financial statements.

IN WITNESS WHEREOF the undersigned has hereunto set his hand as of January 10,
2014.

WEST VALLEY COLLECTION & RECYCLING,
LLC
("COMPANY")

By: Waste Connections of California, Inc., Manager

By: 

Name: Worthing Jackman

Title: Chief Financial Officer

EXHIBIT 3
INTENTIONALLY DELETED
(Previously Public Facilities and Events)

EXHIBIT 4

CLARIFICATION OF COMPANY'S COMPENSATION

CLARIFICATION OF COMPANY'S COMPENSATION

This Exhibit provides information that shall be used in determining Company's Compensation for Rate Year Sixteen.

A) ALLOWABLE PERSONNEL AND LABOR HOURS

Award of this Agreement to the Company was based on several factors including its compensation requirements of which a significant portion is attributed to labor costs. In order to ensure that the Authority continues, over the Term of the Agreement, labor costs shall not increase as a result of an increase in the number of personnel or the number of labor hours unless Company can demonstrate that the increased labor personnel and/or hours are necessary to provide service to additional Customers due to growth in the Authority or to adjust for changes in labor hours due to an Authority-approved interim compensation adjustment as described in Section 12.7. In recognition of this limitation on Company's Compensation, the personnel and labor hours listed in the following table shall be considered allowable personnel and labor hours for the purpose of determining Company's Compensation.

	Quantity	Labor Hours per Day per Person	Total Annual Labor Hours
ROUTE DRIVER PERSONNEL (including pool personnel)		See Attached Worksheet	
Residential Solid Waste route driver			
Residential Recyclable Materials route driver			
Residential Green Waste route driver			
Commercial Bin Solid Waste route driver			
Commercial Recyclable Materials route driver			
Drop Box Solid Waste route driver			
Subtotal		See Attached Worksheet	
ROUTE-RELATED PERSONNEL			
Route supervisor			
Container distribution personnel			
Yard personnel			
Subtotal			
MACHINISTS			
Shop foreman			
Mechanics			
Container repair personnel			
Subtotal			
OTHER PERSONNEL			
General manager			
Operations manager			

	Quantity	Labor Hours per Day per Person	Total Annual Labor Hours
Controller			
Dispatcher			
Residential education program coordinator			
Commercial education program coordinator			
Customer service manager			
Customer service representatives			
Subtotal			
Total			

The Company shall not be compensated for labor costs associated with any personnel and labor hours other than those listed in the table above unless the number of route drivers is increased based on the Company's demonstration to the Authority of the need to increase the number of routes in accordance with Section B of this Exhibit.

B) ALLOWABLE ROUTES

The number of allowable routes that shall serve as the basis for the Company's Compensation are listed in the table below. Note that the route list was prepared based on the data received from the Company during the rate setting process for Rate Year Six. Partial routes represent routes allocated across service segments.

Routes	Quantity/Day
Residential Solid Waste	
Residential Recyclable Materials	See Attached Worksheet
Residential Green Waste	
Commercial Bin Solid Waste	
Commercial Recyclables	
Drop Box Solid Waste	
Total	

The Company shall not be compensated for an increase in the number of routes unless the Company demonstrates to the Authority the increase is a direct result of growth in the number of Customers served in the community or is a result of changes due to an Authority-approved Interim Compensation Adjustment as provided in Section 12.7 of the Agreement.

C) ALLOWABLE ROUTE HOURS

The number of route hours significantly impacts the Company's Compensation because it impacts vehicle-related costs such as fuel, tires and tubes, parts, and supplies. Award

of this Agreement to the Company was based on several factors including its compensation requirements of which a significant portion is attributed to vehicle-related costs. In order to ensure that the Authority continues, over the Term of the Agreement, to benefit from the Company's compensation requirement, vehicle-related costs shall not increase as a result of an increase in route hours unless Company can demonstrate that the increased route hours are necessary to provide service to additional Customers due to growth in the Authority or to adjust for changes in route hours due to an Authority-approved interim compensation adjustment as described in Section 12.7 of this Agreement. In recognition of this limitation on Company's Compensation, the route hours listed in the following table shall be considered allowable route hours for the purpose of determining Company's Compensation.

Routes	Allowable Route Hours		Allowable Fuel Usage (Gallons)
	Hours per Day per Route	Total Hours Annually for All Routes	
Residential Solid Waste			
Residential Recyclable Materials			See Attached Worksheet
Residential Green Waste			
Commercial Bin Solid Waste			
Commercial Recyclables			
Drop Box Solid Waste			
Total			

D) ALLOWABLE LEASE AMOUNTS

Allowable annual lease amounts to be included in the Company's Compensation over the Term of the Agreement include the following:

Annual Allowable Lease Amounts

	Unit Amount (\$/yr)	Quantity	Total (\$/yr)
Corporation yard (including offices, vehicle maintenance facilities, and employee and vehicle parking)			
Customer service office			
Collection vehicles	See Attached Worksheet		
Residential Solid Waste			
Residential Recyclable Materials			
Residential Green Waste			
Commercial Bin Solid Waste			
Commercial Recyclable Materials			
Drop Box Solid Waste Materials			
Other Support Vehicles			

Collection Containers			
Carts			
Bins			
Drop Boxes			
Compactors			
Total Allowable Lease Amount			

If new vehicles or Containers are acquired with Authority approval to accommodate growth in the Authority at some point during the Term, the cost of the new equipment shall be recovered during the Term as described below. If new vehicles or Containers are acquired with Authority approval, this Section of this Exhibit shall be amended to reflect any changes in lease amounts.

E) ALLOWABLE DEPRECIATION, INTEREST, AND LEASE AMOUNTS

Company shall depreciate equipment over a 10-year period. Allowable annual depreciation, interest, and lease amounts to be included in the Company's Compensation over the Term of the Agreement include the following:

Annual Allowable Amounts

	Depreciation (\$/yr)	Interest (\$/yr)	Lease (\$/yr)
Corporation yard (including offices, vehicle maintenance facilities, and employee and vehicle parking)			
Customer service office			
Collection vehicles	See Attached Worksheet		
Residential Solid Waste			
Residential Recyclable Materials			
Residential Organic Materials			
Commercial Bin Solid Waste			
Commercial Recyclable Materials			
Drop Box Solid Waste			
Other Support vehicles			
Collection Containers			
Carts			
Bins			
Drop Boxes			
Compactors			
Total			

If new vehicles or Containers are acquired with City approval to accommodate growth in the City at some point during the Term, the cost of the new equipment shall be depreciated using a depreciation method and period of depreciation agreed upon by

the City and Company. If new vehicles or Containers are acquired with City approval, this Section of this Exhibit shall be amended to reflect any changes in depreciation and interest amounts.

F) ALLOWABLE RECYCLABLE MATERIALS PROCESSING COSTS

The following Processing costs are allowable Processing costs during the Term of the Agreement based on Company’s Proposal to use the Approved Recyclable Materials Processing Site. **Processing costs shall reflect the net Processing cost (i.e., Processing cost less revenues earned from the sale of materials).**

	Recyclable Materials Processing Costs (\$/ton)
Rate Year One	See Attached Worksheet

For Rate Years Two through Seventeen, the Processing costs shall be adjusted by multiplying the Processing cost for the prior Rate Year by most recently published "San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index (Urban Wage Earners; 1982-84=100)" and dividing by the index published 12 months prior to the most recently published index. For example, the Recyclables Material Processing cost for Rate Year Seven shall be calculated as follows:

1. Most recently published index (October 2012) = 240.9
2. Index published twelve months period to most recently published index (October 2011) = 232.4
3. Rate Year Recyclable Materials Processing cost = $\$22.94 \times (240.9/232.4) = \23.78 per Ton.

Note: The calculated Processing cost shall be rounded to the nearest cent.

G) TONNAGE ASSUMPTIONS

In order to hold Company accountable, over the Term of the Agreement, Tonnage reported by the Company for Rate Year Seven shall be treated as "actuals" unless Company can demonstrate that the increased Tonnages result from growth in the number of Customers or from adjustments due to an Authority-approved interim compensation adjustment as described in Section 12.7 of this Agreement. In recognition of this limitation on Company’s Compensation, the Tonnages listed in the following table shall be considered "actual" Tonnages for the purpose of determining Company’s Compensation.

Source	Estimated Tons Collected
	Rate Year One*
<u>Solid Waste</u>	
Residential Collection	See Attached Worksheet
Multi-Family Collection	
Commercial Collection	
Drop Box and Compactor Collection	
Drop-Off Event	
Subtotal	
<u>Recyclable Materials</u>	
Residential Collection	
Multi-Family Collection	
Commercial Collection	
Drop-Off Event	
Subtotal	
<u>Green Waste</u>	
Residential Collection	
Multi-Family Collection	
Commercial Collection	
Drop-Off Event	
Subtotal	
<u>Total Materials Collected</u>	
Diversion Percentage	

EXHIBIT 5

**PUBLIC EDUCATION AND COMMUNITY OUTREACH
PROGRAMS**

EXHIBIT 5

PUBLIC EDUCATION AND COMMUNITY OUTREACH PROGRAMS

October 2013

The Company shall perform the following services as part of the public education program. Company shall print all materials in English and Spanish.

Residential Education Program (minimum requirements)

Year Eight Public Education Activities

- An introductory letter mailed to single-family residents explaining any transitions from the existing Collection program to the new program, including the new CNG trucks and expanded recycling program. A "How-to" brochure will be included with the introductory letter.
- The "How-to" brochures will be made of a durable, glossy paper that can be kept for future reference. The "How-to" brochure explains:
 - The specific list of Recyclable Materials to be collected. This list can be found at Section 1.79 of the Agreement.
 - The specific list of Green Waste Materials to be collected. This list can be found at Section 1. of the Agreement.
 - The specific list of Solid Waste Materials to be collected. This list contains all non-recyclable, non-compostable and non-hazardous items and will be presented in a format comparable to Exhibit 5A, WVC&R Recycle Guide.

Separate brochures shall be prepared for and delivered to Single-Family and Multi-Family residents.

- Single-Family brochures will provide information on services available including:
 - Used motor oil and filter recycling – how to order jugs and filter bags, and how to place them for collection
 - Household Batteries – what items are accepted and how to place batteries for collection
 - Extra Garbage – what types of items are accepted and how to schedule a pickup for a fee
 - Universal and E-waste drop off – what types of items are accepted, how to obtain a detailed list of items and how to schedule an appointment
 - Bulky Item Collection - what types of items are accepted, how to obtain a detailed list of items, how to schedule a pick-up for a fee

- Annual Clean-up – a description of the service, how residents will be notified of their clean-up date and the fee option for a special collection
- Roll-off Box rental – what types of boxes are available, what types of materials are accepted, how and when to order a box and an explanation of roll-off exclusivity, how it works and why
- Household Hazardous Waste – what types of items are accepted and how to make an appointment
- How to contact WVC&R for service issues, damaged carts, account inquiries and additional information
- Multi-family “How-to” brochures will be delivered to complex owners and/or managers to distribute to residents. Multi-Family brochures will provide information on AB341 and services available including:
 - Universal and E-waste drop off – what types of items are accepted, how to obtain a detailed list of items and how to schedule an appointment
 - Household Hazardous Waste – what types of items are accepted and how to make an appointment
 - California’s Mandatory Commercial Recycling Program – who is affected, what is required and how to obtain further information
 - Roll-off Box rental – what types of boxes are available, what types of materials are accepted, how and when to order a box and an explanation of roll-off exclusivity, how it works and why
 - How to contact WVC&R for additional information
- Advertisements will be placed in four community newspapers and on the local patch (online community specific news site) explaining transitions to the new CNG collection vehicles and expanded recycling program.

Public Education Activities to Be Performed throughout the Term of the Agreement

- At events and as needed, distribute “How-to” brochures as described above.
- Prepare and distribute mailers of the holiday collection schedule and holiday tree collection including accepted items, placement and schedule.
- Prepare and distribute single-family clean-up event mailers, mailed out to each resident one month prior to their scheduled clean-up. The mailer will include the clean-up date in bold, what items are accepted and not accepted, the option of a special cleanup for \$20 and WVC&R’s contact information.
- A WVC&R outreach coordinator shall visit homeowner associations and/or other groups to promote and explain the program throughout the term of the Agreement, as requested by the associations or scheduled by the Authority.

- A quarterly newsletter shall be distributed to all residents promoting and explaining the programs. The newsletter shall be reviewed and approved by the Authority and distributed to residents at the same time Residential bills are issued. The newsletter will be delivered with the quarterly invoice; for those who do not receive a paper invoice via mail, an e-newsletter will be sent to their email address.
- A corrective actions notice shall be prepared and used in instances where Waste Generators set out inappropriate materials.
- School education programs to teach students about source reduction, reuse, and recyclable materials shall be made available to schools.
- Non-program related information on source reduction, reuse and recyclable materials (e.g. junk mail reduction, household hazardous waste events, grass cycling, composting, etc.) shall be available.
- Specially designed public education materials and programs to reach Multi-Family residents shall be prepared.

Commercial Education Program (minimum requirements)

Year Eight Public Education Activities

- A second full time outreach coordinator will be hired for years eight and nine of the contract.
 - He/she will initially focus on the Commercial sector to increase traditional recycling diversion by targeting each City's largest producers and downtown areas, making site visits, meeting with managers and/or contacting owners to offer free site assessments, recycling presentations and outreach materials including the "How-to" brochures/posters.
 - He/she will increase the focus on outreach to children, working through the local schools and libraries, using creative strategies such as drawing and essay contests. Additionally, he/she will increase the focus on multi-family complexes by meeting with complex managers and/or owners to offer recycling presentations and outreach materials for the residents.
- The "How-to" brochure will be in poster form and will be laminated, to post in outdoor enclosures and interior areas. There will be three versions of the "How-to" poster, 1. Commercial without compost service, 2. Commercial with compost service and 3. Multi-Family. The "How-to" poster explains:
 - The specific list of Recyclable Materials to be collected. This list can be found in WVC&R's current proposal, Section 1.77 Appendix A, the Redline Version of Current Contract.

- The specific list of Garbage Materials to be collected. This list contains all non-recyclable, non-compostable and non-hazardous items and will be presented in a format similar to Exhibit 5A.
- For commercial customers with compost service, the specific list of Food Scrap Materials to be collected. This list can be found in WVC&R's current proposal, Section 1.45 Appendix A, the Redline Version of Current Contract.
- Roll-off Box rental – what types of boxes are available, what types of materials are accepted, how and when to order a box and an explanation of roll-off exclusivity, how it works and why.
- How to contact WVC&R for service issues, damaged containers, free site assessments, recycling outreach, account inquiries and additional information.

Public Education Activities to Be Performed throughout the Term of the Agreement

- Prepare and distribute a Recyclable Materials resource guide to provide vendors' names, numbers and contacts for purchasing recycled products, re-use donation locations, and other recyclable materials companies, to be updated annually.
- Prepare and distribute a quarterly newsletter to be distributed to all businesses promoting and explaining the programs. The newsletter shall be reviewed and approved by the Authority. The newsletter will be delivered quarterly with an invoice; for those who do not receive a paper invoice via mail, an e-newsletter will be sent to their email address.
- Prepare and distribute an annual notification of AB341, California's Mandatory Commercial Recycling Program, who is affected, what is required and how to obtain further information.
- Continually recruit new customers for the clean food waste composting program, as well as audit for elimination of contaminants.

All Customers

Company shall develop and implement a public education program designed to educate Generators regarding proper methods of handling and disposing of Hazardous Waste and a load inspection program for Company's personnel to detect and discover Hazardous Waste placed by Generator for Collection by Company.



South Santa Clara County
RECYCLE
GUIDE
for **Yard Waste, Recyclables** and **Garbage**



JANUARY 2010

♻️ Printed on 30% recycled paper



RECYCLABLES Please place all recyclable materials together in your blue recyclables container.

All items must fit inside the recyclables container with the lid closed.

<p>METAL Empty and rinse as appropriate</p> <ul style="list-style-type: none"> Aerosol cans (empty and non hazardous) Aluminum foil, foil trays and pans (clean) Aluminum pie pans Beverage and soda cans Can lids - metal Can parts - small (no fluids) Doors and screens 	<ul style="list-style-type: none"> Electrical motors Food and soup cans Furniture (e.g., chairs, tables) Hangers - metal/wire Keys Lids and caps - metal (e.g., from glass bottles, jars) Nuts and bolts 	<ul style="list-style-type: none"> Paint cans (remove excess paint, let residue dry) Pot food cans Pots Planting trays Pls and pans Propane/gas tanks (leak off) Screws and nails 	<ul style="list-style-type: none"> Spring goods - metal Toys - metal Urn/urals - metal Urinals - metal
<p>GLASS Empty and rinse as appropriate</p> <ul style="list-style-type: none"> Beverage bottles Blue glass 	<ul style="list-style-type: none"> Broken glass Distillers - glass 	<ul style="list-style-type: none"> Food jars Windows - unsealed/unbroken 	<ul style="list-style-type: none"> Wine bottles
<p>PAPER Shred and tape can be recycled</p> <ul style="list-style-type: none"> Books - hardback and softback Carbonless paper (e.g., receipts) Cardboard - unsealed (fit inside or bundle inside) Cardstock and tractor paper (remove lines) Coffee cups - cardboard (e.g., from coffee shops) Colored or construction paper Computer paper 	<ul style="list-style-type: none"> Coupons Egg cartons - cardboard Envelopes (select window O/D) Frozen food packaging - cardboard Gift wrap (no metallic foil) Juice boxes and cartons - non aseptic Junk mail 	<ul style="list-style-type: none"> Magazines and catalogs Mailing - cardboard (e.g., FedEx, UPS) Milk and cream cartons Newspaper - clean (including inserts) Paper bags Paper cups and plates - uncoated Photographs - photo paper 	<ul style="list-style-type: none"> Pizza delivery boxes - clean Shoe boxes Shredded paper (fit in clear plastic bag) Telephone books Tissue paper (e.g., gift wrap, dry cleaning) White office paper
<p>PLASTIC Empty and rinse as appropriate</p> <ul style="list-style-type: none"> Auto parts - plastic (no fluids) Baby wipe containers Baskets - plastic Beverage bottles (e.g., soda, juice, water) Blacks and detergent bottles Bubble wrap Bushes (remove handles) Car hangers - plastic 	<ul style="list-style-type: none"> Coffee cup lids Coolers Crates - plastic Disposable nappies Fewer pots - plastic Food containers (e.g., cottage cheese, yogurt) Furniture - plastic (e.g., chairs, tables) Gloves - rubber (not single use or latex disposable) 	<ul style="list-style-type: none"> House (e.g., car, garden, electrical) Household cleaner bottles (non toxic) Mould/mat Oil drums Pots - plastic Plastics (with numbers 1-7) Prescription bottles (must be empty) Shampoo and conditioner bottles 	<ul style="list-style-type: none"> Shelving - plastic Sprayable bottles (e.g., mops, mops, ketchup) Swimming pools (e.g., rigid, inflatable) Take-out food containers - plastic Toys - plastic Urinals - plastic (e.g., parks, beach)
<p>FILM PLASTICS Bundle in clear plastic bags and tie the top</p> <ul style="list-style-type: none"> Food bags Garbage bags (e.g., pots, metal, zippers) Dry cleaning bags 	<ul style="list-style-type: none"> Frozen food bags or pouches Newspaper bags Parlin wrap 	<ul style="list-style-type: none"> Plastic or wax wraps (e.g., from food packaging) Plastic wraps Produce bags 	<ul style="list-style-type: none"> Shopping bags Stretch wrap
<p>ELECTRONIC WASTE</p> <ul style="list-style-type: none"> Appliances - small (e.g., coffee maker, microwave) Calculators Cameras Cell phones Computer mice 	<ul style="list-style-type: none"> Cards - hard (e.g., telephone, computer, optical etc) DVDs, VCRs, DVD players Fax machines Ink cartridges and toner 	<ul style="list-style-type: none"> Keyboards Modems PDA Printers* Routers 	<ul style="list-style-type: none"> Scanners Stereos* Telephones



GARBAGE Please place all NON-reusable NON-recyclable, NON-compostable and NON-hazardous items in your garbage container.

All items must fit inside the garbage container with the lid closed.

<p>GLASS</p> <ul style="list-style-type: none"> • Ceramics • Cookware - glass (e.g. baking pans, Pyrex TM) 	<ul style="list-style-type: none"> • Dishes - ceramic • Eye glasses 	<ul style="list-style-type: none"> • Disks and • Incandescent light bulbs 	<ul style="list-style-type: none"> • Mirrors
<p>PAPER</p> <ul style="list-style-type: none"> • Amps, containers (e.g., tubes, boxes) • Bleached paper (recycle the cover sheet) • Cardboard paper • Cardboard - reused or sealed 	<ul style="list-style-type: none"> • Envelopes (e.g., padded, "junk") • Ice cream cartons • Newspaper - dirty (paint, pet waste or food/grease) • Paper cups and plates - coated 	<ul style="list-style-type: none"> • Paper napkins • Paper towels • Photocopies - full-sized • Paper delivery boxes - sealed (food, grease) 	<ul style="list-style-type: none"> • Subsoil food containers (e.g., fast food) • Thermal fax paper • Tissues (e.g. Kleenex) • Waste paper
<p>PLASTIC</p> <ul style="list-style-type: none"> • Credit cards • Fast unrecap beverage bottles • Gloves - latex (single use and disposable) 	<ul style="list-style-type: none"> • Pipes - PVC • Rubber bands • Shoes 	<ul style="list-style-type: none"> • Snows • Take-out food containers - polystyrene foam • Tapes 	<ul style="list-style-type: none"> • Toothpaste and container tubes • Utensils - plastic (e.g., spoons, forks, knives) • Weaving/rope (e.g., from lawn furniture)
<p>POLYSTYRENE/STYROFOAM</p> <ul style="list-style-type: none"> • Cups and plates • Egg cartons - molded foam 	<ul style="list-style-type: none"> • Foam packing (e.g., from electronics) • Mail trays - molded foam 	<ul style="list-style-type: none"> • Packing "peanuts" 	<ul style="list-style-type: none"> • Take-out food containers - polystyrene foam
<p>FABRICS and TEXTILES</p> <ul style="list-style-type: none"> • Bacon • Burpags • Carpets and rugs • Clean cotton • Diapers - cloth or disposable 	<ul style="list-style-type: none"> • Clothing accessories (e.g. belts, purses) • Down - filled items • Electric blankets • Fabrics - clean or soiled with chemicals, oil, or paint 	<ul style="list-style-type: none"> • Leather goods • Linen • Pillows • Polyester • Ropes 	<ul style="list-style-type: none"> • Rubber • Shoes • Stuffed animals • Vinyl • Wood
<p>ELECTRONIC WASTE</p> <ul style="list-style-type: none"> • Audio and video tapes 	<ul style="list-style-type: none"> • CDs and DVDs (e.g., software, music) 	<ul style="list-style-type: none"> • Speakers 	
<p>FOOD SCRAPS</p> <ul style="list-style-type: none"> • Bones • Bread • Coffee grounds • Compostable plastic bags • Compostable juicers 	<ul style="list-style-type: none"> • Cakes • Dairy products (e.g., cheese) • Dough • Eggs • Fibers (e.g., coffee, tea) 	<ul style="list-style-type: none"> • Fish • Fruits • Grains (e.g., rice) • Meats • Pasta 	<ul style="list-style-type: none"> • Poultry (e.g., chickens, turkey meat) • Shellfish • Tea bags • Vegetables
<p>YARD WASTE</p> <ul style="list-style-type: none"> • Ashes (hot ashes prohibited) • Bamboo • Burpags • Concrete* • Construction lumber (painted, treated) 	<ul style="list-style-type: none"> • Grass - wood* • Dirt* • Food scraps • Lumber (painted, treated) • Manure 	<ul style="list-style-type: none"> • Palm fronds • Pampas grass • Pet waste • Potted soil • Rocks* 	<ul style="list-style-type: none"> • Soil* • Topsoil* • Wood chips* • Wood wastes*

YARD WASTE

Please place all yard waste together in your green yard waste container.

All items must fit inside the yard waste container with the lid closed.

- Branches - cut to fit loosely in container
- Grass
- Christmas trees (stump/decorations removed)
- Construction lumber (unpainted, untreated)
- Flat
- Flowers
- Grass clippings
- Hay
- Ivy
- Ice plant
- Landscape vegetation
- Leaves
- Lumber (unpainted, untreated) - cut to fit loosely in container
- Plant trimmings
- Shrub
- Shrub
- Small pruning
- Sod (remove as much soil as possible)
- Stumps - cut to fit loosely in container
- Succulents
- Tree trimmings - cut to fit loosely in container
- Turf

HAZARDOUS WASTE

These items **cannot** go into the garbage, recycling or yard waste can for collection.

- Auto and Brake Fluids
- Car batteries
- Cleaning fluids
- Coolants**
- Electronic waste** (except as listed in recyclables)
- Fire extinguishers
- Fluorescent light bulbs (e.g., CFLs, tubes)
- Fuel tanks - with valve on (e.g., helium, propane, gas tanks)
- Grease and cooking oil
- Household Batteries** (e.g., AA, AAA, D, nickel cadmium, lithium)
- Mercury thermometers and thermostats
- Mopups**
- Motor oil**
- Oil filters**
- Pests (e.g., oil based and latex)
- Pesticides and fertilizers
- Pool and spa chemicals
- Solvents
- Syringes and sharps
- "Inverters"
- Transmission fluid

For more information, please call the Santa Clara County Household Hazardous Waste Program at **408.299.7300** or visit www.hhw.org.

These items can be collected curbside as bulky items, please call Customer Service or **408.282.4800 to schedule a pick-up appointment.

***See information in Extra Services for disposal options through GreenWaste.

EXTRA SERVICES

Bulky Item Collection

Furniture, refrigerators or other large items may be picked up at your curb for a small fee per item. To schedule a pickup appointment, call Customer Service.

E-Waste

GreenWaste accepts TVs, computers and computer monitors as Bulky items. Please call Customer Service 48 hours in advance of your regular collection day to schedule a pick-up appointment.

Extra Garbage

Call Customer Service to arrange for pick-up of extra garbage. Extra garbage must be placed in a 32-gallon can or 32-gallon bag. Please call Customer Service prior to your collection day to schedule an extra garbage collection.

Household Batteries

To recycle small batteries, simply place the batteries in a clear Ziploc bag and place the items on top (not inside) of your recycling cart.

Used Motor Oil and Motor Oil Filters

To recycle used motor oil and filters of curbside, you must use FREE GreenWaste issued oil jugs and filter bags because they are designed to prevent leaks. Please place filled oil jugs and filter bags on curb near your recycling cart for collection. Oil mixed with other automotive fluid will not be collected. To order FREE oil jugs and filter bags, call Customer Service.

CART SET-OUT

Cart Set-Out and Weight Restrictions

Cart cannot exceed the weight and load below.



South Santa Clara County
IMPORTANT
CONTACT INFO

Green Waste Recovery Customer Service	408.283.4800
County Integrated Waste Management Division	408.282.3180
County Household Hazardous Waste Program	408.299.7300
Home Composting Education Program	408.918.4640
Recycling Hotline	800.533.8414
County Services	211
Animal Care & Control	408.686.3900
Anti-Hate Hotline	408.279.0111
Community Mediation Services	408.792.2314
County Assessor	408.299.5500
County Park Reservations	408.355.2201
Consumer Protection Unit	408.792.2880
County Library Services	408.293.2326
Meals on Wheels	408.975.4860
Office of the Sheriff	408.808.4900
Public Health Services	408.792.5040
Registrar of Voters	408.299.8683
Road Services	408.494.2700
Social Services	408.491.6300
Scanner Reporting	800.SCANNER
Vector Control	408.918.4770
VTA	408.321.2300
Zoning & Code Enforcement	408.299.5770
Emergency	911
Poison Control Hotline	800.876.4766

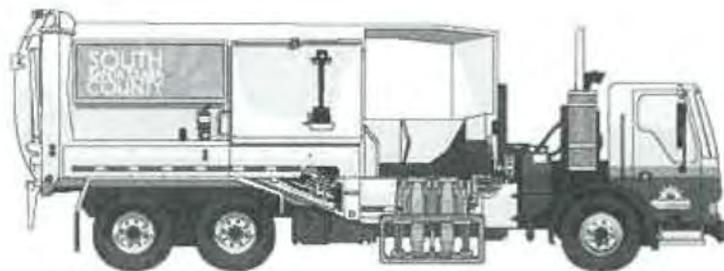


EXHIBIT 6
INITIAL RATES

West Valley Collection & Recycling

West Valley Cities Rates

Rates Effective 7/1/2013

	Campbell	Los Gatos	Monte Sereno	Saratoga
Residential				
<i>Regular:</i>				
20-gallon	\$ 18.01	\$ 17.41	\$ 21.21	\$ 18.94
35-gallon	\$ 23.50	\$ 22.81	\$ 27.67	\$ 24.71
65-gallon	\$ 47.00	\$ 45.62	\$ 55.35	\$ 49.43
95-gallon	\$ 70.51	\$ 68.44	\$ 83.02	\$ 74.14
 <i>Sr. Citizen:</i>				
20-gallon	\$ 12.00	\$ 17.24	\$ -	\$ -
35-gallon	\$ 15.67	\$ 22.51	\$ -	\$ -
 Commercial				
Commercial-1.5 Yards				
1 p/u per week	\$ 117.66	\$ 132.71	\$ 163.21	\$ 162.50
2 p/u per week	\$ 236.99	\$ 267.36	\$ 328.78	\$ 327.46
3 p/u per week	\$ 356.31	\$ 402.02	\$ 494.35	\$ 492.42
4 p/u per week	\$ 475.64	\$ 536.67	\$ 659.92	\$ 657.38
5 p/u per week	\$ 594.97	\$ 671.33	\$ 825.49	\$ 822.34
6 p/u per week	\$ 714.30	\$ 805.98	\$ 991.06	\$ 987.30
Extra Dump	\$ 27.15	\$ 31.06	\$ 37.66	\$ 37.50
Saturday Dump	\$ 27.54	\$ 31.51	\$ 38.21	\$ 38.07
Commercial-2 Yards				
1 p/u per week	\$ 156.87	\$ 176.94	\$ 217.62	\$ 216.67
2 p/u per week	\$ 315.98	\$ 356.48	\$ 438.37	\$ 436.61
3 p/u per week	\$ 475.09	\$ 536.02	\$ 659.13	\$ 656.56
4 p/u per week	\$ 634.19	\$ 715.56	\$ 879.89	\$ 876.50
5 p/u per week	\$ 793.30	\$ 895.10	\$ 1,100.65	\$ 1,096.45
6 p/u per week	\$ 952.40	\$ 1,074.64	\$ 1,321.41	\$ 1,316.39
Extra Dump	\$ 36.20	\$ 41.42	\$ 50.22	\$ 50.00
Saturday Dump	\$ 36.72	\$ 42.01	\$ 50.84	\$ 50.76
Commercial-3 Yards				
1 p/u per week	\$ 235.31	\$ 265.42	\$ 326.42	\$ 325.00
2 p/u per week	\$ 473.97	\$ 534.73	\$ 657.56	\$ 654.92
3 p/u per week	\$ 712.63	\$ 804.03	\$ 988.70	\$ 984.84
4 p/u per week	\$ 951.29	\$ 1,073.34	\$ 1,319.84	\$ 1,314.76
5 p/u per week	\$ 1,189.95	\$ 1,342.65	\$ 1,650.98	\$ 1,644.67
6 p/u per week	\$ 1,428.60	\$ 1,611.96	\$ 1,982.11	\$ 1,974.59
Extra Dump	\$ 54.30	\$ 62.12	\$ 75.33	\$ 75.00
Saturday Dump	\$ 55.08	\$ 63.02	\$ 76.42	\$ 76.13
Commercial-4 Yards				
1 p/u per week	\$ 313.75	\$ 353.89	\$ 435.23	\$ 433.34
2 p/u per week	\$ 631.96	\$ 713.01	\$ 876.77	\$ 873.32
3 p/u per week	\$ 950.17	\$ 1,072.12	\$ 1,318.30	\$ 1,313.27
4 p/u per week	\$ 1,268.39	\$ 1,431.21	\$ 1,759.85	\$ 1,753.20
5 p/u per week	\$ 1,586.61	\$ 1,790.32	\$ 2,201.38	\$ 2,193.14
6 p/u per week	\$ 1,904.82	\$ 2,149.41	\$ 2,642.90	\$ 2,633.09
Extra Dump	\$ 72.40	\$ 82.83	\$ 100.44	\$ 100.01
Saturday Dump	\$ 73.44	\$ 84.03	\$ 101.90	\$ 101.52

West Valley Collection & Recycling

West Valley Cities Rates

Rates Effective 7/1/2013

	Campbell	Los Gatos	Monte Sereno	Saratoga
Commercial-6 Yards				
1 p/u per week	\$ 470.62	\$ 530.83	\$ 652.85	\$ 650.01
2 p/u per week	\$ 947.84	\$ 1,069.45	\$ 1,315.12	\$ 1,309.84
3 p/u per week	\$ 1,425.26	\$ 1,608.07	\$ 1,977.40	\$ 1,969.68
4 p/u per week	\$ 1,902.57	\$ 2,146.69	\$ 2,639.88	\$ 2,629.51
5 p/u per week	\$ 2,379.89	\$ 2,685.30	\$ 3,301.95	\$ 3,288.35
6 p/u per week	\$ 2,857.21	\$ 3,223.92	\$ 3,964.23	\$ 3,949.18
Extra Dump	\$ 108.61	\$ 124.25	\$ 150.06	\$ 150.00
Saturday Dump	\$ 110.15	\$ 126.04	\$ 152.83	\$ 152.27
Commercial-Cans				
1	\$ 11.77	\$ 13.27	\$ 16.32	\$ 16.25
2	\$ 23.53	\$ 26.54	\$ 32.64	\$ 32.50
3	\$ 35.30	\$ 39.80	\$ 48.96	\$ 48.75
4	\$ 47.06	\$ 53.07	\$ 65.28	\$ 65.00
5	\$ 58.83	\$ 66.34	\$ 81.60	\$ 81.25
6	\$ 70.59	\$ 79.61	\$ 97.93	\$ 97.50
7	\$ 82.36	\$ 92.88	\$ 114.25	\$ 113.75
8	\$ 94.12	\$ 106.14	\$ 130.57	\$ 130.00
9	\$ 105.89	\$ 119.41	\$ 146.89	\$ 146.25
12	\$ 141.19	\$ 159.22	\$ 195.85	\$ 195.00
13	\$ 152.95	\$ 172.48	\$ 212.17	\$ 211.25
15	\$ 176.48	\$ 199.02	\$ 244.81	\$ 243.75
18	\$ 211.78	\$ 238.82	\$ 293.78	\$ 292.50
22	\$ 258.84	\$ 291.80	\$ 359.06	\$ 357.50
27	\$ 317.67	\$ 358.23	\$ 440.66	\$ 438.75
30	\$ 362.96	\$ 398.04	\$ 489.63	\$ 487.50
34	\$ 400.03	\$ 451.11	\$ 554.91	\$ 552.50
43	\$ 505.91	\$ 570.52	\$ 701.80	\$ 698.75
50	\$ 588.27	\$ 663.40	\$ 816.05	\$ 812.50
54	\$ 635.33	\$ 716.47	\$ 881.33	\$ 877.50
Debris Box (cu. yds.)				
8*	\$ 420.20	\$ 422.80	\$ 414.77	\$ 423.22
20	\$ 552.24	\$ 556.71	\$ 542.88	\$ 557.45
30	\$ 667.65	\$ 673.08	\$ 658.32	\$ 673.95
40	\$ 783.05	\$ 789.40	\$ 769.75	\$ 790.44
40 - Special - Woodwas	\$ 475.78	\$ 478.35	\$ 470.32	\$ 478.78
*plus actual disposal charge				
Compactor (cu. yds.)				
10	\$ 552.24	\$ 556.71	\$ 542.88	\$ 557.45
12	\$ 598.41	\$ 603.25	\$ 588.25	\$ 604.05
15	\$ 667.65	\$ 673.08	\$ 658.32	\$ 673.95
16	\$ 690.73	\$ 696.32	\$ 679.00	\$ 697.24
18	\$ -	\$ 737.85		
20	\$ 783.05	\$ 789.40	\$ 769.75	\$ 790.44
25	\$ 898.45	\$ 905.74	\$ 883.19	\$ 906.94
26	\$ 921.54	\$ 929.01	\$ 905.88	\$ 930.24
28	\$ 967.70	\$ 975.54	\$ 951.28	\$ 976.83
30	\$ 1,013.86	\$ 1,022.08	\$ 996.63	\$ 1,023.43
36	\$ 1,152.34	\$ 1,161.68	\$ 1,132.76	\$ 1,163.23
40	\$ 1,244.67	\$ 1,254.78	\$ 1,223.51	\$ 1,256.42

West Valley Collection & Recycling

West Valley Cities Rates

Rates Effective 7/1/2013

	Campbell	Los Gatos	Monte Sereno	Saratoga
FEL 2CY Compactor				
1 p/u per week	\$ 212.43	\$ 230.45	\$ -	\$ -
2 p/u per week	\$ 426.59	\$ 463.47	\$ -	\$ -
3 p/u per week	\$ 641.08	\$ 698.53	\$ -	\$ -
4 p/u per week	\$ -	\$ 927.57	\$ -	\$ -
5 p/u per week	\$ 1,070.06	\$ -	\$ -	\$ -
6 p/u per week	\$ 1,283.09	\$ -	\$ -	\$ -
FEL 3CY Compactor				
1 p/u per week	\$ 314.66	\$ 345.70	\$ -	\$ 417.78
2 p/u per week	\$ 632.85	\$ 695.22	\$ -	\$ 840.25
3 p/u per week	\$ 951.04	\$ 1,042.22	\$ -	\$ 1,262.72
4 p/u per week	\$ -	\$ 1,390.59	\$ -	\$ -
5 p/u per week	\$ 1,414.21	\$ -	\$ -	\$ -
6 p/u per week	\$ 1,735.40	\$ -	\$ -	\$ -
FEL 4CY Compactor				
1 p/u per week	\$ 415.10	\$ 460.88	\$ -	\$ 557.03
2 p/u per week	\$ 826.51	\$ 926.93	\$ -	\$ 1,120.31
3 p/u per week	\$ 1,239.14	\$ 1,391.69	\$ -	\$ 1,683.59
Yard Waste Box				
20	\$ 434.28	\$ 437.91	\$ -	\$ -

West Valley Collection & Recycling

MISCELLANEOUS RESIDENTIAL CHARGES

CHARGE	AMOUNT
EXTRA YAW CART (PER MONTH, UP TO 95-GALLONS, IN EXCESS OF THREE 95-GALLON CARTS)	\$11.00
START/STOP CHARGE (1 MONTH)	\$10.72
FIRST SPECIAL PICK-UP (UP TO 3 ITEMS, LIMITED TO APPROVED ITEMS (Residential Customers only)*	\$20.00
ADDITIONAL SPECIAL PICK-UP (UP TO 3 ITEMS, LIMITED TO APPROVED ITEMS)(Residential Customers Only)	\$84.84
Extra Stickers	\$5.88
AUTOMATIC BILL PAY	NO CHARGE
3-YARD "RENT-ME" SERVICE	\$214.42
4-YARD "RENT-ME" SERVICE	\$236.99

* Effective July 1, 2014.

MISCELLANEOUS COMMERCIAL CHARGES

KEY/PUSH-OUT**	FREQUENCY PER WEEK					extra P/U
	1	2	3	4	5	
DIST IN FT						
0-25 (LOCKS)	\$20.09	\$40.18	\$60.25	\$80.34	\$100.43	\$12.40
25-50	\$40.18	\$80.34	\$120.52	\$160.68	\$200.86	\$24.91
50-75	\$60.25	\$120.52	\$180.77	\$241.02	\$301.27	\$37.37
75-100	\$80.34	\$160.68	\$241.02	\$321.36	\$401.70	\$49.81
100-125	\$100.43	\$200.86	\$301.27	\$401.70	\$502.13	\$62.27
125-150	\$120.52	\$241.02	\$361.54	\$482.04	\$602.56	\$74.72
150-175	\$140.59	\$281.20	\$421.79	\$562.38	\$702.98	\$87.18
175-200	\$160.68	\$321.36	\$482.04	\$642.72	\$803.40	\$99.63
200-250	\$180.77	\$361.54	\$542.28	\$723.06	\$903.83	\$112.09

** ALL ARE MONTHLY CHARGES EXCEPT THE EXTRA P/U CHARGES

CHARGE	AMOUNT
SMALL COMPACTOR CHARGE (COMMERCIAL COMPACTED BINS SERVICED BY A FRONT-LOAD VEHICLE)	REGULAR BIN RATE + DISPOSAL CHARGE X (1+0.19)
LOCK INSTALLATION/REMOVAL	\$101.85
RELOCATE CHARGE (MOVE A DEBRIS BOX WITHOUT A DUMP)	\$112.85
"DRY RUN" CHARGE (REGULAR SERVICE - BOX EMPTY)	\$112.85
R/O Over Limit Tonnage	\$65.79
DEBRIS BOX RENTAL (PER DAY, IN EXCESS OF 7 DAYS)	\$11.29

EXHIBIT 7
INTENTIONALLY DELETED
(Previously Implementation Plan)

EXHIBIT 8
PAYMENTS BY COMPANY

PAYMENTS BY COMPANY

1) Franchise Fees

- a) Company shall pay a monthly Franchise Fee to each of the Cities using the following percentages:

Jurisdiction	Franchise Fee Percentage
City of Campbell	19%
City of Monte Sereno	19%
City of Saratoga	19%
Town of Los Gatos	19%

- b) The monthly Franchise Fee payment shall be calculated as follows:
 Monthly Gross Revenues Collected less one twelfth (1/12) of the annual HHW Fee, Street Sweeping Fee, and JPA Administration Costs multiplied by the applicable percent.
- c) Such percentages may be changed at any time by Authority or the Cities.

2) Other City Fees

- a) Company shall pay the other City Fees including HHW, Street Sweeping, Vehicle Impact, and JPA Administrative Costs monthly to each of the Cities as follows:

Jurisdiction	HHW	Street Sweeping	Vehicle Impact	JPA Admin Costs	Other
City of Campbell	\$23,915	\$110,000	\$230,000	\$74,645	N/A
City of Monte Sereno	\$9,932	\$0	\$0	\$3,791	N/A
City of Saratoga	\$50,000	\$80,000	\$62,989	\$33,954	N/A
Town of Los Gatos	\$53,650	\$135,899	\$105,703	\$63,372	N/A

- b) Such fees may be changed at any time by Authority or the Cities.

EXHIBIT 9
FAITHFUL PERFORMANCE BOND



Bond Continuation Certificate
Platte River Insurance Company

June 28, 2013

District # 4025

Principal:

West Valley Collection & Recycling, I.I.C.
Attn: Brian Bigham
1333 Old Oakland Road
San Jose, CA 95112

It is agreed that the bond mentioned below hereby continues in force for the new term mentioned below, subject to all the covenants and conditions of the original bond referred to below.

This continuation is issued upon the express condition that the liability under said bond and all continuations thereof shall not be cumulative and shall in no event exceed the total sum referenced below.

Bond Type: Performance Bond
Bond Description: Hauling
Obligee: West Valley Solid Waste Management Authority
Bond Amount: \$1,000,000.00
Bond Number: 41073601

New Term

Effective Date: 08/14/2013
Expiration Date: 08/14/2014

Platte River Insurance Company

By: 

David W. Garese, Attorney-In-Fact

PHONE (916) 971-8844 / FAX (916) 971-8840
3620 AMERICAN RIVER DR. SUITE 125, SACRAMENTO, CA 95864
CALIFORNIA LICENSE #0B53997

PLATTE RIVER INSURANCE COMPANY
POWER OF ATTORNEY

41280071

KNOW ALL MEN BY THESE PRESENTS, that the PLATTE RIVER INSURANCE COMPANY, a corporation of the State of Nebraska, having its principal offices in the City of Middleton, Wisconsin, does make, constitute and appoint

SARAH M. COLLINS; CATHERINE A. WINDER; DAVID W. GARESE; AUDREY C. SKEEN

its true and lawful Attorney(s)-in-fact, to make, execute, seal and deliver for and on its behalf, as surety, and as its act and deed, any and all bonds, undertakings and contracts of suretyship, provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of

ALL WRITTEN INSTRUMENTS IN AN AMOUNT NOT TO EXCEED \$20,000,000.00

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PLATTE RIVER INSURANCE COMPANY at a meeting duly called and held on the 5th day of January, 2007:

"RESOLVED, that the President, and Vice-President, the Secretary or Treasurer, acting individually or otherwise, be and they hereby are granted the power and authorization to appoint by a Power of Attorney for the purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more vice-presidents, assistant secretaries and attorneys-in-fact, each appointee to have the powers and duties usual to such officers in the business of the Corporation, the signature of such officers and the seal of the Corporation may be affixed to such power of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Corporation in the future with respect to any bond or undertaking or other writing obligatory in the nature thereof to which it is attached. Any such appointment may be revoked, for cause, or without cause, by any of said officers, at any time."

IN WITNESS WHEREOF, the PLATTE RIVER INSURANCE COMPANY has caused these presents to be signed by its officer undesignated and its corporate seal to be hereto affixed duly attested, this 2nd day of May, 2011.

Attest:

Richard W. Aden III
Richard W. Aden III
President
Surety & Fidelity Operations



PLATTE RIVER INSURANCE COMPANY
David F. Pauly
David F. Pauly
CEO & President

STATE OF WISCONSIN)
COUNTY OF DANE) S.S.

On the 2nd day of May, 2011 before me personally came David F. Pauly, to me known, who being by me duly sworn, did depose and say that he resides in the County of Dane, State of Wisconsin, that he is President of PLATTE RIVER INSURANCE COMPANY, the corporation described herein and which executed the above instrument, that he knows the seal of the said corporation, that the seal affixed to said instrument is such corporate seal, that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

STATE OF WISCONSIN)
COUNTY OF DANE) S.S.



Daniel W. Kraeger
Daniel W. Kraeger
Notary Public, Dane Co., WI
My Commission is Permanent

I, the undersigned, duly elected to the office stated below, now the incumbent in PLATTE RIVER INSURANCE COMPANY, a Nebraska Corporation, authorized to make this certificate, DO HEREBY CERTIFY that the foregoing attached Power of Attorney remains in full force and has not been revoked, and furthermore, that the Resolution of the Board of Directors, set forth in the Power of Attorney is now in force.

signed and sealed at the City of Middleton, State of Wisconsin this 28th day of June, 2013.



Alan S. Ogilvie
Alan S. Ogilvie
Secretary

THIS DOCUMENT IS NOT VALID UNLESS PRINTED ON GREEN SHADED BACKGROUND WITH A RED SERIAL NUMBER IN THE UPPER RIGHT HAND CORNER. IF YOU HAVE ANY QUESTIONS CONCERNING THE AUTHENTICITY OF THIS DOCUMENT CALL 800-475-4450.

ACKNOWLEDGMENT

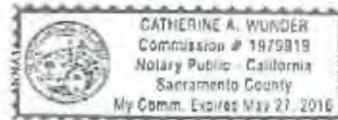
State of California
County of Sacramento)

On June 28th, 2013 before me, Catherine A. Wunder, Notary Public
(insert name and title of the officer)

personally appeared David W. Garesc
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.



Signature Catherine A. Wunder (Seal)

EXHIBIT 10
DISPOSAL PAYMENT PROVISIONS

DISPOSAL PAYMENT PROVISIONS

The gate rates as of July 1, 2013 at the Designated Disposal Site are as follows:

	Disposal Rate	Green Waste Processing Rate (Beneficial Use at Guadalupe Landfill)	Construction and Demolition Debris Rate
State AB1220 Fee	\$ 1.40/Ton	n/a	n/a
Santa Clara County AB 939 Fee	\$ 4.10/Ton	n/a	n/a
Santa Clara County Solid Waste Planning Fee	\$ 0.78/Ton	n/a	n/a
City of San Jose Business Tax	\$13.00/Ton	n/a	n/a
City of San Jose Solid Waste Enforcement Fee	\$ 1.31/Ton	\$ 1.31/Ton	\$ 1.31/Ton
Total Fee Component	\$20.59/Ton	\$ 1.31/Ton	\$ 1.31/Ton
Propriety Rate	\$23.64/Ton	\$21.53/Ton	\$42.53/Ton
Transportation Component			
TOTAL FEE	\$44.21/Ton	\$22.82/Ton	\$43.82/Ton

EXHIBIT 11

AUTHORITY APPROVED SUBCONTRACTORS

Authority-Approved Subcontractors

As of the Effective Date of this agreement the following subcontractors have been approved by the Authority.

Subcontractor	Approved to Perform
GreenWaste Recovery Incorporated 625 Charles Street, San José, CA	Processing of Recyclable Materials and Food Scraps

EXHIBIT 12
INTENTIONALLY OMITTED
(Previously Notary Certification)

EXHIBIT 13
CART SPECIFICATIONS

CART SPECIFICATIONS

A. CART DESIGN REQUIREMENTS

1. General

The Carts shall be manufactured by injection or rotational molding and meet the Cart design and performance requirements as specified below. All Carts selected shall be subject to Authority approval.

2. Cart Handles

The Cart handles and handle mounts may be an integrally molded part of the Cart body or molded as part of the lid. The Cart handles will provide comfortable gripping area for pulling or pushing the Cart or lifting the lid. Pinch points are unacceptable.

3. Cart Lid

Each Container shall be provided with a lid that continuously overlaps and comes in contact with the Container body or otherwise causes an interface with the Container body that simultaneously:

- Prevents the intrusion of rainwater, rodents, birds, and flies;
- Prevents the emission of odors;
- Enables the free and complete flow of material from the Container during the dump cycle without interference with the material already deposited in the truck body or the truck body itself and its lifting mechanism;
- Permits users of the Container to conveniently and easily open and shut the lid throughout the serviceable life of the Container;
- The lid handle shall be an integrally molded part of the lid;
- The lid (and body) must be of such design and weight that would prevent an empty Container from tilting backward when flipping the lid open; and,
- The lid shall be hinged to the Cart body in such a manner so as to enable the lid to be fully opened, free of tension, to a position whereby it may rest against the backside of the Container body.

4. Cart Colors

The Solid Waste, Recyclable Materials, and Green Waste Carts will be differentiated by color. The colors shall be colorfast and resistant to fading as a result of weathering or ultraviolet degradation. Color must be uniform within each Container. Solid Waste Carts shall be black or gray. Recyclable Materials

Carts shall be blue. Green Waste Carts shall be brown. Company may propose other colors for Carts, which are subject to approval by the Authority. For all colors including those prescribed in this paragraph, the Company shall obtain written approval from the Authority for the Cart color before Company's purchase of the Carts.

5. Identification Markings

All markings on the Containers shall be approved by the Authority in advance of ordering Carts. An arrow (at least 3 inches by 5 inches) hot stamped in white color shall be placed on the lid, indicating the direction of Cart placement.

In character size of no less than 3/16 inch, the phrase:

PLACE CONTAINER WITH ARROW FACING

STREET FOR COLLECTION

Additionally, the **SOLID WASTE, RECYCLING** or **GREEN WASTE** must be hot stamped in white color on the front or sides of the Cart in characters no less than one inch.

B. CART PERFORMANCE REQUIREMENTS

1. General

All Carts shall be designed and manufactured to meet the minimum performance requirements described below.

2. Cart Load Capacity

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

Cart Size (Gallons)	Minimum Load Capacity (LBS)
90-101	200
60-68	130
30-35	70
20	40

3. Cart Durability

Carts shall remain durable, and at a minimum, shall meet the following durability requirements to satisfy its intended use and performance, for the term of this Agreement:

- Maintain its original shape and appearance;
- Be resistant to kicks and blows;
- Require no routine maintenance and essentially be maintenance free;
- Not warp, crack, rust, discolor, or otherwise deteriorate over time in a manner that will interfere with its intended use;
- Resist degradation from ultraviolet radiation;
- Be incapable of penetration by biting or clawing of household pets (i.e., dogs and cats);
- 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 surface;
- All wheel and axle assemblies are to provide continuous maneuverability and mobility as originally designed and intended; and,
- Resist degradation by other airborne gases or particulate matter currently present in the ambient air of the Authority.

4. Chemical Resistant

Carts shall resist damage from common household or Residential products and chemicals. Carts, also, shall resist damage from human and animal urine and feces.

5. Stability and Maneuverability

The 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 an open position.

The Carts shall be capable of maintaining its upright position in sustained or gusting winds of up to 25 miles per hour as applied from any direction.

The Carts shall be capable of being easily moved and maneuvered, with an evenly distributed load equal in weight to its maximum design capacity on a level, sloped or stepped surface.

6. Lid Performance

Cart lid assemblies shall meet the following minimum requirements:

- 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 as intended;
- Remain closed in winds up to 25 miles per hour from any direction. All lid hinges must remain fully functional and continually hold the lid in the original designed and intended positions when either opened or closed or any position between the two extremes; and,
- Lid shall be designed and constructed such that it prevents physical injury to the user while opening and closing the Container.

7. Reparability

Minor cracks, holes, and other damages to hinges, wheels, axle, hardware, and other component parts shall be readily repairable by the Company personnel. All repairs must restore the Container to its full functionality to meet the design and performance requirements as set for herein.

EXHIBIT 14a
CURRENT SERVICE DESCRIPTION

2.0 Technical Proposal for Collection Services

Successful collection of solid waste and recyclable materials, as well as, successful diversion of recyclable materials is dependent upon a solid operation and implementation program. We are very experienced in providing collection services, responsiveness to customer needs and proper processing and marketing of recyclable materials. West Valley Collection and Recycling, LLC (WVC&R) is firmly committed to the development and implementation of such programs for smooth transition and superior service performance for the West Valley Solid Waste Management Authority.

WVC&R's office and maintenance facility is located at 1333 Oakland Road in San Jose. This facility will encompass all vehicle parking, personnel staging, container storage; management and administrative operations, dispatch and maintenance facilities for our proposed collection services. Our maintenance facility has eight maintenance bays that currently are not in use and are available for increased service needs.



WVC&R's Maintenance Facility

For maintenance of all vehicles discussed in Section 2.1 Solid Waste Collection, Section 2.2 Recyclable Materials Collection and Section 2.3 Green Waste Collection, the following preventative maintenance program shall be performed. Preventative maintenance at GreenTeam complies with Waste Connection's strict district requirements. The preventative maintenance for each vehicle includes:

PREVENTIVE MAINTENANCE INTERVAL	PREVENTIVE MAINTENANCE DESCRIPTION
PMA	14 days, bi-weekly inspection of gauges, brakes, and safety equipment. Compliance with all DOT items.
PMB	42 days, all maintenance items on PMA, all chassis and body items, engine, oil sampling
PMC	720 days, auto transmission service
D1	360 days, hydraulic service
D2	360 days, manual transmission
D3	360 days, adjust valves
D4	360 days, winterization (coolant test)
PME	360 days, DOT inspection
PMG	90 days, trailer service & inspection

Personnel training for all services discussed in Section 2.1, Solid Waste Collection, Section 2.2 Recyclable Material Collection and Section 2.3 Green Waste Collection will be performed by GreenTeam and complies with Waste Connection's strict requirements. GreenTeam provides extensive personnel training programs to all of its employees. All employees, including solid waste, recyclables and green waste collection drivers, must participate and successfully complete these training programs, which include safety training, to achieve permanent employment. All new employees receive initial safety and orientation training which includes, but is not limited to, review of GreenTeam's Drug and Alcohol Policy, Sexual Harassment Training, GreenTeam's Injury and Illness Prevention Program, Emergency Action Plan, Safety Rules and Discipline Program, and Accident and Injury Reporting Procedures. In addition to the initial safety orientation, all new drivers are required to participate in a 10 day training program where they must "pass" with management approval on a daily basis to progress to the next level. During this intensive training program, new drivers review many topics, including commercial driver safe work practices, PPE, hazard communication, seat belt requirements, confined spaces, and lock out/tag out requirements and procedures.

GreenTeam holds regularly scheduled monthly safety meetings for all employees. Safety committee meetings are also held on a monthly basis. Additionally, various safety meetings are presented throughout the year on an as needed basis. For example, employees are required to attend post accident safety training. Employees who are changing jobs receive refresher training. Managers may request that certain or all employees receive refresher training.

GreenTeam is in full compliance with EEO and ADA requirements.

2.1 Solid Waste Collection

Listed below is WVC&R's narrative describing our specific plans for the solid waste collection services as requested in the RFP and described in the Agreement.

Single-family Solid Waste and Green Waste Collection Services

Single-family solid waste will be collected on a weekly basis utilizing Labrie fully automated split-body side loaders. On regular routes, collection of solid waste and green waste will occur by use of a single split body truck with an articulating arm that loads from the side.

The collection vehicle will approach carts at the curbside of a household. An articulated arm, controlled in the cab, will extend and grasp the carts with green waste and unload the container's contents into the hopper. The diversion blade will ensure green waste is deposited into its appropriate compartment. After unloading the green waste container and returning it to its original location, the driver will then grasp the refuse container and unload it in the hopper. The packer panel will be activated to compress the unloaded materials into the body, as necessary.

WVC&R will create separate routes for hard-to-serve, narrow streets, alleys, condominium complexes and courts. This is discussed under the *Hard-To-Serve* portion of this section.

WVC&R expects to collect approximately 16,502 tons of solid waste and 27,243 tons of green waste including hard-to-serve single-family areas.

For solid waste and green waste collection, WVC&R will utilize 12 new Labrie side loaders at a cost of \$232,565 per vehicle. The split body holds 31 cubic yards and 9 tons total with the compartments being split in a 80/40 capacity. The green waste will occupy the 80% compartment and the solid waste will occupy the 40% compartment. Manufacturer's specifications for these vehicles are included in Attachment 3 at the end of this proposal. There will be one driver per truck. Additionally, we will purchase a spare for a total of 13 single-family solid waste and green waste collection vehicles.

Equipment								
Quantity	Manufacturer	Model	Capacity	Weight	Cost	Condition	Notes	Attachment
13	Labrie	Fully Automated Split Body Side Loaders	31	9	\$232,565 per truck	New	One	Attachment 3

WVC&R has extensive experience with the use of co-collection trucks and has successfully used them for collection in various solid waste, recyclables and green waste collection contracts. This automated split-body technology is appropriate for weekly collection as it enables collection of two separate materials in a single pass.

The number of collection vehicles on the road is reduced, thereby, decreasing wear and tear on city streets, creating less noise and fewer air emissions.

GreenWaste has successfully utilized split-body trucks in Lexington Hills, the Town of Woodside, the Town of Portola Valley, the City of Red Bluff and Tehama County. GreenTeam has used Labrie fully automated split body trucks successfully in the City of San Jose's single-family residential solid waste and recycling collection program since July, 2002.

For solid waste collection, carts will be provided by either Schaefer or Otto Industries and will be made of HDPE plastic containing not less than 20% recyclable material. These carts have a 25-mile per hour wind stability and have been proven stable in wind tunnel tests well over 30-miles per hour. With Schaefer, residents will be able to choose from a 20 gallon insert, or a 35, 65 or 95 gallon cart for solid waste. With Otto, residents will be able to choose from a 20 gallon insert, or a 32, 64 or 96 gallon cart for solid waste. For the remainder of this proposal, Otto's specifications are used. See Attachment 4 for cart specifications.

WVC&R expects to order a total of 28,658 carts and 400 twenty (20) gallon inserts for single-family solid waste collection including hard-to-serve areas in the following breakdown:

Quantity	Item	Estimated Cost	Reference
400	20 gallon inserts	\$23.61	Attachment 4
23,106	32 gallon carts	\$34.61	Attachment 4
4,174	64 gallon carts	\$42.61	Attachment 4
1,378	96 gallon carts	\$44.61	Attachment 4

*This includes cost of distribution to customers

Carts will be delivered directly to GreenTeam's San Jose facility from the manufacturer. We have worked closely with Schaefer and Otto in past start-ups and have found their delivery and cart quality to be excellent.

Schaefer or Otto will deliver carts to customers each day over a 4 to 5 week period. WVC&R will provide route sheets and staging area information to insure a successful cart delivery process. Specifications for these carts can be found in Attachment 4.

Hard-To-Serve Areas

For collecting in hillside areas, narrow streets, courts, alleys, and otherwise hard-to-serve areas, we will utilize a Labrie Minimax, which can operate on both a fully automated and semi-automated basis. This truck holds 12 cubic yards and 4.5 tons total with compartments being split in a 50/50 capacity. Like regular single-family service, this truck will collect green waste and solid waste. The cost of the vehicle is

\$137,106. Additionally, we will purchase a spare for a total of 2 new hard-to-serve single-family solid waste and green waste collection vehicles.

Quantity	Manufacturer	Model	Capacity (cu yd)	Weight (ton)	Price	Condition	Quantity	Attachment
2	Labrie Minimax	Fully/Semi-Automated Split Body Side Loader	14	4.5	\$137,106	New	One	Attachment 5

The advantages with this vehicle include:

- o Reduced number of vehicles on hard-to-serve roads
- o Better Manuverability on hard-to-serve roads
- o Reduced emissions and vehicle noise

The collection vehicle will approach a household, and if necessary, the driver will dismount and manually place the carts on the tipper and activate the truck to tip the cart. The driver will first unload the green waste where the diverter blade will ensure green waste is deposited into the appropriate compartment. After unloading the green waste container and returning it to its original location, the driver will then grasp the refuse container and unload it in the hopper. Where possible, this vehicle will collect carts on a fully automated basis.

Multi-Family Services and Commercial Services

For the multi-family and commercial services, WVC&R proposes to collect solid waste on at least a weekly basis in front loader bins utilizing 7 new 40 cubic yard LEACH Front Loaders with 10.5 ton capacity at a cost of \$213,583. These front loaders will be used to service both multi-family complexes and commercial complexes.

As front load bins are collected from the front of the truck rather than from the side, narrow alleyways are rarely an issue. WVC&R does not expect difficulties with this type of collection.

WVC&R expects to collect 39,208 tons of solid waste from multi-family complexes, commercial complexes, and City facilities. Additionally, we will purchase a spare for a total of 8 new multi-family and commercial services collection vehicles.

Quantity	Manufacturer	Model	Capacity (cu yd)	Weight (ton)	Price	Condition	Quantity	Attachment
8	LEACH	Front Loader	40	10.5	\$213,583	New	1	Attachment 6

Bins will be provided by Consolidated Fabricators Corporation and will be available in 1.5, 2, 3, and 6 cubic yard sizes. Bin prices are shown in the table below. Manufacturer's specifications for these bins are in Attachment 7 at the back of this

proposal. WVC&R will order the following quantities for multi-family complexes and commercial facilities (this includes 5% inventory):

Quantity	Size	Cost	Attachment
726	1.5 Cubic Yard	\$423.96	Attachment 7
578	2 Cubic Yard	\$447.62	Attachment 7
891	3 Cubic Yard	\$486.97	Attachment 7
154	6 Cubic Yard	\$758.03	Attachment 7

Multi-family complexes and commercial facilities using carts for solid waste will be collected by the LEACH Front Loader truck using a tipper located on the forks of the truck. There will be one driver per truck. In instances where multi-family complexes are located in primarily single-family areas, the carts may be collected with the fully automated split-body trucks.

Multi-family complexes and commercial facilities will be issued the same Schaefer or Otto carts as described in the single-family solid waste scenario.

Multi-family complex managers will be contacted by mail and commercial managers will be contacted by mail and outreach personnel in advance of the start of service to determine appropriate solid waste bin or cart size. In the event that WVC&R is unable to make contact with respective managers, we will issue bins that are the same size as provided by the previous hauler.

To increase recycling diversion, managers will be encouraged to use recyclable bins or carts in sizes equal to or larger than their solid waste bins.

Carts for commercial customers will be provided by Schaefer or Otto as described in the single-family solid waste collection section of this proposal. Commercial carts will be serviced using a tipper located on the forks of the LEACH Front Loader.

WVC&R will order solid waste carts for commercial services in the following quantities:

Quantity	Size	Cost	Attachment
24	32 gallon carts	\$34.61	Attachment 4
75	64 gallon carts	\$42.61	Attachment 4
420	96 gallon carts	\$44.61	Attachment 4

*This includes cost of distribution to customers

Debris Box and Compactor Services

Drop box and non-front-load compactor services will be available on a scheduled and on-call basis. Each truck will have one driver.

For collection in debris boxes and solid waste compactors, WVC&R will utilize 2 debris box trucks with 10 ton capacity at a cost of \$140,977.

Quantity	Make/Model	Year	Capacity	Price	Condition	Notes
2	K-PAC	R/O	N/A	10	\$140,977	New One Attachment 8

WVC&R will order debris boxes in the following quantities:

Quantity	Capacity	Price	Attachment
2	8 cubic yards	\$3,083	Attachment 7
15	20 cubic yards	\$2,832	Attachment 7
3	30 cubic yards	\$3,522	Attachment 7
2	40 cubic yards	\$3,873	Attachment 7

Manufacturer's specifications for these debris boxes can be found in Attachment 7 located at the back of this proposal.

Front loader compactors will be serviced by WVC&R front load trucks with one driver per truck. WVC&R expects to collect 14,821 tons of solid waste from drop boxes and compactors.

2.2 Recyclable Materials Collection

Listed below is WVC&R's narrative description of our specific plans for recyclable materials collection, processing and marketing services requested in the RFP and described in the Agreement.

2.2.1 Collection

Single-family Collection

Containerized "singlestream" recyclables will be collected on a weekly basis utilizing Labrie fully automated side loaders. These vehicles do not have a split body since they will only collect recyclables for delivery to the GreenTeam Material Recovery Facility.

These recycling collection vehicles will approach a household. An articulated arm controlled in the cab, will extend and grasp the container with recyclables and unload the container's contents into the hopper. The packer panel will be activated to compress the unloaded materials into the body, as necessary. These vehicles will have the same arms as those vehicles collecting green waste and solid waste.



Fully Automated Side Loader

WVC&R expects to collect approximately 14,043 tons of recyclables during the first year of the contract inclusive of hard-to-serve areas.

WVC&R will utilize 7 new Labrie side loaders at a cost of \$214,192 per vehicle. The vehicle holds 31 cubic yards and 10 tons. Additionally, we will purchase a spare for a total of 8 new single-family recyclable materials collection vehicles.

-8	Labrie	Fully Automated Side Loaders	31	10	\$214,192	New	One	Attachment 3
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Manufacturer's specifications for these vehicles are included in Attachment 3 at the end of this proposal. There will be one driver per truck.

Hard-to-Serve Areas

For collecting recyclables in hillside areas, narrow streets, courts, alley, and otherwise hard-to-service areas, we will utilize a Labrie Minimax, which can operate on both a fully automated and semi-automated basis. This vehicle also does not have a split body.

This truck holds 12 cubic yards and 4.5 tons payload. The cost of this vehicle is \$116,733.

1	Labrie Minimax	Fully/Semi-Automated Side Loader	12	4.5	\$116,733	New	One	Attachment 5
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Manufacturer's specifications for this vehicle are included in Attachment 5 of this proposal. There will be one driver per truck. The advantages of this vehicle include:

- o Reduced number of vehicles on hard to serve roads
- o Reduced emissions and vehicle noise

The collection vehicle will approach a household, and if necessary, the driver will dismount and manually place the carts on the tipper and activate the truck to tip the cart. The driver will unload the recyclables. After unloading the recyclables container he will return it to its original location. Where possible, this vehicle will collect carts on a fully automated basis.

Residents can choose from a 32, 64 or 96 gallon cart for weekly recyclables collection. The carts will be provided by either Schaefer or Otto as described in the single-family solid waste program.

WVC&R expects to order a total of 28,658 carts for single-family recyclables collection in the following breakdown:

Quantity	Cart Type	Estimated Cost	Attachment
1,378	32 gallon carts	\$34.61	Attachment 4
4,174	64 gallon carts	\$42.61	Attachment 4
23,106	96 gallon carts	\$44.61	Attachment 4

*This includes cost of distribution to customers

Multi-Family, Commercial, and City/Town Facilities Recyclables Collection

WVC&R proposes to collect recyclables on a weekly basis in front loader bins utilizing 2 new 40 cubic yard LEACH front loader with 10.5 ton capacity at a cost of \$213,583. This front loader will be used to service multi-family complexes, commercial complexes and City/Town facilities.

As front load bins are collected from the front of the trucks instead of the side, narrow alleyways are rarely an issue. WVC&R does not expect difficulties in this type of collection.

WVC&R expects to collect 5,939 tons of recycling from multi-family, commercial complexes and City facilities in the first year of the contract.

Quantity	Equipment Type	Capacity	Weight	Cost	Condition	Attachment
2	LEACH Front Loader	40	10.5	\$213,583	New	Attachment 6

Bins will be provided by Consolidated Fabricators Corporation and will be available in 1, 1.5, 2, 3, 4, 6 and 8 cubic yard sizes. Bin prices are shown in the table below. Manufacturer's specifications for these bins are in Attachment 7 of this proposal. WVC&R will order the following quantities for multi-family complexes, commercial and City/Town facilities:

Quantity	Bin Size	Unit Price	Attachment
26	1 Cubic Yard	\$402.20	Attachment 7
81	1.5 Cubic Yard	\$423.96	Attachment 7
148	2 Cubic Yard	\$447.62	Attachment 7
105	3 Cubic Yard	\$486.97	Attachment 7
75	4 Cubic Yard	\$563.23	Attachment 7
23	6 Cubic Yard	\$758.03	Attachment 7
8	8 Cubic Yard	\$952.83	Attachment 7

Multi-family complexes and commercial facilities using carts for recycling will be collected by this LEACH front loader truck using a tipper located on the forks of the truck. There will be one driver per truck. Smaller complexes located in dense single-family areas may have recyclables collected with the fully automated side loader used in the single-family scenario.

Multi-family complexes and commercial facilities who wish to use carts for recycling collection will be issued the same Schaefer or Otto carts as described in the single-family recycling scenario. WVC&R will order the following quantities of cart sizes for multi-family recycling collection:

Quantity	Bin Size	Unit Price	Attachment
1,217	96 gallon carts	\$44.61	Attachment 4

*This includes cost of distribution to customers

Multi-family complex and commercial managers will be contacted in advance of the start of service to determine appropriate solid waste bin or cart sizes and quantities. In the event that WVC&R is unable to make contact with complex managers, we will issue bins that are the same size as provided by the previous hauler until contact is made.

To increase recycling diversion, managers will be encouraged to use recyclable bins or carts in sizes equal to or larger than their solid waste bins.

Drop Box & Compactor Recyclables Services

Drop box and non-front-load compactor services will also be available for mixed recyclables services. Also, in order to facilitate the greatest possible diversion, source separated drop boxes and compactors will be made available. Customers may request metal, wood, and green waste only drop boxes.

WVC&R will use drop boxes listed previously to accommodate recyclable drop boxes.

2.2.2 Processing

For West Valley Solid Waste Management Authority, we expect the following annual tons of recyclable materials to be collected, processed and marketed:

	<u>Expected Annual Tons</u>
o Single-Family – Single Stream	14,043
o Multi-Family – Single Stream	2,439
o Commercial – Mixed Stream	3,500

For single stream and other traditional recyclables, the recyclable collection vehicles will deliver the collected recyclables directly to GreenTeam of San Jose's Material Recovery Facility ("MRF") located at 575 Charles Street, San Jose, California 95112. This facility is located on the north side of Charles Street approximately 1,000 feet to the southwest of Oakland Road between N 13th Street and N 15th Street.



Green Team's MRF Staff at the MRF

The 2.86 acre property contains a 20,000 square foot building that houses a material processing facility, an administrative office and scale. A separate enclosure houses a maintenance shop for the MRF. Additional areas include storage bunkers for pre-processed and processed recyclables, an oil recycling area, parking for employees, recyclables collection containers storage, baled recyclables and landscaping.

Name of Owner: GreenTeam Properties
625 Charles Street
San Jose, CA 95112

Operator of the Facility: Waste Connections of California, Inc.
dba GreenTeam of San Jose
1333 Oakland Road
San Jose, CA 95112

Copy of Facility Permits: City of San Jose
Department of City Planning
Site Development Permit
File No: 92-09-052

City of San Jose
Department of City Planning
Special Use Permit
File No: SP 02-070

California State Board of Equalization
Sellers Permit
7/1/1993 SR GH 99278462

City of San Jose
Business Tax Certificate
No. 029201206

City of San Jose/County of Santa Clara
Hazardous Materials Permit
Number: 401312
Facility ID FA0210140

Department of Food and Agriculture
Division of Measurement Standards
Weighmaster License # 010943

All permits listed above pertain to the Material Recovery Facility operation at 575 Charles Street and are included in Attachment 9 of this proposal.

Proof of permitted capacity: The City of San Jose Department of City Planning does not specifically limit the daily receipt and throughput of recyclables tons at our MRF. We currently receive approximately 170 tons per day. The facility has excess daily storage capacity and operates one processing shift per day. For West Valley jurisdictional recyclable tonnage, we anticipate receiving approximately 75 to 80 tons of additional daily recyclables. As a result, a second shift is anticipated to be created to process these tons. By adding this second shift, which our permits allow, we clearly have the facility capacity to handle the incremental recyclable stream.

Gross processing fee per ton: At this time and most likely at the start of the contract, the facility anticipates paying the Joint Venture \$20 per ton for the recyclables the MRF receives from the West Valley jurisdictions.

Anticipated revenue/cost per ton: Currently, average cost and average revenue per ton amounts to \$85 and \$105 respectively. We anticipate that the proportional relationship between cost and revenue will continue to exist at the start of the West Valley contract.

Method of future fee adjustments: Two variables will affect future payment/fee adjustments by the Material Recovery Facility to the Joint Venture. Adjustments can occur on a quarterly basis.

- (1) Market values – as average material markets change the fee paid by the MRF will be directly impacted in either an upward or downward fashion.
- (2) As the cost to process recyclables increases with inflation, the cost per ton and the amount the facility can pay the Joint Venture for the recyclables will be impacted.

Tonnage commitment for the term of the Agreement: Since the operator of the MRF is a Joint Venture partner for this proposal, there is a 100% certainty that recyclable tonnage from the West Valley jurisdictions can be processed at the GreenTeam MRF. See Attachment 9 for the commitment from the property owner.

Tracking jurisdictional tonnage: To accurately track recyclable tonnage by specific jurisdictional sources, we weigh each recycling collection vehicle in and out of our MRF. Additionally, these collection vehicles are fully dedicated to their specific contract and will not commingle collection material. As a result, it will be easy to continue to track incoming tonnage by jurisdiction.



Sorting Process at the GreenTeam MRF

The owner of the property and the operator of the MRF are two separate entities. Included in Attachment 9 is a letter, committing to GreenTeam of San Jose from GreenTeam Properties, the continued operation of the GreenTeam MRF for the term of the contract with West Valley Solid Waste Management Authority.

One of our primary goals is to increase the diversion of recyclables. One method of accomplishing this goal is to increase the type of materials allowed in the program. At

no additional charge to the Authority, we propose an expanded list of recyclable materials modeled on the City of San Jose's extensive acceptable materials list which we hope will increase the Authority's recycling tonnages further.

The expanded list of recyclables includes:

- o Newsprint (including inserts)
- o Mixed paper (including magazines, catalogues, envelopes, junk mail, corrugated cardboard, Kraft brown bags and paper, paper egg cartons, office ledger paper and telephone books)
- o Glass containers
- o Aluminum beverage containers
- o Small scrap and cast aluminum (not exceeding ten (10) pounds in weight nor two feet in any dimension for any single item)
- o Steel including "tin" cans and small scrap (not exceeding ten (10) pounds in weight nor (2) two feet in any dimension for any single item)
- o Bimetal containers
- o Mixed plastics such as plastic bags, plastic film, plastic containers (#1-7) and bottles including containers made of HDPE, LDPE, PET, or PVC
- o Textiles
- o Aseptic containers
- o Polystyrene
- o Plastic film
- o Used oil and used oil filters

In single stream recycling programs, it is common knowledge that contamination increases when recyclables are no longer placed in shallow non-lidded tubs. They are instead placed in deep lidded carts. We faced slightly increased contamination in the City of San Jose in 2002 and expect to see it in West Valley Solid Waste Management Authority. Through outreach and education, we can effectively address this potential issue as was effectively addressed in San Jose.

Benefits and limitations of evolving markets will be addressed in the next section.

2.2.3. Marketing

Since 1993, GreenTeam of San Jose has operated the GreenTeam MRF including marketing the recovered materials. Our long-standing marketing methods and approaches have included frequent and ongoing communication with various brokers to obtain the optimal price for each commodity on an ongoing basis. We have no long-term broker contracts. For each commodity, we market to the following various brokers based upon the best current price at the time:

- o Plastic 1-7, Plastic Bags, Plastic Injection, Black Injection:
 - Weisco Recycling
 - Pralumex Inc.
 - Resource Recovery
 - Superlink
 - Classic Fibers
 - American Chung Nam

- o Mixed Paper, OCC
 - American Chung Nam
 - Classic Fibers
 - Pacifica International
- o Glass
 - Strategic Material
- o Scrap Metal, Aluminum
 - MS Services
 - Simms Metal
 - Standard Iron
- o Textiles
 - Felix and Sons

The following average salvage and redemption values have been received at GreenTeam MRF for the 2005 calendar year-to-date through August:

<u>Material</u>	<u>Average Price/Ton</u>
o Mixed Paper	\$53.85
o Mixed Glass	\$127.21
o Mixed Plastic 1-7	\$757.75
o Injection Grade Mixed Plastic	\$59.71
o Plastic Bags	\$27.22
o Aluminum Cans	\$3,421.97
o Scrap Metal	\$85.22
o Foil	\$200.00
o OCC	<u>\$108.06</u>
Average Price	\$105.00

Fluctuations in quantity and composition of recycling materials in the West Valley recyclable stream will be quickly analyzed to determine the source of any shortfall or degradation of materials received. Since we process recyclables on a daily basis, we can quickly isolate the source of the issue. In most cases, our fulltime outreach person can directly communicate with this source and quickly rectify the issue at hand. This has worked very effectively in San Jose. In situations where the issue may be more global in nature, a written outreach communication can take place.

GreenTeam has demonstrated experience in withstanding the recyclable material market fluctuations. This ability stems from several factors:

- o Long term relationships with material brokers
- o Continually monitoring marketing conditions
- o Ability to anticipate and react to fluctuations in marketability.
- o Contingency plan to address market conditions

During the extreme market fluctuations in prior years, GreenTeam has continued to process and market the variety of materials collected.

Examples of GreenTeam's market endurance include:

- o GreenTeam regularly integrates our marketing with both domestic and foreign markets.
- o GreenTeam responded to the decline in collected glass volumes by increasing the opportunity to market plastic containers.
- o In anticipation of increased digitalization of news publications and increasing quantities of mixed paper documents, GreenTeam has strengthened our position with respect to marketing mixed paper.

GreenTeam has developed the following contingency plans to address changing market conditions and volume fluctuations:

- o Material Recovery Facility (MRF) sorters are capable of adjusting their daily routines to accommodate market fluctuations.
- o GreenTeam has an established relationship with a temporary worker agency to immediately hire additional sorting personnel.
- o Operating requirements at our MRF allow us to increase the number of shifts available for increased sorting.
- o GreenTeam MRF has additional storage capacity for recyclables, as does our joint venture partner, GreenWaste Recovery, Inc., whose facility adjoins GreenTeam's property.

GreenTeam has a long standing reputation for processing and marketing recyclable materials. We have always been successful in marketing commodities even in difficult situations including, for example, the bay area port strike. We have never landfilled recyclable materials generated in San Jose, nor will we landfill recyclables from the West Valley Cities. We will comply with the contract language forbidding the landfilling of recyclable material.

2.3 Green Waste Collection

Single-family Green Waste Collection

See Section 2.1 Solid Waste Collection for discussion addressing green waste collection methodology and service specifications. We anticipate collecting single-family green waste and solid waste in the same vehicle since both streams will be delivered to Guadalupe Landfill.

WVC&R expects to order a total of 13,773 carts of which 13,503 carts will be distributed for single-family green waste collection in the following breakdown:

Quantity	Bin Size	Price per Bin	Attachment
675	32 gallon carts	\$34.61	Attachment 4
2,025	64 gallon carts	\$42.61	Attachment 4
10,803	96 gallon carts	\$44.61	Attachment 4

*This includes cost of distribution to customers

Carts will be delivered directly to our San Jose facility from the manufacturer. During peak green waste seasons in the fall and spring, we have various spare collection vehicles to dedicate to collecting excess materials. As the collector of green waste in San Jose, we are very adaptable to changing green waste volume.

Multi-Family Green Waste Collections

Large multi-family complexes requesting green waste services will be provided with their choice of bins in sizes ranging from one to six cubic yards.

WVC&R anticipates that the majority of multi-family complexes requesting green waste services already have carts and we will service those complexes using the fully automated Labrie side loader in the single-family system.

Complexes requesting green waste collection in bins will be collected with an existing LEACH front loader as necessary. Numbers of bins anticipated are currently unknown. Although, we do not anticipate that many of these large multi-family complexes will request bins for their green waste.

All green waste collected will be delivered to Guadalupe Landfill for composting.

Commercial Green Waste Collection

Commercial customers requesting green waste services can be provided with their choice of carts in either 64 or 96 gallons.

WVC&R anticipates that very few commercial customers require green waste services. But, if they do, they can choose carts and we will service those businesses using the fully automated Amrep side loader from the single-family system.

All green waste collected will be delivered to Guadalupe Landfill for composting. Acceptable materials for collection will be jointly determined between WVC&R and West Valley Solid Waste Management Authority representatives.

Drop Box Green Waste Collection

Customers may place green waste in roll-off boxes. In these instances we will deliver these boxes to Guadalupe Landfill for composting.

Holiday Tree Collection Services

Beginning on the first business day after December 25 and continuing through the third Monday of January of any given contract year, WVC&R will supply 4 to 6 drop boxes for collection of holiday trees. WVC&R will locate the boxes at any location as determined by the West Valley Solid Waste Management Authority representatives.

Boxes will be serviced regularly to provide appropriate space for residents to dump trees and to keep the surrounding area free from debris.

Collected trees will be transported to Guadalupe Landfill or GreenWaste MRF for processing and composting.

2.4 E-Waste & Other Items Collection

Currently, GreenWaste Recovery, Inc. is a California Integrated Waste Management Board approved collector of Covered Electronic Waste. Prior to March of 2007 WVC&R will complete the application to become an approved collector. WVC&R proposes to collect E-Waste at the curb during the annual clean up event. Alternatively, WVC&R will also accept E-Waste dropped off at the Green Team of San Jose's MRF on Charles St. in San Jose, during pre-scheduled times. WVC&R will contact various E-Waste Recyclers for further processing depending upon rates charged and/or paid for the various types of items. Currently GreenWaste Recovery, Inc. uses E-Recycling of California.

Other items such as water based paints, batteries, and oil can also be picked up during our annual clean up event or dropped off at Green Team of San Jose's MRF during pre-scheduled times. WVC&R will also research to find local free drop off points for oil and will inform residents of these locations.

2.5 Annual Community Clean-Up Program

The following types of materials will be accepted at the Annual Community Clean-Up Days and/or the two on-call clean-ups per resident:

Large amounts of cardboard, furniture (such as a sofa, chair, desk, table, mattress, box springs, patio furniture); appliances (such as a stove, dishwasher, washer or dryer, water heater, microwave oven); toilets, sinks, other porcelain products, shipping crates, containers, bicycles, suitcases, barbecues, swing sets, tools, toys, bundled branches, E-Waste and other items the size or weight of which precludes collection during regularly scheduled MSW collection. Tree pruning and branches cannot exceed 3 inches in diameter, or be longer than 5 feet, and weigh no more than 70 pounds. Items that cannot be safely loaded by one person will not be accepted. No single item can weigh more than 70 pounds, except for appliances and furniture. Hazardous waste will not be accepted.

All bulky items will be transported back to Green Team of San Jose's yard, MRF and/or GreenWaste Recovery's MRF for processing. Whenever possible, items will be recycled. When items still have a useful life, they will be donated to the various non-profit organizations such as Goodwill or the Salvation Army.

Our first option would be for the two on-call collection events per year. This is the option WVC&R prefers because it allows customers more flexibility to have the service when needed most (i.e., after moving in or out). After receiving the customer's request, we will schedule the collection of the bulky items on the customer's next regularly scheduled service day. WVC&R will use a new stake bed truck with a lift gate and an overhead boom. All waste and recyclables will be placed curbside by 6:00 A.M. Whenever possible, items should be bagged or containerized in cans or boxes to prevent any materials from being spread throughout the neighborhoods. A limit of 7 cubic yards per event would be ideal.

In the second option of a city wide clean up, WVC&R will work with the Cities' officials to determine the best dates in which to hold the clean-up event. WVC&R will mail out notices to all residents and advertise in the local media with the guidelines of their collection day including set out procedures. WVC&R will collect the bulky items on the scheduled day with a new rear loader. All waste and recyclables will be placed curbside by 6:00 A.M. Whenever possible, items should be bagged or containerized in cans or boxes to prevent any materials from being spread throughout the neighborhoods.

2.6 Implementation Plan

This section of the proposal presents WVC&R's proposed implementation plan, including schedules and tasks from January 3, 2006, to March 1, 2007. Implementation activities are presented in this section by event as set forth in the RFP. A chronological implementation timeline of activities is presented in Attachment 10.

The key to successful implementation of a new program is an experienced team. WVC&R and its affiliated companies are experienced in initiating a variety of services specific to community needs. WVC&R has successfully implemented very similar programs in Northern California and will ensure a successful transition for West Valley Cities with its existing team. Members of our team have worked together for over ten years and have vast knowledge and experience of what is required to accomplish a transition to a new program of this scope and magnitude.

Upon execution of the contract, the implementation team will kick off its start-up by reviewing the final contract and program requirements. The team will outline all program objectives, key contractual requirements, timelines, and important milestones. An overall detailed implementation plan will be developed, as well as a summary outline of all operational and administrative obligations and requirements pursuant to the contract. WVC&R believes that it is critical that all implementation staff is familiar with every provision of the contract. The implementation team will continue to meet regularly throughout the implementation phase.

The implementation team will be responsible for ensuring a smooth transition from the previous hauler to WVC&R, including designing routes, procuring the quantity and type of vehicles and equipment needed, identifying and training management and staff, planning and coordinating the distribution of containers, outlining the public education and customer service programs, and coordinating internally with the West Valley Waste Management Authority. Every person on the team will be available to give immediate attention to any issues or concerns expressed by the Authority.

Per our implementation schedule, WVC&R anticipates ordering new collection vehicles in March 2006. WVC&R will allow one-year lead-time for delivery of vehicles with the last vehicle expected to be received by December 2007. Based on our experience, this is more than sufficient time to receive, inspect, and test vehicles before collection begins on March 1, 2007.

WVC&R plans to order residential solid waste, recycling and green waste carts in March, 2006. WVC&R anticipates using Otto Industries, Inc. or Schaefer to supply the carts for the program and to distribute the carts to the residents. WVC&R will use historical data from the Authority, and our extensive operational experience to place an initial order. Working with the Authority's representatives and the current hauler, WVC&R will obtain current billing records preferably in a format that will be easily uploaded into our customer service and billing program. Upon receipt of customer data, which we anticipate to be September 1, 2006, Otto Industries/Schaefer has agreed to make appropriate modifications to the initial order once the additional information relating to size selection is compiled. WVC&R commits to ordering a sufficient supply of surplus containers in each size to ensure that carts are available for exchanges.

Cart delivery is expected to begin the first week in January and be completed February 28, 2007. The carts will be delivered along with educational material (a "how to" guide) that informs customers on how to participate in the new program, and how to contact us. Examples of the "how to" guide can be found in Attachment 13.

WVC&R plans to use Consolidated Fabricators to supply the front loader containers and the roll-off containers. WVC&R will use historical data from the Authority, and our extensive operational experience to place an initial order. Working with the Authority's representatives and the current hauler, WVC&R will obtain current billing records preferably in a format that will be easily uploaded into our customer service and billing program. Upon receipt of customer data, which we anticipate to be September 1, 2006, we will begin an audit to determine the size of container that is required.

Commercial container delivery, subject to existing hauler's approval, is expected to begin in December 2006 and to be completed February 28, 2007. WVC&R will exchange the existing bin with a new container and deliver the old container to the current hauler's yard. The current hauler will service the new containers until February 28, 2007.

WVC&R will hire supervisors in September 2006 as reflected in the timeline. This will ensure that they are familiar with all of WVC&R's operating procedures and the contract. Customer service representatives, accounting staff and dispatchers will be hired in January and February, 2007. WVC&R will offer employment to qualified displaced workers who have been employed by the current contractor. It is our intent to offer employment to qualified displaced drivers and mechanics in January 2007. WVC&R will cooperate with the current contractor and displaced workers during the transition period to honor the displaced workers' responsibilities to the current contractor until March 1, 2007, including scheduling training in late afternoons and/or weekends.

Prior to program implementation, drivers will receive "off-truck" training, which includes at a minimum, safety training, customer service training (including reporting suspicious neighborhood activities and aiding people in distress), and reporting procedures for non-collection, contaminated recycling and other required on route observations. "On-truck" training for drivers will be used to familiarize them with the fully automated equipment and will be conducted during the month of February.

As with the drivers, the training for the mechanics on the fully automated equipment will encompass both "off-truck" and "on-truck" training as well. The mechanics will familiarize themselves with the shop and WVC&R's maintenance methods and procedures. WVC&R has been using essentially all of the equipment specified in this proposal for several years, and has been to many training classes specifically focused on this equipment. WVC&R's maintenance staff along with representatives from the manufacturers will train the new members of the maintenance team.

Public Education and Outreach Implementation

Upon signing of the contract, WVC&R will begin to develop the public education and outreach plan by:

- o Creating the "look and feel" for the required collateral
 - Consulting with a graphic designer
- o Collaborating with the Authority to ensure all collateral requirements will be met
- o Hiring an outreach coordinator

Once the look of the collateral has been established we will immediately begin designing the key pieces of collateral (see Section 2.10 for further details on collateral):

- o The introductory mail piece including the return postcard for cart/bin selection
- o The newspaper advertisement
- o The billing, collection day, and schedule mail piece
- o The "how to" guides
 - Single-family
 - Multi-family
 - Multi-plex
 - Commercial includes:

- Restaurants
- Office/commercial buildings
- Strip malls
- Large commercial businesses

As the designs are completed, the number of customers will be confirmed. Copy of the printable pieces will be sent to the printer and the advertisement will be sent to the approved newspapers. The introductory mail piece and newspaper advertisements are scheduled to appear in the community simultaneously. Approximately six weeks later, single-family residents, multi-family managers and business managers will receive a second mail piece verifying billing and collection day, as well as an annual schedule. A mail house may be used in distribution of the mail pieces. The "how to" guides will be delivered to each resident and commercial customer during the last three months preceding start-up. Single-family resident's guides will be attached to their new recycling carts, whereas, multi-family residents will receive guides from their complex manager or WVC&R will deliver them to their door. Commercial customers will receive the applicable guide during an onsite meeting.

WVC&R outreach staff will attend and present at multiple community meetings and events during the months of January and February, and/or on dates requested by the Authority. To maximize attendance and participation by community members, WVC&R will advertise the meetings; the pertinent information will be included in the newspaper advertisements and in a mail piece. These meetings are designed to educate all community residents, multi-family managers and commercial managers on the new collection program and to answer any questions. A focus of all presentations given by WVC&R outreach staff will be on increasing recycling and therefore increasing diversion. At a minimum WVC&R will:

- Present at four community workshops
- Promote and conduct eight training meetings for each general business type (restaurants, office/commercial buildings, strip malls, and large commercial businesses)
 - WVC&R may collaborate with the Authority on the best venues for these training meetings
- Attend six business association/organization meetings

Once collection begins, WVC&R will be using collateral, in addition to the "how to" guides, to continually educate and encourage residents and managers to properly participate in the collection program and increase their recycling. WVC&R will develop and print the following pieces, which will be ready for start-up:

- Corrective Action Notice
- "One Man's Trash" newsletter
- Annual clean up event direct mail (if applicable)
- Billing messages

2.7 Billing

GreenWaste Recovery, Inc. has successfully provided direct billing services to customers in the Town of Woodside, the Town of Portola Valley, Lexington Hills, City of Red Bluff, and Tehama County. Currently, GreenWaste provides customers with the ability to pay by cash, check, credit card, or automatic withdrawal from a banking account. Samples of a customer bill can be found in Attachment 14.

Contact information is as follows:

Contact: Town of Woodside
Susan George
Town Manager
2955 Woodside Road
PO Box 620005
Woodside, CA 94062
(650) 851-6790

Contact: Town of Portola Valley
Barbara A. Powell
765 Portola Road
Portola Valley, CA 94028
(650) 851-1700 x 18

Contact: Elizabeth Constantino
Santa Clara County
Integrated Waste Management Program
1735 North First Street, Suite 275
San Jose, CA 95112
(408) 441-1198

Specifically, WVC&R proposes to bill in the following manner:

Single-Family and Multi-Plex Premises

WVC&R proposes to provide quarterly billing services to single-family residents and multi-plex complexes in advance of the provision of service. In multi-plex complexes, individual residents of units will be billed separately unless specified by the owner of the multi-plex complex to bill otherwise.

Multi-Family Premises

WVC&R will provide monthly billing services in advance of the provision of service. Bills will be delivered to the owner or property manager of said complexes.

Commercial Premises

WVC&R will provide monthly billing services in advance of the provision of service. Bills will be delivered to commercial customers. In the event that there are

centralized bins which are shared by more than one commercial customer, WVC&R will either bill one customer for centralized service or at the customer's request, bill each customer for service costs equal to the service rate divided by the number of commercial premises sharing the service.

Additionally, WVC&R will prepare bill inserts relating to service and activities of the Authority as requested. WVC&R will develop and maintain a website to provide information on services provided and on-line bill payments.

For customer service procedures involving billing demands, please refer to the following section.

2.8 Customer Service

WVC&R full-time customer service staff will consist of 8 customer service representatives (CSR), 3 of whom are bilingual, one supervisor and one office manager. We currently have 6 CSRs and will add 2 CSRs to handle increased call volume. We anticipate call per CSR to amount to 250 calls per day during peak call times. In addition to the pool of CSRs, additional accounting staff, including a billing clerk will be available to handle customer calls during the busiest times. As demonstrated by GreenTeam's and GreenWaste's successes in other communities, customer service and satisfaction are essential to our success in providing refuse, recycling, and green waste collection to residents. The primary goal of our customer service department is to furnish answers and solutions to inquiries and concerns as quickly and professionally as possible.

Customer service calls will be routed through our local office located in San Jose. The CSRs will have access to the customer's information via our billing and routing database.

Customers will be able to use either our toll-free number or a local number which will direct calls to our San Jose office. No customer will have to wait for more than three rings before their call is answered. The office personnel will handle walk-in inquiries in person, requests for changes to service levels, payments and direct phone calls. The offices will be open Monday through Friday from 8:00 a.m. to 6:00 p.m.

WVC&R Customer Management Software allows for real-time data to be delivered from the route to our Customer Service Center throughout the day. This allows many customer inquiries to be handled very quickly. This same software also allows for the call center to monitor the route collection driver throughout their day. This in turn provides for immediate dispatching of issues that arise throughout the day. All activity is recorded and tracked by this software in order to improve on service wherever possible. This tracking allows for monitoring of collection routes and provides for the best level of service possible across all service areas.

WVC&R's Call Center is equipped with state of the art call management hardware and software. All calls are processed through a call router ensuring timely responses to all of our customers even at peak call times. Supervisors are notified via desktop alert when the expected answer times are exceeded.

When a customer calls our toll-free or local phone number, the customer service representative first asks for the address of the customer or the location of the concern and enters it into the computerized phone log. With this information in the computer, the representative can immediately determine the day the address is serviced. The representative then asks the caller to state their question or describe their concern and enters this information for future reference and follow-up.

The customer service representative taking a customer call can usually respond to complaints and inquiries immediately. Representatives are given a written script that details commonly asked questions and appropriate responses. A customer service supervisor is also available during normal business hours for direct assistance and to address any unusual inquiries that representatives are unable to answer.

The following types of calls may arise:

- o The customer service representative records requests for new cart deliveries. A work order is generated immediately. The cart is then delivered, usually on the next service day. If there is a missing or broken cart, we endeavor to replace the cart on the day following the missing or broken cart call.
- o If a pickup is missed, every effort is made to go back for the miss on the same day the missed pick-up call is received. Customer service representatives maintain ongoing radio and cell phone contact with drivers and supervisors to allow quick response. If same-day return is not possible, the driver returns first-thing, prior to beginning his regular route, on the following business day. Missed pickups reported on Friday will be collected on Saturday.
- o If a CSR receives a complaint due to spills or litter resulting from collection, the driver or supervisor is contacted immediately and will make an on-site visit to the resident to remedy the problem.
- o If a collection schedule change becomes necessary, residents are advised in advance through a mailer.
- o If a customer fails to set out garbage and calls on the service day, we endeavor to return for a courtesy pickup. If this is not possible, the customer is allowed to set out extra garbage at no charge on the next service day.
- o Drivers leave corrective action notices for customers when we are unable to collect garbage, green waste, or recyclables due to excessive contamination or noncompliance with set guidelines. In general, we first leave a courtesy notice to tell the resident why a setout is unacceptable. In these cases, we collect the garbage, recycling, or green waste and leave the informational courtesy notice to avoid future problems.

- o Noise complaints have been a rare occurrence in our collection experience. However, the complaint will be noted and every effort will be made to ensure that the noise issue is resolved.
- o Drivers are trained to make every effort to collect a resident set-out regardless of traffic and sidewalk obstructions. If either makes collection impossible, a corrective action notice will be left to advise the resident of the reason for the miss. We will return the following day or once the obstruction has been corrected for a courtesy pick-up.

Drivers receive on-going training on safety and WVC&R's excellent driver safety record reflects our success in the program.

WVC&R has an ongoing program to monitor material separation, setouts, and absence of contaminants. Information collected on setouts, weights collected, participation, number and type of corrective action notices issued, type and level of contaminants, etc. are entered daily into a database created especially for this monitoring program. If corrective action notices are repeatedly issued within a running year, a WVC&R field service representative may make an on-site visit to discuss with the service recipient the importance of the program conditions and the reason for the continuing problem. The field representative clarifies with the service recipient the steps necessary to ensure correction. If a particular problem is widespread, WVC&R will resend informational literature to area participants.

Customer service representatives are initially trained by the customer service supervisor. Representatives receive written scripts to answer frequently asked questions. When a new question arises, the CSR supervisor or office manager will address the question and make sure that all CSR's are advised of the proper response for future calls. Ongoing training includes weekly one-on-one sessions between CSRs and the supervisor and monthly meeting with all CSRs utilizing both internal and external training resources and motivational techniques. In addition, calls are monitored for continuous customer service improvement. All CSRs are required to attend driver ride along for areas serviced by WVC&R in order to have a full understanding of operational issues in specific service areas.

2.9 Environmental Issues

Vehicle Impacts

Fully Automated Split Body Side Loader	Labrie body on Peterbilt Chassis	Labrie Automizer Peterbilt 320	9 tons	18,000 lb front axle 34,000 rear axle	solid waste and green waste	Single-family Residential Flat Land Area	As the trucks purchased by WVC&R will be new, there are no expected particulate issues. Any used trucks will be fully compliant with CARB regulations.
Fully Automated Side Loader	Labrie body on Peterbilt Chassis	Labrie Automizer Peterbilt 320	7 tons	18,000 lb front axle 34,000 rear axle	recyclables	Single-family Residential Flat Land Area	As the trucks purchased by WVC&R will be new, there are no expected particulate issues. Any used trucks will be fully compliant with CARB regulations.
Fully Automated Split body Side Loader	Labrie body on International Chassis	Labrie Minimax International 4300	4.5 tons	8000 lb front axle 17500 rear axle	solid waste and green waste	Single-family Residential Hard-to-Serve Areas and City Cans	As the trucks purchased by WVC&R will be new, there are no expected particulate issues. Any used trucks will be fully compliant with CARB regulations.
Fully Automated Side Loader	Labrie body on International Chassis	Labrie Minimax International 4300	4.5 tons	8000 lb front axle 17500 rear axle	recyclables	Single-family Residential Hard-to-Serve Areas and City Cans	As the trucks purchased by WVC&R will be new, there are no expected particulate issues. Any used trucks will be fully compliant with CARB regulations.
Front Loader	Leach Body on Peterbilt Chassis	Leach Standard Peterbilt 320	10 tons	18,000 lb front axle 42,000 rear axle	solid waste, recyclables, green waste	Multi-Family Residential, Commercial, City Facilities	As the trucks purchased by WVC&R will be new, there are no expected particulate issues. Any used trucks will be fully compliant with CARB regulations.
Roll-off	K-Pac Peterbilt	K-Pac KP60 Peterbilt 335	9 tons	18,000 lb front axle 34,000 rear axle	solid waste, recyclables, green waste	Multi-Family Residential, Commercial, City Facilities	As the trucks purchased by WVC&R will be new, there are no expected particulate issues. Any used trucks will be fully compliant with CARB regulations.
Flatbed	TBD	TBD	TBD	8000 lb front axle 17500 rear axle	bulky items	Multi-Family and Single-family Residential	As the trucks purchased by WVC&R will be new, there are no expected particulate issues. Any used trucks will be fully compliant with CARB regulations.
Rear loader	Hall Body Peterbilt Chassis	Hall 5000 Peterbilt 320	9 tons	18k front axle 44k rear axle	Scheduled clean up	Single-family Residential	As the trucks purchased by WVC&R will be new, there are no expected particulate issues. Any used trucks will be fully compliant with CARB regulations.

Hazardous Waste Management

Although there is only an occasional problem with prohibited wastes, WVC&R is committed to protecting our workers and preventing wastes from entering collected wastes and the landfill. Typical wastes detected include paints, needles, lead-acid batteries and cleaners.

WVC&R's waste screening program consists of the following activities:

- o Driver Training
- o Customer Notification
- o Containment
- o Proper Disposal

The waste screening program starts with customer education. WVC&R provides customers with information related to acceptable and prohibited wastes, as well as, information related to hazardous waste disposal sites available to them.

To continue to achieve high levels of successful performance and eliminate the possibility of hazardous waste or contaminants in the waste stream, WVC&R trains its employees in identifying and removing contaminants before they are delivered to a landfill or MRF. Using hopper cameras that are located in the hopper portion of the truck, drivers are able to identify hazardous materials.

If a driver discovers hazardous waste, he will endeavor to return the waste to the customer with information on the dangers of improper disposal and options for safe disposal. If this is not possible, he will immediately contact the dispatch center and contain and isolate the hazardous load. Our dispatcher will contact the field supervisor and the environmental health representative of the source jurisdiction. Dependent upon the size and type of hazardous material, WVC&R may segregate and containerize the waste for transport or contact a permitted hazardous waste transportation company for assistance.

WVC&R conducts annual training for all the employees in the area of Hazard Communication. This training program, as required by OSHA's Hazard Communication Regulation T8 CCR 5194, provides information about the hazardous substances in the workplace, the associated hazards, and the control of these hazards through a comprehensive hazard communication program.

Environmental Compliance

WVC&R will utilize existing facilities that are fully permitted to accommodate all the operational needs of this contract. All are Title 14 compliant and maintain Storm Water Pollution Prevention Plan and Best Management practice documentation. WVC&R is committed to the best utilization of technology, equipment and manpower combined to continue to operate safe and compliant facilities.

2.10 Public Education and Outreach

WVC&R public education and outreach program is crucial to our success in meeting and exceeding the Authority's diversion goals. Public education and outreach begins far in advance of start-up and continues throughout the contract. WVC&R will provide one full time outreach coordinator in addition to the Public Relations and Outreach Manager, Weslie McConkey. Once start-up is completed, the outreach coordinator's primary focus will be to provide presentations and attend events in West Valley schools and neighborhoods.

Initial Start-Up Public Education and Outreach

Well before the start of collection, WVC&R will place advertisements in the local paper and use direct mailings to inform and educate West Valley's single-family residents, multi-family managers and business managers of the new garbage, recycling and green waste collection program. The introductory mailer will also include a return mail postcard requesting residents and managers to select their solid waste, recycling and green waste cart/bin sizes (See Attachment 12 for a sample). Shortly thereafter, as a follow-up, WVC&R will send a direct mail piece to each single-family resident, multi-family manager and commercial manager, which will verify billing information and collection day, and provide a holiday, holiday tree, and clean up event (where applicable) schedule for 2007. In the last few months prior to start-up, and in accordance with the Authority's schedule, the outreach coordinator will attend at least four community workshops to educate residents on the new collection program and answer questions. A focus of all presentations given by WVC&R outreach staff will be on increasing recycling and therefore increasing diversion.



Examples of Newspaper Advertisements

"How To" Guides

Recycling and green waste "how to" guides will be produced separately for single-family, multi-plex, and multi-family residents. These guides will include information on collection methodologies, set out instructions, set out schedule, contact information, and acceptability and necessary preparation of materials for all three containers: garbage, recyclables, and green waste. A section of the guide will specifically address proper methods of handling and disposal of hazardous waste. Single-family homes will receive the recycling and green waste "how to" guides attached to their carts. For multi-plex and multi-family residents, WVC&R will work with complex managers to distribute these guides to each of their residents. In cases where we are unable to reach a complex manager, our full time outreach coordinator or supervisors will deliver the guides door to door. Recycling and green waste "how to" guides will also be distributed at all community events, recycling presentations,

MRF tours, and outreach activities that WVC&R participates in. Similar, but separate recycling guides will be produced and distributed to all commercial customers. Different guides will be created for different types of businesses (restaurants, office/commercial buildings, strip malls, and large commercial businesses). These attractive and informational guides are suitable for hanging and provide the opportunity for repetitive viewing and work as a reference for determining which items are accepted as recyclables and green waste. We have used similar guides in several successful start-ups. They provide both visual and written information to best suit the needs of the majority of residents. A sample "how to" guide is provided in Attachment 13.

Both GreenTeam and GreenWaste have accumulated a lot of experience by working closely with the City of San Jose in its outreach program to address specific educational issues and to ensure that outreach materials are not only easy to understand, but also interesting enough for customers to enjoy reading.

Corrective Action Notice

In the event that a residential or commercial customer sets out inappropriate materials, WVC&R will distribute a corrective action notice that will inform the customer of their error. Both GreenTeam and GreenWaste are accustomed to using these types of notices to educate residents and prevent future non-collections. WVC&R's outreach coordinator, customer service representatives, and often drivers will educate customers on how to participate in the collection program and the proper handling and disposal of hazardous waste, through educational material and one on one conversation, when appropriate. WVC&R personnel will be trained to detect hazardous waste placed by customers. They will also be trained on the load inspection program.

Ongoing Outreach

Once the initial rigors of start-up have eased, the outreach coordinator will initiate and provide recycling and green waste presentations to West Valley schools, neighborhood associations, homeowner's associations, multi-family complexes, and other community groups on an ongoing basis. These presentations are designed to educate children and adults on the benefits of recycling and composting (along with reusing and reducing), how to recycle in their homes and where to get more information. Presentations given to children will include props, games, and prizes made of recycled material. The outreach coordinator along with WVC&R's customer service staff will attend community events and compost giveaways. We have found the customer service representatives to be an excellent resource for such events, as they have extensive knowledge of the solid waste, recycling, and green waste programs and can easily offer answers to questions from residents. A team of two, typically, will staff an information booth at the community events where residents, children and adults alike will receive recycling and green waste guides, play recycling games and receive prizes made of recycled goods. We also may have seed planting, face painting, and spin art for children at these events. The booth includes a visual display of the composting process and examples of recyclables.

Additionally, our company mascot, "Leafy" (a company representative in a green leaf costume), attends events and offers information and handouts to children. Giveaways include rulers made of recycled money, blue jeans, and paper. We also hand out coloring books featuring "Leafy," educational puzzles that teach the importance of recycling and soy based crayons. Post-it notes made of recycled paper and pencils made of recycled materials are also offered to the children.

WVC&R will work together with other environmental agencies and businesses (for example: household hazardous waste, the water district, and recycled product vendors) to provide additional educational material to residents. These additional resources reinforce the concepts of recycling, reusing, and reducing. We will share and distribute this information at various events and presentations.

The multi-family sector is both diverse and ever changing and so requires some special attention to outreach and education. GreenTeam has over 12 years of experience working with multi-family managers, maintenance crews and residents. Through this, we have developed strategies to involve multi-family communities in the recycling and green waste programs. A couple of examples include:

- o Holding focus groups for multi-family managers to discuss solutions to common problems
- o Providing "in home recycling containers" for residents
- o Holding a recycling contest for managers (the winning manager and guest win gift certificates for a nice dinner)
- o Working with managers to create site specific "new resident packs"
- o Wearing a chicken suit and handing out guides at the entrance of a complex during commute time
- o Providing and/or participating in presentations and events at individual complexes, for example:
 - After school or summer recycling carnivals for children
 - Evening presentations to address specific ideas and questions

On-going outreach and education to single-family residents, multi-family managers, and business managers is achieved through messages on bills and a bi-lingual quarterly newsletter called "One Man's Trash" included with bills (see sample included in Attachment 14). "One Man's Trash" will be devoted to local and environmental issues. "One Man's Trash" informs residents of upcoming events in which WVC&R will be participating and where we will usually be giving out free compost for West Valley residents. "One Man's Trash" also addresses seasonal recycling topics, for instance in the winter newsletter, we would specifically inform residents of holiday service day changes and holiday tree collection options, including the dates, times, and locations of all holiday tree collection drop boxes. We would also add a reminder that wrapping paper and cardboard boxes can be recycled. Additionally, we will include annual clean up information in "One Man's Trash". If the option chosen is to provide two on-call clean ups per resident, we will incorporate this as a permanent message. If the option is to hold an annual city wide clean up, we will highlight an alert explaining all the pertinent information, prior to the event. A separate version of "One Man's Trash" will be prepared for commercial customers, to be reviewed and approved by Authority staff.

Door hangers will be another tactic utilized to educate residents. The door hanger message will be developed as WVC&R gains experience in the community. This will allow us to target specific educational needs. As an example, GreenTeam developed a primarily "visual" door hanger for San Jose's multi-family residents (see Attachment 15). These fliers were inserted into plastic door hanger sleeves. We used this visual method of messaging to simplify the concept of recycling and reach those residents who are unable or unwilling to read.

If an annual city wide clean-up is the option chosen, single-family residents will receive direct mailings regarding the once yearly clean-up. This notice will be sent several weeks in advance to give residents the opportunity to gather a large amount of goods that they may wish to dispose of. Additionally, we will advertise the clean-up event in two local area newspapers approved of by the Authority's representatives.

A team made up of the outreach coordinator and a route supervisor will conduct recycling and green waste outreach and waste audits for commercial customers. This team will meet with commercial customers to introduce, educate, provide "how to" guides and answer questions on the recycling and green waste programs, which will in turn increase diversion. The team will meet and engage with commercial customers both individually and in group settings, by:

- o Meeting with business managers individually, to distribute recycling guides and perform waste audits to identify additional recycling opportunities
- o Promoting and conducting a total of eight training meetings: two for each general business type (restaurants, office/commercial buildings, strip malls, and large commercial businesses)
- o Attending at least six business association/organization meetings

In addition to the listed meetings, the team will also make onsite visits to conduct waste audits and provide comprehensive report findings and suggestions to each company for which an audit was performed.

WVC&R will also provide commercial customers with a recyclable materials resource guide that will provide vendor's names, numbers and contacts for purchasing recycled products, re-use donation locations and other recyclable materials companies (updated annually).

All educational and outreach materials printed by WVC&R will be bi-lingual in English and Spanish. All materials will be printed on paper containing at least 30% post-consumer content based on Federal standards. The Authority may review and approve all public education materials prior to circulation. The schedule and quantity of outreach material to be distributed for all programs including single-family, multi-family, and commercial will include but not be limited to:

- o Initial direct mailing to inform customers of new program and select cart/bin size
 - One time - Approximately 29,500 pieces
- o Second direct mail to verify billing, collection day and holiday/clean up (if applicable) schedule
 - One time - Approximately 29,500 pieces
- o Recycling and green waste "how to" guide
 - One time to all residents and commercial customers at beginning of start-up - Approximately 35,000 pieces
 - Annually by request, at community events, presentations, MRF tours, other community activities, and during onsite meetings with multi-family & commercial managers - Approximately 10,000 pieces
- o Billing messages
 - Monthly for commercial and multi-family - Approximately 2,200
 - Quarterly for single-family - Approximately 27,100 pieces
- o "One Man's Trash" newsletter
 - Quarterly - Approximately 29,500 pieces
- o Door hangers
 - Annually - Amount to be determined
- o Yearly Clean-up direct mail (if applicable)
 - Annually - Approximately 27,100 pieces
- o Corrective Action Notice
 - Annually - Amount to be determined
- o Recyclable Materials Resource Guide
 - Annually - Amount to be determined

Both GreenTeam and GreenWaste provide sponsorship to various community organizations and community events annually and sporadically by providing free services and/or cash donations. WVC&R will provide sponsorship in the West Valley jurisdictions in the same manner.

Weslie McConkey, WVC&R's Public Relations and Outreach Manager, currently oversees the outreach program and has done so for 6 years (please see resume in Section 1.6). Subsequent to start-up, she will be spending 50% of her time devoted to managing WVC&R's public outreach and education program. A full time outreach coordinator will be hired to perform the responsibilities detailed above. A route supervisor will be hired in September, 2006 and will dedicate 25% of his/her time to the commercial recycling outreach element of this program.

The annual budget for public education and outreach is \$51,500.

2.11 Subcontractors

Commercial Food Waste Program

WVC&R proposes to the Authority a commercial food waste program. This program can commence at the same time we commence all of our services. Included in our commercial/multi-family solid waste collection system, we propose that we would operate 7 front loader routes. Under this proposed commercial food waste program, we will convert 1 of those 7 routes to a food waste route 5 days per week. This food waste route will collect "wet waste" accounts that our route supervisor has audited and included in this program. Accounts will include such places as restaurants and other food processing and delivery accounts, as well as other "wet" accounts observed by the supervisor. After an initial survey, we anticipate that we will collect on average 20 tons per day of food waste out of the commercial system. These loads will be delivered to GreenWaste's Material Recovery Facility located in San Jose and then transported to the Z-Best Composting Facility located in southern Santa Clara County for composting.

WVC&R proposes to utilize this one subcontractor as part of our proposal for the commercial food waste composting program for the Authority. Zanker Road Resource Management, Ltd. (Zanker) will provide food waste composting services at its Z-Best Composting Facility located at 980 State Highway, Gilroy, CA 95020. Zanker will compost all commercial food waste delivered to its facility from the GreenWaste MRF.

A detailed description of the subcontractor's facilities and qualifications can be found below:

Zanker Road Resource Management, Ltd.

WVC&R will subcontract with Zanker for the processing and recycling of all commercial food waste collected within the West Valley Cities. Zanker owns and operates two composting facilities; the Zanker Road Landfill and the Z-Best Composting Facility. The Zanker Road Landfill (Landfill) is permitted by the City of San Jose and the State of California to accept up to 400 tons of green waste per day and compost up to 200 tons per day (73,000 tons per year) of organic material. Due to its successful composting programs, Zanker expanded its composting capabilities by permitting and opening Z-Best, which is located in southern Santa Clara County (just south of the City of Gilroy). Z-Best is a 157-acre, "state of the art" operation that has the permitted capacity to accept up to 1,500 tons per day (548,000 tons per year) of materials for composting. It is one of the largest composting sites in Northern California.

WVC&R is uniquely positioned and structured with fully permitted waste transfer and recycling facilities that can be used productively and cost effectively to maximize the Authority's recycling efforts. As a commitment from WVC&R to deliver the "highest and best use" for the Authority's commercial food waste, we will guarantee that Zanker's composting facilities will compost 70-90% of the food waste by weight we collect (net of overs after composting) beginning the first day and throughout the term of the contract.

Efforts to control residuals would include a very comprehensive review by WVC&R drivers and collection supervisors focusing on areas prone to contamination. If extensive contamination is found in the commercial containers, those containers will be eliminated from the program.

Contamination is the primary reason WVC&R is choosing to establish a compostable waste program rather than a clean food waste collection program. It really doesn't matter how much enforcement or education is conducted, the program will always have residuals. Therefore, WVC&R and Zanker built their compostable waste programs based on the fact of *simplicity*, or just making it easy for the customer to participate. This is demonstrated by the effectiveness of our programs in San Jose, Woodside, Portola Valley and Santa Clara County where some of our communities are reaching a 79% diversion.

WVC&R understands that food waste collected from recipients is the ownership and responsibility of WVC&R. Every effort will be made to minimize excessive contamination of the food waste.

Record Keeping

Compostable wastes are currently received at Z-Best (150,000 tons per year) under contracts with several jurisdictions (including San Jose, Saratoga, Monte Sereno, Los Gatos, Los Altos, Los Altos Hills, Cupertino, Mountain View, and Palo Alto). Hauler information including tonnage and origin of material is recorded with all inbound transactions that occur at the facility. Each facility is able to determine how much tonnage of material originated from which jurisdiction. Zanker strives on creating a reliable and accurate scale system at its facilities and has dedicated a great deal of resources to improve upon its information gathering and reporting capabilities.

Z-Best Composting Facility

Z-Best is located on 157 acres in south Santa Clara County. The site was originally permitted in 1998 as a green waste compost facility.

It was later re-permitted in 2000 for additional daily tonnage and to include food waste as a compost feedstock. The site was conceived, designed and permitted specifically for the purpose of cost efficient composting. The site is currently permitted for an average of 1,500 tons per day of green waste and food wastes with additional capacity of up to 2,500 tons per day for fifteen days per year. The Z-Best Composting Facility is the largest post-consumer food waste compost facility in California.



Food waste is composted using CTI in-vessel technologies. The CTI system employs a low cost containment vessel with forced aeration to control temperatures and replenish the oxygen supply needed for aerobic activity.



Truck Delivering Green Waste to
Z-Best Composting Facility

Basically, the prepared food waste is placed into large plastic bags, maintaining free air space. Perforated pipes are placed in the bag to supply oxygen from forced air blowers. Free air space is further controlled during the filling process by regulating the compaction effort, and sometimes, through the use of bulking agents. Moisture content is supplemented as necessary during filling. Venting control allows for maintaining the proper moisture levels for composting and for drying as the compost reaches maturity. The carbon/nitrogen ratio is determined at filling time and adjusted if necessary.

No turning is necessary. Once the composting process is completed (approximately 8 to 10 weeks), the bags are sliced open and cured in-place prior to screening. The bags are recycled after they are emptied.

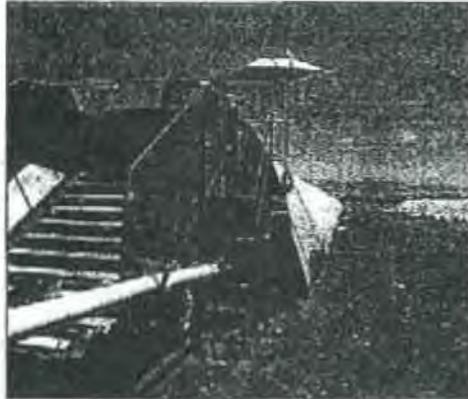
GWR/Zanker invested \$2,000,000 in improvements and equipment to implement the food waste composting program. The program diverts 300-400 tons per day of food waste from landfilling while making a value-added compost product for agricultural and landscape markets. The Z-Best facility and operation is a clear example of Zanker's commitment to food waste composting as the most desirable method of organics recycling. A detailed description of the food waste composting process is located below. Additional information pertaining to Z-Best and Zanker can be found at www.z-best.com.



Haul Truck Delivering Feedstock to
Bagging Machine

Transportation: A mixer/haul truck will be used to transport the feedstock material to the water source (as necessary) and then the bagging machine. Odor problems are not anticipated due to the quick processing of the food waste feedstock and the "end of day in the bag" commitment. Should an odor problem exist during transport to the bagging machine, Zanker will mitigate the odor problem by tarping the load, adding an odor reducing agent, which is compatible with the composting process, or utilizing other appropriate methods for reducing odor.

Bagging: The feedstock is placed into a bagging machine that fills an elongated thermoplastic 8 mil laminated plastic composting bag and installs two air vent pipes to assist aerobic decomposition. The entire composting process will take place inside the elongated thermoplastic bag. The bags are 14 feet in diameter and 260 feet in length. The bagger is fed from a truck or loader onto a feed table, conveyor or into a hopper, which feeds material to the compaction unit on the bagger. Compaction pressure is controlled by adjusting the breaking resistance on the wheels or backstop cable drum, depending on the model being used.



Bagging Machine

The bagged composting system relies on forced aeration of each fully enclosed bag to prevent development of anaerobic conditions and associated odor problems. Aeration pipes are inserted into the full length of each bag. Each bag is connected to a blower unit that is controlled by an automatic timer, set manually as conditions dictate. The composting material within each bag acts to a significant degree as its own bio-filter, contributing further to effective odor control.

Installing the Aeration System: Perforated pipe will be installed into the compost bags by feeding the pipe into the bags as filling takes place. Smooth plastic, perforated HDPE pipe is threaded from the front of the bagging machine through a guide pipe exiting at the desired height and separation inside the tunnel and then through the plastic bag to the blower.



Blower System for Compost Bags

The pipe diameter and the perforations will be designed to supply a uniform airflow to the full length of the bag. A blower for each bag will deliver the required air to the matrix during the composting cycle and is controlled by a manually set timer.

Setting the Controls: The controller will be set to cycle the blower on and off intermittently during the day so that the compost matrix receives a sufficient amount of air. When material is first placed in a bag, the oxygen level is sufficient to promote aerobic microbe growth for several hours or more. When the initial oxygen supply has been used up, the blower is used to force a new supply of oxygen into the matrix.

In the CTI System™, microbe growth and the resulting temperature is controlled by limiting the amount of oxygen available.

Temperatures are taken at 6" and 12" depths. If temperatures are not above 131 degree Fahrenheit, the airflow will be adjusted to introduce more oxygen, and thus raise the temperatures. Verification of the pathogen reduction process is performed through fecal coliform testing.

Turning: Once the composting is completed in 8 to 10 weeks, the bags are sliced open and cured in-place for 2 weeks. Should additional maturity be needed, the compost piles are turned with the compost turner.

Screening: The composted material is screened. Particle sizes larger than 1/4 inch are either reintroduced to the composting process or directed to a suitable disposal facility. The composted material will be screened to remove oversized non-composted wood materials and non-compostable materials such as plastics, glass, etc.

Key Personnel

Michael Gross, Marketing Manager, Zanker Road Landfill

Mr. Gross has been an innovator in the solid waste and recycling industry for over 25 years. His current responsibilities include marketing all the recycled products for Z-Best Products and Zanker Road Landfill. He is developing new and innovative markets for recycled products, including all of the wood and green wastes in the City of San Jose and County of Santa Clara that are received at Z-Best. Mr. Gross joined Zanker in 1988 as the Site Engineer and Assistant Manager. Mr. Gross was instrumental in implementing the green waste composting program with the City of San Jose. Zanker was awarded a two-year contract for the initial pilot program that was extended as part of the City's Citywide expansion of the program. Mr. Gross also started a garbage collection company in Northern California, worked for Sanifill, Inc. and operated refuse collection companies in Sacramento and Arizona. For Sanifill, Mr. Gross was responsible for recycling operations in 3 states and managed a vermicomposting operation in San Diego. Mr. Gross has a B.S. in Business Administration from the University of Phoenix and has written several articles in BioCycle magazine. He currently serves on the Executive Committee of the California Organics Recycling Council (CORC).

Greg Ryan, Operations Manager, Z-Best Composting Facility

Mr. Ryan has been with Zanker for 10 years and is responsible for all aspects of composting operations at Z-Best. In addition to supervising and hiring all staff, he oversees the day-to-day operations, including processing, monitoring, record keeping, health and safety, and marketing. Mr. Ryan is also responsible for regulatory compliance and reporting to various agencies. He has a B.S. in sociology from Santa Clara University.

Alex Sharpe, Marketing Manager, Z-Best Composting Facility

Mr. Sharpe has been in the solid waste industry since 1984. He began his career as a marketing representative for Waste Management, Inc., in Atlanta, GA, where he worked in the operations department from 1987 to 1997. His positions included route auditor, route supervisor, operations manager, assistant general manager, and safety manager. As operations manager he supervised 75 employees, oversaw 55 routes, and was responsible for employee safety training, equipment training, and program training. He was also in charge of route productivity, routing and auditing, and customer service. Mr. Sharpe was instrumental in the successful startup of several municipal contracts that included residential and commercial garbage service and recycling.

Commercial Food Scraps Program

Program Overview

The Company in its proposal identified a total of 325 commercial bin accounts and 12 roll-off accounts as potential participants in a commercial food scrap collection program. These accounts include restaurants, grocery stores, and other food and delivery businesses. The Company has also identified schools as potential participants.

The Company shall provide an additional container (bin or cart) to these businesses for the collection of food scraps. The collected material will be delivered to Company's Recovery Transfer Station in San Jose and transported from there to the Z-Best Composting Facility in Gilroy for composting.

Company's proposal assumes a final participation level for commercial bin and roll-off customers of 114 lifts per week, or 57 lifts each on the Tuesday-Thursday route. A lift may represent one customer with weekly service or one-half of the service to a twice-weekly customer.

Implementation Plan

Company proposed, and the Authority approved the following implementation plan. Adherence to the plan is crucial to ensuring the program meets the minimum service threshold prior to the service commencement date.

Task	Date
Secure all customers, up to 110 cubic yards capacity	October 28
Order bins	November 5
Finalize How-to Guide, bin label and letter	November 15
Deliver letter and guide to customers	December 1
Finalize route (Tuesday and Friday)	December 28
Make presentations to compost customers key employees who will be handling the compost	December 28
Distribute bins	December 28
Start service	January 4

Routes, Equipment, Personnel

1. The program will add two new front end load routes
2. The two routes will utilize existing front end load vehicles.

3. Roll-off service will utilize existing roll-off vehicles.
4. Program costs include purchase of, and four year depreciation of 30 two-yard or similar size bins, and 100 96 gallon carts.
5. Compactor customers will set-out non-putrescible solid waste in a separate bin or compactor.
6. Annual personnel requirements are estimated to be 832 regular hours and 104 overtime hours.

Customer Set-Outs

In addition the other provisions of the Agreement governing Customer set-outs, the following shall apply:

1. Allowable materials include all material identified as Food Scraps in Article 1.64 Organic Materials.
2. Maximum allowed contamination rate for Customer set-outs is 10%. Prohibited materials include fats, oils, animal waste and dead animals, dirt, sod, rock, painted or treated wood, pallets, bamboo, Pampas Gras, palm, yucca and ivy.

Additional technical program assumptions are attached.

Service Level Migration

Company's proposal estimates reductions of \$81,144. This figure assumes that many participating business will reduce their container size and/or frequency of collection in order to reduce their overall monthly bill.

Facility Tip Fees

The initial Food Scraps Processing Fee is \$74.00 per ton, and is inclusive of transfer, composting, and all activities related to marketing the compost products. Program costs assume collection and delivery of 1,300 tons of material annually.

Education and Outreach

In general, Company shall include the program in its education and outreach efforts as specified in Exhibit 5 Public Education and Community Outreach Programs to the Agreement. In addition, Company shall commence and/or continue with, at a minimum, the following efforts:

1. Dissemination of its introductory letter to customers identifying the benefits of the program participation.
2. Dissemination of information in its quarterly newsletters.

3. Contacting the Chambers of Commerce in each City to inform them of the new program, and to offer to attend events and to present information to their members.
4. Inclusion of program information on its website, with a one-step link from the home page.
5. Dissemination of its How-to Guide (attached) to assist participating businesses.
6. Actively work with participating businesses to identify and implement service level changes that reduce individual Customer billings.

The above efforts shall be continued as necessary to ensure the program reaches and maintains, or exceeds the full implementation level.

Reporting

Company shall maintain records regarding the program, and report the ongoing progress and results of the program, as generally provided in Article 10 Records, Reports and Information to the Agreement. The Authority may develop, and the Company will comply with any reasonable additional record keeping or reporting requirements specific to this program.

Company Compensation

This component of Company's cost will be adjusted in accordance with the contractual CPI adjustment as a component of the Solid Waste Collection Rate, as provided in Article 8.3.1.

Program Expansion

Authority and Company will, as necessary, negotiate reasonable compensation for any expansion of the program to include additional customers above the full implementation level."

EXHIBIT 14b

POSSIBLE FUTURE DIVERSION SERVICES

General

Organization

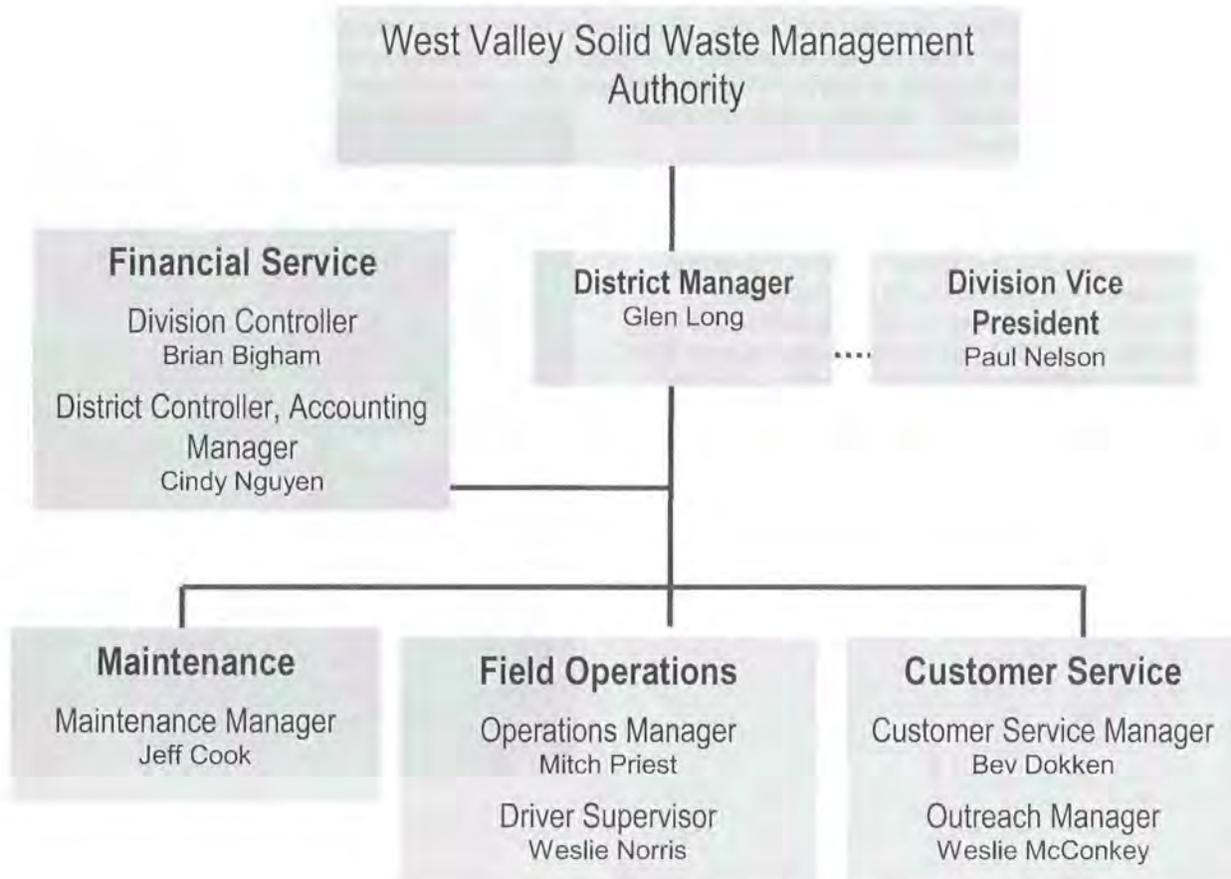
West Valley Collection & Recycling, LLC (WVC&R), is comprised of a joint venture between Waste Connections of California, Inc. (WCI) and GreenWaste Recovery (GWR). WCI has been and will remain the managing partner of WVC&R. There have been no organizational changes nor will there be during the life of the contract extension as it relates to the operating structure of WVC&R. If and when material is directed to GWR, WVC&R's current management team will continue to work with WVSWMA, as noted in the organizational chart under Key Personnel.

West Valley Collection & Recycling office, maintenance facility and yard encompass all vehicle parking, personnel staging, container storage, management and administrative operations, customer service, dispatch and shop facilities. **In 2013, GreenTeam spent over \$2.5 million dollars on our maintenance facility retrofit and construction of a new CNG fueling station.**



Key Personnel

West Valley Collection & Recycling Team Organizational Chart



Division Vice President—Paul Nelson

Responsibilities

As division vice president, Paul Nelson will provide guidance to the WVC&R's district management to map-out and implement a program for the transition that ensures reliable operations. He will ensure that WVC&R has the financial, staffing, and equipment resources needed to cost-effectively support solid waste and recycling customers in the West Valley cities.

Background

Mr. Nelson has worked in the solid waste industry since 1989. He is division vice president for the Bay Area division of Waste Connections of California and has been employed with WCI since 2003.

Since 2000, Mr. Nelson has performed several roles for WVC&R and GreenTeam, including district manager. Having spent several years at BFI, he performed municipal contracting and acquisition duties as well as facility management of a landfill and transfer station system in Arizona. From 1995 through 1999, he performed contract negotiations and administration at BFI's operation in San Mateo County. He holds a bachelor of science in business administration from University of California, Berkeley.

References

- Donna Perala, City of San Jose Environmental Services Department, (408) 535-8550
- Elizabeth Constantino, Manager Agriculture and Environmental Management, County of Santa Clara (408) 282-3165

District Manager—Glen Long

Responsibilities

On a day-to-day basis, Glen Long will work directly with the West Valley cities' representatives to establish specific requirements and expectations for the implementation plan and solid waste services under the contract. He will develop and implement programs that support the West Valley cities' garbage, recycling, yard waste, and food waste collection goals.

Mr. Long will work directly with WVC&R's operations manager to ensure the West Valley cities' goals are achieved. He will also work directly with WVC&R's customer service manager, maintenance manager, district controller, regional engineer, and public education manager to verify that these important functions are being performed as expected. He will be ultimately responsible for equipment acquisition in support of the West Valley Cities' goals.

Background

Mr. Long has worked in the solid waste industry since 2008, bringing with him experience in residential, commercial, and industrial collection service operations; recycling material recovery facility operations; and a strong safety background. He has been at GreenTeam since 2011, where he is district manager, overseeing the daily operations of the West Valley and San Jose market areas, which includes a transfer station, material recovery facility, and two hauling companies. Prior to joining GreenTeam, Mr. Long spent three years with Waste Management, where his last position was district manager responsible for three counties covering all of Northeastern California. He also spent over twenty years in the technology industry with companies including IBM and SMS, where he gained valuable leadership, sales, and operational experience.

References

- Donna Perala, City of San Jose Environmental Services Department, (408) 535-8550
- Sherry Thrall, County Supervisor Plumas County, California, (530) 258-6058
- Greg Martinelli, VP Government Services Waste Management, (775) 848-2330

Operations Manager—Mitch Priest

Responsibilities

As operations manager, Mitch Priest will manage drivers, facility and equipment operators, and laborers, ensuring that operational expectations are met for safety, productivity, and meeting customer

needs. He will keep WVC&R's district manager informed on a day-to-day basis of the strategic planning, status of drivers, customer issues, safety issues, vehicle and equipment needs, as well as issues that need to be reported to the WWSWMA. Mr. Priest will implement safety and compliance programs, staffing, route planning, budgeting, and customer service. Mr. Priest will support WVC&R's driver supervisor and outreach specialist by providing coaching, general instruction, safety instruction, and information on upcoming events within the West Valley cities. He will regularly talk with outreach specialist regarding customer visits and the related information that is compiled.

Background

Mitch Priest has worked in the solid waste industry since 1987, bringing with him experience in the daily operations of residential, multifamily, and commercial collection. He also has a strong background in Safety, having served as the safety manager for Waste Management from 1993–1997. He has been with WCI since 2006. He has held the position of operations manager for the past 11 years at Green Valley Disposal, Waste Management, and currently West Valley Collection and Recycling. Mitch began as a driver in 1987 while working his way through college. After graduating from San Jose State, he began his management career in the solid waste industry and continues to be a respected leader within the industry.

References

- Joe Zanardi, former owner of Green Valley Disposal, (408) 691-1697
- Barbara Uchiyana, Athletic Director – Santa Teresa High School, (408) 347-6226
- Phil Couchee – District Manager, South Valley Disposal, (408) 461-0530

Driver Supervisor—Wesley Norris

Responsibilities

As driver supervisor, Wesley Norris will manage routes and scheduling, work with the office staff and be responsible for customer service and overall safety, including training and safety committee meetings. He will verify the pre-trip and post-trip truck inspections are completed as required and meet customer needs.

Background

Mr. Norris has been in the solid waste industry since 1996. In that time, he has held the positions of floating driver, commercial front load driver, roll-off driver, rear load driver, automated residential driver and route supervisor. He currently oversees the operation and scheduling of 45 route drivers. Wesley worked for 8 years as Operations Manager for Triad-Millworks Inc. in Morgan Hill Ca.

References

- Joe Zanardi, former owner of Green Valley Disposal, (408) 691-1697

Maintenance Manager—Jeff Cook

Responsibilities

As maintenance manager, Jeff Cook will oversee the maintenance operations—ensuring proper preventive maintenance schedules are completed, compliance with California Air Resource Board (CARB) regulations as they relate to the trucks, and that trucks are operating in a safe and efficient manner.

Background

Mr. Cook is maintenance manager for WVC&R and GreenTeam of San Jose. He has worked in the solid waste industry since 1995. After 17 years of experience at UPS as a fleet supervisor, he was district manager for Tomra Recycling for Northern California, and went on to manage the fleets for MV Transportation and Berkeley Farms Dairy. Mr. Cook is currently responsible for vehicle and facility maintenance operations for 125 garbage and recyclables collection and support vehicles. Mr. Cook has been responsible for GreenTeam passing every CHP bi-annual Inspection of Terminals program since 1995.

References

- Ray Mowry, Owner ,B&C Truck Parts and Bay Counties Diesel Repair 510-714-7252
- Ed Pullen, Owner, The Hose Shop 831-425-4673

Division Controller—Brian Bigham

Responsibilities

As division controller, Brian Bigham oversees the financial functions of several of Bay Area Division operating locations. He works in tandem with the district manager and the district controller to ensure the finances of the district are maintained and reported per generally accepted accounting principles (GAAPs). Brian is also responsible for the monthly financial close, monthly financial reporting, annual budgeting, and quarterly accounting representation reporting for WVC&R.

Background

Mr. Bigham has been in the solid waste and recycling industry since 1999, including seven years with WCI and seven years with Waste Management. Mr. Bigham holds a bachelor of science in business administration with a concentration in accounting from Fresno State University.

References

- Donna Perala, City of San Jose Environmental Services Department, (408) 535-8550
- Elizabeth Constantino, Manager Agriculture and Environmental Management, County of Santa Clara (408) 282-3165

District Controller, Accounting Manager—Cindy Nguyen

Responsibilities

As accounting manager for the contract, Cindy Nguyen oversees the financial functions of several of WCI's local operating locations. She works in tandem with the district manager to ensure the finances of the district are maintained and reported per generally accepted accounting principles (GAAPs).

Background

Ms. Nguyen has been in the solid waste and recycling industry since 1999, including six years with WCI and six years with Waste Management. At WCI, as accounting manager for WVC&R and GreenTeam, she is responsible for the monthly financial close, and monthly reporting for the company. Ms. Nguyen holds a bachelor of arts in business administration with accounting emphasis from California State University, Fullerton.

References

- Beth Chia, California Public Utility Commission, (415) 703-2874
- Cathy Nguyen, California Water Service Company, (408) 806-4462

Customer Service Manager—Bev Dokken**Responsibilities**

As customer service manager, Bev Dokken will report to the district manager, organize daily customer service operations to satisfy all customer needs, and provide leadership for all elements of the operation to ensure total customer satisfaction. She will work in conjunction with other departments to resolve customer disputes. Ms. Dokken will be the main customer contact and address all billing questions and concerns.

Ms. Dokken will deliver services to customers in a manner that promotes goodwill; interact with customers and WVC&R employees to determine service requirements; resolve problems and complaints; seek cost-effective, safe, and environmentally sound solutions to service issues; remain levelheaded when dealing with difficult, upset, or impatient customers; conduct regular analysis of key performance measurements to identify unfavorable performance trends and develop corrective actions to address them; and determine actions that define specific practices and tools that will be utilized, who is accountable for implementation, and deadlines for completion.

Ms. Dokken will verify that all hiring is done in accordance with WVC&R employee hiring guidelines and promote WVC&R's standard operating procedures—assuring efficient, environmentally responsible, and safe workplace practices.

Background

Ms. Dokken has worked in the Solid Waste/Recycling Industry since 1991. She is WVC&R's customer service manager serving 36,500 customers in the West Valley cities and serving over 148,000 customers in San Jose. She has extensive experience in contract administration for the two major franchised areas that WVC&R and GreenTeam service. Ms. Dokken analyzes solid waste and recycling trend data for the cities that WVC&R and GreenTeam serve. Her background in IT/database management has been utilized to establish an efficient customer information system to ensure delivery, set-up, and accurate billing of all accounts—with continued follow-up and resolution for all service related issues. Prior to her work in the waste industry, Ms. Dokken spent 11 years working for a major semiconductor manufacturer.

Reference

- Donna Perala, City of San Jose, (408) 975-2511
- Elizabeth Constantino, Manager Agriculture and Environmental Management, County of Santa Clara (408) 282-3165

Outreach Manager—Weslie McConkey**Responsibilities**

As WVC&R's outreach manager, Weslie McConkey will manage waste reduction education and outreach programs including business, single-family and multifamily. Day-to-day tasks will include answering questions regarding the "how-to's" of recycling and giving community and municipal presentations.

Background

Ms. McConkey has worked in the solid waste industry since 1998. Currently, she is the public relations manager for WVC&R and GreenTeam. Ms. McConkey has extensive experience in developing and implementing public education and outreach programs. She oversees participation in community events, presentations, and creation and distribution of educational materials. Ms. McConkey holds a bachelor of arts in environmental studies (with a concentration in communications) from San Jose State University.

References

- Donna Perala, City of San Jose Environmental Services Department, (408) 535-8550
- Elizabeth Constantino, Manager Agriculture and Environmental Management, County of Santa Clara (408) 282-3165

Subcontractors

WVC&R's single-stream and other traditional recyclables are delivered via our recyclable collection vehicles directly to GreenTeam's Material Recovery Facility (MRF) located at 575 Charles Street, San Jose, California, 95112. Under the new agreement WVC&R will deliver these collected recyclables to GreenWaste Recovery's recycling facility located at 625 Charles Street, San Jose, California, 95112, thereby creating GWR as a subcontractor from the outset of the contract.

If WWSWMA should exercise the option of processing commercial mixed material as part of this contract extension, WVC&R would utilize GWR's processing facility on Charles Street as a subcontractor for this service as well.

GWR meets the levels of insurance and type specified in Section 11.3 of the current contractual agreement.

Technical Proposal

Successful collection of solid waste and recyclable materials and successful diversion of recyclable materials and organics is dependent upon a strong operation and implementation program. We are very experienced in providing collection services, responding to customer needs and developing innovative programs that meet the goals of the Authority.

Recyclable Material Collection

WVC&R's primary objective is to increase the diversion of recyclables. One method of accomplishing this goal is to expand the types of materials allowed in the program. At no additional charge to the Authority, starting on day one of the contract extension, we will implement an expanded list of recyclable materials, which will increase the Authority's recycling tonnages. The expanded list of recyclables shown below substantially increases the materials customers can place in their carts and bins.


WEST VALLEY
 COLLECTION & RECYCLING, LLC

EXPANDED Single-Stream Recycling

<p>METAL</p> <ul style="list-style-type: none"> • Aerosol cans • Aluminum foil • Aluminum pans • Beverage cans • Can lids • Car parts • Doors and screens • Electrical motors • Food/soup cans • Furniture • Hangers • Keys • Lids/caps • Nuts and bolts • Paint cans • Pet food cans • Pipes • Plumbing fixtures • Pots and pans • Propane tanks • Scrap metal • Screws and nails • Sporting goods • Tools • Toys • Umbrellas • Utensils 	<p>eWASTE</p> <ul style="list-style-type: none"> • Calculators • Cameras • Cell phones • Computer mice • Computer tower • Cords • DVD players • DVRs • Fax machines • Inkjet/toner cartridges • Keyboards • Microwaves • Pagers • PDAs • Printers • Radios • Scanners • Stereos • Telephones • VCRs 	<p>PAPER</p> <ul style="list-style-type: none"> • Aseptic packaging • Books • Carbonless paper • Cardboard • Cereal boxes • Coffee cups • Colored paper • Computer paper • Construction paper • Coupons • Egg cartons • Envelopes • Frozen food boxes • Gift wrap • Juice boxes • Junk mail • Magazines • Mailers • Milk cartons • Newspaper • Office paper • Paper bags • Paper cups/plates • Photographs • Pizza boxes • Shoe boxes • Shredded paper • Telephone books • Tissue paper 	<p>PLASTIC</p> <ul style="list-style-type: none"> • Auto parts • Baby wipes containers • Biscuits • Beverage bottles • Bleach/detergent bottles • Buckets • Coffee cup lids • Coolers • Crates • Disposable razors • Flower pots • Food containers • Furniture • Gloves • Hangers • Hoops • Household cleaner bottles • Mouthwash bottles • Pet carriers • Pipes • Plastics (#1-7) • Prescription bottles • Shampoo bottles • Shoe boxes • Shaving • Squeeze bottles • Swimming pools • Take-out containers • Toys • Umbrellas 	<p>FILM PLASTICS</p> <ul style="list-style-type: none"> • Bread bags • Bubble wrap • Calloplane bags • Dry cleaning bags • Frozen food bags • Newspaper bags • Pallet wrap • Plastic liners • Plastic wraps • Produce bags • Shrink wrap 	<p>GLASS</p> <ul style="list-style-type: none"> • Beverage bottles • Broken glass • Dishware • Food jars • Windows • Wine bottles 	<p>TEXTILES</p> <ul style="list-style-type: none"> • Cotton • Linen • Polyester • Rayon • Wool fabrics
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Proudly Serving the Cities of Campbell, Saratoga, Los Gatos and Monte Sereno Since 2007

With the help of the second outreach coordinator and new residential, commercial and multifamily outreach materials we will provide further education to all customers regarding our new expanded recycling programs.

Containerized single-stream recyclables will be collected on a weekly basis utilizing fully automated CNG side loaders. These vehicles will not have a split body, since they will only collect recyclables for delivery to GreenWaste Recovery for processing.

Currently, WVC&R collects recyclables via 6 residential, 2 hard to serve and three commercial routes. Residential trucks typically make two trips to the material recovery facility (MRF) and the second load has plenty of capacity for the expanded single-stream recyclables. Commercial trucks are making two trips to the MRF on Mondays with plenty of capacity in the second load, and one trip Tuesday through Friday. Due to the recent re-sequencing of the commercial routes, there is time available for a second trip to the MRF as well as additional capacity in that load. The change in location from the GreenTeam MRF at 575 Charles Street in San Jose to GreenWaste Recovery's facility at 625 Charles Street has no impact on drive time. Our expectation is that there will be minimal operational impact resulting from these changes.

Yard Waste Processing

WVC&R will continue to collect single-family yard waste and solid waste in split body trucks, since both streams will be delivered to Guadalupe Landfill. In recent years, Guadalupe Landfill began utilizing yard waste for cogeneration fuel instead of Alternative Daily Cover. At such time that Guadalupe Landfill develops a composting program, it will be at the sole discretion of the Authority to elect this service. Either approach poses no change to WVC&R's collection activities or service changes to our customers.

Commercial Mixed Materials Processing

Further diversion can be obtained through the processing of commercial mixed materials. Based on year 2012 tons of material disposed, the Authority will need to divert an additional 13,400 tons in order to achieve 75% diversion. Approximately 73% of the commercial mixed materials will go to GreenWaste Recovery for processing. GreenWaste Recovery has guaranteed capacity to WVC&R for this program in anticipation of the Authority choosing to exercise this option. WVC&R anticipates processing the following percentages of commercial mixed materials based upon the makeup of the solid waste stream at the time of our analysis. These numbers will vary over time.

- Campbell 68.5%
- Saratoga 100%
- Los Gatos 52.2%
- Monte Sereno 0%

The first step will be to audit and identify diversion-rich loads that will be delivered to GreenWaste Recovery for preprocessing, where organics and recyclables will be separated. Organic materials will then be transferred to Z-Best for composting and residue will be delivered to Guadalupe Landfill. Currently, we run six routes on Monday and five routes Tuesday through Friday. We anticipate delivering most of the diversion-rich mixed materials from Saratoga and Campbell and all second loads to GreenWaste for processing due to the proximity of the West Valley yard. The remaining loads would continue to be delivered to Guadalupe Landfill. Our expectation is that there will be minimal operational impact, not more than one hour per route per week, resulting from these changes.

EXHIBIT 15
CORPORATE GUARANTY

GUARANTY

THIS GUARANTY (the "Guaranty") is given as of the _____ day of _____, 2013, by Waste Connections, Inc., a Delaware corporation ("Guarantor"), to the West Valley Solid Waste Management Authority ("Authority"). This Guaranty is made with reference to the following recitals:

WHEREAS, West Valley Collection & Recycling, LLC, a California limited liability company ("Contractor"), is a majority owned subsidiary of Guarantor; and

WHEREAS, Contractor has entered into an Agreement dated as of _____, 20____ ("Agreement"), with the Authority for the collection of solid waste, recyclable materials, green waste, and construction and demolition debris, the transportation of such materials to appropriate places of processing, recycling, composting and/or disposal, and the processing of recyclable materials; and

WHEREAS, as an inducement to the Authority to enter into the Agreement with the Contractor, and for other good and valuable consideration, receipt of which is hereby acknowledged by Guarantor, Guarantor has agreed to provide the Authority with a guaranty of the obligations of Contractor under the Agreement as they now exist and may hereafter be extended, modified or amended;

NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

1. Guaranty of the Agreement. Guarantor hereby irrevocably and unconditionally guarantees to Authority the complete and timely performance, satisfaction and observation by Contractor of each and every term and condition of the Agreement. If Contractor fails to perform, satisfy or observe any of the terms and conditions of the Agreement, Guarantor will promptly and fully perform, satisfy or observe them in the place of Contractor. Guarantor hereby guarantees payment to Authority of any damages, costs or expenses which might become recoverable by Authority from Contractor due to its breach of the Agreement.
2. Guarantor's Obligations are Absolute. The obligations of the Guarantor hereunder are direct, immediate, absolute, continuing, unconditional and unlimited, and with respect to any payment obligation of Contractor under the Agreement, shall constitute a guarantee of payment and not of collection.
3. Waivers. The Guarantor shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from its obligations under it for any reason whatsoever, including, without limitation: (a) the insolvency, bankruptcy, reorganization or cessation of existence of Contractor; (b) the actual or purported rejection by a trustee in bankruptcy of the Agreement, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (c) any waiver, extension, release or modification with respect to any of the obligations of the Agreement or the impairment or suspension of any of Authority's rights or remedies against Contractor; or (d) any

merger or consolidation of Contractor with any other entity, or any sale, lease or transfer of any or all the assets of Contractor. Without limiting the generality of the foregoing, Guarantor hereby waives the rights and benefits under California Civil Code Section 2819.

The Guarantor hereby waives any and all benefits and defenses under California Civil Code Sections 2845, 2849 and 2850, including, without limitation, the right to require Authority to: (a) proceed against Contractor; (b) proceed against or exhaust any security or collateral Authority may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agrees that Authority may proceed against Guarantor for the obligations guaranteed herein without taking any action against Contractor or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral Authority may now or hereafter hold.

Guarantor hereby waives any right which it may have to reimbursement from Contractor for amounts disbursed by Guarantor and any right of subrogation to the rights of Authority against Contractor, including, without limitation, such rights as may be provided under California Civil Code Sections 2847 and 2848. Guarantor agrees that Authority may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against Contractor or any other guarantor or pledgor without impairing Authority's rights and remedies in enforcing this Guaranty.

The Guarantor hereby waives and agrees to waive at any future time at the request of Authority, to the extent now or then permitted by applicable law, any and all rights which the Guarantor may have or which at any time hereafter may be conferred upon it, by statute, regulation or otherwise, to avoid any of its obligations under, or to terminate, cancel, quit or surrender this Guaranty. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of the Guarantor hereunder: (a) at any time or from time to time, without notice to the Guarantor, the time for Contractor's performance of or compliance with any of its obligations under the Agreement is extended, or such performance or compliance is waived; (b) the Agreement is modified or amended in any respect; (c) any other indemnification is modified or amended in any respect; (d) any other indemnification with respect to Contractor's obligations under the Agreement or any security therefore is released or exchanged in whole or in part or otherwise dealt with; or (e) any assignment of the Agreement is effected which does not require Authority's approval.

The Guarantor hereby expressly waives diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantor's obligations hereunder shall continue and remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from Authority as a preference, fraudulent transfer or otherwise, irrespective of: (a) any notice of revocation given by Guarantor to Contractor prior to such avoidance or recovery; and (b) payment in full of any obligations then outstanding.

4. Term. This Guaranty is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed by Contractor, and Guarantor shall remain fully responsible under this Guaranty without regard to the acceptance by Authority of any performance bond or other collateral to assure the performance of Contractor's obligations under the Agreement. Guarantor shall not be released of its obligations hereunder so long as there is any claim by Authority against Contractor arising out of the Agreement based on such entity's failure to perform which has not been settled or discharged.
5. No Waivers. No delay on the part of Authority in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligations of Guarantor or right of Authority to take other or further action without notice or demand. No modification or waiver of any of the provision of this Guaranty shall be effective unless it is in writing and signed by Authority and by Guarantor, nor shall any waiver be effective except in the specific instance or matter for which it is given.
6. Attorney's Fees. In addition to the amounts guaranteed under this Guaranty, Guarantor agrees to pay actual attorneys' fees and all other costs and expenses incurred by Authority in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the parties hereunder.
7. Governing Law; Jurisdiction. This Guaranty is and shall be deemed to be a contract entered into in and pursuant to the laws of the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws rules for all purposes, including, but not limited to, matters of construction, validity and performance. Guarantor agrees that any action brought by Authority to enforce this Guaranty may be brought in any court of the State of California and Guarantor consents to personal jurisdiction over it by such courts.
8. Severability. If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity shall have no effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.
9. Binding on Successors. This Guaranty shall inure to the benefit of Authority and its successors and shall be binding upon Guarantor and its successors, including transferee(s) of substantially all of its assets and its shareholder(s) in the event of its dissolution or insolvency.
10. Authority. Guarantor represents and warrants that it has the corporate power and authority to give this Guaranty, that its execution of this Guaranty has been authorized by all necessary action under its Certificate of Incorporation and By-Laws, and that the person signing this Guaranty on its behalf has the authority to do so.

11. Notices. Notice shall be given in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To Authority: Executive Director
West Valley Solid Waste Management
Authority
% HF&H Consultants, LLC
201 North Civic Drive, Suite 230
Walnut Creek, CA 94596
Phone: (925) 977-6950
Fax: (925) 977-6955

To Guarantor: Ron Mittelstaedt
Chairman and Chief Executive Officer
Waste Connections, Inc.
3 Waterway Square Place, Suite 110
The Woodlands, TX 77380
Phone: (832) 442-2200
Fax: (832) 442-2290

With a copy to Guarantor's General Counsel at the same address and facsimile number.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty.

Date: January 10,
2018.4

WASTE CONNECTIONS, INC. (Guarantor)

By:



Ron Mittelstaedt
Chairman and Chief Executive Officer