



CITY OF HEMET
Hemet, California
RESOLUTION NO. 4458

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF HEMET, CALIFORNIA, APPROVING AN EXCLUSIVE
FRANCHISE AGREEMENT FOR COMPREHENSIVE
REFUSE SERVICES WITH CR&R INCORPORATED.

WHEREAS, Article XI, § 7 of the California Constitution authorizes cities to protect public health and safety by taking measures in furtherance of their authority over police and sanitary matters; and;

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (Public Resources Code §§ 40000 *et seq.*) established a solid waste management process which requires cities and other local jurisdictions to implement plans for source reduction, reuse and recycling as integrated waste management practices for solid waste attributed to sources within their respective jurisdictions; and,

WHEREAS, California Public Resources Code § 40059 provides that aspects of solid waste handling of local concern include but are not limited to frequency of collection, means of collection and transportation, level of services, charges and fees, and nature, location and extent of providing solid waste services, and whether the services are to be provided by means of nonexclusive, partially exclusive or wholly exclusive franchise, contract, license or otherwise which may be granted by local government under terms and conditions prescribed by the governing body of the local agency; and,

WHEREAS, the City published a Request for Proposals inviting solid waste haulers to submit proposals for the collection of solid waste within the City; and,

WHEREAS, after evaluating the proposals submitted, the City has selected CR&R Incorporated to provide solid waste collection services within the City; and,

WHEREAS, the City and CR&R Incorporated desire to enter into an exclusive franchise agreement that details the services to be provided by CR&R Incorporated and the terms and conditions upon which such services will be provided; and,

WHEREAS, City staff have reviewed the project's potential effects on the environment and has recommended that this project is categorically exempt from the California Environmental Quality Act ("CEQA") under CEQA Guidelines Section 15301 ("Existing Facilities") and Section 15061(b)(3) ("Common Sense Exemption"), and that the exceptions to the categorical exemptions contained in CEQA Guidelines Section 15300.2 are not applicable to the project.

1 NOW, THEREFORE, the City Council of the City of Hemet does hereby resolve:

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3 1. Environmental Findings. The City Council, in light of the whole record before it,
4 hereby finds and determines that:

5 (a) This project is exempt from CEQA under CEQA Guidelines Section 15301.
6 CEQA Guideline Section 15301 exempts "the operation, repair, maintenance,
7 permitting, leasing, licensing, or minor alteration of existing public or private structures,
8 facilities, mechanical equipment, or topographical features, involving negligible or no
9 expansion of use beyond that existing at the time of the lead agency's determination."
10 Here, CR&R Incorporated will purchase the City's solid waste collection fleet from the
11 City and utilize it to provide the same level of service for solid waste collection services
12 as the City's refuse department has historically provided. Therefore, the decision to
13 enter into a franchise agreement with CR&R Incorporated involves the operation and
14 licensing of existing facilities and equipment and does not involve and expansion of use.
15 Accordingly, the decision to enter into this franchise agreement with CR&R Incorporated
16 is exempt from CEQA under Guideline 15301.

17 (b) This project is also exempt from CEQA under CEQA Guidelines Section
18 15061(b)(3). Section 15061(b)(3) exempts projects that fall within the general rule that
19 CEQA applies only to projects that have the potential for causing a significant effect on
20 the environment. "Where it can be seen with certainty that there is no possibility that
21 the activity in question may have a significant effect on the environment, the activity is
22 not subject to CEQA." Here, the activity of awarding a franchise will not have a
23 significant effect on the environment because there will be no change in the operation of
24 solid waste collection services in the City. CR&R Incorporated will use the same
25 vehicles the City is currently using and will provide the same levels of service the City is
26 currently providing. Therefore, there is no possibility that the award of this franchise will
27 cause a significant effect on the environment.

28 (c) None of the exceptions to the categorical exemptions contained in CEQA
Guidelines Section 15300.2 prevent CEQA Guidelines Section 15301 from exempting
the project for the following reasons:

(i) The project is not a Class 3, 4, 5, 6, or 11 project, and therefore is not
subject to the exception pertaining to projects located in particularly sensitive
environments.

(ii) The nature of the project is such that significant cumulative impacts
will not occur from successive projects of this type occurring in the same location over
time. Because the City is entering into an exclusive franchise agreement with CR&R
Incorporated, there will be no successive projects of this type.

(iii) There is no reasonable possibility that unusual circumstances will
cause the project to have a significant effect on the environment.

(iv) The project will not result in damage to scenic resources within a
designated state scenic highway.

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(v) The project site has not been listed as a hazardous waste and substance facility or site by the Department of Toxic Substances Control pursuant to California Government Code Section 659625.

(vi) The project will not cause a substantial adverse change to the significance of a historical resource.

2. City Council Actions. The City Council hereby takes the following actions:

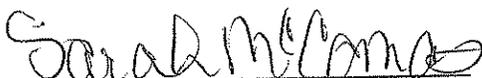
(a) The City Council hereby approves a categorical exemption for the project under CEQA Guidelines Section 15301 and directs the Community Development Director to prepare and file with the Clerk for the County of Riverside a notice of exemption as provided under Public Resources Code Section 21152(b) and CEQA Guidelines Section 15062.

(b) The City Council hereby approves the Exclusive Franchise Agreement for Comprehensive Refuse Services attached hereto as Exhibit "A" and directs the City Manager to execute the agreement.

PASSED, APPROVED, AND ADOPTED this 11th day of October, 2011


Gerald Franchville, Mayor

ATTEST:


Sarah McComas, City Clerk

APPROVED AS TO FORM:


Eric S. Vail, City Attorney

1 State of California)
County of Riverside)
2 City of Hemet)

3 I, Sarah McComas, City Clerk of the City of Hemet, do hereby certify that the foregoing
4 Resolution is the actual Resolution adopted by the City Council of the City of Hemet and
5 was passed at a regular meeting of the City Council on the day 11th of October, 2011 by
the following vote:

6 AYES: Council Members Foreman, Krupa and Smith, Vice Mayor Youssef and
Mayor Franchville

7 NOES:
8 ABSTAIN:
9 ABSENT:

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11 Sarah McComas, City Clerk

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EXHIBIT "A"
FRANCHISE AGREEMENT

1 Exclusive Franchise Agreement for Comprehensive Refuse Services

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5 By and Between

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THE CITY OF HEMET

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and

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CR&R INCORPORATED

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DATED: October 11, 2011

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Exclusive Franchise Agreement for Comprehensive Refuse Services

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This Exclusive Franchise Agreement for Comprehensive Refuse Services ("**Agreement**") is hereby entered into by and between the City of Hemet, a general law city and municipal corporation organized under the Constitution and laws of the State of California ("**City**"), and CR&R Incorporated, a California corporation organized under the laws of the State of California ("**Contractor**"), and is made on the terms and conditions provided below:

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RECITALS

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WHEREAS, Article XI, § 7 of the California Constitution authorizes cities to protect public health and safety by taking measures in furtherance of their authority over police and sanitary matters; and

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WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989, ("**AB 939**" or the "**Act**") established a Solid Waste management process which requires cities and other local jurisdictions to implement plans for source reduction, reuse and recycling as integrated waste management practices for Solid Waste attributed to sources within their respective jurisdictions; and

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WHEREAS, California Public Resources Code § 40059 provides that aspects of Solid Waste handling of local concern include but are not limited to frequency of collection, means of collection and transportation, level of services, charges and fees, and nature, location and extent of providing solid waste services, and whether the services are to be provided by means of nonexclusive, partially exclusive or wholly exclusive franchise, contract, license or otherwise which may be granted by local government under terms and conditions prescribed by the governing body of the local agency; and

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WHEREAS, the Hemet Municipal Code implements Article XI, § 7 of the California Constitution and California Public Resources Code § 40059 in the City of Hemet; and

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WHEREAS, City is obligated to protect the public health and safety of the residents and businesses of the City of Hemet and arrangements made by solid waste enterprises and recyclers for the collection of residential and commercial Solid Wastes should be made in a manner consistent with the exercise of the City's police power for the protection of public health and safety; and

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WHEREAS, City and Contractor are mindful of the provisions of the laws governing the safe collection, transport, recycling and disposal of residential and commercial Solid Waste, including AB 939, the Resource Conservation and Recovery Act ("**RCRA**"), 42 U.S.C. §§ 6901 *et seq.*, the Comprehensive Environmental Response, Compensation and Liability Act ("**CERCLA**"), 42 U.S.C. §§ 9601 *et seq.*; the Electronic Waste Recycling Act of 2003 (SB 20,

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106 Sher, Chapter 526, Statutes of 2003; SB 50, Sher, Chapter 863, Statutes of 2004; AB 575,
107 Wolke, Chapter 59, Statutes of 2011), laws governing Universal Waste, including, but not
108 limited to, Universal Waste Electronics Devices ("UWED"), non-empty aerosol cans,
109 fluorescent tubes, high intensity discharge lamps, sodium vapor lamps, and any other lamp
110 exhibiting a characteristic of a hazardous waste, batteries (rechargeable nickel-cadmium
111 batteries, silver button batteries, mercury batteries, small sealed lead acid batteries [burglar
112 alarm and emergency light batteries] alkaline batteries, carbon-zinc batteries and any other
113 batteries which exhibit the characteristic of a hazardous waste), mercury thermometers,
114 mercury-containing switches; and

115 **WHEREAS**, City and Contractor desire to leave no doubts as to their respective roles
116 and to make it clear that by entering into this Agreement, City is not thereby becoming a
117 "generator" or an "arranger" as those terms are used in the context of CERCLA § 107(a)(3) and
118 that it is Contractor, an independent entity, not City, which will arrange to collect Solid Waste
119 from SFD, MFD, City and Commercial Service Units in the City of Hemet, transport for
120 recycling and disposal and dispose of Solid Wastes which may contain small amounts of
121 household products with the characteristics of hazardous wastes, collect and compost Green
122 Waste and collect and recycle Recyclable Materials from SFD, MFD, City, and Commercial
123 Service Units in the City of Hemet, and collect and recycle or dispose of Construction and
124 Demolition Materials ("C&D Materials"); and

125 **WHEREAS**, there are no places within the City limits of the City of Hemet where
126 landfills are located, or which are suitable for the siting of a landfill and therefore Solid Waste
127 must be exported from the City; and

128 **WHEREAS**, City and Contractor agree that, subject to City's exercise of its reserved
129 flow control right under Section 2 of this Agreement, it is Contractor, and not City, which will
130 select the landfill or transformation facility destination of the non-recyclable residential and
131 commercial Solid Waste and Construction and Demolition Materials which Contractor will
132 arrange to collect, that City has not, and by this Agreement does not, instruct Contractor on its
133 collection methods, nor supervise Contractor in the collection of waste and nothing in this
134 Agreement or other action of the City shall be construed to give rise to any inference that the
135 City has any title, ownership or right of possession of such Solid Waste; and

136 **WHEREAS**, Contractor represents and warrants to City that Contractor has the
137 experience and qualifications to conduct recycling and waste diversion programs, to provide
138 City with information sufficient to meet the City's reporting requirements to CalRecycle and
139 other agencies under the Act, to meet City's other requirements under the Act, to arrange with
140 persons in charge of day-to-day activities of Service Units in the City of Hemet for the
141 collection, safe transport and disposal of Solid Wastes which may contain small amounts of
142 household products with the characteristics of Hazardous Wastes, in a safe manner which shall

143 minimize the adverse effects of collection vehicles on air quality and traffic, and that
144 Contractor has the ability to indemnify City in accordance with this Agreement; and

145 **WHEREAS**, the City Council of the City of Hemet determines and finds pursuant to
146 California Public Resources Code § 40059(a)(1) that the public interest, health, safety and well-
147 being, including the minimization of adverse impacts on air quality and traffic from excessive
148 numbers of collection vehicles, the implementation of measures consistent with the City’s
149 Source Reduction and Recycling Component, and in an effort to reduce the City’s potential
150 CERCLA liability, would be served if Contractor were to be awarded an exclusive Franchise
151 for collection, recycling, diversion and disposal of Solid Waste from Service Units in the City
152 of Hemet.

153 **NOW, THEREFORE**, the City and Contractor agree as follows:

154 **Section 1. Grant of Franchise**

155 **A. Binding Agreement.** In consideration of mutual promises and agreements
156 made by the Parties and contained in this Agreement, the Parties agree to be bound by
157 the terms and conditions of this Agreement and that this Agreement shall be binding
158 upon their successors-in-interest.

159 **B. Grant of Franchise; Exclusions.** Except as expressly called out in this
160 Agreement, Contractor is hereby granted the exclusive franchise, duty, right and
161 privilege to provide Comprehensive Refuses Services to City and within boundaries of
162 City subject to the terms and conditions set forth in this Agreement.

163 **C. Exclusive Franchise.** Contractor agrees that this Agreement is an “exclusive
164 franchise” as that term is used in Public Resources Code § 40059.

165 **D. Waiver of Rights.** Contractor waives any right it may have to challenge the
166 terms of this Agreement under federal, state or local law, or administrative regulation,
167 except as provided in the dispute resolution provisions of Section 27 and Section 28 of
168 this Agreement.

169 **E. Recycling Agent.** Contractor is hereby designated the City’s authorized
170 recycling agent as that term is used in Public Resources Code § 41950.

171 **F. C&D Materials.** The collection and disposal of Construction and Demolition
172 Materials from Service Units through the use of Debris Boxes or other Bins is within
173 the scope of this Agreement. However, accumulation, collection and recycling or
174 disposal of Construction and Demolition Materials by a licensed contractor, e.g., a
175 roofing contractor, performing work within the scope of the contractor’s license (e.g.,
176 removing a roof and installing a new roof, using equipment owned or leased by the
177 contractor, is not within the scope of this Agreement).

178 **G. Gardeners and Landscapers.** This Agreement shall not prohibit gardeners and
179 landscapers from collecting, transporting and composting or disposing of Green Waste,
180 as long as they transport such Green Waste to an Organic Waste Processing Facility, or
181 other site permitted (or exempt from permitting) by CalRecycle, or its successor agency,
182 in accordance with all governing laws and regulations and submit reports required by
183 City.

184 **H. Sale or Gift of Recyclable Materials.** This Agreement does not prohibit any
185 person from selling Recyclable Materials or giving Recyclable Materials away to
186 persons or entities other than Contractor; however, in either instance: (1) the Recyclable
187 Materials must be segregated from and not mixed with Solid Waste; and (2) the
188 seller/donor may not pay the buyer/donee any consideration for collecting, processing
189 or transporting such Recyclable Materials, or as a consultation or broker's fee for
190 recycling services. A discount or reduction in price for collection, disposal and/or
191 recycling services for any form of unsegregated or segregated Solid Waste is not a sale
192 or donation of Recyclable Materials and such Solid Waste does not qualify for this
193 exception.

194 **I. Self-Hauling.** City Ordinance No. 1842 (amending Chapter 62 of the Hemet
195 Municipal Code) permits self-hauling of Solid Waste, Recyclable Materials, Bulky
196 Waste and Organic Waste by persons subject to issuance of a permit by City and
197 compliance with the conditions imposed by such permit. This Agreement does not
198 prohibit such which is removed from any Service Unit in the City and which is
199 transported personally by the owner or occupant of such premises (or by his or her full-
200 time employees but not including construction related employees or subcontractors) to a
201 processing or disposal facility pursuant to a valid City issued self-hauling permit.

202 **J. Annexation.** Territory annexed to the City and which is zoned or rezoned for
203 residential or commercial use and which is not within the service area of another Solid
204 Waste enterprise which qualifies under Public Resources Code § 49521 to continue to
205 provide Solid Waste services shall be added to the Service Area covered by this
206 Agreement. In the event that an annexed area is added to the Service Area, City and
207 Contractor agree that this Agreement shall supersede any previous franchise agreement,
208 permit, or license granted to Contractor by another public entity with respect to the
209 collection of Solid Waste Recyclable Materials, Bulky Waste and Organic Waste within
210 the annexed area. In the event that an annexed area is within the service area of another
211 Solid Waste enterprise which qualifies under Public Resources Code § 49521, City
212 shall, within 30 calendar days of the effective date of annexation or at such time as may
213 otherwise be required by law, mail a certified return receipt letter to the current Solid
214 Waste enterprise informing them of the commencement of the five (5) year wind-down
215 notification per Public Resources Code § 49521 .

216 **K. Other Services; Niche Recycling Services.** City reserves the right to enter into
217 agreements with other entities for other collection, diversion and recycling services not
218 provided for in this Agreement, including but not limited to catch basin clean-outs,
219 contract services and “niche” recycling services which Contractor does not currently
220 provide. In the event the City wishes to provide a niche recycling service, e.g.,
221 collection of water heaters, in residential or commercial areas, Contractor shall have the
222 initial opportunity to provide such niche recycling service at an agreed upon rate by the
223 City and the Contractor.

224 **Section 2. Contractors Payments and Reimbursements to City**

225 **A. Contractor’s Payments to City.** In consideration of City’s grant of the
226 Franchise, Contractor shall pay and/or reimburse, as the case may be as provided in this
227 Section 2, City in good and immediately available funds in United States Dollars.

228 **B. Purchase of Personal Property.** Contractor shall purchase all of City’s
229 personal property utilized in City’s provision of Comprehensive Refuses Services, as
230 specified on the “List of City’s Personal Property” attached to this Agreement as
231 EXHIBIT 15 for Two Million Seven Hundred Sixty Thousand Dollars (\$2,760,000)
232 (Property Payment) which represents the City’s undepreciated book value of the
233 specific personal property. Conveyance of and transfer of title to the personal property
234 shall be effectuated by a Bill of Lading deposited by City into the escrow and by
235 Contractor’s deposit of the Property Payment into the escrow. The Parties shall deposit
236 their respective items into escrow within fifteen (15) Business Days after the Effective
237 Date of this Agreement. Escrow shall close on or before the Service Commencement
238 Date.

239 **C. Procurement and Transition Reimbursement.** Within fifteen (15) days of the
240 Effective Date of this Agreement, Contractor shall pay City Three Hundred Forty
241 Thousand Dollars (\$340,000) as reimbursement for City’s costs in undertaking the
242 request for proposal process and for the costs it will incur in transitioning
243 Comprehensive Refuse Service to Contractor.

244 1. Availability of Refuse Superintendent and Office Specialist II. For up to
245 ninety days (90) from and after the Service Commencement Date, City shall
246 make available to Contractor, during all regularly scheduled hours, the
247 employees designated as the Refuse Superintendent and Office Specialist II to
248 assist Contractor in the transition of services and integration of City Displaced
249 Refuse Employees. The Refuse Superintendent and Office Specialist II shall
250 remain the employees of City, shall only be paid by City, disciplined by City,
251 and directed in work by City. City will cooperate and communicate with
252 Contractor as to which tasks the Refuse Superintendent may undertake to best
253 assist Contractor with transition and integration issues. Contractor shall pay

254 City, in addition to other amounts provided in this Section, the salary of the
255 Refuse Superintendent and Office Specialist II for each month, or portion of
256 month, in which Contractor utilizes their services. City shall bill Contractor
257 weekly on a time and materials ("T&M") basis for services provided to
258 Contractor by the Refuse Superintendent and Office Specialist II.

259 **D. Solid Waste Compliance Officer.** Contractor shall pay City Fifty-One
260 Thousand Three Hundred Thirty-Three Dollars (\$51,333) fifteen (15) days after the
261 Service Commencement Date, and shall pay City Eighty-Eight Thousand Dollars
262 (\$88,000) annually thereafter on July 1st for the duration of the Term of the Agreement,
263 as an offset to the City's costs of employing a "Solid Waste Compliance Officer," or
264 such similar position identified by City fulfilling substantially similar job specifications,
265 provided such position continues to perform the services specified herein. It is
266 anticipated that the Solid Waste Compliance Officer will be the City employee
267 primarily responsible for administration of this Agreement, enforcement of the
268 exclusivity provisions of this Agreement, monitoring Contractor's compliance with this
269 Agreement, monitoring and enforcing compliance with Chapter 62 of the Hemet
270 Municipal Code, and conducting such other activities as are reasonably related to
271 Comprehensive Solid Waste Services within the City as determined by the City
272 Manager.

273 **E. Franchising Payments.** For the privileges granted to and conferred upon
274 Contractor by City under the Agreement, Contractor shall pay to City the amounts set
275 forth below ("Franchising Payments"), over the Term of this Agreement, unless the
276 Agreement is earlier terminated or specifically amended to require otherwise:

277 1. Initial Payment. Within fifteen (15) days of the Effective Date of this
278 Agreement, Contractor shall pay City Twelve Million Five Hundred Thousand
279 Dollars (**\$12,500,000**).

280 2. Annual Payments. Contractor shall pay to City an additional Twelve
281 Million Five Hundred Thousand Five Dollars (**\$12,500,005**). This amount shall
282 be paid in nineteen (19) equal installments of Six Hundred Fifty-Seven
283 Thousand Eight Hundred Ninety Five Dollars (**\$657,895**) with the first annual
284 payment due on July 1, 2012, and each succeeding installment payment due on
285 July 1st of each year thereafter, with a final payment due on July 1, 2030.

286 3. Monthly Payments. In addition to the above payments, Contractor shall
287 pay City the amounts provided on the "Schedule of Monthly Payments to City"
288 attached hereto and incorporated herein as EXHIBIT 1 to this Agreement. The
289 first Monthly Payment is due on the 15th of the month in which the Service
290 Commencement Date falls and each subsequent Monthly Payment is due to City
291 by the fifteenth (15th) day of each succeeding month, unless such day is a
292 weekend or holiday, then the Monthly Payment is due the next Business Day.

293 **Section 3. Term and Term Extensions**

294 **A. Effective Date.** The Effective Date of this Agreement shall be the date entered
295 on the first page of this Agreement which is the date by which Contractor and City have
296 approved the Franchise Agreement (with all exhibits attached) and their respective
297 authorized representatives have executed the Franchise Agreement.

298 **B. Term of Agreement.** The term of this Agreement ("Term") shall begin on the
299 1st day of December, 2011 ("Service Commencement Date") and expire on November
300 30, 2031 ("Term Expiration Date"), subject to early termination or extension as may
301 occur pursuant to this Agreement.

302 **C. Negotiation Prior to Term Expiration.** Commencing November 1, 2028, and
303 continuing through October 31, 2030, ("Exclusive Negotiating Period") City and
304 Contractor shall meet, confer, and negotiate with each other regarding expiration or
305 extension of the Term, provided the Term has not been earlier terminated or has already
306 been set for early termination, and Contractor is not then in material breach of the
307 Agreement. All terms and conditions of the Agreement shall be open to negotiation, but
308 neither Party shall be obligated to agree to an extension of the Term nor to any
309 modification of the terms and conditions of the Agreement. In the event the Parties
310 have not mutually approved an agreement extending the Term by the end of the
311 Exclusive Negotiating Period, then there shall be no further obligation to meet, confer,
312 or negotiate with regard to such extension, and City shall have the right to conduct any
313 solicitation process, negotiate with any other service providers, or to award or approve a
314 contract to any other service provider or to recommence its own Comprehensive Solid
315 Waste Services, as it may deem appropriate in its sole and absolute discretion.

316 **D. Minimum Requirements.** The continued privilege of Contractor to provide
317 Comprehensive Refuse Services to City and within City's boundaries is subject to the
318 satisfaction of each and all of the conditions set forth below, each of which may be
319 waived in whole or in part by City. The Contractor must achieve all of the following
320 Minimum Requirements. Failure to meet one or more of these requirements is a
321 material breach of this Agreement and subjects Contractor to the assessment of
322 liquidated damages, early termination, or other remedies provided for under this
323 Agreement.

324 1. Diversion. Contractor must achieve a diversion from landfill rate of
325 fifty percent (50%) by December 31, 2012; and fifty-five percent (55%) by
326 December 31, 2016. The Maximum Permissible Rate contemplates these
327 Diversion requirements. Should the law change subsequent to the Effective
328 Date of this Agreement and require higher Diversion rates than provided herein,
329 then Contractor shall comply with such legally required Diversion rates and may
330 adjust the Maximum Permissible Rate, as provided under Section 20.A.3.c,
331 "Adjustment Due to Change In Law." The Diversion rate will be calculated as

332 the tons of materials collected by Contractor from the provision of collection
333 services that are sold or delivered to a Material Recovery Facility or Organic
334 Waste Processing Facility, recycler or re-user, net of all residue, as required by
335 this Agreement, divided by the total tons of materials collected under this
336 Agreement by Contractor in each 12-month calendar year (January 1st –
337 December 31st). City may also consider documented third party non-franchised
338 recycling programs conducted within the City of Hemet in determining
339 compliance with the Minimum Diversion Requirements. In calculating the
340 diversion rate, Contractor may include documentation of Recyclable Materials,
341 Organics, or C&D Materials collected or backhauled by customers for delivery
342 to an end-use market, re-seller, food bank, or processing facility.
343 Documentation may include reports, receipts or other written materials that lists
344 the type of materials and tonnage diverted from the customers' place of business
345 that would otherwise have been collected by the Contractor as either Solid
346 Waste, Recyclable Materials, Organics, or C&D Materials.

347 2. MFD and Commercial Recycling. Contractor must fully implement the
348 MFD and commercial recycling programs as set forth in Section 9 by July 31,
349 2012.

350 3. Organic Waste Collection and Processing Requirements. Contractor
351 must fully implement the SFD, MFD, and Commercial Organic Waste programs
352 as set forth in Section 7, Section 8, and Section 9 by July 31, 2012.

353 4. Failure to Meet Minimum Requirements. Contractor's failure to meet
354 the minimum requirements set forth in Section 3.D.1 through 3.D.3 above may
355 result in the imposition of liquidated damages as specified in Section 29.D. or
356 denial of an extension to this Agreement as specified in this Section 3.C. and
357 City's exercise of the remedies provided in Section 28 and Section 29.C. In
358 determining the appropriate remedy, City will consider the efforts put forth by
359 the Contractor in implementing the required programs to meet the minimum
360 zero waste requirements and the methods, the level of effort of the Contractor to
361 fully implement the work plans attached to and included in this Agreement as
362 Exhibits 6 – 12 and the City's current Per Capita rate as determined by
363 CalRecycle.

364 **E. Continued Reporting.** Section 22, Section 23, and Section 31 of this
365 Agreement also require Contractor to provide services (e.g., access to landfill
366 destination information, insurance and indemnification and an insurance policy
367 repository) beyond the period during which collection services are to be provided
368 pursuant to this Agreement.

369 **Section 4. Definitions**

370 Whenever any term used in this Agreement has been defined by the Municipal Code of
371 the City of Hemet (“Municipal Code”) or Division 30, Part 1, Chapter 2 of the California
372 Public Resources Code, the definitions in the Municipal Code or Public Resources Code shall
373 apply unless the term is otherwise defined in this Agreement. For purposes of this Agreement
374 the following definitions apply:

375 **A. “Act” or “AB 939”** means the California Integrated Waste Management Act of
376 1989, codified in part at Public Resources Code §§ 40000 *et seq.*, as it may be amended
377 and as implemented by the regulations of the California Department of Resources
378 Recycling and Recovery (CalRecycle), or its successor agency.

379 **B. “Agreement” or “Franchise Agreement”** means this written Agreement between
380 the City and Contractor, and all exhibits. See Section 1.C, above.

381 **C. “Agreement Year”** means each twelve (12) month period from December 1st to
382 November 30th of each year, beginning on the Service Commencement Date.

383 **D. “Bin” or “Bins”** means those 1, 2, 3, 4, 6 and 8-cubic yard containers provided by
384 Contractor for the collection of Solid Waste, Recyclable Material and Organic Waste.

385 **E. “Bulky Waste”** means large and small household appliances, furniture, carpets,
386 mattresses, white goods, brown goods, clothing, automobile tires, and oversized yard
387 waste such as tree trunks and large branches if no larger than two feet in diameter and
388 four feet in length, and similar large items discarded by residential service recipients.
389 Bulky Waste is a form of Solid Waste when discarded by the generator into the waste
390 stream. The term “Bulky Waste” does not include consumer electronics, such as
391 televisions, radios, computers, monitors, and the like, which are regarded as Universal
392 Waste Electronic Devices, the disposal of which is governed by regulation of the
393 Department of Toxic Substances Control.

394 **F. “Business Days”** means Monday through Friday, during the hours of 8:00 a.m.
395 through 5:00 p.m., except for holidays recognized by City.

396 **G. “Cart” or “Carts”** means those 32, 64 or 96-gallon containers provided by
397 Contractor for the collection of Solid Waste, Recyclable Material, Mixed Recyclable
398 Materials/ Solid Waste and Organic Waste.

399 **H. “City”** means the City of Hemet, California.

400 **I. “City Representative”** means the City Manager, or the City Manager’s designee,
401 authorized to administer and monitor the provisions of this Agreement.

402 **J. “City Service Unit”** means those City properties or locations as set forth in
403 EXHIBIT 3 “City Facilities,” which is attached to and included in this Agreement.

- 404 **K. “Commercial Service Unit”** means all premises in the City, other than SFD, MFD
405 and City Service Units, where Solid Waste, Recyclable Materials, and Organic Waste
406 are generated or accumulated. The term “Commercial Service Unit” includes, but is not
407 limited to, stores; offices; restaurants; rooming houses; hotels; motels; industrial and
408 manufacturing, processing, or assembly shops or plants; hospitals, clinics, convalescent
409 centers and nursing homes (non-medical waste).
- 410 **L. “Commercial Organic Waste”** means Green Waste and Food Waste separated at
411 the source of generation for inclusion in the Commercial Organic Waste Collection
412 Service program.
- 413 **M. “Comprehensive Refuse Services”** means the collection, transportation,
414 processing, recycling, composting, conversion, retention and disposal of all Solid
415 Waste, Organic Waste, (including Commercial Organic Waste, Food Waste, and Green
416 Waste), Recyclable Materials, Construction and Demolition Materials, Bulky Waste,
417 Household Hazardous Waste, and Universal Waste, all as defined in this Agreement,
418 produced, generated and/or accumulated within the City.
- 419 **N. “Construction and Demolition Materials” or “C&D Materials”** means
420 discarded building materials, “inert wastes” as defined in Public Resources Code
421 § 41821.3(a)(1) (rock, concrete, brick, sand, soil ceramics and cured asphalt), recyclable
422 construction and demolition materials, packaging, plaster, drywall, rubble resulting
423 from construction, remodeling, repair and demolition operations, but does not include
424 asbestos-containing materials. Construction and Demolition Materials, but not asbestos-
425 containing materials, are within the scope of this Agreement, subject to the licensed
426 contractor exception in Section 1.B, above.
- 427 **O. “Consumer Price Index” or “CPI”** means the twelve (12) month average
428 percentage change for the period March 1st through February 28th (or 29th in leap
429 years) as published in April by the U.S. Department of Labor, Bureau of Labor
430 Statistics, Series Id: “CWURA421SA0, Not Seasonably Adjusted, All Items, Los
431 Angeles-Riverside-Orange County, CA.”
- 432 **P. “Container”** means Cart, Bin, or Debris Box.
- 433 **Q. “Contractor”** means CR&R Incorporated, a California corporation, a party to this
434 Agreement.
- 435 **R. “Debris Box”** A metal container that is normally tipped loaded onto a motor
436 vehicle and transported to an appropriate facility.
- 437 **S. “Displaced City Refuse Employee”** means an employee of the City as of the
438 Service Commencement Date who was principally employed in the operation or support
439 of City’s refuse enterprise and who would otherwise be discharged or laid off as a result
440 of City’s grant of the Franchise to Contractor, or who has waived their bumping rights

441 under the applicable collective bargaining agreement and decided to pursue a position
442 offered by Contractor.

443 **T. “Disposal Facility”** means such place or places specifically designated by the
444 Contractor for the disposal, or processing as appropriate, of Solid Waste and other
445 materials as appropriate.

446 **U. “Effective Date”** means October 11, 2011, the date by which Contractor and City
447 have approved the Franchise Agreement (including all attachments) and their respective
448 authorized representatives have executed the Franchise.

449 **V. “Franchise”** means the exclusive right and privilege granted by this Agreement.

450 **W. “Franchise Payment”** means the negotiated payment agreed upon by the City and
451 Contractor in consideration of City’s grant of the Franchise to Contractor and which,
452 *inter alia*, is intended to offset the City’s expenses in administering this Franchise and
453 to compensate City for damage to its streets, sidewalks, curbs and gutters and other
454 infrastructure resulting from Contractor’s exercise of this Franchise, the expenses of
455 administering the program for the Solid Waste stream, reporting requirements under the
456 Act and other related expenses.

457 **X. “Food Waste”** means food scraps and trimmings from food preparation, including
458 but not limited to: meat, fish and dairy waste, fruit and vegetable waste, grain waste,
459 stable matter, and acceptable food packaging items such as pizza boxes, paper towels,
460 waxed cardboard and food contaminated paper products. Food Waste is synonymous
461 with “garbage” as that term is defined by Section 17225.30 of Title 14, California Code
462 of Regulations.

463 **Y. “Green Waste”** means leaves, grass clippings, brush, branches and other forms of
464 organic materials generated from maintenance or alteration of landscapes or gardens
465 including, but not limited to, yard clippings, leaves, tree trimmings, prunings, brush and
466 weeds and incidental pieces of scrap lumber, separated from the Solid Waste Stream.
467 “Green Waste” includes holiday trees (except such trees which are frosted, flocked or
468 which contain tinsel or metal), but does not include stumps or branches exceeding four
469 inches (4”) in diameter or four feet (4’) in length, or palm fronds, or yucca, which are
470 not suitable for composting. “Green Waste” is not a “Recyclable Material” but may be a
471 form of Solid Waste if discarded into the waste stream.

472 **Z. “Hazardous Waste”** means any waste materials or mixture of wastes defined as a
473 “hazardous substance” or “hazardous waste” pursuant to the Resource Conservation and
474 Recovery Act (“RCRA”), 42 U.S.C. §§ 6901 *et seq.*, the Comprehensive Environmental
475 Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. §§ 9601 *et seq.*,
476 the Carpenter-Presley-Tanner Hazardous Substance Account Act (“HSAA”), codified at
477 California Health & Safety Code §§ 25300 *et seq.*; the Electronic Waste Recycling Act
478 of 2003 (SB 20, Sher, Chapter 526, Statutes of 2003; SB 50, Sher, Chapter 863, Statutes

479 of 2004; AB 575, Wolke, Chapter 59, Statutes of 2011), laws governing Universal
480 Waste, including, but not limited to, Universal Waste Electronics Devices (“UWED”),
481 non-empty aerosol cans, fluorescent tubes, high-intensity discharge lamps, sodium
482 vapor lamps, and any other lamp exhibiting a characteristic of a hazardous waste,
483 batteries (rechargeable nickel-cadmium batteries, silver button batteries, mercury
484 batteries, small sealed lead acid batteries [burglar alarm and emergency light batteries]
485 alkaline batteries, carbon-zinc batteries and any other batteries which exhibit the
486 characteristic of a hazardous waste), mercury thermometers, mercury-containing
487 switches, and all future amendments to any of them, or as defined by CalRecycle or the
488 Department of Toxic Substances Control, or by their respective successor agencies. If
489 there is a conflict in the definitions employed by two or more agencies having
490 jurisdiction over hazardous or Solid Waste, the term “Hazardous Waste” shall be
491 construed to have the broader, more encompassing definition.

492 **AA. “Household Hazardous Waste”** means dry cell household batteries; cell phones
493 and PDAs; used motor oil; used oil filters when contained in a sealed plastic bag;
494 cooking oil; compact fluorescent light bulbs contained in a sealed plastic bag; E-Waste;
495 cleaning products, pesticides, herbicides, insecticides, painting supplies, automotive
496 products, solvents, stripes, and adhesives, auto batteries; and Universal Waste generated
497 at a SFD or MFD Service Unit.

498 **BB. “Kitchen Food Waste Pails”** means a plastic receptacle with a rated capacity not
499 exceeding two (2) gallons, having a hinged lid, suitable for use in a SFD or MFD
500 Service Unit for temporary storage of residential Organic Waste that is approved for
501 such purpose by the City.

502 **CC. “Material Recovery Facility”** means any facility, selected by the Contractor as
503 listed in EXHIBIT 3, designed, operated, and legally permitted for the purpose of
504 receiving, sorting, processing, storing, or preparing Recyclable Materials for sale.

505 **DD. “Mixed Recyclable Material/ Solid Waste”** means the comingling of Recyclable
506 Materials and Solid Waste in a Cart, Bin or Debris Box

507 **EE. “Multi-Family Dwelling Service Unit”** or **“MFD Service Unit”** means a multi-
508 family dwelling unit (5 units or greater) such as mobile home parks, apartments,
509 condominiums and town homes, which utilize Bins for the temporary accumulation and
510 collection of Solid Waste, Recyclable Material, and Organic Waste.

511 **FF. “Organic Waste”** means Green Waste and, upon approval from City, Food Waste.
512 Organic Waste is a form of Solid Waste when discarded into the waste stream.

513 **GG. “Organic Waste Processing Facility”** means any facility selected by the
514 Contractor that is designed, operated and legally permitted for the purpose of receiving
515 and processing Organic Waste.

516 **HH. "Recyclable Materials"** is a part of the waste stream that can be reused or
517 processed into a form suitable for reuse through reprocessing or remanufacture,
518 consistent with the requirements of AB 939. The following list may be modified, by the
519 mutual agreement of City and Contractor memorialized in writing executed by both
520 Parties. As of the date of execution of this Agreement, Recyclable Materials includes,
521 but is not limited to the following:

- 522 1. Aluminum cans;
- 523 2. Glass jars and bottles;
- 524 3. Steel, bi-metal and tin cans, and empty aerosol containers;
- 525 4. Plastic soft drink bottles and other Type #1 containers (PET-
526 polyethylene terephthalate);
- 527 5. Plastic milk and water jugs and other Type #2 containers (HDPE-high
528 density polyethylene);
- 529 6. Type #3 plastic containers (V- polyvinyl chloride);
- 530 7. Type #4 plastic containers (LDPE-low density polyethylene);
- 531 8. Type #5 plastic containers (PP- polypropylene);
- 532 9. Type #6 plastic containers (PS- polystyrene);
- 533 10. Type #7 plastic containers (other and commingled);
- 534 11. Film plastic, *e.g.*, plastic bags, shrink wrap; plastic toys and tools, and
535 other plastic materials (if readily identifiable as being recyclable);
- 536 12. PVC pipe;
- 537 13. Juice boxes and milk cartons (aseptic packaging, Tetra Pak®, and waxed
538 cardboard);
- 539 14. Detergent containers;
- 540 15. Scrap metal, coat hangers and metal foil;
- 541 16. Newspapers and telephone books;
- 542 17. Mixed paper (*e.g.*, ledger, computer, junk mail, magazines, paperback
543 books, cereal boxes, envelopes, paper shopping bags and non-metallic wrapping
544 paper);
- 545 18. Corrugated cardboard and chipboard;
- 546 19. Chlorofluorocarbons (contained in Bulky Waste set out for collection
547 under Section 7.I and Section 8.B);

548 20. Tires (if set out for collection as Bulky Waste to be collected under
549 Section 7.I. and Section 8.B.); and

550 21. Wood (incidental scrap pieces if set out for collection with Green Waste,
551 and larger quantities if set out for collection with Bulky Waste).

552 **II. “Scavenging”** means the unauthorized removal of Recyclable Materials.
553 Scavenging is prohibited by Public Resources Code § 41950.

554 **JJ. “Service Commencement Date”** means December 1, 2011, the date upon which
555 Contractor becomes solely responsible for providing Comprehensive Refuse Services to
556 City and within City’s boundaries.

557 **KK. “Service Unit”** means SFD Service Units, MFD Service Units, City Service Units,
558 and Commercial Service Units.

559 **LL. “Single-Family Dwelling Service Unit”** or **“SFD Service Unit”** generally means
560 a detached building, or each unit of a duplex, triplex, or quadraplex, a townhouse, a
561 condominium unit or a mobile home of permanent character placed in a permanent
562 location, which utilizes one or more Carts, but not a Bin, for the temporary
563 accumulation and collection of Solid Waste, Recyclable Material, and Organic Waste.

564 **MM. “Solid Waste”** means and includes any materials defined as “solid waste” by
565 Section 40191 of the California Public Resources Code, and specifically includes,
566 without limitation, Recyclable Materials, Organic Waste, Bulky Waste, and all other
567 non-hazardous materials, excluding Universal Waste, that are discarded into the waste
568 stream by the generator, or collected in exchange for a fee or any other consideration,
569 regardless of form or amount.

570 **NN. “Term”** means the operative life of this Agreement as provided in Section 3.B.,
571 which is twenty (20) years from December 1, 2011 through November 30, 2031.

572 **OO. “Transition Period”** mean the period of time between the Effective Date and the
573 Service Commencement Date.

574 **PP. “Universal Waste”** means and includes, but is not limited to, Universal Waste
575 Electronic Devices” or “UWEDs,” (i.e., electronic devices subject to the regulation of
576 the Department of Toxic Substances Control, 23 CCR §§ 66273.1, *et seq.*), and other
577 Universal Wastes, including, but not limited to non-empty aerosol cans, fluorescent
578 tubes, high intensity discharge lamps, sodium vapor lamps, and any other lamp
579 exhibiting a characteristic of a hazardous waste, batteries (rechargeable nickel-cadmium
580 batteries, silver button batteries, mercury batteries, small sealed lead acid batteries
581 [burglar alarm and emergency light batteries] alkaline batteries, carbon-zinc batteries
582 and any other batteries which exhibit the characteristic of a hazardous waste), mercury
583 thermometers, and mercury-containing switches. Also see Section 16.A of this
584 Agreement.

585 **QQ. “Work Days”** means the days Monday through Saturday, during the hours of
586 6:00 a.m. to 6:00 p.m., which is the general period Contractor provides regular
587 collection services.

588 **Section 5. Compliance with Laws and Regulations**

589 Contractor warrants that it shall comply with all applicable laws, including
590 implementing regulations, as they may be amended, specifically including, but not limited to
591 RCRA, CERCLA, the Act, the Electronic Waste Recycling Act of 2003 (SB 20, Sher, Chapter
592 526, Statutes of 2003; SB 50, Sher, Chapter 863, Statutes of 2004; AB 575, Wolke, Chapter 59,
593 Statutes of 2011), laws governing Universal Waste, including, but not limited to, Universal
594 Waste Electronics Devices (“**UWED**”), non-empty aerosol cans, fluorescent tubes, high
595 intensity discharge lamps, sodium vapor lamps, and any other lamp exhibiting a characteristic
596 of a hazardous waste, batteries (rechargeable nickel-cadmium batteries, silver button batteries,
597 mercury batteries, small sealed lead acid batteries [burglar alarm and emergency light batteries]
598 alkaline batteries, carbon-zinc batteries and any other batteries which exhibit the characteristic
599 of a hazardous waste), mercury thermometers, mercury-containing switches, regulations and
600 orders of the California Department of Toxic Substances Control, the California Air Resources
601 Board, CalRecycle, and their respective successor agencies, and all other applicable laws of the
602 United States, the State of California, the County of Riverside, ordinances of the City, the
603 requirements of Local Enforcement Agencies and all other agencies with jurisdiction.

604 **Section 6. Types and Frequency of Service**

605 **A. Public Health and Safety - General.** In order to protect the public health and
606 safety, arrangements made by Contractor with its service recipients within the City of
607 Hemet for the collection of Solid Waste shall provide for the collection of such waste
608 generated or accumulated in Service Units within the City at least once per week, on the
609 regular collection day, or more frequently as Contractor and its customers may agree.

610 **B. Hours of Collection.** Subject to the exception in Section 6.E, Contractor agrees
611 that, in order to protect the quiet enjoyment of residents of the City of Hemet,
612 Contractor’s collection of Solid Waste, Recyclable Material, and Organic Waste from
613 SFD and MFD Service Units may not take place on Saturdays or Sundays and shall not
614 be made between the hours of 6:00 p.m. and 6:00 a.m. Commercial/Industrial Solid
615 Waste, Recyclable Material, and Organic Waste collection shall not take place Sundays
616 and shall not take place Monday through Saturday between the hours of 6:00 p.m. and
617 4:00 a.m. City collection service shall not be provided between the hours of 5:00 p.m.
618 and 6:00 a.m., Monday through Saturday. The hours, days, or both, of collection may
619 be extended with the prior written consent of the City Representative.

620 1. **Restricted Hours.** The City may direct Contractor to restrict the
621 collection hours in areas around schools and in high traffic areas during peak

622 commute hours. When the City is conducting road overlay or slurry projects,
623 the City reserves the right to temporarily redirect or restrict Contractor from
624 collection in the affected areas or temporarily change the collection hours if
625 needed. The hours of collection may be extended due to extraordinary
626 circumstances or conditions with the prior written consent of the City
627 Representative.

628 2. Sunday Commercial Collection. Sunday commercial collection services
629 for restaurants, medical facilities and large retail establishments may occur upon
630 request of the customer. Rates for these services are specified in EXHIBIT 2 of
631 this Agreement.

632 **C. Service Units.** Service Units shall include all the following categories of
633 premises which are in the service area as of the Service Commencement Date, and all
634 such premises which may be added to the service area by means of annexation, new
635 construction, or as otherwise set forth in this Agreement during the Term of this
636 Agreement:

- 637 1. SFD Service Units
- 638 2. MFD Service Units
- 639 3. Commercial Service Units
- 640 4. City Service Units

641 Any question as to whether a premises falls within one of these categories shall be
642 determined by the City Representative and the determination of the City Representative
643 shall be final.

644 **D. Service Unit Changes.** City and Contractor acknowledge that during the Term
645 of this Agreement it may be necessary or desirable to add or delete Service Units for
646 which Contractor will provide collection services.

- 647 1. Additions and Deletions. Contractor shall provide services described in
648 this Agreement to new Service Units within five (5) Work Days of receipt of
649 notice from City or new Service Unit to begin such service.

650 **E. Holiday Service.** Contractor observes January 1st, Memorial Day, 4th of July,
651 Labor Day, Thanksgiving Day, and December 25th as legal holidays. Contractor shall
652 not provide collection service on these designated holidays. In any week in which one
653 of these holidays falls on a Work Day, Service Unit collection service for the holiday
654 and each Work Day thereafter will be delayed one Work Day for the remainder of the
655 week with normally scheduled Friday collection services being performed on Saturday.
656 MFD, commercial and City collection service shall be adjusted as agreed between the
657 Contractor and the service recipient.

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F. Processing and Disposal

1. Compliance with Regulations. All materials collected under this Agreement shall be delivered to facilities that comply with the Department of Resources Recycling and Recovery regulations under Title 14, Chapter 3, Minimum Standards for Solid Waste, Recyclable Material, and Organic Waste Handling and Disposal (Article 5.9 – Sections 17380-17386). Contractor, and not the City, must assure that all disposal, transfer, and processing facilities are properly permitted to receive material collected under this Agreement. Failure to comply with this provision is a material breach of the Agreement and may result in the imposition of liquidated damages as specified in Section 29.D of this Agreement, and subject Contractor to the remedies provided in Section 29.B. and Section 29.C.

2. Permits and Approvals. Contractor must assure that all facilities selected by Contractor shall possess all existing permits and approvals by local enforcement agencies to be in full compliance with all regulatory agencies to conduct all operations at the approved location. Contractor shall, upon written request from the City, arrange for the facilities selected by the Contractor to provide copies of facility permits, notices of violations, inspection areas or concerns, or administrative action to correct deficiencies related to the operation. Failure to provide facility information is a material breach of this Agreement and may result in the imposition of liquidated damages as specified in Section 29.D. and subject Contractor to the remedies provided in Section 29.B. and Section 29.C.

3. Disposal Facility. Beginning on the Service Commencement Date except as set forth below, all Solid Waste collected as a result of performing collection services shall be timely transported, in accordance with applicable law, to the Disposal Facility. In the event the Disposal Facility is closed on a Work Day, the Contractor shall transport and dispose of the Solid Waste at such other legally permitted Disposal Facility. Failure to comply with this provision is a material breach of this Agreement and may result in the imposition of liquidated damages as specified in Section 29.D of this Agreement and may subject Contractor to the remedies provided in Section 29.B. and Section 29.C.

4. Organic Waste Processing Facility. Beginning on the Service Commencement Date, Contractor shall timely deliver all collected Organic Waste to a fully permitted Organic Waste Processing Facility as designated by Contractor, in accordance with applicable law. In the event the facility is closed on a Work Day, the Contractor shall transport and deliver the Organic Waste to such other legally permitted facility. Contractor shall ensure that all Organic Waste collected pursuant to this Agreement, except residue resulting from

697 processing, is delivered to the approved Organic Waste Processing Facility in
698 accordance with AB 939 and subsequent legislation and regulations. Failure to
699 comply with this provision is a material breach of this Agreement and may
700 result in the imposition of liquidated damages as specified in Section 29.D. of
701 this Agreement, and may subject Contractor to the remedies provided in Section
702 29.B. and Section 29.C.

703 5. Material Recovery Facility. Beginning on the Service Commencement
704 Date, all Recyclable Materials collected as a result of performing collections
705 shall be delivered to the Material Recovery Facility (MRF). In the event the
706 MRF is closed on a Work Day, the Contractor shall transport and deliver the
707 Recyclable Material to such other legally permitted MRF. Failure to comply
708 with this provision may be a material breach of this Agreement and may result
709 in the imposition of liquidated damages as specified in Section 29.D. of this
710 Agreement and may subject Contractor to the remedies provided in Section
711 29.B. and Section 29.C.

712 **G. Inspections.** The City shall have the right to inspect the Contractor's facilities
713 or collection vehicles serving the City and their contents at any time while operating
714 inside or outside the City.

715 **H. Commingling of Materials.**

716 1. Solid Waste and Recyclable Material. Contractor shall not at any time
717 commingle Solid Waste, or Organic Waste, collected pursuant to this
718 Agreement, with any Recyclable Material separated for collection, except as
719 provided for in Mixed Recyclable Material/Solid Waste collection programs,
720 pursuant to this Agreement, without the express prior written authorization of
721 the City Representative.

722 2. Solid Waste Collected in Hemet. Contractor shall not at any time
723 commingle any Solid Waste collected pursuant to this Agreement with any other
724 material collected by Contractor outside the City, without the express prior
725 written authorization of the City Representative.

726 3. Recyclable Materials. Contractor shall not at any time commingle
727 Recyclable Materials collected pursuant to this Agreement with any other
728 material Collected by Contractor outside the City, without the express prior
729 written authorization of the City Representative.

730 **I. Spillage and Litter.** The Contractor shall use its best efforts to not litter
731 premises in the process of providing collection service or while its vehicles are on the
732 road. The Contractor shall transport all materials collected under the terms of this
733 Agreement in such a manner as to prevent the spilling or blowing of such materials
734 from a Contractor's vehicle. The Contractor shall exercise all reasonable care and

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diligence in providing collection service so as to prevent spilling or dropping of Solid Waste, Organic Waste, or Recyclable Materials and shall immediately, at the time of occurrence, clean up such spilled or dropped materials.

1. Carelessness of Service Recipient. The Contractor shall not be responsible for cleaning up unsanitary conditions caused by the carelessness of the service recipient; however, the Contractor shall clean up any material or residue that are spilled or scattered by the Contractor or its employees.

2. Liquids From Operations. Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris resulting from the Contractor's operations or equipment repair shall be covered immediately with an absorptive material and removed from the surface. When necessary, Contractor shall apply a suitable cleaning agent to the street surface to provide adequate cleaning. Contractor's vehicles shall at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

3. Spillage and Litter From Operations. The above paragraphs notwithstanding, Contractor shall clean up any spillage or litter caused by Contractor within two (2) hours upon notice from the City.

4. Damage to City Streets. In the event where damage to City streets is caused by contractors' equipment, Contractor shall be responsible for all repairs to return the street to the same condition prior to the street damage. Contractor Repairs shall be performed in a manner satisfactory to the City Representative and at no cost to the City.

J. Hazardous Waste.

1. Hazardous Waste. Under no circumstances shall Contractor's employees knowingly collect Hazardous Waste, or remove unsafe or poorly placed Hazardous Waste, from a collection Container. If Contractor determines that material placed in any Container for collection is Hazardous Waste, or other material that may not legally be accepted at the Disposal Facility or one of the processing facilities, or presents a hazard to Contractor's employees, the Contractor shall have the right to refuse to accept such material. The generator shall be contacted by the Contractor and requested to arrange for proper disposal service. If the generator cannot be reached immediately, the Contractor shall, before leaving the premises, leave a non-collection notice, which indicates the reason for refusing to collect the material, and how the Hazardous Waste can be properly disposed or recycled.

2. Notification of City. If Hazardous Waste is found in a collection Container that poses an imminent danger to people or property, the Contractor shall immediately notify the City Representative and City of Hemet Public

773 Safety (Police) Department. The Contractor shall immediately notify the City of
774 any Hazardous Waste that has been identified.

775 3. Disposal. If Hazardous Waste is identified at the time of delivery to the
776 Disposal Facility, or one of the processing facilities and the generator cannot be
777 identified, Contractor shall be solely responsible for handling and arranging
778 transport and disposition of the Hazardous Waste.

779 **K. Regulations and Record Keeping.** Contractor shall comply with emergency
780 notification procedures required by applicable laws and regulatory requirements. All
781 records required by regulations shall be maintained at the Contractor's facility. These
782 records shall include waste manifests, waste inventories, waste characterization records,
783 inspection records, incident reports, and training records.

784 **L. Transition.** Contractor understands and agrees that the Transition Period is
785 intended to provide the Contractor with ample and sufficient time to, among other
786 things, order equipment, prepare necessary routing schedules and route maps, obtain
787 any permits and licenses, establish/build facilities, and begin the public awareness
788 campaign as part of the Contractor's transition program as specified in EXHIBIT 6
789 which is attached to and included in this Agreement. Contractor shall be responsible for
790 the provision of all collection services beginning on the Service Commencement Date.

791 **Section 7. SFD Collection Service**

792 In addition to the general requirements in Section 6, these services shall be governed by the
793 following terms and conditions:

794 **A. Conditions of Service.** The Contractor shall provide SFD collection service to
795 all SFD Service Units whose Solid Waste is properly placed in Solid Waste Carts,
796 Recyclable Materials are properly placed in Recyclable Materials Carts, or Mixed
797 Recyclable Materials and Solid Waste are properly placed in Mixed Recyclable
798 Material/Solid Waste Carts except as set forth in Section 7.G. and Organic Waste is
799 properly placed in Organic Waste Carts except as set forth in Section 7.H.5. Contractor
800 shall offer Solid Waste Carts in 32, 64 and 96-gallon sizes, and Recyclables Materials
801 and Organic Waste Carts in 64 or 96-gallon sizes. Contractor shall offer Debris Boxes
802 in 10, 20, 30, and 40 cubic yard sizes. The size of the Container shall be determined
803 between the SFD service recipient and the Contractor. Contractor shall not charge for
804 collection of Recyclable Materials or Organic Waste collected in Carts.

805 **B. Collection Service.** SFD collection shall be done where Solid Waste and
806 Recyclable Materials Carts or Mixed Recyclable Material/Solid Waste Carts and
807 Organic Waste Carts are placed within two (2) feet of the curb, swale, or at edge of
808 street pavement for streets without curbs. This shall apply to both public and private
809 streets. Contractor may charge for collection at the rates as set forth in EXHIBIT 2.

810 1. On-Premise Collection Service - Subscription. A SFD service recipient
811 may subscribe for on-premise SFD collection service where Carts are collected
812 from a side-yard, backyard, or other off-street location agreed on between the
813 Contractor and the service recipient. Contractor may charge for on-premise
814 collection at the rates as set forth in EXHIBIT 2.

815 2. On-Premise Collection Service – Physical Disability. A SFD service
816 recipient, and all other adults living at the Service Unit residing therein, who
817 have disabilities that prevent him/her from being physically able to place Carts
818 at the curb for collection shall receive on-premise collection service where all
819 Carts are collected from a side-yard, backyard, or other off-street location
820 agreed on between the Contractor and the service recipient. Contractor shall
821 provide this service at the collection rates as set forth in EXHIBIT 2.

822 **C. Frequency and Scheduling of Service.** SFD Solid Waste, Recyclable
823 Materials and Organic Waste shall continue to be provided with SFD Solid Waste and
824 Organic Waste collection services provided one (1) time per week, and Recyclable
825 Materials collection services provided bi-weekly on a scheduled route basis, until
826 Contractor’s implementation of the Mixed Recyclable Material/Solid Waste collection
827 service according to the transition schedule as set forth in EXHIBIT 6. SFD collection
828 services shall be scheduled so that a SFD Service Unit receives SFD Solid Waste
829 collection service and SFD Recyclable Materials collection service, or SFD Mixed
830 Recyclable Material/ Solid Waste collection service, and SFD Organic Waste collection
831 service on the same Work Day.

832 **D. Non-collection.** Contractor shall not be required to collect any Solid Waste,
833 Recyclable Material, or Organic Waste that is not placed in a Cart. In the event of non-
834 collection, Contractor shall affix to the Cart a non-collection notice explaining why
835 collection was not made. Contractor shall maintain a copy of such notices during the
836 term of this Agreement.

837 **E. Collection of Service Recipients’ Discarded Collection Containers.** The
838 Contractor shall collect used, discarded, or unwanted collection Containers discarded by
839 a service recipient that were in use for collection prior to the Service Commencement
840 Date at no cost. To the extent feasible, Contractor shall recycle, re-use or cause to have
841 recycled the used, discarded, or unwanted collection Containers. Contractor collection
842 of discarded Containers shall be done in accordance with the Transition Plan set forth in
843 EXHIBIT 6.

844 **F. SFD Recyclable Materials Collection Service.** Until implementation of the
845 SFD Mixed Recyclable Material/Solid Waste collection service by Contractor, this
846 service will be governed by the additional following terms and conditions:

847 1. Additional Carts. Contractor shall provide additional Carts to SFD
848 service recipients within five (5) days of request at no additional cost provided

849 that additional Carts are used by service recipients for the purposes of setting out
850 additional Recyclable Materials for regular Recyclable Material collection
851 service.

852 2. Recycling - Changes to Work. Should changes in law arise that
853 necessitate any additions or deletions to the work described herein including the
854 type of items included as Recyclable Materials, the parties shall negotiate any
855 necessary cost changes and shall enter into an Agreement amendment covering
856 such modifications to the work to be performed and the compensation to be paid
857 before undertaking any changes or revisions to such work.

858 3. Recycling - Improper Procedure. Except as set forth below in Section
859 7.I., the Contractor shall not be required to collect Recyclable Materials if the
860 service recipient does not segregate the Recyclable Materials from Solid Waste
861 or Organic Waste. If Recyclable Materials are contaminated through
862 commingling with Solid Waste or Organic Waste, the Contractor shall, if
863 practical, separate the Solid Waste or Organic Waste from the Recyclable
864 Materials. The Recyclable Materials shall then be collected and the Solid Waste
865 or Organic Waste shall be left in the Cart along with a non-collection notice
866 explaining why the Solid Waste or Organic Waste is not considered a
867 Recyclable Material. However, in the event the Recyclable Materials and Solid
868 Waste or Organic Waste are commingled to the extent that they cannot easily be
869 separated by the Contractor or the nature of the Solid Waste or Organic Waste
870 renders the entire Cart contaminated, the Contractor will leave the Cart un-
871 emptied along with a non-collection notice that contains instructions on the
872 proper procedures for setting out Recyclable Materials.

873 **G. SFD Mixed Recyclable Material/Solid Waste Collection Service.** In addition
874 to the requirements of Section 6, this service will be governed by the following
875 additional terms and conditions:

876 1. Additional Carts. Upon notification to the Contractor by the City or a
877 service recipient that additional Mixed Recyclable Material/Solid Waste Carts
878 are requested, the Contractor shall deliver such Mixed Recyclable Material/
879 Solid Waste Carts to such service recipient within five (5) Work Days.
880 Contractor shall be compensated for the cost of additional Mixed Recyclable
881 Material/ Solid Waste Carts in accordance with the "Additional Solid Waste
882 Cart" Service Rate as set forth in EXHIBIT 2, or as may be adjusted under the
883 terms of this Agreement.

884 2. Recycling - Changes to Work. Should changes in law arise that
885 necessitate any additions or deletions to the work described herein including the
886 type of items included as Recyclable Materials, the parties shall negotiate any
887 necessary cost changes and shall enter into an Agreement amendment covering

888 such modifications to the work to be performed and the compensation to be paid
889 before undertaking any changes or revisions to such work.

890 **H. SFD Organic Waste Collection Service.** In addition to the requirements of
891 Section 6, this service will be governed by the following terms and conditions:

892 1. Organic Waste Processing Services. Contractor shall ensure that all
893 Organic Waste collected pursuant to this Agreement is diverted from the landfill
894 in accordance with AB 939 and any subsequent or other applicable legislation
895 and regulations. Contractor reserves the right to dispose, rather than divert, any
896 Organic Waste that is contaminated to an extent it is not suitable for processing.

897 2. Organic Waste Disposal. Contractor shall ensure that the Organic Waste
898 collected pursuant to this Agreement is not disposed of in a landfill, except as a
899 residue resulting from processing. For purposes of this Agreement, the
900 application of Organic Waste as Alternative Daily Cover ("ADC") shall not
901 constitute disposal, so long as it is applied in accordance with standards adopted
902 by the State of California.

903 3. Additional Organic Waste Carts. Contractor shall provide additional
904 SFD Organic Waste Carts to SFD service recipients within five (5) days of
905 request at no additional cost provided that additional Carts are used by SFD
906 service recipients for the purposes of setting out additional Organic Waste
907 materials for regular weekly Organic Waste collection service.

908 4. Holiday Tree Collection Service. Contractor shall collect Holiday Trees
909 from all SFD Service Units as part of the SFD Organic Waste collection
910 services. Contractor shall provide this service beginning on the first Work Day
911 after December 25 until the end of the second collection week in January, or
912 dates approved by the City.

913 a) Contaminated Holiday Trees. Holiday trees that are flocked
914 contain tinsel or other decorations or that do not have their stands
915 removed may be delivered to the Disposal Facility at the discretion of the
916 Contractor.

917 b) Trees must be no taller than six (6) feet in length. Trees taller
918 than six (6) feet in length must be cut in half for safe collection.

919 5. SFD Food Waste Collection Service. At such time as State Law
920 mandates a separate residential Food Waste Program, Contractor shall
921 implement such Food Waste Program. At the start of the program, Contractor
922 shall provide a Kitchen Food Waste Pail to all SFD service recipients.
923 Contractor shall provide additional Kitchen Food Waste Pails at no additional
924 cost within five (5) days of request, provided that additional pails are used by

925 SFD service recipients. Additional Food Waste Pails, above and beyond the
926 first additional pail, will be charged rates approved by the City.

927 6. Non-collection. Contractor shall not be required to collect any Organic
928 Waste that is mixed with either Solid Waste, or Recyclable Materials. In the
929 event of non-collection, Contractor shall affix to the Organic Waste Cart a non-
930 collection notice explaining why collection was not made. Contractor shall
931 maintain a copy of such notices during the term of this Agreement.

932 I. **On-Call Bulky Waste Collection Service.** This service will be governed by
933 the following terms and conditions:

934 1. Conditions of Service. The Contractor shall provide On-Call SFD Bulky
935 Waste collection service to all SFD Service Units in the service area whose
936 Bulky Waste have been placed within two (2) feet of the curb, swale, paved
937 surface of the public or private roadway, closest accessible roadway, or other
938 such location agreed to by the Contractor and service recipient, that will provide
939 safe and efficient accessibility to the Contractor's collection crew and vehicle.
940 Bulky Waste collection service shall be held on a prescheduled date agreed upon
941 by the customer and Contractor. Each SFD Service Unit in the service area shall
942 be entitled to receive free Bulky Waste collection service a maximum of two (2)
943 collection times per calendar year. Bulky Waste collection service shall be a
944 combination of loose large items not exceeding an approximately equivalent of
945 three (3) cubic yards or two (2) individual large items such as a TV, couch, or
946 water heater. Recyclable overages such as corrugated cardboard or other
947 recyclable materials that may not fit in the standard Contractor-provided cart
948 may be flattened, bagged and/or bundled and placed out for collection with
949 Bulky Items. Automobile tires will be limited to four (4) tires per collection
950 request. In accordance with the "Additional Bulky Waste Collection" service
951 rate as set in EXHIBIT 2 Contractor shall be compensated for the cost of
952 collecting Bulky Waste in excess of 1) a single collection of over three (3) cubic
953 yards, 2) more than two (2) Bulky Waste collections per year, or more than two
954 (2) individual Bulky Waste items during any single Bulky Waste collection.

955 2. Frequency of Service. SFD service recipients must call at least forty-
956 eight (48) hours in advance to schedule SFD Bulky Waste collection service.
957 Collection will occur on a date agreed upon by the Contractor and customer.

958 3. Bulky Waste Containing Freon. In the event Contractor collects Bulky
959 Waste that contains Freon, Contractor shall handle such Bulky Waste in a
960 manner such that the Bulky Waste are not subject to regulation as Hazardous
961 Waste under applicable state and federal laws or regulations. Contractor may
962 charge for collecting Bulky Waste containing Freon in accordance with the
963 Maximum Service rates in EXHIBIT 2.

964 4. Maximum Reuse and Recycling. Contractor shall dispose of Bulky
965 Waste collected from Service Units pursuant to this Agreement in accordance
966 with the following hierarchy:

967 a) Reuse as is (where energy efficiency is not compromised)

968 b) Disassemble for reuse or Recycling

969 c) Recycle

970 d) Disposal

971 5. City Direction of Bulky Waste. City reserves the right to direct
972 Contractor to take Bulky Waste collected pursuant to this Section to a
973 designated site or sites for the purpose of permitting persons who will reuse or
974 recycle such Bulky Waste to obtain the Bulky Waste at no cost. Contractor shall
975 have no obligation to dispose of the Bulky Waste or Bulky Waste residue
976 remaining at the directed site or sites after reusers and recyclers have removed
977 reusable or recyclable Bulky Waste. Contractor shall be entitled to an
978 adjustment to the service rates to reflect any increased costs arising from the
979 City's direction.

980 6. Contaminated Holiday Trees. See Section 7.H.4 regarding Holiday
981 Trees.

982 **J. Hard to Service Areas.** Notwithstanding any term or definition set forth in this
983 Agreement, Contractor, at no additional cost, shall manually collect SFD Solid Waste,
984 Recyclable Materials, Organic Waste, and Bulky Waste from a SFD Service Unit as
985 follows:

986 1. Where topography, street conditions, or limited street access for police,
987 fire, or safety vehicles prevents Contractor's collection vehicle access for
988 collecting Solid Waste, Recycling, Organic Waste, and Bulky Waste for
989 collection.

990 2. Where the City Representative notifies the Contractor of any additional
991 Service Units requiring service, along with the date such service is to begin.

992 3. Contractor shall notify City in cases where Contractor considers it unsafe
993 to manually provide services to SFD Service Units. Contractor shall not be
994 required to collect from Service Units where it is considered unsafe to do so.

995 **K. On-Call Household Hazardous Waste ("HHW") Collection Service.** The
996 Contractor shall provide on-call collection of HHW at the request of the service at rates
997 established in EXHIBIT 2, and as may be adjusted through the annual rate adjustment
998 process. Contractor shall provide collection when SFD service recipients call within

999 seven (7) working days in advance to schedule collection, and identify a secure location
1000 on their property from which the materials will be collected.

1001 **L. SFD Debris Box Collection Service.** Upon twenty-four (24) hours request by a
1002 SFD Service Unit for a Debris Box, Contractor shall provide a Debris Box at the
1003 Service Unit. Such SFD Debris Box collection service shall be on a temporary basis not
1004 to exceed seven (7) days without collection, emptying, and replacement of the Debris
1005 Box.

1006 1. Debris Boxes shall be transported by Contractor to an approved
1007 processing facility to achieve maximum diversion.

1008 2. Charges for Debris Box shall be in accordance with Section 9 and
1009 EXHIBIT 2 of this Agreement.

1010 3. The Contractor shall provide SFD Debris Box collection services with as
1011 little disturbance as possible and shall leave any Debris Box in an upright
1012 position at the same point it was collected without obstructing alleys, roadways,
1013 driveways, sidewalks, or mail boxes. Contractor shall only place Debris Boxes
1014 in strict adherence with the City's right-of-way requirements and Municipal
1015 Code.

1016 4. Contractor shall remove any and all graffiti within 24 hours of being
1017 identified by the Contractor or City Representative. Contractor shall not deliver
1018 a Debris Box without Contractor information or with any graffiti visible on the
1019 Debris Box.

1020 **Section 8. MFD Collection Services**

1021 MFD collection services for MFD premises utilizing Carts will be governed by all conditions of
1022 service as specified in Section 7 of this Agreement and those MFD premises utilizing Bins will
1023 be governed by all conditions of service as specified in Section 9 of this Agreement. In
1024 addition, the following additional services shall apply:

1025 **A. MFD Food Waste Collection Service.** At such times as a Food Waste Program
1026 is mandated under State Law, Contractor shall implement such a Food Waste Program.
1027 At the start of the program, Contractor shall provide a Kitchen Food Waste Pail to all
1028 MFD service recipients. Contractor shall provide additional Kitchen Food Waste Pails
1029 within five (5) Work Days of request. Additional Food Waste Pails, above and beyond
1030 the first additional pail, will be charged by rates approved by the City.

1031 **B. On-Call MFD Bulky Waste Collection Service.** The Contractor shall provide
1032 on-call MFD Bulky Waste collection service to all MFD Service Units in the service
1033 area whose Bulky Waste have been placed within five (5) feet of the curb, swale, paved
1034 surface of the public or private roadway, closest accessible roadway, or other such
1035 location agreed to by the Contractor and service recipient, that will provide safe and

1036 efficient accessibility to the Contractor's collection crew and vehicle. In accordance
1037 with the "Bulky Waste Collection" service rate as set in EXHIBIT 2, Contractor shall
1038 be compensated for the cost of collecting Bulky Waste.

1039 **C. On-Call Household Hazardous Waste (HHW) Collection Service.** The
1040 Contractor shall provide on-call collection of HHW. Contractor shall provide collection
1041 when MFD service recipients call within seven (7) calendar days in advance to schedule
1042 collection, and identify a secure location on their property from which the materials will
1043 be collected. Contractor shall provide On-Call Household Hazardous Waste collection
1044 service at rates established in EXHIBIT 2.

1045 **Section 9. Commercial Collection Service**

1046 **A. Conditions of Service.** The Contractor shall provide commercial Solid Waste
1047 collection service, commercial Recyclable Material collection service, Commercial
1048 Organic Waste collection service, and Debris Box collection service to all Commercial
1049 Service Units in the service area pursuant to the requirements of Section 6 and this
1050 Section 9.

1051 1. Required Container Sizes. Contractor shall offer Solid Waste Carts in
1052 64 and 96-gallon cart sizes, and Recyclable Materials and Organic Waste Carts
1053 in 64 or 96-gallon cart sizes. Contractor shall offer Bins in 2, 3, 4, and 6-cubic
1054 yard sizes. Contractor shall offer Debris Boxes in 10, 20, 30, and 40-cubic yard
1055 sizes.

1056 2. Required Capacity. Contractor shall provide commercial Recyclable
1057 Materials collection service to all Commercial Service Units in the service area
1058 at no additional cost and Commercial Organic Waste collection service shall be
1059 provided upon subscription. For each Service Unit, Contractor shall offer a
1060 minimum capacity of commercial Recyclable Material collection as requested
1061 by the service recipient. The maximum capacity offered shall be measured as the
1062 total cubic yards collected weekly for commercial Solid Waste collection
1063 service.

1064 3. Accessibility. Contractor shall collect all Containers that are readily
1065 accessible to the Contractor's crew and vehicles and not blocked. However,
1066 Contractor shall provide "push services" as necessary during the provision of
1067 commercial collection services. Push services shall include, but not be limited
1068 to moving manually or by a specialized "scout" truck the Containers from their
1069 storage location for collection and returning the Containers to their storage
1070 location and will be charged as outlined in EXHIBIT 2.

1071 4. Manner of Collection. The Contractor shall provide commercial
1072 collection service with as little disturbance as possible and shall leave any

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Container at the same point it was originally located without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

5. Size and Frequency of Service. The size of the Container and the frequency (above the minimum) of collection shall be determined between the service recipient and the Contractor. However, the size and frequency shall be sufficient to provide that no Solid Waste, Recyclable Material, or Commercial Organic Waste need be placed outside the Container. Commercial collection service shall be provided as deemed necessary and as determined between the Contractor and the customer, but such service shall be received no less than one (1) time per week with no exception for holiday(s) as set forth herein, except that collection service scheduled to fall on a holiday may be rescheduled as determined between the customer and the Contractor as long as the minimum frequency requirement is met. Service may be provided by Bin, Cart or Debris Box at the option of the customer. The Contractor shall provide Containers as part of the commercial collection service rates set forth in EXHIBIT 2. However, customers may own their compactor provided that the customer is completely responsible for its proper maintenance and such compactor shall be of a type that can be serviced by the Contractor's equipment.

B. Commercial Solid Waste Collection Service. This service shall be governed by the following additional terms and conditions:

1. Commercial Solid Waste Overflow. Where Contractor identifies instances of overfilling of Container, it will document the overfilling through the use of film or digital photography. Contractor will present evidence of the overfilling to the commercial/industrial account through a letter with an attached picture detailing the occurrence of overfilling containers. Where such evidence was presented to the commercial/industrial account and Contractor documents another instance of overfilling within one (1) year of such presentation, Contractor is authorized to charge an overage fee as outlined on EXHIBIT 2. In addition, Contractor will contact the customer to discuss the option of delivering a next larger-sized Container to the commercial/industrial premises.

2. Non-collection. Contractor shall not be required to collect any commercial Solid Waste that is not placed in a Bin or Cart. In the event of non-collection or material overflow, Contractor shall affix to the Bin or Cart a non-collection notice explaining why collection was not made.

C. Commercial Recyclable Material Collection Service. This service will be governed by the following terms and conditions:

1. Additional Bins or Carts. Contractor shall provide additional Bins and Carts to commercial service recipients within five (5) days of request at no additional cost provided that additional Bins and Carts are used by commercial

1112 service recipients for the purposes of setting out additional Recyclable Materials
1113 for regular weekly Recyclable Materials collection service.

1114 2. Recycling - Improper Procedure. If Recyclable Materials are
1115 contaminated through commingling with commercial Solid Waste, the
1116 Contractor shall, if practical, separate the commercial Solid Waste from the
1117 Recyclable Materials. The Recyclable Materials shall then be collected and the
1118 commercial Solid Waste shall be left in the Recyclable Materials Container
1119 along with a non-collection notice of why the Solid Waste is not considered a
1120 Recyclable Material. However, in the event the Recyclable Materials and
1121 commercial Solid Waste are commingled to the extent that they cannot easily be
1122 separated by the Contractor or the nature of the commercial Solid Waste renders
1123 the entire Recyclable Materials Container contaminated, the Contractor will
1124 leave the Recyclable Materials Container un-emptied along with a non-
1125 collection notice which contains instructions on the proper procedures for setting
1126 out Recyclable Materials. Upon notification from the City Representative,
1127 Contractor shall collect the contaminated Recyclable Materials as part of the
1128 next regularly scheduled commercial Solid Waste collection and dispose of it at
1129 the Disposal Facility.

1130 3. Recycling - Changes to Work. Should changes in law arise that
1131 necessitate any additions or deletions to the work described herein, including the
1132 type of items included as Recyclable Materials, the parties shall negotiate any
1133 necessary cost changes and shall enter into an Agreement amendment covering
1134 such modifications to the work to be performed and the compensation to be paid
1135 before undertaking any changes or revisions to such work.

1136 **D. Commercial Organic Waste Collection Service.** This service shall be
1137 provided on a customer subscription basis and will be governed by the following terms
1138 and conditions:

1139 1. Conditions of Service. The Contractor shall provide Commercial
1140 Organic Waste Collection Service to all Commercial Service Units in the service
1141 area who have subscribed for service and whose Commercial Organic Waste
1142 materials are properly placed in Containers or compactors, except as set forth
1143 below, where the Containers or compactors are accessible. Commercial Organic
1144 Waste Collection Service will occur Monday – Friday, and on Saturdays upon
1145 request and as necessary.

1146 2. Commercial Organic Waste - Improper Procedure. If Commercial
1147 Organic Waste is contaminated through commingling with Solid Waste, the
1148 Contractor shall, if practical, separate the Solid Waste from the Commercial
1149 Organic Waste. The Commercial Organic Waste shall then be collected and the
1150 commercial Solid Waste shall be left in the Commercial Organic Waste

1151 Container along with a non-collection notice of why the Commercial Organic
1152 Waste is not collected. However, in the event the Commercial Organic Waste
1153 and Solid Waste are commingled to the extent that they cannot easily be
1154 separated by the Contractor or the nature of the Solid Waste renders the entire
1155 Commercial Organic Waste Container contaminated, the Contractor will leave
1156 the Commercial Organic Waste Container un-emptied along with a non-
1157 collection notice which contains instructions on the proper procedures for setting
1158 out Commercial Organic Waste. Upon notification from the City
1159 Representative, Contractor shall collect the contaminated Commercial Organic
1160 Waste as part of the next regularly scheduled commercial Solid Waste collection
1161 and dispose of it at the Disposal Facility.

1162 3. Commercial Organic Waste - Changes to Work. Should changes in law
1163 arise that necessitate any additions or deletions to the work described herein
1164 including the types of items included as Organic Waste, the parties shall
1165 negotiate any necessary cost changes and shall enter into an Agreement
1166 amendment covering such modifications to the work to be performed and the
1167 compensation to be paid.

1168 **E. Commercial Debris Box Collection Service.** Upon request of a Commercial
1169 Service Unit, Contractor shall provide a commercial Debris Box collection service on a
1170 temporary basis or permanent basis.

1171 1. Debris Boxes shall be transported by Contractor to an approved
1172 processing facility to achieve maximum diversion.

1173 2. Charges for Debris Boxes shall be in accordance with EXHIBIT 2 of this
1174 Agreement.

1175 3. The Contractor shall provide commercial Debris Box collection services
1176 with as little disturbance as possible and shall leave any Debris Boxes in an
1177 upright position at the same point it was collected without obstructing alleys,
1178 roadways, driveways, sidewalks, or mail boxes. Contractor shall only place
1179 Debris Boxes in strict adherence with the City's right-of-way requirements and
1180 Municipal Code.

1181 4. Contractor shall remove any and all graffiti within 24 hours of being
1182 identified by the Contractor or City Representative. Contractor shall not deliver
1183 a Debris Box without Contractor information or with any graffiti visible on the
1184 Debris Box.

1185 **Section 10. Collection Service for City Service Units**

1186 **A. General.** Contractor shall provide Solid Waste, Recyclable Material, and
1187 Organic Waste collection services, and Debris Box collection service to City Service

1188 Units as deemed necessary and as determined between the Contractor and the City, but
1189 such service shall be received no less than one (1) time per week with no exception for
1190 holiday(s) as set forth herein, except that collection service scheduled to fall on a
1191 holiday may be rescheduled as determined between the City and the Contractor as long
1192 as the minimum frequency requirement is met. Service may be provided by Bin, Cart
1193 or Debris Box at the option of the City. Contractor shall offer Solid Waste Carts in 64
1194 and 96-gallon cart sizes and Bins in 2, 3, 4, and 6-cubic yard sizes, and Recyclables
1195 Materials and Organic Waste Carts in 64 and 96-gallon cart sizes and Bins in 2, 3, 4,
1196 and 6-cubic yard sizes. Contractor shall not charge for collection of Solid Waste,
1197 Recyclable Materials or Organic Waste. Contractor shall offer Debris Boxes in 10, 20,
1198 30, and 40-cubic yard sizes. The size of the Container and the frequency (above the
1199 minimum) of collection shall be determined between the City and the Contractor.
1200 However, size and frequency shall be sufficient to provide that no Solid Waste,
1201 Recyclable Materials, or Organic Waste needs to be placed outside the Container. City
1202 Service Units are listed in EXHIBIT 3.

1203 **B. Public Containers Collection.** Contractor shall provide collection,
1204 transportation and disposal or processing service to those public Solid Waste, Organic
1205 Waste or Recycling Containers in place or placed by the City, or as designated by the
1206 City, and other City properties during the term of this Agreement. Frequency of
1207 collection shall be a maximum of six (6) days per week per Container.

1208 **C. Accessibility.** Contractor shall collect all Carts, Bins and Debris Boxes that are
1209 readily accessible to the Contractor's crew and vehicles and not blocked. However,
1210 Contractor shall provide "push services" as necessary during the provision of City
1211 collection services. Push services shall include, but not be limited to, dismounting from
1212 the collection vehicle, moving the Bins or Carts from their enclosure location for
1213 collection and returning the Bins or Carts to their enclosure location.

1214 **D. Notification.** The Contractor will notify the City Representative daily, by Fax
1215 and e-mail, of all situations that prevent or hinder collection from any City Service Unit,
1216 unless otherwise directed by City.

1217 **E. Donated Services.** Contractor has offered to donate the following services as
1218 corporate good will.

1219 1. Code Enforcement. In response to the request of the City
1220 Representative, Contractor shall within twenty-four (24) hours provide for
1221 temporary clean-up programs in the service area. Contractor shall transport and
1222 deliver the collected materials to the Disposal Facility, the Materials Recovery
1223 Facility, or such other facility as is appropriate for the disposition of the
1224 materials and approved by the City Representative.

- 1225 a) Contractor may provide for the collection of materials at a City
 1226 requested Code Enforcement clean-up services in a collection
 1227 vehicle Bin, Cart, or a Debris Box.
- 1228 b) Each Agreement Year, Contractor shall provide for a maximum
 1229 of ten (10), forty (40) cubic yard Bins for of collection from City
 1230 Code Enforcement clean-up services. Contractor shall be entitled
 1231 to charge the City for bins in excess of this per Agreement Year.
 1232 Where City seeks to recover clean-up or abatement costs from the
 1233 property owner or other responsible party, City agrees to include
 1234 Contractor's costs, as reflected on EXHIBIT 2, for the Bins
 1235 provided to City in the amount sought. Where City actually
 1236 recovers the foregoing costs from the property owner or other
 1237 responsible party, City will remit such recovered costs to
 1238 Contractor.
- 1239 2. City-Sponsored Events. Contractor shall provide collections services at
 1240 City-sponsored City events as requested by City. Such services shall be
 1241 provided in such a manner that all collection, processing and disposal needs for
 1242 the event are adequately and properly provided for by Contractor. City
 1243 Sponsored Events are set forth on EXHIBIT 5, attached to and included in this
 1244 Agreement. Contractor may donate free or reduced cost services as a gesture of
 1245 corporate good will to charitable or other non-profit community groups for
 1246 events sponsored by such groups within the City's boundaries.
- 1247 3. Abandoned Waste Collection. Contractor shall direct its collection
 1248 vehicle drivers to note (i) the addresses of any premises within City's boundaries
 1249 at which the driver observes that Solid Waste, Recyclable Material, and/or
 1250 Organic Waste Material is accumulating; and (ii) the address, or other location
 1251 description, at which Solid Waste, Recyclable Material, and/or Organic Waste
 1252 has been dumped in an apparently unauthorized manner. Contractor shall deliver
 1253 the address or description to City's Representative within three (3) Work Days
 1254 of such observation.
- 1255 4. Composting.
- 1256 a) Residential Composting. Contractor shall offer to all SFD
 1257 service recipients the option to choose a home composter to
 1258 compost their organic waste in lieu of a green waste Cart.
 1259 Contractor shall conduct a minimum of two (2) Compost
 1260 Workshops on or before the first anniversary of the Service
 1261 Commencement Date, as part of its Public Outreach efforts as
 1262 provided in this Agreement.

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responsible for sweeping all curbs including median islands and the corners from any cross street intersecting the subject street. Contractor shall obey all laws governing the operation of the sweepers on a public street, and shall perform its operations so that sweepers are traversing their routes in the normal direction of traffic.

2. Water. Contractor may obtain water from City designed facilities at no charge to Contractor for the water necessary in the street sweeping operation within City. Contractor may make arrangements to obtain water from other water purveyors within the area (EMWD, LAKE HEMET, or SAN JACINTO) at Contractor's sole cost and expense. Contractor shall report the total gallons of water, from all sources, used per month to the City Representative. The proper volume and pressure shall be supplied by the sweeper at all times for adequate dust control during the sweeping operation. To the extent possible, Contractor shall use reclaimed or recycled water due to increased availability of reclaimed water.

3. Sweeper Speed. Contractor shall operate the sweepers at a speed of not more than six (6) miles per hour when sweeping or when the sweeper brooms are down, unless Contractor can demonstrate that the sweeper can operate efficiently and safely at a higher speed. City will use NPDES Permits requirements, Environmental Protection Agency information, generally accepted industry standards, and the sweeper manufacturer's recommendation on the speed of sweepers when considering speeds greater than six (6) miles per hour.

4. Width of Sweeper Path. Contractor shall sweep a path, with all brooms down, with a width of not less than eight (8) feet unless parked vehicles, structures, or other objects prohibit the safe sweeping of this path width. The path shall begin at the face of the curb, and include the flow line of the gutter. Unless blocked by parked cars or Containers, the face of the curb and gutter shall always be included within the sweeper path. On those residential streets with no curb, the width of the sweeper path shall be not less than eight (8) feet measured from the edge of the pavement toward the center of the street.

5. Frequency and Day of Service.

a) Residential Streets. Contractor shall provide street sweeping service for each curb mile of residential streets in the City twice per month on a scheduled route basis. However, in those instances where the scheduled street sweeping service day falls on a holiday, Contractor shall provide street sweeping services on the following scheduled sweeping service day.

- 1339 b) Major Arterial Streets. Contractor shall provide street sweeping
1340 service for each curb mile of major arterial streets in the City
1341 twice per month on a scheduled route basis. However, in those
1342 instances where the scheduled street sweeping service day falls
1343 on a holiday, Contractor shall provide street sweeping services on
1344 the following scheduled sweeping service day.
- 1345 c) Downtown Area Streets. Contractor shall provide street sweeping
1346 service for each curb mile of the downtown area streets in the
1347 City twice per month on a scheduled route basis. However, in
1348 those instances where the scheduled street sweeping service day
1349 falls on a holiday, Contractor shall provide street sweeping
1350 services on the following scheduled sweeping service day.
- 1351 d) City-Owned Parks Parking Lots. Contractor shall provide street
1352 sweeping service for each City-owned parks parking lot in the
1353 City once monthly on a scheduled route basis. Parks parking lots
1354 shall be swept on the same day of the month that routine
1355 sweeping of the adjoining residential neighborhood takes place.
1356 However, in those instances where the scheduled street sweeping
1357 service day falls on a holiday, Contractor shall adjust the route
1358 schedule as set forth in Section 6.E.
- 1359 e) Existing Contracts with Caltrans. City shall assign to Contractor,
1360 and Contractor shall assume and thereafter perform, all
1361 agreements between City and Caltrans for street sweeping of
1362 Highway 74 and Highway 79. After such assignment and
1363 assumption, Contractor shall be solely responsible for
1364 performance of the required services and shall be entitled to sole
1365 remuneration for the provision of such services from Caltrans.

1366 6. Hours of Service.

- 1367 a) Residential Streets and Parks Parking Lots. Contractor shall
1368 provide street sweeping service on residential streets and parks
1369 parking lots commencing no earlier than 5:00 a.m. and
1370 terminating no later than 7:00 p.m., Monday through Friday, with
1371 no service on Saturday or Sunday. The hours, days, or both of
1372 service may be extended due to extraordinary circumstances or
1373 conditions with the prior verbal consent of the City
1374 Representative. Sweeping in residential areas shall be
1375 coordinated with collection services to ensure that sweeping

1376 occurs after collection of all Carts has been completed on a
1377 specific street.

1378 b) Major Arterial Streets. Contractor shall provide street sweeping
1379 service on major arterial streets commencing no earlier than
1380 8:00 p.m. and terminating no later than 6:00 a.m., Monday
1381 through Friday with no service on Saturday (except for holiday
1382 service as set forth in Section 6.E of this Agreement in which
1383 case normal collection hours may be utilized, or as set forth in
1384 Section 10.F.6 hereof) or Sunday. The hours, days, or both of
1385 service may be extended due to extraordinary circumstances or
1386 conditions with the prior verbal consent of the City
1387 Representative.

1388 c) Downtown Area Streets. Contractor shall provide street
1389 sweeping service on downtown area streets commencing no
1390 earlier than 12:00 a.m. and terminating no later than 6:00 a.m.,
1391 Monday through Friday with no service on Saturday (except for
1392 holiday service as set forth in Section 6.E of this Agreement in
1393 which case normal collection hours may be utilized or as set forth
1394 in Section 10.F.6 hereof) or Sunday. The hours, days, or both of
1395 service may be extended due to extraordinary circumstances or
1396 conditions with the prior verbal consent of the City
1397 Representative.

1398 7. Street Changes. City and Contractor acknowledge that during the term
1399 of this Agreement it may be necessary or desirable to add or delete City streets
1400 for which Contractor will provide street sweeping service. City will provide
1401 notification of changes to Contractor through the customer service system.
1402 Conditions which may cause the City Representative to order a street or an area
1403 to be bypassed temporarily include the following:

- 1404 a) Construction or development on or along a street.
- 1405 b) Pavement maintenance activities, including the chip seal program
1406 or the slurry seal program.
- 1407 c) Inclement weather when running water is in the gutter or street
1408 such that sweeping is ineffective.
- 1409 d) Special sweeping on alternative schedule.

- 1410 e) Consistent non-compliance of citizens to remove parked cars
1411 during sweep days.
- 1412 f) Other legitimate reasons that make sweeping impractical as
1413 determined by the City Representative.
- 1414 8. Street Additions. As new streets are constructed and accepted by City,
1415 City may, at City's sole option, designate such streets as part of the service area
1416 for the purposes of street sweeping service. If the City Representative
1417 designates such streets as part of the service area (after final cap has been laid
1418 down) Contractor shall provide street sweeping service on such streets under the
1419 terms and conditions of this Agreement within fifteen (15) Work Days of receipt
1420 of notice from the City Representative to begin service.
- 1421 9. Street Deletions. City may require some City streets to be temporarily or
1422 permanently removed from the list of scheduled streets for which Contractor
1423 provides street sweeping service under this Agreement. Contractor shall
1424 immediately cease providing street sweeping service to any City street upon
1425 receipt of notice from the City Representative to stop such service. When a City
1426 street has been temporarily removed from the list of scheduled streets,
1427 Contractor shall resume street sweeping service on such street in the next
1428 regularly scheduled cycle following notification from the City Representative
1429 that normal street conditions exist in order to resume service.
- 1430 10. Revised Maps. Contractor shall revise the street sweeping service route
1431 maps to show the addition or deletion of City streets as provided above and shall
1432 provide such revised maps to the City Representative as requested. The maps
1433 shall be provided in a format that can be posted to the City website.
- 1434 11. Temporary Changes in Sweeping Schedule. In the event that the City
1435 Representative notifies Contractor not to sweep on a temporary basis, Contractor
1436 shall not be paid for the equivalent curb miles and no liquidated damages will be
1437 assessed for failure to sweep such streets. The City Representative shall notify
1438 Contractor of the temporary suspension of service at least one day prior to the
1439 scheduled sweep, except that in the case where the reason for not performing
1440 service is because of inclement weather, the City Representative may notify
1441 Contractor at any time.
- 1442 12. Parking Restrictions. The City shall also notify Contractor of any streets
1443 when permit parking may impact scheduled street sweeping service. Contractor
1444 may be required to adjust sweeping schedule to sweep prior to the parking
1445 permit hours restrictions.
- 1446 13. Hazardous Waste. Contractor shall not be required to remove any
1447 Hazardous Waste from the street surface. If in the course of performing street

1448 sweeping services, any suspected Hazardous Wastes are encountered, Contractor
1449 shall immediately report the location to the Hemet Fire Department or any other
1450 responsible agency and to the City Representative.

1451 14. Disposal of Sweeper Waste. Contractor shall transport and deliver all
1452 sweeper waste and debris collected as a result of performing street sweeping
1453 services to Contractor's corporate yard in Perris. During leaf falling season
1454 (defined as roughly the time period between the months of November and
1455 January) Contractor shall have the option of emptying Street Sweeper Waste at
1456 the City Yard, at a location designated by City, for timely consolidation and
1457 further disposal at Contractor's corporate yard in Perris. This option will only
1458 be used on an as-needed basis in order to complete the Street Sweeper routes
1459 during the heavier leaf falling season. Contractor shall have the sole
1460 responsibility for consolidating, transporting and disposing of Street Sweeper
1461 Waste. Contractor and City agree to discuss loading procedures for this
1462 material. Contractor shall regularly schedule clean-out and clean-up of the area
1463 of the City Yard utilized for emptying of Street Sweeper Waste.

1464 15. Spillage. During hauling, all sweep waste shall be contained, covered or
1465 enclosed so that leaking, spilling and blowing of the sweep waste is prevented.
1466 Contractor shall be responsible for the immediate cleanup of any spillage caused
1467 by Contractor.

1468 16. Street Sweeping Service Routes. Within fifteen (15) days of the
1469 Effective Date of this Agreement, City shall provide Contractor with a street
1470 sweeping database for use in developing routes and maps. Contractor shall
1471 develop the routes and maps using this data. Within forty-five (45) days of
1472 receiving City provided route maps, Contractor shall submit to the City
1473 Representative, service area maps, precisely defining the sweeper routes for
1474 review and approval by the City Representative. The route maps shall include
1475 the days of the month sweeping shall occur, the portions of the City to be swept,
1476 and any special needs such as early starts, and late finishes. The City
1477 Representative may provide written comments on the preliminary maps to
1478 Contractor no later than ten (10) Work Days after receipt of the maps from
1479 Contractor. Contractor shall revise the maps to reflect such comments and
1480 return them to the City Representative within ten (10) Work Days after receipt
1481 of the City Representative's comments for City corroboration. Upon approval
1482 by the City Representative of the final sweeper route maps, Contractor shall
1483 develop and maintain the sweeping routes on a computerized mapping system
1484 that is compatible with City's mapping system to the extent possible. Street
1485 sweeping maps provided to the City shall be in a format that is suitable for
1486 posting to the City website.

1487 17. Addition or Deletion of City Streets. Changes in maps due to addition
1488 and deletion of certain City streets shall be provided by City, and Contractor
1489 shall update the maps in Contractor's system every month. Such changes shall
1490 also be reflected in Contractor's printed route maps.

1491 18. Service Route Changes. Contractor shall submit to the City
1492 Representative, in writing, any proposed route change (including maps thereof)
1493 not less than forty-five (45) calendar days prior to the proposed date of
1494 implementation. The City Representative may provide written comments to
1495 Contractor on such proposed change no later than ten (10) Work Days after
1496 receipt of the proposal from Contractor, and Contractor shall revise the routes to
1497 reflect such comments and return them to the City Representative within ten
1498 (10) Work Days of receipt of such comments, for City corroboration.
1499 Contractor shall not implement any route changes without the prior approval of
1500 the City Representative. If the approved route change will change the day on
1501 which street sweeping service will occur, Contractor shall notify the affected
1502 service recipients of route changes not less than thirty (30) Work Days before
1503 the proposed date of implementation in a manner approved by the City
1504 Representative.

1505 19. Other City Street Sweeping Service. If during the Term of this
1506 Agreement, circumstances exist which require work associated with the street
1507 sweeping service program that are not specifically provided for in this
1508 Agreement, the City Representative may require Contractor to perform such
1509 other associated work ("OAW"). When Contractor performs OAW, the labor,
1510 materials, and equipment used in the performance of such work shall be subject
1511 to the prior written approval of the City Representative and charged as specified
1512 in Section 26.A. Examples of OAW that Contractor may be required to perform
1513 include: performance of special sweeps, flood clean-up, street sanitation for
1514 parades and celebrations, construction clean-up services caused by the City or
1515 private contractors, City requested clean-up services and any contingency where
1516 sweeper and supporting sweeper equipment could assist in a particular instance.

1517 20. Street Sweeping Quality of Work. The standards of performance, which
1518 Contractor is obligated to meet, are those good street sweeping practices which
1519 leave the serviced area in a debris and dirt-free condition.

1520 **G. Community Development Department Reviews.** Contractor, upon City's
1521 request, shall assist the City in the review of applicants' plans for projects covered by
1522 Public Resources Code § 42911, including commercial and multi-family projects, to
1523 provide for effective and economical accumulation and collection of Organic Waste,
1524 Recyclable Materials and Solid Waste.

1525 H. **Scavenging - Discouragement.** Contractor and City will take reasonable
1526 measures, including, but not limited to, legal actions (e.g., actions seeking to enjoin
1527 scavengers) to discourage Scavenging of Recyclable Materials from the Solid Waste,
1528 Recyclable Material, and Organic Waste Stream. City agrees to work with Contractor in
1529 order to develop and implement Anti-Scavenging Ordinances, Construction and
1530 Demolition Ordinances, and Mandatory Commercial and Multi-Family Recycling
1531 Ordinances as assistance in order to meet diversion goals, maximize the Exclusive
1532 Franchise provisions and deter illegal hauling from occurring in the City. City's Solid
1533 Waste Compliance Officer shall have, as one of his/her primary responsibilities, the
1534 enforcement of these proposed Ordinances when adopted by City.

1535 **Section 11. Collection Routes**

1536 A. **Collection Routes.** During the Transition Period, but before the Service
1537 Commencement Date, Contractor shall coordinate with City staff to define the existing
1538 collection routes. Any proposed changes to current routing shall be reviewed and
1539 approved by the City prior to any notification or implementation with the customers.

1540 B. **Subsequent Collection Route Changes.** The Contractor shall submit to the
1541 City, in writing, any proposed route change (including maps thereof) not less than sixty
1542 (60) calendar days prior to the proposed date of implementation, except for route
1543 changes agreed to by City and Contractor. To the extent possible, Contractor will
1544 provide the map data in a GIS format that is compatible with the format used by the
1545 City. The Contractor shall not implement any route changes without the prior review of
1546 the City Representative. If the route change will change the collection day for a service
1547 recipient, the Contractor shall notify those service recipients in writing of route changes
1548 not less than thirty (30) days before the proposed date of implementation.

1549 C. **Collection Route Audits.** The City reserves the right to conduct audits of
1550 Contractor's collection routes. The Contractor shall cooperate with the City in
1551 connection therewith, including permitting City employees or agents, designated by the
1552 City Representative, to follow behind the collection vehicles in order to conduct the
1553 audits. The Contractor shall have no responsibility or liability for the salary, wages,
1554 benefits or worker compensation claims of any person designated by the City
1555 Representative to conduct such audits.

1556 **Section 12. Public Outreach Services**

1557 A. **General.** Contractor, at its own expense, shall prepare, submit and implement
1558 an annual Public Education and Outreach Plan that incorporates key features of
1559 Contractor's Public Education Program (EXHIBIT 7), Community Involvement Plan
1560 (EXHIBIT 12) and HHW Collection Plan (EXHIBIT 11). The proposed action plans
1561 must be submitted annually for City approval no later than (i) the Service

1562 Commencement Date in the first year of the Agreement; and then (ii) on July 1, 2013
1563 and July 1st each year thereafter. The program must include specific steps designed to
1564 increase diversion and participation for the City’s residents and businesses. A
1565 minimum of two (2) annual campaigns should target certain diverted materials or
1566 “problem” areas of the Contractor’s service area where improvements can be
1567 maximized. Targets of outreach should be based on local trends and recycling patterns
1568 based on information obtained by both the City Representative and Contractor staff.
1569 The Contractor shall provide space in Contractor’s public outreach materials, such as
1570 mailers, flyers and newsletters, for the City to include announcements, community
1571 information, articles, and photographs.

1572 **B. Transition.** Contractor will provide transition activities during the Transition
1573 Period, including, at minimum, conducting two (2) community workshops on new
1574 services, providing each new service recipient with a Cart size request self-addressed
1575 postage paid postcard, a “how to” brochure with pictures of acceptable Organic Waste
1576 and Recyclable Materials, and instructions on Bulky Waste collection.

1577 **C. Recycling Coordinator.** Contractor will provide for the equivalent of a full-
1578 time Recycling Coordinator dedicated to the City. Contractor may use a subcontractor
1579 to perform some or all the duties normally assigned to the Recycling Coordinator with
1580 regard to the Composting Workshop requirement. City will approve the use of this
1581 subcontractor prior to providing the program.

1582 **D. Annual Collection Service Notice.** Each Agreement Year during the first five
1583 (5) years of the Term of this Agreement and upon City request thereafter, the Contractor
1584 shall publish and distribute notices to all SFD Service Units regarding the SFD
1585 collection service, to all MFD Service Units regarding MFD collection service, and to
1586 all Commercial Service Units regarding commercial collection service. To the extent
1587 appropriate, based on the category of customer receiving the notice, it shall contain at a
1588 minimum: definitions of the materials to be collected, procedures for setting out the
1589 materials, collection and disposal options for unacceptable materials such as Hazardous
1590 Waste, and the Contractor customer service phone number and website address. The
1591 notice shall be provided in English, and other languages as reasonably directed by the
1592 City, and shall be distributed by the Contractor no later than November 1st of each
1593 Agreement Year.

1594 **E. Additional Programs and Services.** Contractor shall provide additional
1595 services and programs as requested by City at a price to be mutually agreed upon
1596 between the Contractor and the City Representative. In the event the Contractor and the
1597 City Representative cannot reach a mutually agreed upon price for the requested service
1598 or program, City shall have the right to procure the service of other vendors or
1599 contractors to provide the requested service. See Section 29.A.

1600 F. **News Media Relations.** Contractor shall notify the City Representative by fax,
1601 e-mail or phone of all requests for news media interviews related to the collection
1602 service program within twenty-four (24) hours of Contractor's receipt of the request.
1603 Before responding to any inquiries involving controversial issues or any issues likely to
1604 affect participation or Service Recipient perception of services, Contractor will discuss
1605 Contractor's proposed response with the City Representative.

1606 1. Copies of draft news releases or proposed trade journal articles shall be
1607 submitted to City for prior review and approval at least five (5) Work Days in
1608 advance of release, except where Contractor is required by any law or regulation
1609 to submit materials to any regulatory agency in a shorter period of time, in
1610 which case Contractor shall submit such materials to City simultaneously with
1611 Contractor's submittal to such regulatory agency.

1612 2. Copies of articles resulting from media interviews or news releases shall
1613 be provided to the City within five (5) Business Days after publication.

1614 G. **Website.** Contractor shall develop and maintain a state-of-the-art website
1615 accessible to the public, dedicated, in part, to services provided in the City that is
1616 accessible by the public. The web site shall include answers to frequently asked
1617 questions, rates for collection services, listing and description of Recyclable Materials
1618 and Organic Waste, collection service schedules and maps, and other related topics. The
1619 Contractor's website shall provide the public the ability to e-mail complaints to
1620 Contractor and request services or service changes. Contractor's website shall also
1621 promote reuse and recycling, graphics and statistics illustrating the City progress toward
1622 becoming a Zero Waste Community, resources the community can use to support Zero
1623 Waste and Sustainability efforts, other City's environmental programs, and other
1624 materials as requested by the City. The City shall review and approve Contractor's
1625 website as it relates to the City of Hemet's page(s).

1626 H. **Waste Generation and Characterization Studies.** Contractor acknowledges
1627 that City must perform Solid Waste generation and characterization studies periodically
1628 to comply with AB 939 requirements. Contractor agrees to participate and cooperate
1629 with City and its agents and to perform studies and data collection exercises, as needed,
1630 to determine weights, volumes and composition of Solid Waste generated, disposed,
1631 transformed, diverted or otherwise processed to comply with AB 939.

1632 **Section 13. Collection Equipment**

1633 A. **General.** Contractor warrants that it shall provide adequate numbers of vehicles
1634 and equipment for the collection, transportation, recycling and disposal services for
1635 which it is responsible under this Agreement. All collection vehicles used by Contractor
1636 in the performance of services under this Agreement shall be of a high quality. At the
1637 start of this Agreement, all collection vehicles utilized by Contractor pursuant to this

1638 Agreement shall be those outlined below in conjunction with vehicles owned by the
1639 Contractor.

1640 1. Use of Purchased City Equipment. In accordance with this Agreement,
1641 Contractor shall purchase the City's personal property used in its
1642 Comprehensive Refuse Services, including current collection vehicles,
1643 Containers, and spare parts. This includes seven (7) CNG-powered collection
1644 vehicles placed in service in 2007 under an AQMD grant. City shall assign and
1645 Contractor shall assume the AQMD grant and comply with the applicable terms
1646 of the grant by keeping the seven (7) CNG collection vehicles in service until
1647 November 30, 2012 and operating these collection vehicles only within the
1648 South Coast AQMD's service area.

1649 **B. Vehicle Transition Plan.** Contractor shall refurbish all previously owned
1650 Hemet vehicles as outlined in the Transition Plan attached in EXHIBIT 6:

1651 1. Temporary Access to and Use of City Yard. Contractor contemplates
1652 requiring access to and use of City's Corporate Yard for up to ninety (90) days
1653 after the Service Commencement Date for temporary storage of Containers and
1654 collection vehicles. City and Contractor will separately meet and confer with
1655 regard to the scope and terms of conditions of such temporary use after the
1656 Effective Date of the Agreement, but City will not unreasonably refuse such
1657 access and use provided Contractor does not undertake any maintenance, repair,
1658 cleaning, or fueling of any vehicles, nor refurbishment or maintenance of
1659 Containers, does not store nor dispose of any Solid Waste, Hazardous Waste or
1660 Universal Waste at the Corporate Yard, maintains insurance acceptable to City,
1661 and repairs any damages caused by Contractor's use.

1662 **C. Noise.** To protect peace and quiet in service areas, the noise level generated by
1663 compaction vehicles using compaction mechanisms during the stationary compaction
1664 process shall not exceed a single-event noise level of seventy-five (75) decibels (dBA)
1665 at a distance of twenty-five (25) feet from the collection vehicle measured at an
1666 elevation of five (5) feet above ground level. Contractor shall, upon request, submit to
1667 City a certificate of vehicle noise level testing by an independent testing entity of any
1668 collection vehicles used by Contractor in the City of Hemet, which has been the subject
1669 of more than one noise complaint within any twelve-month period.

1670 **D. Compliance.** Contractor warrants that it will comply with all measures and
1671 procedures promulgated by all agencies with jurisdiction over the safe and sanitary
1672 operation of all its equipment.

1673 **E. Private Streets, Alleys and Parking Lots.** Contractor agrees to use its best
1674 efforts to prevent damage to private streets, alleys and parking lots over which its
1675 collection equipment may be operated, to obtain all required approvals for operation of
1676 its collection vehicles on private streets, alleys and parking lots.

1677 **F. Vehicle Registration, Licensing and Inspection.** On or before the Service
1678 Commencement Date and upon City request thereafter during the term of this
1679 Agreement, Contractor shall submit documentation to the City Representative to verify
1680 that each of the Contractor's collection vehicles is in compliance with all registration,
1681 licensing and inspection requirements of the California Highway Patrol, the California
1682 Department of Motor Vehicles, and any other applicable laws or regulations. Contractor
1683 shall not use any vehicle to perform collection service that is not in compliance with
1684 applicable registration, licensing and inspection requirements. Each vehicle shall
1685 comply, at all times, with all applicable statutes, laws or ordinances of any public
1686 agency. Collection vehicles will be subject to routine inspections by the California
1687 Highway Patrol and will be subject to bi-annual inspections. Certificates for said
1688 inspection shall be filed with the City upon request.

1689 **G. Clean Air Vehicles.** During the term of this Agreement, to the extent required
1690 by law, Contractor shall provide its collection vehicles to be in full compliance with
1691 local, state and federal clean air requirements that were adopted including, but not
1692 limited to, the California Air Resources Board Heavy Duty Engine Standards as
1693 currently proposed to be contained in CCR Title 13, Section 2020, *et seq.*; the Federal
1694 EPA's Highway Diesel Fuel Sulfur regulations and any other applicable air pollution
1695 control

1696 **H. Global Positioning Systems (GPS).** Contractor shall provide all new route
1697 collection vehicles with fully functioning on-board GPS systems.

1698 **I. Safety Equipment.** All collection equipment used by Contractor shall have
1699 appropriate safety markings including, but not limited to, highway lighting, flashing and
1700 warning lights, clearance lights, and warning flags. All such safety markings shall be
1701 subject to the approval of the City and shall be in accordance with the requirements of
1702 the California Vehicle Code, as may be amended from time to time. All collection
1703 vehicles shall be equipped with audible back-up warning devices.

1704 **J. Vehicle Signage and Painting.** Collection vehicles shall have the Contractor's
1705 name, Contractor's customer service telephone number, and the number of the vehicle.
1706 No advertising shall be permitted other than the name of the Contractor except
1707 promotional advertisement of the Recyclable Materials and Organic Waste programs.
1708 Contractor shall repaint all vehicles (including vehicle striping) during the term of this
1709 Agreement on a frequency as necessary to maintain a positive public image as
1710 reasonably determined by the City Representative.

1711 **K. Vehicle Maintenance.** Contractor shall maintain collection vehicles in a clean
1712 condition and in good repair at all times and ensure that no collected materials, oil,
1713 grease, or other substances will blow, fall out, escape or leak out of the vehicle, with the
1714 exceptions of vehicle emission. All parts and systems of the collection vehicles shall

1715 operate properly and be maintained in a condition satisfactory to City. Contractor shall
1716 wash all collection vehicles at least once a week.

1717 **L. Maintenance Log.** Contractor shall maintain a maintenance log for each
1718 collection vehicle. The log shall at all times be accessible to City upon request of City
1719 Representative, and shall show, at a minimum, each vehicle's Contractor-assigned
1720 identification number, date purchased or initially leased, dates of performance of
1721 routine maintenance, dates of performance of any additional maintenance, and
1722 description of additional maintenance performed.

1723 **M. Equipment Inventory.** On or before the Service Commencement Date and
1724 upon City's request thereafter, Contractor shall provide to City an inventory of
1725 collection vehicles (other than City provided vehicles), and major equipment used by
1726 Contractor for collection or transportation and performance of services under this
1727 Agreement. The inventory shall indicate each collection vehicle by Contractor assigned
1728 identification number, DMV license number, the age of the chassis and body, type of
1729 fuel used, the type and capacity of each vehicle, the number of vehicles by type, the
1730 date of acquisition, the decibel rating and the maintenance status. Upon City request,
1731 Contractor shall submit to the City Representative, either by Fax or e-mail, an updated
1732 inventory annually to the City or more often at the request of the City Representative.
1733 Each vehicle inventory shall be accompanied by a certification signed by Contractor
1734 that all collection vehicles meet the requirements of this Agreement.

1735 **N. Reserve Equipment.** The Contractor shall have available to it, at all times,
1736 reserve collection equipment which can be put into service and operation within one (1)
1737 hour of any breakdown. Such reserve equipment shall correspond in size and capacity
1738 to the equipment used by the Contractor to perform the contractual duties.

1739 **O. Graffiti.** Contractor agrees to maintain all its equipment, including Carts and
1740 Bins, used in the City free of graffiti or "tagging" and to remove or paint over tagging
1741 or graffiti from any of its Carts, Bins or other collection equipment within 24 hours
1742 (Sundays and Holidays excepted) of notification by the City or a service recipient. See
1743 also Section 29.D. and E.

1744 **P. Containers.**

1745 1. **Carts.** Carts may be new, existing or refurbished as of the Service
1746 Commencement Date, and are to be hot-stamped, embossed, or laminated, with
1747 a unique identification number, and in-molded with the type of materials to be
1748 collected (i.e., Solid Waste, Organic Waste, Recyclable Materials, Mixed
1749 Recyclable Material/Solid Waste) and instructions for proper usage. In-molding
1750 on the Carts shall be on the lids. Contractor's name shall be included on the
1751 body of Carts. Labeling and graphics of the Carts shall be approved by the City.

- 1752 2. Bins. Bins may be new, existing, or refurbished as of the Service
1753 Commencement Date. Bins are to be painted with a unique identification
1754 number, and be labeled with either the type of materials to be Collected (i.e.,
1755 Solid Waste, Organic Waste, Recyclable Materials) or the type of material
1756 prohibited from being disposed in the Bin.
- 1757 3. Debris Boxes. Debris Box containers may be used, provided they are in
1758 good condition, properly marked and in good working order. The City retains
1759 the right to inspect any such used Debris Box and direct the Contractor to
1760 replace such a used Debris Box if it is deemed to be not acceptable.
- 1761 4. Purchase and Distribution of Carts and Bins. The Contractor shall be
1762 responsible for the purchase and distribution of fully assembled and functional
1763 Carts and Bins to Service Units in the Service Area throughout the Term of this
1764 Agreement. Contractor shall also distribute Carts and Bins to new Service Units
1765 that are added to Contractor's service area during the Term of this Agreement as
1766 required. The delivery of containers shall be completed within five (5) Work
1767 Days.
- 1768 5. Replacement of Carts and Bins. Contractor's employees shall take care
1769 to prevent damage to Carts or Bins by unnecessary rough treatment. However,
1770 any Cart or Bin damaged by the Contractor shall be replaced by the Contractor,
1771 at the Contractor's expense, within five (5) Work Days at no cost or
1772 inconvenience to the Service Recipient.
- 1773 a) Upon notification to the Contractor by the City or a service
1774 recipient that the service recipient's Cart(s) or Bin(s) have been
1775 stolen or damaged beyond repair through no fault of the
1776 Contractor, the Contractor shall deliver a replacement Cart(s) or
1777 Bin(s) to such Service Recipient within five (5) Work Days. The
1778 Contractor shall maintain records documenting all Cart and Bin
1779 replacements occurring on a monthly basis.
- 1780 b) Where such Cart is lost, stolen or damaged beyond repair through
1781 no fault of the Contractor, each SFD Service Unit shall be
1782 entitled to the replacement of one (1) lost, destroyed, or stolen
1783 Solid Waste Cart, one (1) lost, destroyed, or stolen Recyclable
1784 Materials Cart, and one (1) lost, destroyed, or stolen Organic
1785 Waste Cart, during each ten (10) Agreement Years at no cost to
1786 the SFD Service Unit.
- 1787 c) Where such Cart or Bin is lost, stolen or damaged beyond repair
1788 through no fault of the Contractor, each MFD Service Unit shall
1789 be entitled to the replacement of one (1) lost, destroyed, or stolen

1790 Solid Waste Cart or Bin, one (1) lost, destroyed, or stolen
1791 Recyclable Materials Cart or Bin, and one (1) lost, destroyed, or
1792 stolen Organic Waste Cart or Bin during each ten (10)
1793 Agreement Years at no cost to the MFD Service Unit.

1794 d) Where such Cart or Bin is lost, stolen or damaged beyond repair
1795 through no fault of the Contractor, each Commercial and City
1796 Service Unit shall be entitled to the replacement of one (1) lost,
1797 destroyed, or stolen Solid Waste Cart or Bin, one (1) lost,
1798 destroyed, or stolen Recyclable Materials Cart or Bin, and one (1)
1799 lost, destroyed, or stolen Organic Waste Cart or Bin during each
1800 ten (10) Agreement Years at no cost to the Commercial or City
1801 Service Unit.

1802 e) Where such Bin or Cart replacement occurs through no fault of
1803 the Contractor, Contractor shall be compensated for the cost of
1804 those replacements in excess of the requirements set forth above
1805 in accordance with the additional "Cart Exchange or additional
1806 Bin Exchange" Service Rate, in accordance with EXHIBIT 2, as
1807 initially set by the City or as may be adjusted by the City as
1808 provided under the terms of this Agreement.

1809 6. Repair of Carts and Bins. Contractor shall be responsible for repair of
1810 Carts in the areas to include but not limited to, hinged lids, wheels and axles.
1811 Within five (5) Work Days of notification by the City or a service recipient of
1812 the need for such repairs, the Contractor shall repair the Cart or Bin or if
1813 necessary, remove the Cart or Bin for repairs and deliver a replacement Cart or
1814 Bin to the service recipient.

1815 7. Cart or Bin Exchange. Upon notification to the Contractor by the City or
1816 a service recipient that a change in the size or number of Carts or Bins is
1817 required, the Contractor shall deliver such Carts or Bins to such service recipient
1818 within seven calendar days to allow for the exchange to occur on the regular
1819 scheduled collection day. Each SFD Service Unit shall be entitled to receive
1820 one (1) free Solid Waste Cart exchange, and unlimited exchanges of Recyclable
1821 Materials or Organic Waste Carts per Agreement Year during the term of this
1822 Agreement. Each MFD, Commercial and City Service Unit shall be entitled to
1823 receive one (1) free Solid Waste Cart or Bin exchange, and unlimited exchanges
1824 of Recycling or Organic Waste Carts or Bins per Agreement year during the
1825 Term of this Agreement. Accordingly Contractor shall be compensated for the
1826 cost of those exchanges in excess of one (1) per Agreement year, in accordance
1827 with the "Cart or Bin Exchange" service rate as set forth in EXHIBIT 2 which is

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attached to and included in this Agreement or as may be adjusted under the terms of this Agreement.

8. Ownership of Carts. Ownership of Carts shall rest with the Contractor. However, in the case of the termination of the Agreement prior to the expiration of the Term, the City shall have the right to take possession of the Carts and shall retain such possession until satisfactory arrangements can be made to provide collection services using other equipment. Such time of possession shall be limited to six (6) months and regardless of the time of possession there shall be no monies owing to Contractor from City for the use of the equipment. Upon the receipt of written notice from City, Contractor shall submit to the City Representative an inventory of Carts, including their locations.

9. Ownership of Bins. Ownership of Bins distributed by the Contractor shall rest with the Contractor. However, in the case of the termination of the Agreement prior to the expiration of the Term, the City shall have the right to take possession of the Bins and shall retain such possession until satisfactory arrangements can be made to provide collection services using other equipment. Such time of possession shall be limited to six (6) months and regardless of the time of possession there shall be no monies owing to the Contractor from the City for the use of the equipment. Upon the receipt of written notice from the City, Contractor shall submit to the City Representative an inventory of Bins, including their locations.

10. Ownership of Debris Box Containers. Ownership of Debris Box containers distributed by the Contractor shall rest with the Contractor. However, in the case of the termination of the Agreement prior to the expiration of the initial Term or optional extension terms, the City shall have the right to take possession of the Debris Boxes and shall retain such possession until satisfactory arrangements can be made to provide collection services using other equipment. Such time of possession shall be limited to six (6) months and regardless of the time of possession there shall be no monies owing to the Contractor from the City for the use of the equipment. Upon the receipt of written notice from the City, Contractor shall submit to the City Representative an inventory of containers, including their locations.

11. Annual Inspection and Cleaning of Bins and Debris Boxes. Once each Agreement Year, at no charge to the City or the Service Recipient, Contractor shall inspect all Solid Waste, Recycling, and Organic Waste Bins and Debris Boxes at the Service Unit's premises and shall replace those Bins or Debris Boxes needing cleaning with clean Bins or Debris Boxes and remove the dirty Bins or Debris Boxes for cleaning.

1866 **Section 14. Hiring of Displaced City Refuse Employees**

- 1867 A. Contactor shall offer employment to all “qualified” and Displaced City Refuse
1868 Employees and shall hire such Displaced City Refuse Employees if they timely accept
1869 the offer of employment. An applicant is deemed “qualified” where he or she has
1870 undergone and passed the Contractor’s required standard pre-employment physical,
1871 background check and drug screening. Displaced City Refuse Employees shall be hired
1872 in accordance with the minimum requirements as listed in EXHIBIT 16 and below.
- 1873 B. Contractor shall maintain all Displaced City Refuse Employees hired by
1874 Contractor at the same hourly rate of pay as was paid to the Displaced Employee by the
1875 City as of the Service Commencement Date.
- 1876 C. Displaced City Refuse Employees hired by Contractor may be eligible for
1877 annual reviews on their employment anniversary date.
- 1878 D. Contractor shall provide all Displaced City Refuse Employees hired by
1879 Contractor accrual of paid vacation and sick days pursuant to the employer personnel
1880 policies of Contractor in effect on the Effective Date of this Agreement. In determining
1881 the rate of accrual for paid vacation and sick days for such employees, Contractor
1882 agrees to apply each Displaced City Refuse Employee’s years of service with City as if
1883 they were years of service with Contractor.
- 1884 E. Contractor shall provide all Displaced City Refuse Employees hired by
1885 Contractor a 401k Retirement Plan with employer contributions.
- 1886 F. Contractor shall provide to all Displaced City Refuse Employees hired by
1887 Contractor Health, Dental, Vision and Life Insurance.
- 1888 G. In addition, Contractor shall provide to Displaced City Refuse Employees hired
1889 by Contractor a one thousand dollar (\$1,000) retention bonus. Five hundred dollars
1890 (\$500) shall be paid with the Displaced City Refuse Employee’s first paycheck and an
1891 additional five hundred dollars (\$500) shall be paid after the completion of the initial
1892 180 days of service.
- 1893 H. Contractor shall not discharge any Displaced City Refuse Employee hired by
1894 Contractor for at least one hundred eighty (180) days after the Service Commencement
1895 Date, except “for cause” as that term is defined in the employee personnel policies of
1896 Contractor effective on the Effective Date of this Agreement. Thereafter, the continued
1897 employment of Displaced City Refuse Employees shall be under the terms and
1898 conditions established for all Contractor’s workers in that particular classification.
1899 Notwithstanding the foregoing, should Contractor elect to discharge any Displaced City
1900 Refuse Employee hired by Contractor within the first one hundred (180) days after the
1901 Service Commencement Date without cause, Contractor agrees to pay the Displaced

1902 City Refuse Employee or the remaining period from the termination date to the end of
1903 the one hundred (180) day period referenced above.

1904 **Section 15. Privacy**

1905 **A. General.** Contractor shall observe and protect the rights of privacy of service
1906 recipients. Information identifying individual service recipients, or the composition or
1907 contents of a service recipient's Solid Waste, Recyclable Materials, or Organic Waste
1908 shall not be revealed to any person, governmental unit, private agency or company,
1909 unless upon the authority of a court of law, by statute, or upon valid authorization of the
1910 service recipient. This provision shall not be construed to preclude Contractor from
1911 preparing, participating in, or assisting in the preparation of waste characterization
1912 studies or waste stream analyses which may be required by the Act, or preparing and
1913 distributing public awareness materials to service recipients.

1914 **B. Mailing Lists.** Contractor shall not market or distribute mailing lists with the
1915 names and addresses of service recipients.

1916 **C. Privacy Rights Cumulative.** The rights accorded service recipients pursuant to
1917 this Section shall be in addition to any other privacy rights accorded service recipients
1918 pursuant to federal or state law.

1919 **Section 16. Service Exceptions; Hazardous and Universal Waste**

1920 **A. Hazardous Waste Inspection, Diversion and Reporting.** Contractor reserves
1921 the right and has the duty under law, to inspect Solid Waste put out for collection and to
1922 reject Solid Waste observed to be contaminated with Hazardous Waste. Should
1923 Contractor find or observe reportable quantities of Hazardous Waste put out for
1924 collection with Solid Waste, Contractor shall notify all agencies with jurisdiction,
1925 including the California Department of Toxic Substances Control and Local Emergency
1926 Response Providers and, if appropriate, the National Response Center, of reportable
1927 quantities of Hazardous Waste, found or observed in Solid Waste observed or collected
1928 anywhere within the City. In addition to other required notifications, if Contractor
1929 observes any substances which it or its employees reasonably believe or suspect to
1930 contain Hazardous Wastes unlawfully disposed of or released on City property,
1931 including storm drains, streets or other public rights of way, Contractor shall notify the
1932 City Manager, or the City Manager's designee immediately.

1933 **B. Universal Waste Handling.** Contractor shall handle Universal Waste
1934 Electronic Devices (UWEDs) and cathode ray tubes (CRTs) and other Universal
1935 Wastes, including, but not limited to non-empty aerosol cans, fluorescent tubes, high
1936 intensity discharge lamps, sodium vapor lamps, and any other lamp exhibiting a
1937 characteristic of a hazardous waste, batteries (rechargeable nickel-cadmium batteries,

1938 silver button batteries, mercury batteries, small sealed lead acid batteries [burglar alarm
1939 and emergency light batteries] alkaline batteries, carbon-zinc batteries and any other
1940 batteries which exhibit the characteristic of a hazardous waste), mercury thermometers,
1941 mercury-containing switches, and any other Universal Wastes disposed of improperly
1942 into the Solid Waste stream in a manner consistent with the applicable regulations of the
1943 Department of Toxic Substances Control, or its successor agency.

1944 **C. Hazardous and Universal Waste Diversion Records.** Contractor shall
1945 maintain records showing the types and quantities, if any, of Hazardous and Universal
1946 Wastes found in Solid Waste and which was collected from service recipients within the
1947 City, but diverted from land filling, and the diversion addresses.

1948 **Section 17. Customer Service**

1949 **A. Office Hours.** Contractor must maintain an office accessible by a local or toll
1950 free telephone number. The City understands, but does not require, that Contractor's
1951 office hours be each Business Day.

1952 **B. Service Recipient Calls.** At Contractor's expense, its regular telephone
1953 numbers shall be listed in Hemet-area telephone directories under Contractor's name.
1954 Contractor shall maintain a telephone answering system capable of accepting at least ten
1955 (10) incoming calls at once.

1956 **C. Emergency / After Hours Telephone Number.**

1957 1. For City. Contractor will provide cell phone numbers and/or other
1958 required contact information to City Staff to be used in case of an emergency.
1959 These emergency numbers can be used outside normal business hours and will
1960 be kept confidential.

1961 2. For Service Recipients. Contractor shall have an after hours message
1962 center where customers can leave messages. Contractor will also provide and
1963 maintain a website where customers may leave messages by e-mail. Contractor
1964 will retrieve all voice and email messages the following business day.

1965 **D. Multilingual.** Contractor shall at all times maintain the capability of
1966 responding to all telephone calls in English, Spanish and such other languages City
1967 reasonably determines to be necessary for communication with service recipients.

1968 **E. Customer Service and Complaint Logs.** Contractor shall update customer
1969 records with any inquiries, service requests and complaints into a customer data base
1970 which shall be maintained in a manner that is reasonably available for inspection and
1971 review by City upon request. All calls shall be recorded. Contractor shall note the name
1972 and address of the complainant, the date and time of the complaint, the nature of the
1973 complaint, the name of the Contractor's employee taking the complaint, and the nature
1974 and date of Contractor's resolution of the complaint. Contractor shall inform all service

1975 recipients that all complaints shall be directed to Contractor. The complaint log shall be
1976 maintained on a computerized database format. The complaint log shall be available for
1977 inspection and review by City upon request. Contractor shall provide a summary of the
1978 complaint log to City monthly during the first (1st) year of service and then quarterly
1979 thereafter for the duration of the Term at the City's request.

1980 **F. Response to Calls.** Contractor will use its best efforts to answer all incoming
1981 calls within five (5) rings. Any call "on-hold" will be placed in a queue and answered
1982 in the order in which it was received.

1983 **G. Service Responses.** City and Contractor agree that the protection of public
1984 health, safety and well-being require that service complaints be acted on promptly.
1985 Contractor shall be responsible for the prompt and courteous attention to, and prompt
1986 and reasonable resolution of, all service recipient complaints.

1987 1. Missed Pick-Ups. In the case of a complaint of a missed collection,
1988 Contractor shall make the collection on the date of the call if the call is received
1989 by 10:00 a.m. and before noon the following collection day if the complaint is
1990 received after 10:00 a.m.

1991 2. Other Complaints. Contractor will respond to all complaints from
1992 service recipients, other than missed-pickups, within one (1) working day of
1993 receiving the complaint.

1994 **Section 18. Ownership of Solid Waste, Recyclable Materials, Organic Waste and**
1995 **Construction and Demolition Materials**

1996 Ownership of Solid Waste, Organic Waste, and Recyclable Materials shall pass, by operation
1997 of law, to Contractor at such time as said materials are placed for collection in Containers for
1998 collection by Contractor. Ownership and the right to possession of Solid Waste, Recyclable
1999 Material, Organic Waste and Construction and Demolition Materials placed for collection shall
2000 transfer directly from the service recipient to Contractor, by operation of law and not by virtue
2001 of this Agreement. At no time does the City obtain any right of ownership or possession of
2002 Solid Waste or any Hazardous Waste illicitly placed for collection in a Solid Waste Container,
2003 and nothing in this Agreement shall be construed as giving rise to any inference that City has
2004 any such rights.

2005 **Section 19. Marketing and Diversion of Recyclable Materials**

2006 Contractor agrees to market all Recyclable Materials collected from recycling programs
2007 developed pursuant to this Agreement at their reasonable fair market value, if a fair market
2008 value has been established in the marketplace at the time of marketing. Contractor agrees to
2009 divert all Mixed Recyclable Material/Solid Waste, Recyclable Materials and Organic Waste
2010 from disposal in landfills or transformation facilities, to the extent feasible, and to obtain
2011 maximum diversion credit.

2012 **Section 20. Customer Rates and Billing Procedures**

2013 **A. Rates for Service.**

2014 1. Maximum Permitted Service Rates. Contractor shall not charge rates (or
2015 additional charges, fees, or penalties) in excess of the Maximum Permitted
2016 Service Rates specified on EXHIBIT 2 attached to this Agreement.

2017 2. City Service Units. Contractor shall not charge or bill City for services
2018 to City Service Units.

2019 3. Adjustments To Maximum Permissible Service Rates. The adjustments
2020 to Maximum Permissible Rates shall be calculated as follows:

2021 a) Initial Fixed Rate Adjustment. The Maximum Permissible
2022 Service Rates, as set forth in EXHIBIT 2, shall be increased by
2023 five percent (5%) on January 1, 2013.

2024 b) CPI Adjustment. On July 1, 2013, and annually thereafter,
2025 Contractor may increase the Maximum Permissible Service Rates
2026 for all service recipients by the same percentage as CPI (see
2027 definition of "CPI" in Section 4 of this Agreement). Contractor
2028 has no obligation to reduce rates if CPI is a negative number, nor
2029 shall such negative adjustment be carried forward or applied in
2030 subsequent years. Contractor shall send the proposed rate
2031 adjustment to City for certification thirty (30) days prior to
2032 implementation for certification. City shall certify the rate
2033 adjustment if it finds that the proposed percentage increase is
2034 equal to CPI as defined in this Agreement.

2035 c) Adjustment Due to Change In Law. As used herein, "Change in
2036 Law" means the enactment, issuance, adoption, repeal,
2037 amendment or modification of any federal, state or local statute,
2038 ordinance or regulation, or a regulatory agency or other
2039 administrative agency interpreting a regulation or statute, or a
2040 judicial decision interpreting a law, statute, ordinance or
2041 regulation, in a manner different than relied upon by
2042 municipalities and the solid waste and collection industry.
2043 Contractor may adjust the Maximum Permissible Service Rates
2044 by an amount equal to the increase or incremental increase, as the
2045 case may be, in the costs (i.e. on any direct or indirect cost,
2046 whether fixed or variable) of Contractor's provision of services
2047 under this Agreement that are caused by the Change in Law and
2048 that have been demonstrated to the City Council. The City

2049 Council shall not unreasonably refuse to certify the rate
2050 adjustment where there is substantial evidence of the increase in
2051 costs to Contractor, nor shall the City Council unreasonably delay
2052 review and certification of the adjustment. The rate adjustment
2053 shall be effective upon certification by the City Council.

2054 4. Rounding. Calculation of rates and determination of any annual
2055 adjustments shall be made only in units of one cent (\$0.01) and shall not result
2056 in a decrease to the rates currently in effect. Fractions of less than one cent
2057 (\$0.01) shall not be considered in making adjustments. The indices shall be
2058 truncated at four (4) decimal places for the adjustment calculations.

2059 **B. Contractor Billing.** The Contractor shall be solely responsible for the billing
2060 and collection of payments for all Comprehensive Refuse Services to service recipients,
2061 except as provided in the Transition Plan. The City's Representative may review the
2062 initial format for all service recipient bills.

2063 **C. Partial Month Service.** If, during a month, a Service Unit is added to or
2064 deleted from Contractor's service area, the Contractor's billing shall be pro-rated based
2065 on the daily rate (monthly rate multiplied by 12 months and then divided by 365 days).
2066 The daily rate is assessed for the actual number of days the account was serviced.

2067 **D. Production of Invoices for Service Units Utilizing Cart Service.** The
2068 Contractor shall produce an invoice for service recipients utilizing Carts received under
2069 this Agreement in advance but no less than four (4) times per year. The Contractor's
2070 invoice shall be remitted to the service recipient no earlier than the first (1st) day of the
2071 1st month of the period for which service is being billed. The payment due date will be
2072 the last day of the first month. Contractor shall provide notice to effected customers of
2073 a proposed rate increase one full billing cycle in advance of implementing the rate
2074 increase. Where the exact amount of the increase proposed is not known at billing cycle
2075 in advance, Contractor may satisfy this requirement by referring to a measure by which
2076 the rate will increase (e.g. by reference to the CPI or by reference to an increase caused
2077 by a Change in Law).

2078 **E. Production of Invoices for Service Units Utilizing Bin Service.** The
2079 Contractor shall produce an invoice for service recipients utilizing Bins received under
2080 this Agreement in advance but no fewer than twelve (12) times per year. The
2081 Contractor may invoice the service recipient no earlier than the first day of the month
2082 for which service is being billed.

2083 **F. Production of Invoices for Debris Box collection service.** The Contractor
2084 shall produce an invoice for Debris Box collection services received under this
2085 Agreement in arrears for services during the prior month. Service recipients utilizing
2086 Debris Box collection services may be invoiced upon completion of the service.

2087 **G. City Provided Billing Inserts.** City may provide educational and other material
2088 to Contractor for inclusion in the invoices mailed by Contractor to SFD, MFD and
2089 Commercial Service Units for collection services. Contractor shall not charge the City
2090 for the inclusion of additional educational or other materials in the invoices provided
2091 the inclusion of such City requested materials does not exceed the cost for standard
2092 postage for any mailing.

2093 **H. Methods of Payment.** Contractor shall provide the means for service recipients
2094 to pay bills through the following methods: cash, checks, credit cards, internet payment
2095 service or automatic withdrawal from bank account. On-line (E-Pay) bill methods shall
2096 be password protected and comply with federal regulations protecting the privacy of
2097 customer credit information. Contractor shall provide evidence of such security
2098 certifications and advise the City of Contractor's security measures implemented for on-
2099 line payment.

2100 **I. Remitting Receivables.** Contractor shall remit to City any payments received
2101 from service units for services provided by City prior to the Service Commencement
2102 Date and City shall remit to Contractor any payments received from service units for
2103 services provided by Contractor after the Service Commencement Date. Such
2104 remittance shall be made within fifteen (15) days of receipt of payment.

2105 **J. Delinquent Service Accounts.**

2106 1. Residential Accounts. Contractor agrees not to discontinue service to
2107 residential customers. Residential Customers (owners or tenants) who have not
2108 remitted required payment within one hundred twenty (120) days after the date
2109 of billing shall be notified by Contractor on forms that contain a statement that if
2110 payment is not received within fifteen (15) days from the date of the notice, the
2111 delinquent and unpaid charges, including a 10% penalty and 1.5% monthly
2112 interest, may be placed on the Riverside County annual secured property tax
2113 rolls and that any amount owing would then become a lien on the property.
2114 Contractor shall provide such notice to Residential customers as is required
2115 under Proposition 218 to include notification via U.S. Mail to the current billing
2116 address on file. The City agrees to annually levy delinquent charges for the prior
2117 calendar year for collection with property taxes. The parties intend that while the
2118 City will elect in accordance with State Law to place delinquent and unpaid
2119 solid waste assessments on the secured property tax rolls, Contractor
2120 understands and agrees that the City has no obligation to foreclose on any tax
2121 bill. Contractor shall pay all fees charged by Riverside County in connection
2122 with the establishment of this secured tax roll billing and collection program and
2123 shall pay all direct and indirect costs incurred by the City in processing
2124 delinquent and unpaid assessments through the secured property tax roll

2125 procedure. City shall remit to Contractor within thirty days of receipt from the
2126 Riverside County Assessor of amounts collected pursuant to this process.

2127 2. Commercial and Other Accounts. Contractor agrees to not discontinue
2128 service to a commercial or debris box customer until customer's account has
2129 been delinquent for a period of at least sixty (60) days. If the Contractor
2130 terminates service to any non-paying person, corporation or entity, such person,
2131 corporation, or entity as a condition precedent to re-establishment of such
2132 service, shall comply fully with all of the then billing policies and practices of
2133 the Contractor, including, but not limited to, requirement of payment by cash or
2134 cash equivalent, prepayment of one full billing cycle, a security deposit,
2135 payment of all costs of collection of monies owed to Contractor, and payment of
2136 a reinstatement fee. In addition, delinquent accounts shall be charged a 1.5%
2137 monthly late fee on the delinquent balance. If the Contractor discontinues
2138 service for non-payment, Contractor shall, upon City request, give written notice
2139 to the City Manager of any discontinuance of service for nonpayment, giving the
2140 name and address of the customer(s).

2141 **Section 21. Contractor's Books and Records; Audits**

2142 A. In addition to the requirements of Section 16.C. above, and Section 23.A.1. and
2143 Section 23.B. below, Contractor shall maintain all records relating to the services
2144 provided hereunder, including, but not limited to, all costs included in the collection and
2145 disposal components, customer lists, billing records, maps, records substantiating the
2146 information furnished by Contractor to City pursuant to Section 23 of this Agreement
2147 and service recipient complaints for the period during which collection services are to
2148 be provided pursuant to this Agreement, and an additional period of not less than three
2149 years, or any longer period required by law. The City shall have the right, upon five
2150 business days advance notice, to inspect, copy and audit all records relating to this
2151 Agreement, including, but not limited to, service recipient lists, billing records, maps,
2152 and customer complaints. Such records shall be made available to City at Contractor's
2153 regular place of business, or other place agreed to by City and Contractor, within the
2154 County of Riverside.

2155 B. Should any examination or audit of Contractor records reveal an underpayment
2156 of any payment required to be paid to City under this Agreement, the amount of such
2157 underpayment, plus interest at the maximum rate permitted under California law, shall
2158 become due and payable to City not later than thirty days after written notice of such
2159 underpayment is provided to Contractor by City. Should an underpayment of more than
2160 five percent (5%) be discovered, Contractor shall bear the entire cost of the examination
2161 or audit.

2162 **Section 22. Integrated Waste Management Act; Reporting Requirements**

2163 **A. Contractor-City Cooperation.** Contractor shall cooperate with City in Solid
2164 Waste disposal characterization studies and waste stream audits and shall implement
2165 measures adequate to achieve the diversion goals set forth in this Agreement. (See also
2166 Section 3.D. and Section 29.C. below.) During the Term of this Agreement, Contractor,
2167 at no expense to City, shall submit to City all relevant information and reports required
2168 to meet the reporting obligations imposed by CalRecycle under the Act, as amended.
2169 Contractor agrees to submit such reports and information by email or on computer
2170 discs, in a format acceptable to City at no additional charge, if requested by City.

2171 **B. Change in AB 939, RCRA, CERCLA and Related Laws.** This Agreement is
2172 part of City's efforts to comply with the provisions of the Act as it may be amended and
2173 as implemented by the regulations of CalRecycle, or its successor agency, as they may
2174 be amended, and the City's source reduction and recycling component, as it may be
2175 amended. In the event that the Act or other state or federal laws (including, but not
2176 limited to CERCLA and RCRA) or regulations enacted or amended after this
2177 Agreement has been executed, prevent or preclude compliance with one or more
2178 provisions of this Agreement, or significantly increase or decrease Contractor costs,
2179 such provisions of this Agreement shall be modified or suspended as may be necessary
2180 to comply with such state or federal laws or regulations.

2181 **C. Changes in Other Laws.** In the case of changes in the laws other than
2182 amendments to the Act, which increase or decrease the cost of Contractor's service,
2183 Contractor or City may seek a rate increase or decrease to reflect the increase or
2184 decrease in costs directly attributable to the amended or newly enacted provision of law
2185 or regulations, specifying, in writing, the law to which the additional costs or savings
2186 are attributed, and how they would result in increased costs.

2187 **Section 23. Activities and Financial Reports; Adverse Information**

2188 **A. Reports.** Contractor, at no additional expense, shall submit to the City such
2189 information or reports in such forms and at such times as the City reasonably may
2190 request or require, including, but not limited to the following, submitted not less often
2191 than as indicated:

2192 1. Format and Type of Reports. Reports shall be submitted to City,
2193 transmitted in a format acceptable to City, as an attachment to email. The
2194 following reports shall be submitted to City monthly until the first anniversary
2195 of the Service Commencement Date and then Quarterly thereafter. Reports
2196 shall include the following:

- 2197 a) Summary of Contractor Payments to the City.
- 2198 (1) A summary of all payments made to the City under this
2199 Agreement for the reporting period.
- 2200 b) Summary of Contractor Revenue Received.
- 2201 (1) A summary of all Contractor revenue received for
2202 services provided under the terms of this Agreement broken
2203 down by Residential, Commercial and Construction and
2204 Demolition Services.
- 2205 c) Disposal and Diversion Summary.
- 2206 (1) A summary table showing the total tonnage of Solid
2207 Waste, Recyclable Materials, Organic Waste, Construction and
2208 Demolition Materials, Bulky Waste, and Hazardous and
2209 Universal Waste collected, processed or disposed, and the
2210 percentage of total diversion achieved as measured in accordance
2211 with Section 3.D.1. for each month during the reporting period.
- 2212 d) Solid Waste Data.
- 2213 (1) The report shall show (a) the number of tons collected
2214 each month broken down by Residential, Commercial, and City
2215 Service Units and (b) the total Solid Waste tonnage delivered to
2216 Disposal Facilities.
- 2217 (2) All tonnage data should be compared to the corresponding
2218 tonnage data from the prior year comparable period.
- 2219 e) Recyclable Materials Data.
- 2220 (1) The report shall show (a) the number of tons collected
2221 each month broken down by Residential, Commercial, and City
2222 Service Units, (b) the tonnage delivered to Material Recovery
2223 Facilities, (c) total tonnage by type of Recyclable Materials
2224 processed and marketed during each month, and (d) total tonnage
2225 of Recyclable Materials' residual disposed at landfill.
- 2226 (2) All tonnage data should be compared to the corresponding
2227 tonnage data from the prior year's comparable period.

- 2228 (3) A narrative description of problems encountered and
 2229 actions taken, including efforts to deter and prevent Scavenging.
 2230 A report of recycling program promotional activities, including
 2231 materials distributed by Contractor to its service recipients.
- 2232 f) Organic Waste Data.
- 2233 (1) The report shall show (a) the number of tons collected
 2234 each month broken down by Residential, Commercial, and City
 2235 Service Units, (b) the tonnage delivered to Organic Waste
 2236 Processing Facilities, (c) total tonnage by type of Organic Waste
 2237 processed and marketed during each month, and (d) total tonnage
 2238 of Organic Wastes residual disposed at the disposal facility.
- 2239 (2) All tonnage data should be compared to the
 2240 corresponding tonnage data from the prior year's comparable
 2241 period.
- 2242 g) Street Sweeping Data.
- 2243 (1) The quarterly report shall show the total curb miles swept,
 2244 gallons of water used, and tonnage of street sweeping fines
 2245 collected and taken to a Disposal Facility or Organic Waste
 2246 Processing Facility.
- 2247 h) Bulky Waste Data.
- 2248 (1) The number of Bulky Waste collections made, the
 2249 tonnage delivered to the disposal facilities used for processing or
 2250 disposal of Bulky Waste.
- 2251 i) Construction and Demolition Materials Data.
- 2252 (1) The total tonnage of C&D collections made, the type of
 2253 C&D Materials collected, and the facilities used for processing or
 2254 disposal of C&D Materials.
- 2255 j) Hazardous and Universal Waste Data.
- 2256 (1) The number of Household Hazardous and Universal
 2257 Waste collections made, the type and amount of Household
 2258 Hazardous and Universal Waste collected, and a copy or
 2259 summary of the records required by Section 16.C above.

- 2260 k) Local Purchase Preference Program Data.
- 2261 (1) The dollar value of purchases made from businesses that
2262 are located within the City of Hemet.
- 2263 l) Service Complaints.
- 2264 (1) A summary of the type, number and disposition of
2265 complaints received during the reporting period. A copy of the
2266 customer complaint log may, upon City's request, be submitted
2267 with the report not later than fifteen days after the close of the
2268 reporting period. Hazardous and Universal Waste Diversion
2269 Reports.
- 2270 (2) A copy or summary of the records required by Section
2271 16.C above.
- 2272 m) Certification.
- 2273 (1) Contractor will provide a certification statement, under
2274 penalty of perjury, by the responsible corporate official, that the
2275 report is true and correct.
- 2276 **B. Annual Report.** By January 31st, beginning in 2013 and each year thereafter
2277 that collection services are provided pursuant to this Agreement, Contractor shall
2278 submit to City a written year-end Annual Report in a form approved by the City. The
2279 Annual Report shall include the following information for the year ending on the
2280 preceding December 31st.
- 2281 1. General Information. General information about Contractor, including a
2282 list of Contractor's officers and members of its board of directors. A copy of
2283 Contractor's most recent annual financial reports of the franchise operations for
2284 services performed under this Agreement.
- 2285 2. Prior Year's Activities. A cumulative summary of the Quarterly Reports
2286 and information and statistics with respect to City's compliance with AB 939.
- 2287 3. Account Service Data. A table summary of the total number of
2288 Residential, Commercial, Debris Box and City Service Units. The summary
2289 shall also show the net change in Service Units both as compared to the number
2290 of Service Units as of the Service Commencement Date and as compared to the
2291 prior Agreement Year. City recognizes that the data used to determine Service
2292 Date Commencement information will be generated in conjunction with City

2293 data bases. Contractor will work with the City to provide this information in a
2294 timely basis in order to comply with this initial reporting requirement.

2295 4. Vehicle and Container Replacement Data.

2296 a) The number, type, fuel-type used, and date placed in service of
2297 new collection vehicles purchased to provide service within the
2298 City.

2299 b) The number, type, fuel-type used, and date returned to service of
2300 used collection vehicles refurbished to provide service within the
2301 City.

2302 c) The number, type, fuel-type used, date removed from service of
2303 collection vehicles permanently removed from providing service
2304 within the City.

2305 d) The total number and type of new containers placed in service
2306 during the initial year of service only.

2307 5. Recommendations. Changes in integrated waste management, including
2308 projections and proposed implementation dates and costs, recommended by
2309 Contractor and recommended amendments to the City's Source Reduction and
2310 Recycling Element of this Agreement, based on developments in applicable law
2311 or technology. Contractor's recommendations with respect to compliance with
2312 AB 939 shall state the specific requirement of AB 939 that the implementation
2313 of the recommendation is intended to satisfy.

2314 **C. Reporting Additional Matters.** Contractor shall provide City two copies (one
2315 to the City Representative, one to the City Attorney) of all correspondence, reports,
2316 pleadings, applications, notifications, notices of violation, communications or other
2317 material relating specifically to Contractor's performance of services pursuant to this
2318 Agreement, submitted by Contractor to, or received by Contractor from, the United
2319 States or California Environmental Protection Agency, CalRecycle, or its successor
2320 agency, the California Department of Toxic Substances Control, or its successor, the
2321 Fair Political Practices Commission, the cognizant Local Enforcement Agency, or its
2322 successor, the Securities and Exchange Commission or any other federal, state or
2323 county agency, including any federal or state court. Copies shall be submitted to City
2324 within a reasonable time subsequent to Contractor's filing or submission of such matters
2325 with said agencies. Contractor's routine correspondence to said agencies need not be
2326 routinely submitted to City, but shall be made available to City upon written request.

2327 **D. Submission of Reports.** Reports shall be submitted to:

2328 City Manager
2329 Deputy Director Public Works
2330 City of Hemet
2331 445 E. Florida Avenue
2332 Hemet, California 92543

2333 **E. Failure to Report.** The refusal or failure of Contractor to file any required
2334 reports, or to provide required information to City, or the inclusion of any materially
2335 false or misleading statement or representation by Contractor in such report, shall be
2336 deemed a material breach of the Agreement and shall subject Contractor to all remedies
2337 which are available to the City under the Agreement, provided that the City must follow
2338 the dispute resolution provisions of Section 27.A. of this Agreement before declaring
2339 any material breach.

2340 **F. Costs.** All reports and records required under this Agreement shall be furnished
2341 at the sole expense of Contractor.

2342 **G. City's Right to Request Information.** The City believes and Contractor agrees
2343 that cooperation between City and Contractor is critical to the success of this program.
2344 City reserves the right to request, and Contractor agrees to provide, additional
2345 information reasonably and directly pertaining to this Agreement on an "as-needed"
2346 basis.

2347 **H. CERCLA Defense Records.** City views the ability to defend against CERCLA
2348 and related litigation as a matter of great importance. For this reason, the City regards
2349 the ability to prove where its Solid Waste was taken, as well as where it was not taken,
2350 to be matters of concern. Contractor shall maintain data retention and preservation
2351 systems, which can establish where Solid Waste collected in the City was landfilled
2352 (and therefore establish where it was not landfilled) and a copy or summary of the
2353 reports required by Section 16.C above, for fifty years after the Term during which
2354 collection services are to be provided pursuant to this Agreement and to notify City's
2355 Risk Manager and City Attorney before destroying such records. This provision shall
2356 survive the expiration of the period during which collection services are to be provided
2357 under this Agreement.

2358 **Section 24. Indemnification and Insurance**

2359 **A. Indemnification re Certain Challenges to Agreement.** Contractor, upon
2360 demand of the City, made by and through the City Attorney, shall indemnify, hold
2361 harmless, protect City and appear in and defend the City and its elected officials,
2362 officers, employees and agents, in any claims or actions by third parties, whether
2363 judicial, administrative or otherwise, including, but not limited to disputes and litigation
2364 over the definitions of "Solid Waste" or "Recyclable Material," asserting rights under

2365 the dormant Commerce Clause or any other federal or state law, including, but not
2366 limited to the anti-trust laws with respect to the provision of Comprehensive Refuse
2367 Services in the City, and challenges to the certification or implementation, imposition,
2368 adjustment or collection of any rate, interest, penalty or other fee under the Agreement.
2369 This provision shall survive the expiration of the period during which collection
2370 services are to be provided under this Agreement. City and Contractor agree to confer
2371 following any trial to decide jointly whether to appeal or to oppose any appeal. In the
2372 event City and Contractor agree to appeal, or to oppose any appeal, City and Contractor
2373 agree to share equally the costs of appeals. Should either City or Contractor decide to
2374 appeal, or to oppose an appeal, and the other decide not to appeal, or to oppose an
2375 appeal, the party which decides to appeal, or to oppose an appeal, shall bear all fees and
2376 costs of the appeal or the opposition to the appeal.

2377 1. Mutual Defense Regarding Certain Challenges to Agreement. In the
2378 event this Agreement, its approval, or its implementation, or the limits of City's
2379 authority with respect to the grant of the Franchise is challenged on the basis
2380 that it, or any of the payments made by Contractor to City, whether individually
2381 or collectively, is invalid or is otherwise contrary to the law as an impermissible
2382 general tax, special tax, assessment, or fee requiring compliance with any
2383 provision of Article XIII of the California Constitution, the various enabling and
2384 implementing statutes related to that Article, or any of the judicial decisions
2385 interpreting that Article and the enabling and implementing statutes, the Parties
2386 agree to conduct a joint and coordinated defense of such action making
2387 collective decisions regarding litigation strategy including decisions regarding
2388 motions, discovery, settlement, and trial. Each Party agrees to bear their own
2389 costs of defense and shall have the right to choose their own independent legal
2390 counsel, provided that nothing herein prohibits the Parties from agreeing to
2391 retain one or more legal counsel to jointly represent and defend the Parties. In
2392 the event of an adverse legal determination or settlement of such action, the
2393 parties agree to cooperate and work in good faith to prepare such amendments or
2394 alternatives to the Agreement that will implement the original intent of the
2395 Parties while complying with any adverse legal determination or settlement.

2396 **B. Environmental Indemnification and Compliance.** Contractor shall
2397 indemnify, defend, protect and hold harmless City, its elected officials, officers,
2398 employees, volunteers, agents, assigns and any successor or successors to City's interest
2399 from and against all claims, actual damages (including, but not limited to special and
2400 consequential damages), natural resource damages, punitive damages, injuries, costs,
2401 response, remediation and removal costs, losses, demands, debts, liens, liabilities,
2402 causes of action, suits, legal or administrative proceedings, interest, fines, charges,
2403 penalties and expenses (including but not limited to attorneys' and expert witness fees
2404 and costs incurred in connection with defending against any of the foregoing or in

2405 enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or
2406 asserted against, City or its elected officials, officers, employees, volunteers or agents
2407 arising from or attributable to any repair, cleanup or detoxification, or preparation and
2408 implementation of any removal, remedial, response, closure or other plan (regardless of
2409 whether undertaken due to governmental action) concerning any Hazardous Waste
2410 (including Household Hazardous Waste and Universal Waste) in any Solid Waste,
2411 Recyclable Material or Organic Waste collected by Contractor pursuant to this
2412 Agreement, which is or has been transported, transferred, processed, stored, disposed of
2413 or which has otherwise been located by Contractor, or its activities pursuant to this
2414 Agreement resulting in a release of a Hazardous Waste (including Household
2415 Hazardous Waste and Universal Waste) into the environment.

2416 **C. General Indemnification.** Contractor further agrees to indemnify, defend,
2417 protect and hold harmless City, its elected officials, officers, employees, volunteers,
2418 agents, assigns, and any successor or successors to City's interest from and against all
2419 losses, liabilities, claims, actual damages (including but not limited to special and
2420 consequential damages), demands, debts, liens, causes of action, suits, legal or
2421 administrative proceedings, interest, fines, charges, penalties and expenses (including
2422 but not limited to attorneys' and expert witness fees and costs incurred in connection
2423 with defending against any of the foregoing or in enforcing this indemnity) of any kind
2424 whatsoever paid, incurred or suffered by, or asserted against, City or its elected
2425 officials, officers, employees, volunteers or agents arising from or attributable to any act
2426 or omission of Contractor or its officers, employees or agents in the performance or
2427 failure to perform the services required under this Agreement, and/or failure by
2428 Contractor to fully comply with all applicable laws and regulations with respect to the
2429 operation of its collection vehicles, including, but not limited to applicable rules
2430 governing clean-burning and alternative fuel vehicles.

2431 **D. Effect of Environmental Indemnification.** This indemnity is intended to
2432 operate as an agreement pursuant to § 107(e) of the Comprehensive Environmental
2433 Response, Compensation and Liability Act, "CERCLA," 42 U.S.C. § 9607(e), and
2434 California Health and Safety Code § 25364, to defend, protect, hold harmless and
2435 indemnify City from all forms of liability under CERCLA, RCRA, other statutes or
2436 common law for any and all matters addressed in paragraph B. This provision shall
2437 survive the expiration of the period during which collection services are to be provided
2438 under this Agreement.

2439 **E. Prospective Application of Indemnities.** The indemnities and obligations to
2440 protect, defend and hold harmless provided by Contractor to City under paragraphs A,
2441 B, C, and D of this Section 24 are prospective to the Effective Date of this Agreement.
2442 The indemnities and obligations to protect, defend and hold City harmless shall not be
2443 interpreted to apply to City's own acts and omissions in the provision of

2444 Comprehensive Refuse Service, but solely to the acts and omissions of Contractor, its
2445 owners, directors, officers, agents and employees.

2446 **F. Compliance with Laws.** Contractor warrants that it will comply with all
2447 applicable laws and implementing regulations, as they may be amended, specifically
2448 including, but not limited to RCRA, CERCLA, AB 939, the Electronic Waste Recycling
2449 Act of 2003 (SB 20, Sher, Chapter 526, Statutes of 2003; SB 50, Sher, Chapter 863,
2450 Statutes of 2004), AB 575, Wolke, Chapter 59, Statutes of 2011, and all other
2451 applicable laws and regulations of the U.S. Environmental Protection Agency, the State
2452 of California, the County of Riverside, the California Air Resources Board, CalRecycle,
2453 the South Coast Air Quality Management District, the California Department of Toxic
2454 Substances Control, ordinances of the City and the requirements of Local Enforcement
2455 Agencies and all other agencies with jurisdiction.

2456 **G. Workers' Compensation Insurance.** Contractor shall obtain and maintain in
2457 full force and effect throughout the entire Term of this Agreement full workers'
2458 compensation insurance in accord with the provisions and requirements of the Labor
2459 Code of the State of California. Copies of policies and endorsements that implement the
2460 required coverage shall be filed and maintained with the City Clerk throughout the term
2461 of this Agreement. The policy providing coverage shall be amended to provide that the
2462 insurance shall not be suspended, voided, canceled, reduced in coverage or in limits
2463 except after thirty days' prior written notice by certified mail, return receipt requested,
2464 has been given to the City. The policy shall also be amended to waive all rights of
2465 subrogation against the City, its elected or appointed officials, employees, or agents for
2466 losses that arise from work performed by the named insured for the City.

2467 **H. Liability and Vehicle Insurance.** Contractor shall obtain and maintain, in full
2468 force and effect throughout the entire Term of this Agreement, a Broad Form
2469 Comprehensive General Liability (occurrence) policy (form CG 0001) and an Insurance
2470 Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability,
2471 Code 1 (any auto) policy with minimum limits of TWENTY MILLION DOLLARS
2472 (\$20,000,000.00) aggregate and THREE MILLION DOLLARS (\$3,000,000.00) per
2473 occurrence, per year. Said insurance shall protect Contractor and City from any claims
2474 for damages for bodily injury, including accidental death, as well as from any claims for
2475 property damage which may arise from this Agreement. Copies of the policies and
2476 endorsements evidencing the above required insurance coverage shall be filed with the
2477 City Clerk.

2478 **I. Required Language In Policies.** The following language is required to be
2479 made a part of all of the insurance policies (except for Workers Compensation
2480 Insurance) required by this Section:

2481 "The City of Hemet, its employees, agents, franchisees and officers, are
2482 hereby added as additional insured's as respects to liability arising out of

2483 activities performed by or on behalf of Contractor. This policy shall be
2484 considered primary insurance with respect to any other valid and
2485 collectible insurance the City may possess including any self-insured
2486 retention the City may have and any other insurance the City does possess
2487 shall be considered excess insurance and shall not contribute with it.”

2488 “This policy shall act for each insured, as though a separate policy had
2489 been written for each. This, however, will not act to increase the limit of
2490 liability of the insuring company.”

2491 “Thirty days’ prior written notice by certified mail, return receipt
2492 requested, shall be given to the City in the event of suspension,
2493 cancellation, reduction in coverage or in limits or non-renewal of this
2494 policy for whatever reason. Such notice shall be sent to the City Manager,
2495 City Attorney and City Clerk.”

2496 **J. Pollution and/or Environmental Impairment Liability Insurance.**
2497 Contractor shall obtain and maintain in full force and effect for the entire Term of this
2498 Agreement, a Pollution and/or Environmental Impairment Liability policy covering
2499 liability arising from the release of Hazardous Waste, or other contaminants, pollutants
2500 or irritants with minimum limits of FIVE MILLION DOLLARS (\$5,000,000.00)
2501 aggregate and THREE MILLION DOLLARS (\$3,000,000.00) per occurrence, per year.
2502 Contractor shall ensure that such coverage shall automatically broaden in its form of
2503 coverage to include legislated changes in the definition of Hazardous Waste. The
2504 policy shall stipulate that this insurance is primary and no other insurance carried by
2505 City will be called upon to contribute to a loss suffered by Contractor hereunder and
2506 shall waive subrogation against City and other additional insureds.

2507 **K. Required Rating.** The insurance required by this Agreement shall be with
2508 insurers which are Best A: VII-rated and which are California-admitted. The limits of
2509 such insurance coverage, and companies, shall be subject to review and approval by the
2510 City’s Risk Manager every year and may be increased at that time and match the
2511 coverage provided by the City’s own liability insurance policy. The City shall be
2512 included as a named insured on each of the policies. The insurance required by this
2513 Agreement is in addition to and not in lieu or limitation of the indemnification
2514 provisions in Section 24.A, B and D above.

2515 **L. Evidence of Insurance Coverage; Insurance Repository.** Contemporaneously
2516 with the execution of this Agreement, Contractor shall file copies of the policies or
2517 executed endorsements evidencing the above required insurance coverage with the City
2518 Clerk. In addition, City shall have the right of inspection of all insurance policies
2519 required by this Agreement. Contractor also agrees to maintain copies of insurance
2520 policies required pursuant to this Agreement for one hundred years (100 years) after the
2521 end of the Term during which collection services were provided pursuant to this

2522 Agreement. Contractor shall notify City's Risk Manager and City Attorney before
2523 destroying copies of such policies. This provision shall survive the expiration of the
2524 period during which collection services are to be provided under this Agreement.

2525 **M. Self-Insurance.** To the extent provided by law, all or any part of any required
2526 insurance may be provided under a plan of self-insurance approved by the State of
2527 California.

2528 **N. Reduction of CERCLA and Other Liability.** City and Contractor agree to
2529 meet annually in the fourth calendar quarter of each year to discuss ways to reduce
2530 potential CERCLA and other liabilities to third parties.

2531 **Section 25. Performance Bonds.**

2532 Concurrent with the execution of this Agreement, Contractor shall deposit with City a
2533 performance bond or an irrevocable letter of credit or other such document ("**Performance**
2534 **Bond**"), from an institution satisfactory to City, in a form satisfactory to City's Risk Manager
2535 and City Attorney, evidencing an irrevocable commitment to City guaranteeing Contractor's
2536 faithful performance of the terms of this Agreement. The amount of the Performance Bond
2537 shall be TWO MILLION DOLLARS (\$2,000,000.00) for Agreement Year 1, ONE MILLION
2538 FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) for Agreement Year 2, and ONE
2539 MILLION DOLLARS (\$1,000,000) for Agreement Year 3, and beyond for the Term of this
2540 Agreement. Such Performance Bond shall be maintained in effect throughout the period during
2541 which collection services are to be provided pursuant to this Agreement.

2542 **A.** Upon Contractor's failure to pay the City an amount owing under this
2543 Agreement, the Performance Bond may be assessed by the City, for purposes including,
2544 but not limited to:

- 2545 1. Failure of Contractor to pay the City sums due under the terms of the
2546 Agreement;
- 2547 2. Reimbursement of costs borne by the City to correct breaches not
2548 corrected by Contractor, after due notice;
- 2549 3. Monetary remedies or damages assessed against Contractor due to
2550 breach of this Agreement; or
- 2551 4. To satisfy an order of the referee.

2552 **B.** Contractor shall deposit a sum of money or a replacement instrument sufficient
2553 to restore the Performance Bond to the original amount within thirty days after notice
2554 from the City of any amount has been withdrawn from the Performance Bond.

2555 **C.** All of City's costs of collection and enforcement of the provisions relating to the
2556 Performance Bond called for by this section, including City's attorneys' fees and costs,
2557 shall be paid by Contractor.

2558 **Section 26. Emergency Service.**

2559 A. Should Contractor, for any reason whatsoever, except the occurrence or
2560 existence of any of the events or conditions set forth in Section 31.A, "*Force Majeure*,"
2561 below, refuse or be unable for a period of more than forty-eight (48) hours, to collect a
2562 material portion or all of the Solid Waste which it is obligated under this Agreement to
2563 collect, and as a result, Solid Waste should accumulate in City to such an extent, in such
2564 a manner, or for such a time that the City Manager, in the exercise of the City
2565 Manager's sole discretion, should find that such accumulation results in any imminent
2566 and substantial threat to the public health, safety or welfare, then City shall have the
2567 right to contract with another solid waste enterprise to collect and transport any or all
2568 Solid Waste which Contractor is obligated to collect and transport pursuant to this
2569 Agreement. City shall provide twenty-four (24) hours prior written notice to Contractor
2570 during the period of such emergency, before contracting with another solid waste
2571 enterprise to collect and transport any or all Solid Waste which Contractor would
2572 otherwise collect and transport pursuant to this Agreement, for the duration of period
2573 during which Contractor is unable to provide such services. In such event Contractor
2574 shall identify sources from which such substitute Solid Waste services are immediately
2575 available, and shall reimburse City for all of its expenses for such substitute services
2576 during the period in which Contractor is unable to provide collection and transportation
2577 services required by this Agreement. See also Section 31.A, below.

2578 B. Contractor shall assist City in the event of terrorist attack or major disaster, such
2579 as an earthquake, storm, tsunami, riot or civil disturbance, by providing collection
2580 vehicles and drivers normally assigned to the City, at Contractor's actual costs. Disputes
2581 with respect to Contractor's emergency services or the costs of those services shall be
2582 resolved according to the dispute resolution provisions of Section 27 and Section 28 of
2583 this Agreement. Contractor shall cooperate with City, county, state and federal officials
2584 in filing information related to a regional, state or federally-declared state of emergency
2585 or disaster or terrorist attack as to which Contractor has provided equipment and drivers
2586 pursuant to this Agreement.

2587 **Section 27. Administrative Remedies; Imposition of Damages; Termination.**

2588 A. **Notice; Response; Resolution; Appeal.**

2589 1. Notice of Deficiencies; Response. If City's Representative determines
2590 that Contractor's performance pursuant to this Agreement may not be in
2591 conformity with the provisions of this Agreement, the California Integrated
2592 Waste Management Act (including, but not limited to, requirements for
2593 diversion, source reduction and recycling as to the waste stream subject to this
2594 Agreement) or any other applicable federal, state or local law or regulation,
2595 including but not limited to, the laws governing transfer, storage or disposal of

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solid and Hazardous Waste, the City Representative may advise Contractor in writing of such suspected deficiencies, specifying the deficiency in reasonable detail. The City Representative, in any written notification of deficiencies, shall set a reasonable time within which Contractor is to respond. Unless the circumstances necessitate correction and response within a shorter period of time, Contractor shall correct any deficiencies it agrees have occurred and in any event shall respond to the written notification of deficiencies within thirty days from the receipt by Contractor of such written notice. Contractor may request additional time to correct deficiencies. City shall approve reasonable requests for additional time.

2. Review by City Representative; Notice of Appeal.

a) The City Representative shall review any written response from Contractor and decide the matter. If the City Representative's decision is adverse to Contractor, the City Representative may order remedial actions to cure any deficiencies, assess the Performance Bond or invoke any other remedy in accordance with this Agreement and, in the event the City Representative determines that there has been a material breach and that termination is the appropriate remedy, terminate the Agreement. The City Representative shall promptly inform Contractor of the City Representative's decision. In the event the decision is adverse to Contractor, the City Representative shall inform Contractor, in writing, of the specific facts found and evidence relied on, and the legal basis in provisions of the Agreement or other laws for the City Representative's decision and any remedial action taken or ordered. An adverse decision by the City Representative shall be final and conclusive unless Contractor files a "Notice of Appeal" with the City Clerk (with copies to the City Manager and City Attorney) within 30 days of receipt of the notification of the adverse decision by the City Representative.

b) In any "Notice of Appeal," Contractor shall state its factual contentions and include all relevant affidavits, documents, photographs and videotapes which Contractor desires to have considered by City. In addition, Contractor shall include all of its legal contentions, citing provisions of the Agreement or other laws to support its contentions.

3. Review by City Manager; Appeal.

2633 a) Within thirty days of receipt by the City Clerk of a Notice of
2634 Appeal, the City Manager shall decide the matter. If the City
2635 Manager's decision is adverse to Contractor, the City Manager
2636 may order remedial actions to cure any deficiencies, assess the
2637 Performance Bond or invoke any other remedy in accordance
2638 with this Agreement and, in the event the City Manager
2639 determines that there has been a material breach and that
2640 termination is the appropriate remedy, terminate the Agreement.
2641 In addition to the foregoing actions, the City Manager may refer
2642 the matter to the City Council for proceedings in accordance with
2643 Section 27.B. and Section 27.C. below. The City Manager shall
2644 promptly inform Contractor of the City Manager's decision. In
2645 the event the City Manager's decision is adverse to Contractor,
2646 the City Manager shall inform Contractor, in writing, of the
2647 specific facts found and evidence relied on, and the legal basis in
2648 provisions of the Agreement or other laws for the City Manager's
2649 decision and any remedial action taken or ordered.

2650 b) An adverse decision by the City Manager shall be final and
2651 conclusive unless Contractor files a "Notice of Appeal to the City
2652 Council" with the City Clerk (and serves a copy, by mail, on the
2653 City Manager and the City Attorney) within 10 calendar days of
2654 receipt of the decision of the City Manager. A "Notice of Appeal
2655 to the City Council" shall state the factual basis, the evidence
2656 relied on and all legal contentions that Contractor may choose to
2657 submit. No new evidence not previously submitted in accordance
2658 with Section 27.A.2.b) may be submitted.

2659 **B. City Council Hearing.** If a matter is referred by the City Manager to the City
2660 Council, or an adverse decision of the City Manager is appealed to the City Council by
2661 Contractor, the City Council will set the matter for an administrative hearing and act on
2662 the matter. The City Clerk shall give Contractor fourteen (14) days written notice of the
2663 time and place of the administrative hearing. At the hearing, the City Council shall
2664 consider the administrative record, consisting of the following:

- 2665 1. A Staff Report by the City Manager, summarizing the proceedings to
2666 date and outlining the City Council's options;
- 2667 2. The City Representative's written Notification of Deficiencies;
- 2668 3. Contractor's response to the Notification of Deficiencies;
- 2669 4. The City Representative's written notification to Contractor of adverse
2670 decision;

- 2671 5. Contractor's Notice of Appeal to the City Manager;
2672 6. The City Manager's written notification to Contractor of adverse
2673 decision; and
2674 7. Contractor's Notice of Appeal to the City Council.

2675 No new legal issues may be raised, nor may new evidence be submitted by Contractor at this or
2676 at any further point in the proceedings, absent a showing of good cause. Contractor's
2677 representatives and other interested persons shall have a reasonable opportunity to be heard.

2678 **C. City Council Determination.** Based on the administrative record, the Council
2679 shall determine by resolution whether the decision or order of the City Manager should
2680 be upheld. If, based upon the administrative record, the City Council determines that
2681 Contractor is in breach of any term of this Agreement or any provision of any
2682 applicable federal, state or local statute or regulation, the City Council, in the exercise
2683 of its discretion, may order Contractor to take remedial actions to cure the breach or
2684 impose any other remedy in accordance with this Agreement. The City Council may not
2685 terminate the Agreement unless it determines that Contractor is in material breach of a
2686 material term of this Agreement or any material provision of any applicable federal,
2687 state or local statute or regulation. Contractor's performance under the Agreement is not
2688 excused during the period of time prior to a final determination as to whether or not
2689 Contractor's performance is in material breach of this Agreement, or the time set by
2690 City for Contractor to discontinue a portion or all of its services pursuant to this
2691 Agreement. The decision or order of the City Council shall be final and conclusive
2692 unless Contractor files a "Notice of Appeal to Referee" with the City Clerk (and serves
2693 copies, by mail, on the City Manager and the City Attorney) within 10 business days of
2694 receipt of the decision or order of the City Council. With the exception of draws on the
2695 Performance Bond, the execution of City's remedies shall be stayed until Contractor has
2696 exhausted its appeals under Section 27 and Section 28 of this Agreement.

2697 **D. Notice of Appeal to Referee.** Except as otherwise provided in this Agreement,
2698 Contractor may appeal any decision, order or action by the City Council or City
2699 Manager under this Section 27, as provided in Section 28, below, by filing a Notice of
2700 Appeal to Referee with the City Clerk within ten business days of receipt of the
2701 decision by the City Manager or City Council and following the procedures set forth in
2702 Section 28, below. In the case of a rate adjustment request made pursuant to Section
2703 20, but not approved by the City, Contractor's sole remedy shall be as specified in
2704 Section 20.

2705 **E. Reservation of Rights by City.** City further reserves the right to terminate this
2706 Agreement in the event of any material breach of this Agreement, including, but not
2707 limited to any of the following:

2708 1. If Contractor practices, or attempts to practice, any fraud or deceit upon
2709 the City, or practiced any fraud or deceit or made any intentional
2710 misrepresentations in the negotiations which preceded the execution of this
2711 Agreement provided that City has provided Contractor with written notice of the
2712 alleged fraud or deceit and afforded Contractor a reasonable opportunity to
2713 refute and defend itself against such charge or claim.

2714 2. If Contractor is convicted of, or pleads guilty, no contest, or *nolo*
2715 *contendere* to a felony related to this Agreement.

2716 3. As used in this Section, the term "Contractor" shall mean only the
2717 following: (a) the owner(s) of Contractor (whether shareholders, partners, or
2718 otherwise), (b) the members of Contractor's Board of Directors; and (c)
2719 Contractor's President, Chief Executive Officer, Chief Financial Officer, Chief
2720 Operations Officer, and/or Secretary.

2721 **F. Cumulative Rights.** City's rights of termination are in addition to any other
2722 rights of City upon a failure of Contractor to perform its obligations under this
2723 Agreement.

2724 **Section 28. Referral to Referee; Hearing Procedures**

2725 Either party to this Agreement at any time after exhaustion of administrative remedies, and
2726 following the appeal procedure set forth in Section 27, if applicable, may refer a disputed
2727 matter for resolution under this Section 28 in the following manner.

2728 **A. Applicability.** If either the City Manager or the City Council refers a matter to
2729 a referee, or Contractor appeals or refers a matter to a referee, the provisions of this
2730 Section shall apply in order to obtain prompt and expeditious resolution of any and all
2731 disputes arising out of this Agreement.

2732 **B. Reference of Dispute.** Any dispute seeking damages and any dispute seeking
2733 equitable relief, such as but not limited to specific enforcement of any provision hereof,
2734 shall be heard and determined by a referee pursuant to California Code of Civil
2735 Procedure §§ 638-645.1. The venue of any proceeding hereunder shall be in Riverside
2736 County, California.

2737 1. Procedure for Appointment. The party seeking to resolve the dispute
2738 shall file in court and serve on the other party a complaint describing the matters
2739 in dispute. Service of the complaint shall be as prescribed by law. Within not
2740 more than fifteen business days after the date of service, the parties shall apply
2741 to the Judicial Arbitration and Mediation Service ("JAMS") of Riverside
2742 County to nominate a minimum of five prospective referees. If the parties are
2743 unable to approve a referee from the JAMS panel within ten business days after
2744 written request to do so by any party, then the parties, starting with City, shall

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alternate in striking one prospective referee at a time until only one referee remains.

2. Ex Parte Communications Prohibited. Neither party may communicate separately with the referee after the referee has been selected. All subsequent communications between a party and a referee shall be delivered simultaneously to the other party. This provision shall not apply to communications made to schedule a hearing or request a continuance or to confidential mediation or settlement briefs that the parties have agreed to submit to the referee.

3. Cooperation. The parties shall cooperate diligently with one another and the referee and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute. If either party refuses to cooperate diligently, and the other party, after first giving notice of its intent to rely on the provisions of this Section 28, incurs additional expenses or attorneys' fees solely as a result of such failure to diligently cooperate, or incurs expenses or attorney's fees and costs as a result of the other party's violation of Code of Civil Procedure § 128.5, the referee may award such additional expenses and attorneys' fee to the party giving such notice, even if such party is not the prevailing party in the dispute.

4. Discovery. The referee shall set a discovery schedule and shall schedule the matter for hearing within 60 days of filing, unless City and Contractor agree otherwise, or unless the referee shall determine otherwise. Any party to the hearing may issue a request to compel reasonable document production from the other party, subject to the limitations of Section 21, limiting evidence to the administrative record. Disputes concerning the scope of document production and enforcement of document requests shall be subject to agreement by the parties, or if agreement is not reached within twenty (20) days of a document request, then by disposition by order of the referee. Any document request shall be subject to the proprietary rights and rights of privilege of the parties, and the referee shall adopt procedures to protect such rights. Except as may be agreed by the parties, or ordered by the referee, no other form of discovery shall be available to the parties.

5. Standards for Decision. The provisions of California Code of Civil Procedure, §§ 640, 641, 642, 643, 644 and 645 shall be applicable to dispute resolution by a referee hereunder. In an effort to clarify and amplify the provisions of California Code of Civil Procedure §§ 644 and 645, the parties agree that the referee shall decide issues of fact and law submitted by the parties for decision in the same manner as required for a trial by court as set forth in California Code of Civil Procedure §§ 631.8 and 632, and California Rules of Court, Rule 232. The referee shall try and decide the dispute according to all of

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the substantive and procedural law of the state of California, unless the parties stipulate to the contrary.

6. Evidence and Findings. The referee shall consider the administrative record, including the Notice of Deficiencies, Contractor's response to the Notice of Deficiencies, the decision of the City Representative, the Notice of Appeal, the decision of the City Manager, the Notice of Appeal to the City Council, and the decision of the City Council, in addition to other relevant evidence. Before issuing findings, the Referee shall submit a proposed ruling, setting forth proposed findings of fact and conclusions of law, to counsel for the Parties, for comment. When the referee has decided the dispute, the referee shall also cause the preparation of a judgment based on said decision.

7. Remedial Authority. A referee to whom a matter is referred shall have the authority to (i) order either party to undertake remedial action to cure the breach and to prevent occurrence of similar breaches in the future; (ii) assess damages and/or levy a penalty consistent with the terms of this Agreement, or (iii) find there has been no breach.

8. Stay Pending Entry of Final Judgment. Except as provided in Section 25.C with respect to draws on a Performance Bond, until final judgment is entered from the referee proceeding under the foregoing provisions and the time for appeal or other post-judgment petition has expired, the imposition or enforcement of any penalties or sanctions provided in this Agreement and related to the subject matter of the hearing shall be stayed. The referee may modify or cancel any proposed penalties or sanctions upon a finding that the party subject thereto acted with substantial justification, or if the interests of justice so require.

9. Allocation of Referee's Costs. The referee's costs for the proceeding shall be apportioned by the referee. The costs of the proceeding shall be borne equally by the parties to the dispute initially, but the prevailing party in such proceeding shall be entitled to recover reasonable costs of the referee as apportioned by the referee. If either party refuses to pay its share of the costs of the proceeding, at the time(s) required, the other party may do so, in which event that party will be entitled to recover (or offset) the amount advanced, with interest at the maximum rate permitted by law, even if that party is not the prevailing party. The referee shall include such costs in the judgment or award.

C. **Decision.** The decision of the referee may be excepted to in accordance with Code of Civil Procedure § 645.

2820 **Section 29. City's Additional Remedies**

2821 In addition to the remedies set forth above, City shall have the following rights:

2822 **A. Contracts with Others.** The right to contract with others to perform the
2823 services otherwise to be performed by Contractor, in the event Contractor should be in
2824 material breach of its duties to provide those services, or is otherwise unable to provide
2825 the services addressed by this Agreement .

2826 **B. Damages and/or Injunctive Relief.** Both parties recognize and agree that in
2827 the event of a breach under the terms of this Agreement by one Party, the other Party
2828 may suffer irreparable injury and incalculable damages sufficient to support injunctive
2829 relief to enforce the provisions of this Agreement and to enjoin the breach.

2830 **C. City's Damages for Failure to Achieve Diversion Goals.** Contractor agrees
2831 that its failure to achieve the diversion goals set forth in Section 3.D above, arising from
2832 failure to make reasonable efforts to maximize diversion in accordance with the terms
2833 and conditions of this Agreement, or its breach of the requirements of Section 3.D and
2834 Section 19 above, related to waste diversion, shall be a material breach of this
2835 Agreement. If CalRecycle, or its successor agency, were to impose administrative civil
2836 penalties against City, then the City's damages for Contractor's material breach in its
2837 failure to achieve the diversion goals for the City as required by this Agreement, shall
2838 include, but not be limited to such administrative civil penalties, attorneys' costs and
2839 fees and City's staff time devoted to the resolution of the administrative civil penalties
2840 against City.

2841 **D. Liquidated Damages.** The Parties further acknowledge that consistent and
2842 reliable collection service is of utmost importance to City and that City has considered
2843 and relied on Contractor's representations as to its quality of service commitment in
2844 awarding the Agreement to it. The Parties further recognize that some quantified
2845 standards of performance are necessary and appropriate to ensure consistent and reliable
2846 service and performance. The Parties further recognize that if Contractor fails to
2847 achieve the performance standards, or fails to submit required documents in a timely
2848 manner, City, and City's residents and businesses will suffer damages and that it is and
2849 will be impractical and extremely difficult to ascertain and determine the exact amount
2850 of damages. Therefore, in addition to City's right to treat such non-performance as a
2851 breach of this Agreement, the Parties agree that the liquidated damages amount defined
2852 in this Section may represent reasonable estimates of the amount of such damages
2853 considering all of the circumstances existing on the effective date of this Agreement,
2854 including the relationship of the sums to the range of harm to City, customers and the
2855 community as a whole that reasonably could be anticipated and the anticipation that
2856 proof of actual damages would be costly or impractical. In placing their initials at the
2857 places provided, each party specifically confirms the accuracy of the statements made
2858 above and the fact that each Party has had ample opportunity to consult with legal

2859 counsel and obtain an explanation of the liquidated damage provisions at the time that
2860 the Agreement was made.

2861 **E. Procedure for Review of Liquidated Damages.** If the City elects not to
2862 terminate this Agreement for breach, the City Representative may assess liquidated
2863 damages pursuant to this Section 29 on a monthly basis. At the end of each month
2864 during the Term of this Agreement, the City Representative shall issue a written notice
2865 to Contractor (“Notice of Assessment”) of the liquidated damages assessed and the
2866 basis for each assessment.

2867 1. The assessment shall become final unless, within ten (10) calendar days
2868 of the date of the notice of assessment, Contractor provides a written request for
2869 a meeting with the City Manager to present evidence that the assessment should
2870 not be made.

2871 2. The City Representative shall schedule a meeting between Contractor
2872 and the City Manager or the Manager’s designee as soon as reasonably possible
2873 after timely receipt of Contractor’s request.

2874 3. The City Manager or the Manager’s designee shall review Contractor’s
2875 evidence and render a decision sustaining or reversing the liquidated damages as
2876 soon as reasonably possible after the meeting. Written notice of the decision
2877 shall be provided to Contractor.

2878 4. In the event Contractor does not submit a written request for a meeting
2879 within ten (10) calendar days of the date of the Notice of Assessment, the City
2880 Representative’s determination shall be final and Contractor shall submit
2881 payment to City no later than that tenth (10th) day. Or at the sole option of City,
2882 if monies are owed to Contractor, City may deduct the liquidated damages from
2883 amounts otherwise due to Contractor.

2884 5. City’s assessment or collection of liquidated damages shall not prevent
2885 City from exercising any other right or remedy, including the right to terminate
2886 this Agreement, for Contractor’s failure to perform the work and services in the
2887 manner set forth in this Agreement.

2888 Contractor agrees to pay (as liquidated damages and not as penalty) the following amounts:

LIQUIDATED DAMAGES		
Item		Amount
a.	Failure or neglect to respond to each complaint by the close of the next working day.	\$100 per incident per Service Recipient.
b.	Failure to maintain equipment in a clean and sanitary manner.	\$100 per incident per day.
c.	Failure to have a vehicle operator properly licensed.	\$100 per incident per day.
d.	Failure to maintain office hours as required by this Agreement.	\$100 per incident per day.
e.	Failure to maintain or timely submit to City all documents and reports required under the provisions of this Agreement.	\$100 per incident per day.
f.	Failure to display Contractor's name and customer service phone number on collection vehicles.	\$100 per incident per day.
g.	Failure to collect a missed collection by close of the next Work Day upon notice to Contractor.	\$100 per incident per day.
h.	Failure to repair or replace damaged Carts or Bins within the time required by this Agreement.	\$100 per incident per day.
i.	Failure to deliver or exchange Carts or Bins within the time required by this Agreement.	\$100 per incident per day.
j.	Failure to meet vehicle noise requirements.	\$100 per incident per day.
k.	Failure to maintain collection hours as required by this Agreement.	\$250 per incident per day.
l.	Failure to offer and provide adequate capacity of Recyclable Materials and Organic Waste for MFD and Commercial Service Units.	\$250 per incident per day.
m.	Failure to have Contractor personnel in proper uniform.	\$250 per incident per day.
n.	Failure to repair damage to customer property caused by Contractor or its personnel.	\$500 per incident per location.
o.	Failure to repair damage to City property caused by Contractor or its personnel.	\$500 per incident.
p.	Failure to repair damage to City streets directly caused by Contractor beyond normal operating wear and tear.	\$500 per incident and the City's actual cost of repair.

LIQUIDATED DAMAGES		
Item		Amount
q.	Failure to clean up spillage or litter caused by Contractor.	\$500 per incident per location.
r.	Failure to properly cover materials in collection vehicles.	\$500 per incident.
s.	Changing residential collection days without proper notification to the City Representative.	\$500 per incident per day.
t.	Commingling Solid Waste with Recyclable Materials.	\$500 per incident.
u.	Failure to provide adequate primary and alternate capacity to accept and process Recyclable Materials or Organic Waste.	\$500 per day.
v.	Disposal of Recyclable Materials or Organic Waste in the Disposal Facility without first obtaining the required permission of the City.	\$500 per load.
w.	Failure to deliver any collected materials to the City approved Disposal Facility, Materials Recovery Facility, or Organic Waste Processing Facility, as appropriate, except as otherwise expressly provided in this Agreement.	\$5,000 each failure.
x.	Delivery to the Disposal Facility of any Solid Waste collected outside of the City boundaries of Hemet commingled with that collected as part of this Agreement.	\$5,000 each delivery.
y.	Commingling of materials collected inside and outside the City of Hemet.	\$1,000 per incident.
z.	Failure to meet and maintain minimum annual Diversion Guarantee for two consecutive years.	May result in the denial of an extension to this Agreement.
aa.	Failure to remove graffiti within 48 hours of City notice.	\$100 per Container per day.
bb.	Failure to properly label Containers with a "hazardous waste is prohibited" marker.	\$100 per Container per day.
cc.	Failure to sweep a street after notification by City that street had not been swept in accordance with established schedule or sweeping did not meet generally accepted industry standards for sweeping.	\$50.00 per block.

2890 **Section 30. Franchise Transfer; City Consent; Fees**

2891 A. Contractor may not convey, assign, sublet, license, hypothecate, encumber of
2892 otherwise transfer or dispose of (collectively "Transfer"), this Agreement, the Franchise
2893 granted under it or any rights or duties under it, in whole or in part, whether voluntarily
2894 or involuntarily, without the City's prior written consent as expressed by written
2895 resolution of the City Council. Any dissolution, merger, consolidation, or other
2896 reorganization of Contractor, except as provided in Section 30.C, below, any sale or
2897 other transfer or change in ownership or control of any of the capital stock or other
2898 capital or equity interests, or any sale or transfer of fifty percent (50%) or more of the
2899 value of the assets shall be deemed a Transfer of this Agreement, the Franchise granted
2900 under it or any rights or duties under it. Any Transfer or attempted Transfer of this
2901 Agreement, the Franchise granted under it or any rights or duties under it made without
2902 the City's consent will be a material breach of this Agreement and, at the City's option,
2903 may be voided.

2904 B. The City will not unreasonably withhold its consent to a Transfer of the
2905 Franchise granted by this Agreement. The prospective transferee shall have the burden
2906 of demonstrating that it has the financial and technical ability to provide the services
2907 required under this Agreement. The City may also require the prospective transferee to
2908 demonstrate that it, and its officers and managers do not have criminal records for
2909 environmental or public integrity offenses. If the City gives its consent, it may impose
2910 conditions, including, without limitation, requiring acceptance of amendments to this
2911 Agreement. Without obligating the City to give its consent, the proposed transferee
2912 must demonstrate to the City's satisfaction that it has the operational and financial
2913 ability to perform the terms of this Agreement.

2914 C. Contractor's internal reorganization shall not constitute a Transfer provided that
2915 City's consent to the reorganization is sought and received prior to any internal
2916 reorganization. An internal reorganization includes any change in control of any of the
2917 voting stock through its conveyance to an affiliate of Contractor, or by operation of law.
2918 Any request for an internal reorganization must be submitted in writing to the City
2919 Manager, no less than one hundred and twenty days prior to the proposed effective date
2920 of the internal reorganization. Contractor shall reimburse City for all of its costs to
2921 review the request and to determine if it is an internal reorganization. City's expenses
2922 may include, but are not limited to, Staff, City Attorney's and Special Counsel's fees
2923 and costs and Accountants' fees and costs. Determination by the City Manager shall be
2924 final. Any attempt to implement an internal reorganization without the consent of City
2925 shall constitute a material breach of this Agreement.

2926 D. **Fees.** Any application for a Franchise Transfer shall be made in a manner
2927 prescribed by the City Manager. The application shall include a deposit of \$150,000 to
2928 cover the estimated cost of all direct and indirect expenses, including City staff,

2929 consultants' and attorneys' fees, incurred by City to adequately analyze the application
2930 and the qualifications of the prospective transferee. Any costs incurred by the City in
2931 excess of \$150,000 shall be reimbursed by Contractor prior to submission of the
2932 proposed Transfer to the City Council. In the event that the City's costs are less than
2933 \$150,000, City shall refund remaining deposit to Contractor. Upon approval of
2934 Transfer, the transferee shall pay to City a Transfer fee in the amount of \$150,000.

2935 **Section 31. General Provisions**

2936 **A. Force Majeure.** Contractor shall not be in breach of this Agreement in the
2937 event that the collection, transportation and/or disposal services of Contractor are
2938 interrupted temporarily or permanently for any of the following reasons: riots; war or
2939 national emergency declared by the President or Congress and affecting the City of
2940 Hemet; acts of terrorists; sabotage; civil disturbance; insurrection; explosion; natural
2941 disasters such as floods, earthquakes, landslides and fires; or other catastrophic events
2942 which are beyond the reasonable control of Contractor. "Other catastrophic events"
2943 does not include the financial inability of Contractor to perform or failure of Contractor
2944 to obtain any necessary permits or licenses from other governmental agencies or the
2945 right to use the facilities of any public agency where such failure occurs despite the
2946 exercise of reasonable diligence by Contractor. In the event a labor disturbance
2947 interrupts collection and transportation of Solid Waste and/or disposal of Solid Waste
2948 by Contractor as required under this Agreement, City may elect to exercise its rights
2949 under Section 28 and Section 29 of this Agreement. Failure by City to exercise its
2950 rights under this Section 31.A shall not be deemed a waiver of its rights.

2951 **B. Extraordinary Circumstances.** Notwithstanding any other term or provision
2952 hereof, nothing in this Agreement is intended, nor shall it be interpreted, to prevent or
2953 preclude Contractor from contacting City's officials, officers and representatives to
2954 request an amendment to, or other modification of, this Agreement due to the
2955 occurrence of an event or circumstance that substantially increases Contractor's cost of
2956 service, or otherwise substantially and negatively impacts Contractor's provision of
2957 services, under this Agreement.

2958 **C. Independent Status.** Contractor is an independent entity and not an officer,
2959 agent, servant or employee of City. Contractor is solely responsible for the acts and
2960 omissions of its officers, agents, employees, contractors and subcontractors, if any.
2961 Nothing in this Agreement shall be construed as creating a partnership or joint venture
2962 between City and Contractor, nor an arrangement for the disposal of Hazardous Wastes.
2963 Neither Contractor nor its officers, employees, agents or subcontractors shall obtain any
2964 rights to retirement or other benefits which accrue to City employees.

2965 **D. Pavement Damage.** Contractor shall be responsible for any extraordinary
2966 damage to City's driving surfaces, whether or not paved, resulting from the weight of

2967 vehicles providing refuse collection services when it can be demonstrated that such
2968 damage is caused by vehicles exceeding the legal maximum weight limits of the State
2969 of California or the willful or negligent operation of the vehicle by Contractor's
2970 employees. Disputes between Contractor and its service recipients as to damage to
2971 private pavement are civil matters and complaints of damage will be referred to
2972 Contractor as matters within its sole responsibility and as a matter within the scope of
2973 this Agreement.

2974 **E. Property Damage.** Any physical damage caused by the negligent or willful acts
2975 or omissions of employees of Contractor to City or private property shall be repaired or
2976 replaced by Contractor at Contractor's sole expense. Except as provided in Section 24
2977 above, this Agreement does not purport to relieve, diminish, reduce, create or increase
2978 in any way, Contractor's civil liability to any third parties.

2979 **F. Law to Govern; Venue.** The law of the State of California shall govern this
2980 Agreement without regard to any otherwise governing principles of conflicts or choice
2981 of laws. In the event of litigation between the parties, venue in state trial courts shall lie
2982 exclusively in the County of Riverside. In the event of litigation in a U.S. District Court,
2983 exclusive venue shall lie in the Central District of California.

2984 **G. Fees and Gratuities.** Contractor shall not permit any officer, agent or employee
2985 to request, solicit, or demand, either directly or indirectly, any gratuity for the collection
2986 of Solid Waste, Recyclable Materials, or Organic Waste otherwise required to be
2987 collected under this Agreement.

2988 **H. Amendments.** Except as otherwise provided in this Agreement, no other
2989 amendment of this Agreement shall be valid unless in writing duly executed by the
2990 parties, approved by the City Council by written resolution. Purported oral amendments
2991 shall be void and of no force or effect.

2992 **I. Notices.** All notices required or permitted to be given under this Agreement
2993 shall be in writing and shall be personally delivered or sent by telecopy or United States
2994 certified mail, postage prepaid, return receipt requested, and by email, addressed as
2995 follows:

2996 To City: City Manager
2997 City of Hemet
2998 445 E. Florida Avenue
2999 Hemet, California 92543
3000 And by email to: bnakamura@cityofhemet.org

3001
3002 Copy to: Deputy Director of Public Works
3003 City of Hemet
3004 445 E. Florida Avenue
3005 Hemet, California 92543
3006 And by email to: kjensen@cityofhemet.org

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And to: City Attorney
City of Hemet
2280 Market Street, Suite 300
Riverside, California 92501
And by email to: evail@bwslaw.com

To CR&R Incorporated
Attn: J. Alex Braicovich, Senior Region Vice President
P.O. Box 1208
Perris, CA 92572
And by email to: alexb@crrmail.com

And to: CR&R Incorporated
Attn: Joyce Amato
P. O. Box 125
Stanton, CA 90680
And by email to: joycea@crrmail.com

or to such other address as either party may from time to time designate by notice to the other given in accordance with this Section. Notice shall be deemed effective on the date personally served or sent by email or telecopier or, if mailed, three (3) business days from the date such notice is deposited in the United States mail.

J. Savings Clause and Entirety. If any non-material provision of this Agreement for any reason shall be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the validity and enforceability of any of the remaining provisions of this Agreement.

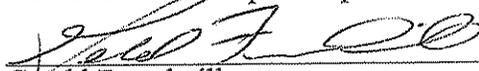
K. Joint Drafting. This Agreement shall not be construed as having been drafted by either of the parties to this Agreement.

L. Transition to Next Solid Waste Enterprise. If, in the final 12 months of the period during which Contractor is to provide collection services under this Agreement, Contractor and City have not entered into a succeeding agreement, Contractor shall cooperate fully with City and all prospective subsequent Solid Waste enterprise(s), franchisee(s), licensee(s), permittee(s) or other persons seeking to provide services similar to the services so as to assure an efficient, orderly, timely and effective transition. In that regard, Contractor agrees to make available to City and to prospective proposers, in any competitive process used by the City to select a successor, route maps, customer lists, and all other records requested by City.

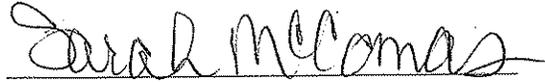
M. Incorporation by Reference. Contractor's Proposal, dated June 27, 2011, and the Exhibits are incorporated into this Agreement by this reference. Where Contractor's Proposal conflicts with this Agreement, this Agreement shall prevail.

3046 IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above
3047 written.

3048 CITY OF HEMET,
3049 a California Municipal Corporation

3050 
3051 _____
3052 Gerald Franchville
3053 Mayor

3054 ATTEST:

3055 
3056 _____
3057 Sarah McComas
3058 City Clerk

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3061 APPROVED AS TO FORM:

3062 
3063 _____
3064 Eric S. Vail
3065 City Attorney

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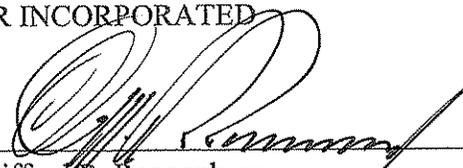
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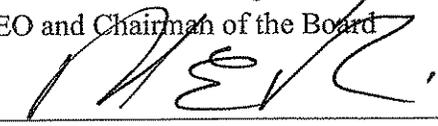
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CONTRACTOR
CR&R INCORPORATED

By: 

Clifford R. Ronnenberg
CEO and Chairman of the Board

By: 

David E. Fahrion, President,
Solid Waste Management Division

ACKNOWLEDGMENT

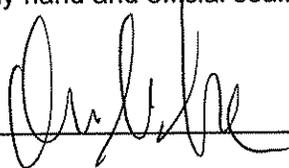
State of California
County of Orange)

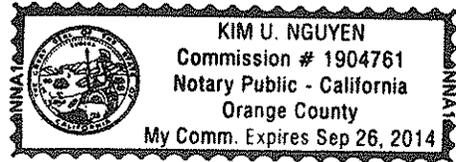
On 10/07/11 before me, Kim U. Nguyen, Notary Public
(insert name and title of the officer)

personally appeared Clifford Robert Ronnenberg,
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  (Seal)



ACKNOWLEDGMENT

State of California
County of Riverside

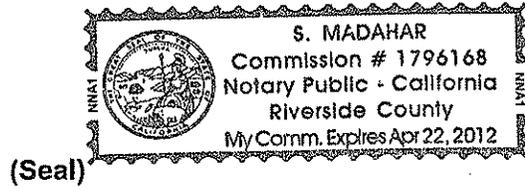
On October 10, 2011 before me, S. MADAHAR, NOTARY PUBLIC
(insert name and title of the officer)

personally appeared David E Fahrion
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 *S. Madahar*



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EXHIBIT 1
Schedule of Monthly Payments to City

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EXHIBIT 1			
Schedule of Monthly Payments to City			
Agreement Year	Payment Due Date		Monthly Payment
	Start	End	
1	Dec. 1, 2011	Nov. 31, 2012	\$225,000
2	Dec. 1, 2012	Nov. 31, 2013	\$225,000
3	Dec. 1, 2013	Nov. 31, 2014	\$229,500
4	Dec. 1, 2014	Nov. 31, 2015	\$234,090
5	Dec. 1, 2015	Nov. 31, 2016	\$238,772
6	Dec. 1, 2016	Nov. 31, 2017	\$243,547
7	Dec. 1, 2017	Nov. 31, 2018	\$248,418
8	Dec. 1, 2018	Nov. 31, 2019	\$253,387
9	Dec. 1, 2019	Nov. 31, 2020	\$258,771
10	Dec. 1, 2020	Nov. 31, 2021	\$264,593
11	Dec. 1, 2021	Nov. 31, 2022	\$270,547
12	Dec. 1, 2022	Nov. 31, 2023	\$276,634
13	Dec. 1, 2023	Nov. 31, 2024	\$282,858
14	Dec. 1, 2024	Nov. 31, 2025	\$289,223
15	Dec. 1, 2025	Nov. 31, 2026	\$295,730
16	Dec. 1, 2026	Nov. 31, 2027	\$302,384
17	Dec. 1, 2027	Nov. 31, 2028	\$309,188
18	Dec. 1, 2028	Nov. 31, 2029	\$316,144
19	Dec. 1, 2029	Nov. 31, 2030	\$323,258
20	Dec. 1, 2030	Nov. 31, 2031	\$330,531

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EXHIBIT 2
Maximum Permissible Service Rates
December 1, 2011 – December 31, 2012

EXHIBIT 2			
Maximum Permissible Service Rates			
December 1, 2011 – December 31, 2012			
A. RESIDENTIAL CART COLLECTION SERVICE			
Standard Residential Collection Rates (monthly rates):			
	32 Gallon	64 Gallon	96 Gallon
Curbside Collection	\$14.85	\$15.35	\$18.25
Subscription Backyard Collection	\$18.65	\$19.15	\$22.10
November 1, 2012 – June 30, 2012			
Additional Solid Waste Cart - Curbside	\$10.05	\$10.05	\$14.80
Additional Solid Waste Cart - Subscription Backyard Collection	\$13.85	\$13.85	\$18.70
April 1, 2012 – June 30, 2013			
Additional Mixed Recyclables/Solid Waste Cart - Curbside Collection	\$2.00	\$2.50	\$3.25
Additional Mixed Recyclables/Solid Waste Cart - Subscription Backyard Collection	\$4.50	\$5.50	\$6.50
July 1, 2013 – June 30, 2014			
Additional Mixed Recyclables/Solid Waste Cart - Curbside Collection	\$4.25	\$4.50	\$6.50
Additional Mixed Recyclables/Solid Waste Cart - Subscription Backyard Collection	\$6.00	\$7.00	\$9.50
July 1, 2014			
Additional Mixed Recyclables/Solid Waste Cart - Curbside Collection	\$6.52	\$6.68	\$9.84
Additional Mixed Recyclables/Solid Waste Cart - Subscription Backyard Collection	\$9.52	\$9.68	\$12.84
Mobil Home Park Solid Waste Collection – (monthly rates per occupied space)			
Weekly Solid Waste Cart per Space (one cart per occupied space) and Shared Recyclables and Organics Carts or Bins	32 Gallon	64 Gallon	96 Gallon
	\$13.45	\$13.85	\$16.25

EXHIBIT 2
Maximum Permissible Service Rates
December 1, 2011 – December 31, 2012

Household Hazardous Waste Collection*

<p><u>Electronic Waste</u> – TV’s, Computers, Cell Phones, Land Line Phones, printers, toasters, irons, VCR’s, DVD’s, CD Players, stereos and other similar electronic devices. <u>Quantity:</u> Up to five items per household per calendar year.</p>	No cost
<p><u>Automotive Items</u> – Clean/Non Contaminated Antifreeze, Clean/Non Contaminated Motor Oil, Automotive Oil Filters <u>Quantity:</u> Up to two gallons of Antifreeze and/or Motor Oil per Household per month. Up to two Oil Filters per Household per month.</p>	\$115.00 per pick up
<p><u>Universal Waste</u> – Common Household Batteries (AA, AAA, C, D, Cell and Button Batteries) and Fluorescent tubes and bulbs. <u>Containers:</u> One 6”x6” box for Batteries; one 6”x6” box for Compact Fluorescent Bulbs (CFL’s); one four foot box for fluorescent tubes (one box holds eight fluorescent tubes). Customers may order as many boxes as they would like.</p>	<p style="text-align: center;">\$44.00 per box for batteries and CFLs (includes postage and recycling fees). \$49.00 per box for fluorescent tubes (includes postage and recycling fees).</p>
<p><u>Sharps Mail Back Program</u> – Syringes and needles <u>Containers:</u> One three gallon Sharps container</p>	\$109.47 per three gallon container (includes postage)

*Customer rates for Household Hazardous Waste Collection subject to change based on direct increased costs for HHW disposal. Contractor may pass on increased HHW disposal costs to customers, but may not add any additional Contractor costs without prior approval by the City.

Special Charges - Residential

Extra on-call Bulky Waste pick-up	\$25.00 per item
Additional Cart Exchange	\$15.00
Additional Cart Replacement	\$15.00
Freon Removal Fee	\$55.00
Residential Service Initiation and Cart Delivery Fee (January 1, 2013)	\$25.00
Backyard Collection for Physical Disability	No Cost
<p style="text-align: center;">Temporary Clean-up or C&D Materials (Up to 5 tons) Loads weighing over 5 tons will be charged in accordance with the applicable Disposal and Processing Tipping Fees</p>	\$508.78/Box+\$70 Deliv.

EXHIBIT 2
Maximum Permissible Service Rates
December 1, 2011 – December 31, 2012

B. COMMERCIAL COLLECTION SERVICE

Cart Service: (Includes Solid Waste and Recyclable Materials Only)

Service	Frequency					
	1/Week	2/Week	3/Week	4/Week	5/Week	6/Week
65 gallon cart	\$22.20	\$44.35	\$66.60	\$88.75	\$110.90	N/A
96 gallon cart	\$26.40	\$52.90	\$79.30	\$105.70	\$132.10	N/A

Bin Service:

Service	Frequency					
	1/Week	2/Week	3/Week	4/Week	5/Week	6/Week
2 CY Bin	\$106.60	\$189.05	\$271.45	\$353.90	\$436.40	\$518.80
3 CY Bin	\$154.50	\$269.30	\$384.05	\$489.80	\$613.60	\$728.40
4 CY Bin	\$193.45	\$334.90	\$476.35	\$617.80	\$759.20	\$900.65
6 CY Bin	\$288.60	\$518.20	\$747.70	\$977.35	\$1206.85	\$1436.40

Commercial Green Waste Collection and Processing

Cart Service: (In addition to base rate)

Service	Frequency					
	1/Week	2/Week	3/Week	4/Week	5/Week	6/Week
65 gallon cart	\$10.30	\$20.60	\$30.90	\$41.20	\$51.50	\$61.80
96 gallon cart	\$15.17	\$30.34	\$45.51	\$60.68	\$75.85	\$91.02

Bin Service: (In addition to base rate)

Service	Frequency					
	1/Week	2/Week	3/Week	4/Week	5/Week	6/Week
2 CY Bin	\$90.61	\$160.69	\$230.73	\$300.82	\$370.94	\$543.66
3 CY Bin	\$131.33	\$228.91	\$326.44	\$423.98	\$521.56	\$787.95
4 CY Bin	\$164.43	\$284.67	\$404.90	\$525.13	\$645.32	\$986.60
6 CY Bin	\$245.31	\$440.47	\$635.55	\$830.75	\$1025.82	\$1471.86

EXHIBIT 2
Maximum Permissible Service Rates
December 1, 2011 – December 31, 2012

Commercial Food Waste Collection and Processing

Bin Service: (In addition to base rate)

Service	Frequency					
	1/Week	2/Week	3/Week	4/Week	5/Week	6/Week
2 CY Bin	\$18.34	\$36.68	\$55.02	\$73.36	\$91.70	\$110.04
3 CY Bin	\$27.51	\$55.02	\$82.53	\$110.04	\$137.55	\$165.06
4 CY Bin	\$36.68	\$73.36	\$110.04	\$146.72	\$183.40	\$220.08
6 CY Bin	\$55.02	\$110.64	\$165.06	\$220.08	\$275.10	\$330.12

Special Charges - Commercial

Additional Cart Exchange	\$15.00										
Additional Cart Replacement	\$15.00										
Additional Bin Exchange	\$25.00 per cart including delivery										
Additional Bin Replacement	\$25.00										
Cart Cleaning Each Occurrence	\$15.00										
Bin Cleaning Each Occurrence	\$25.00										
Commercial Service Initiation and Container Delivery Fee (Starts January 1, 2013)	\$28.00 for Carts \$45.00 for bins										
Commercial Bad Debt Reinstatement Fee	\$50.00										
Commercial Locking Lid Bin	\$20.00/bin per month										
Replacement Lock or Key for Locking Bin	\$25.00										
Commercial Scout Service	Additional \$45.00 per bin per month										
Operation Overflow Charge	\$40.00 per Occurrence										
Driver Return Fee on Scheduled Day	\$75.00										
Freon Removal Fee	\$55.00										
Commercial Push Rates	<table border="1"> <thead> <tr> <th>0-25 feet</th> <th>26-49 feet</th> <th>50-75 feet</th> <th>76-100 feet</th> <th>101+ feet</th> </tr> </thead> <tbody> <tr> <td>N/C</td> <td>\$10.00</td> <td>\$15.00</td> <td>\$20.00</td> <td>\$25.00</td> </tr> </tbody> </table>	0-25 feet	26-49 feet	50-75 feet	76-100 feet	101+ feet	N/C	\$10.00	\$15.00	\$20.00	\$25.00
0-25 feet	26-49 feet	50-75 feet	76-100 feet	101+ feet							
N/C	\$10.00	\$15.00	\$20.00	\$25.00							

EXHIBIT 2
Maximum Permissible Service Rates
December 1, 2011 – December 31, 2012

C. Debris Box and Compactor Collection Services

Debris Box Service:

3 CY	\$94.80 + \$70.00 delivery fee	Per Pull (500 lb. weight limit)
10 CY Box	\$258.78	Per Pull Rate
20 CY Box	\$258.78	Per Pull Rate
30 CY Box	\$258.78	Per Pull Rate
40 CY Box	\$258.78	Per Pull Rate
10 CY Lowboy	\$258.78	Per Pull Rate

Compactor Service:

1/Week	2/Week	3/Week	4/Week	5/Week	6/Week
\$405.00	\$810.00	\$1215.00	\$1620.00	\$2025.00	\$2430.00

All, 10, 20, 30, 40 CY Debris Boxes and Compactors are pull rates only; processing and/or disposal will be based on actual disposal costs

Special Charges - Debris Box and Compactor Services

Service Initiation Fee	\$28.00	
Demurrage Charge (not dumped every 7 days)	\$35.00	Per Week
Per hour Stand-by Charge (box not ready to be pulled)	\$75.00	Per Hour
Saturday Service	\$388.17	Per Pull + Disposal
Delivery Fee	\$70.00	Per Delivery
Trip Charge	\$95.00	Per Occurrence

D. Disposal and Processing Tipping Fees

Disposal	\$34.37/ton	Mixed C&D Materials Processing	\$45.00/ton
Green Waste Processing	\$29.00/ton	Wood Waste Processing	\$32.00/ton
Organic Waste Processing	\$38.00/ton	Inerts Processing	\$45.00/ton
Mixed Recyclables/Solid Waste Processing	\$50.00/ton	Recyclable Materials Processing	\$55.00 /ton

EXHIBIT 2
Maximum Permissible Service Rates
December 1, 2011 – December 31, 2012

E. Emergency Services

Emergency Service – Employees

Labor Position	Hourly Rate
Class "A" Driver	\$55.00
Class "B" Driver	\$45.00
Equipment Operator	\$45.00
Route Manager	\$75.00
Laborer	\$27.50

Emergency Service – Equipment

Equipment Type	Make and Model	Hourly Rate
Residential	Autocar Side Loader	\$125.00
Commercial	Autocar Front Loader	\$125.00
Roll-off	Autocar Roll-off	\$125.00
Backhoe	Case or CAT	\$125.00
Pressure Washer	Hotsy	\$125.00
Street Sweeper	TYMCO 600	\$125.00

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EXHIBIT 3
City Facilities

EXHIBIT 3								
City Facilities								
Facility Name	Address	Number of Container	Size	Type of Collection	1X	2X	3X	On-Call
CITY PARKS								
Brubaker Park	3703 W Mustang Ave	2	4yd	Trash		x		
		7	90	Trash	x			
Weston Park/Shuffle Board	700 E Florida Ave	20	90	Trash	x			
Stoney Mountain Park		3	90	Trash	x			
Mary Henley Park	801 S Kirby St	20	90	Trash	x			
Gibbel/Lawn Bowling	2500 W Florida Ave	30	90	Trash	x			
		1	4yd	Green Waste	x			
Cawston Community Park	N Cawston Ave	4	90	Trash	x			
David R Oltman Park	N Cawston Ave	15	90	Trash	x			
Simpson Park	28505 Rawlings Rd	1	4yd	Trash				x
		1	30yd	Trash				x
Pocket Park in Cottonwood Dist	Cove & Fisher	2	90	Trash	x			
Hemet Model Masters	Warren & Simpson	10	90	Trash				x
CITY BUILDINGS								
City Hall	445 E Florida Ave	1	3yd	Trash		x		
		1	350	Recycling			x	
Covell	550 E Florida Ave	1	3yd	Trash	x			

**EXHIBIT 3
City Facilities**

Facility Name	Address	Number of Container	Size	Type of Collection	1X	2X	3X	On-Call
Police Department	450 E Latham Ave	1	3yd	Trash		x		
		6	90	Trash			x	
Fire Station #1	220 N Juanita St.	1	350	Trash			x	
		1	350	Recycling	x			
Fire Station #2	895 W. Stetson Ave	1	3yd	Trash	x			
		1	90	Recycling	x			
Fire Station #3	4110 W. Devonshire Ave	1	3yd	Trash	x			
		1	90	Recycling	x			
Fire Station #4	1085 S Cawston Ave	1	3yd	Trash	x			
		1	90	Recycling	x			
Fire Station #5	120 N. Hemet St			no service				
Corporation Yard (Office/Shop/Pit)	3777 Industrial Ave	8	50yd	Trash	x			
		2	4yd	Cardboard	x			
		1	4yd	Trash		x		
		20	90	Trash	x			
		1	50	Green Waste				x
		1	50	Scrap Metal				x
Literacy Center/Fire Training	319 E Latham Ave	1	3yd	Trash	x			
Library	300 E Latham Ave	1	4yd	Trash			x	
		1	4yd	Cardboard		x		
Simpson Center	305 E Devonshire Ave	1	3yd	Trash			x	
		1	6yd	Cardboard		x		

**EXHIBIT 3
City Facilities**

Facility Name	Address	Number of Container	Size	Type of Collection	1X	2X	3X	On-Call
Gang Task Force	500 Block E Latham Ave	1	3yd	Trash				x
		1	4yd	Cardboard				x
Park Hill Well	897 Park Ave	2	50	Trash				x
PAL Building	401 N Juanita St.	1	4yd	Trash	x			
PD Gun Range	1865 N Warren Rd.	1	4yd	Trash				x
		1	30yd	Trash				x
Juanita St. Apartments	100 Blkk S Juanita St	1	3yd	Trash	x			
Chronicle Bldg.	395 E Latham Ave	1	90	Trash	x			
		1	90	Recycling	x			
Heartland District	California Ave, N of Florida Ave	1	30yd	Green Waste				x
Property N side Menlo, W of Kirby				no service				

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EXHIBIT 4
Approved Facilities

EXHIBIT 4			
Approved Facilities			
Disposal	Processing	Transfer	Facility
Solid Waste	C&D Debris, Green and Wood Waste		Lambs Canyon Sanitary Landfill 16411 State Highway 79 Beaumont, CA 92233
Solid Waste	C&D Debris, Green and Wood Waste		Badlands Sanitary Landfill 31125 Ironwood Ave Moreno Valley, CA, 92553
Solid Waste	Green and Wood Waste		Southeast Resource Recovery Facility 120 Henry Ford Avenue Long Beach, CA 90802
	Organic Waste		California Bio Mass 83-109 Ave. 62 Thermal, CA 92274
	Recyclable Materials, Yard Waste	Mixed Waste, Yard Waste C&D and Street Sweeping Debris, Scrap Metal, E-Waste	Perris Material Recovery Facility and Transfer Station 1706 Goetz Road Perris, CA 92570
	Yard Waste	Mixed Waste, C&D, Public and Street Sweeping Debris	CR Transfer 11232 Knott Avenue Stanton, CA 90680
	Recyclable Materials		Stanton Material Recovery Facility 11292 Western Avenue Stanton, CA 90680
	Green and Wood Waste		Lakeview Compost Facility Southerly Bridge St. Lakeview, CA 92555
	C&D Debris, Green Waste, Food Waste, Wood Waste		South Orange County Transfer and Material Recovery Facility 31641 Ortega Highway San Juan Capistrano, CA 92675
Solid Waste			South Yuma County Landfill 19536 South Avenue 1E Yuma, Arizona 85365
Solid Waste			El Sobrante Landfill 10910 Dawson Canyon Road Corona, Ca. 92877

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EXHIBIT 5
City-Sponsored Special Events

EXHIBIT 5			
City-Sponsored Special Events			
Event	Month	Disposal	Sweeping
Hemet Ryan Air Show	May/June	X	
Harvest Festival	August	X	X
Veteran's Day	November	X	X
Christmas Parade	December	X	X
Farmers Market	All	X	
Literacy Events	varies	X	
PD Safety Fair	varies	X	
FD Open House	varies	X	
One-Time Community Clean Up Note: this is a one-time only event	January 2, 2012 - January 6, 2012	X	

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EXHIBIT 6
Transition Plan

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EXHIBIT 7
Public Education Plan

EXHIBIT 7
Public Education Plan

Plan A:

1. Residential 3 barrel system

Start Date: December 1, 2011

a. Mayor Letter

CR&R will draft a letter from the Mayor or designated city representative introducing the new company to the residents.

- CR&R to draft letter by October 1, 2011
- CR&R to send proposed letter to POC/Mayor's office for review within 48 hours of City Council's contract approval.
- Approved letter sent to Litco for printing by October 24, 2011.
- Letter to be mailed to residents week of November 21, 2011.

b. CR&R Letter and Brochure (*Note: This mailing will be included with Mayor's Letter)

A letter and detailed brochure will be mailed to the residents which describes the various services and types of materials to be recycled. Brochures will also be made available to residents at City Hall and other designated city facilities.

- CR&R to draft letter/brochure by October 1, 2011.
- CR&R to send proposed letter/brochure to City for review within 48 hours of City Council's contract approval.
- Approved letter/brochure sent to Litco for printing by October 24, 2011.
- Letter/brochure mailed to residents: week of November 21, 2011.

c. Website

The City of Hemet will have its own separate page on CR&R's website. Hemet's page will outline our new services. Our IT group can also work with the City to provide a hotlink from the City's website to our website.

- CR&R to have a draft Hemet page on website for City's review by November 15, 2011.
- Approved Hemet page goes live on CR&R website: December 1, 2011.

d. Public Service Announcement (Static Page)

If available, CR&R can work with the local cable provider in order to provide a PSA/static page which would outline residential services as well as our contact information.

- CR&R will contact PSA cable provider during the month of October 2011.
- CR&R to draft PSA by October 31, 2011.
- CR&R to send proposed PSA to City for review by October 24, 2011
- Approved PSA sent to local cable provider by November 15, 2011.

EXHIBIT 7
Public Education Plan

- PSA runs the week of December 1, 2011.

e. HHW

- HHW information will be included in educational material (i.e. brochure, website)

f. Bulky Item Collection

- Bulky item collection information will be included in all educational material (i.e. brochure, website)

***All dates subject to change if needed.**

Plan A:

2. Residential 2 barrel system

Start Date: May 1, 2012

a. CR&R Letter and Postcard

CR&R will mail a letter and a postcard with a tear off portion to all residents. Residents can choose the size and number of containers by mailing back the tear off, postage paid section to CR&R's office.

- CR&R to draft letter/postcard by January 15, 2012.
- CR&R to send proposed letter/postcard to City for review by January 20, 2012.
- Approved letter/postcard sent to Litco for printing by February 3, 2012.
- Letter/postcard mailed to residents: February 16, 2012.
- CR&R receives postcards from residents by March 5, 2012 (Default will be 96 or 64 gallon barrels).
- Barrel Rollout projected to begin in April 2012.

b. CR&R Letter and Brochure

A letter and detailed brochure (attached to new barrels) will be delivered to the residents which describes the various services and types of materials to be recycled. Brochures will also be made available to residents at City Hall and other designated city facilities.

- CR&R to draft letter/brochure by January 23, 2012.
- CR&R to send proposed letter/brochure to City for review by January 27, 2012.
- Approved letter/brochure sent to Litco for printing by February 10, 2012.
- Letter/brochure delivered to residents during the month of April 2012.

c. Community Workshops

CR&R will provide community workshops as needed to educate residents on the new services.

EXHIBIT 7
Public Education Plan

- 1st community workshop completed in March 2012.
- 2nd community workshop completed in April 2012.

***All dates subject to change if needed.**

Plan B –Commercial Service

Start Date: December 1, 2011

a. Mayor Letter

CR&R will draft a letter from the Mayor or designated city representative introducing the new company to businesses.

- CR&R to draft letter by October 1, 2011
- CR&R to send proposed letter to POC/Mayor's office for review within 48 hours of City Council's contract approval.
- Approved letter sent to Litco for printing by October 24, 2011
- Letter to be mailed to businesses week of November 21, 2011.

b. CR&R Letter and Brochure

A letter and detailed brochure will be mailed to businesses which describes the services and types of materials to be recycled. Brochures will also be made available to businesses at City Hall and other designated city facilities.

- CR&R to draft letter/brochure by October 1, 2011.
- CR&R to send proposed letter/brochure to City for review within 48 hours of City Council's contract approval.
- Approved letter/brochure sent to Litco for printing by October 24, 2011.
- Letter/brochure mailed to businesses week of November 21, 2011.

c. Website

The City of Hemet will have its own separate page on CR&R's website. Hemet's page will outline our new services. Our IT group can also work with the City to provide a hotlink from the City's website to our website.

d. Chamber Meetings

CR&R will provide a presentation at monthly Chamber of Commerce meeting to educate businesses on CR&R's services.

- CR&R will contact the Chamber of Commerce to set-up presentation dates by November 30, 2011.

***All dates subject to change if needed.**

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EXHIBIT 8
Diversion Plan

**EXHIBIT 8
Diversion Plan**

DIVERSION PROGRAMS LISTED BY WASTE STREAM BY DECEMBER 31, 2012

Waste Stream	Program	Facility	Tonnage	% of Total	Recovery Rate	Diverted	Diversion %
RESIDENTIAL							
Single-Family Curbside							
Trash / Commingled Recyclables	Curbside	Perris MRF	24,058	72%	25%	6,015	25%
Yard Waste	Curbside	Perris MRF	8,558	26%	98%	8,387	98%
On-Call Bulky Items	Curbside	Perris MRF	600	2%	90%	540	90%
Residential Total			33,216	100%		14,941	45%
COMMERCIAL							
Mixed Waste Route	Bins	Landfill	18,146	92%	0%	0	0%
Source Separated Recyclables	Bins	Perris MRF	1,088	6%	98%	1,066	98%
Yard Waste	Bins	Perris MRF	494	3%	98%	484	98%
Commercial Total			19,728	100%		1,550	8%
DEBRIS BOX COLLECTION							
Mixed Waste "A" Route (1)	Various	Perris MRF	2,274	43%	75%	1,706	75%
Mixed Waste "B" Route	Various	Landfill	1,516	29%	0%	0	0%
Source Separated Recyclables	Various	Perris MRF	203	4%	98%	199	98%
Yard Waste	Various	Perris	1,274	24%	98%	1,249	98%

**EXHIBIT 8
Diversion Plan**

DIVERSION PROGRAMS LISTED BY WASTE STREAM BY DECEMBER 31, 2012

Waste Stream	Program	Facility	Tonnage	% of Total	Recovery Rate	Diverted	Diversion %
		MRF					
Debris Box Total			5,267	100%		3,153	60%
CONSTRUCTION AND DEMOLITION (C&D) AND STREET SWEEPING							
Mixed Waste C&D (2)	Various	Perris MRF	3,584	71%	75%	2,688	75%
Source Separated C&D	Various	Perris MRF	838	17%	98%	821	98%
Street Sweeping Debris	Comm.	Perris MRF	600	12%	100%	600	100%
C&D Total			5,022	100%		4,109	82%
WASTE TO ENERGY							
Waste to Energy (45% of Residential Residual)	Residual	SERF	8,120		100%	8,120	100%
ANNUAL TOTAL FOR 2012-2015 (50%)							
Total	All		63,233		100%	31,873	50%
(1) Requires the City of Hemet to adopt an Illegal Hauling Ordinance							
(2) Requires the City of Hemet to adopt a C&D Recycling Ordinance							

EXHIBIT 8 Diversion Plan							
DIVERSION PROGRAMS LISTED BY WASTE STREAM BY DECEMBER 31, 2016							
Waste Stream	Program	Facility	Tonnage	% of Total	Recovery Rate	Diverted	Diversion %
RESIDENTIAL							
Single-Family Curbside							
Trash / Commingled Recyclables	Curbside	Perris MRF	24,058	72%	25%	6,015	25%
Yard Waste	Curbside	Perris MRF	8,558	26%	98%	8,387	98%
On-Call Bulky Items	Curbside	Perris MRF	600	2%	90%	540	90%
Residential Total			33,216	100%		14,941	45%
COMMERCIAL							
Mixed Waste "A" Route	Bins	Perris MRF	7621	39%	35%	2667	35%
Mixed Waste "B" Route	Bins	Perris MRF	10525	53%	0%	0	0%
Source Separated Recyclables	Bins	Perris MRF	1,088	6%	98%	1,066	98%
Yard Waste	Bins	Perris MRF	494	3%	98%	484	98%
Commercial Total			19,728	100%		4218	21%
DEBRIS BOX COLLECTION							
Mixed Waste "A" Route (1)	Various	Perris MRF	2,274	43%	75%	1,706	75%
Mixed Waste "B" Route	Various	Landfill	1,516	29%	0%	0	0%

**EXHIBIT 8
Diversion Plan**

DIVERSION PROGRAMS LISTED BY WASTE STREAM BY DECEMBER 31, 2016

Waste Stream	Program	Facility	Tonnage	% of Total	Recovery Rate	Diverted	Diversion %
Source Separated Recyclables	Various	Perris MRF	203	4%	98%	199	98%
Yard Waste	Various	Perris MRF	1,274	24%	98%	1,249	98%
Debris Box Total			5,267	100%		3,153	60%
CONSTRUCTION AND DEMOLITION (C&D) AND STREET SWEEPING							
Mixed Waste C&D (2)	Various	Perris MRF	3,584	71%	75%	2,688	75%
Source Separated C&D	Various	Perris MRF	838	17%	98%	821	98%
Street Sweeping Debris	Comm.	Perris MRF	600	12%	100%	600	100%
C&D Total			5,022	100%		4,109	82%
WASTE TO ENERGY							
Waste to Energy (45% of Residential Residual)	Residual	SERF	8,120		100%	8,120	100%
ANNUAL TOTAL By December 31, 2016 (55%)							
Total	All		63,233		100%	34,541	55%
(1) (2) Requires the City of Hemet to adopt an Illegal Hauling Ordinance and C&D Ordinance							
For additional diversion higher than 55%, CONTRACTOR and CITY will meet to discuss any additional or expanded programs and adjustments in customer rates.							

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EXHIBIT 9
Customer Service Plan

EXHIBIT 9
Customer Service Plan**Billing**

- Meet with the City's personnel to discuss current billing practices, communication plan, data exchange, key members of transition team, etc.
- Plan would be developed to identify the time frames and tasks need for billing transition including:
 - Communication methodology for customers (letter from City, letter or postcard from CR&R) and timeframes
 - Cut off date that City will stop billing; start date for CR&R billing
 - Sample invoices from City and CR&R
 - Files needed from City to build accounts in CR&R's system
 - Set up master files in billing system
 - Communication process between City of Hemet and CR&R during transition
 - Discuss customer payment options (by mail, phone, online, automatic payment); e-delivery option for invoice
- Periodic Billing Transition Team meetings to review the project plan progress

Customer Service

- Add 2 full time Customer Service Representatives to staff – (Hemet city employees if available)
- Create training reference materials for City of Hemet and update procedure manual
 - Services and Rates listing
 - Unique features
- Create training agenda for new and existing representatives
 - Comprehensive training for new representatives to integrate into existing call center
 - Hemet specific training for existing representatives
- Set up desks, phones, and computers to include
 - On-line reference/library access
 - Quality assurance monitoring program
 - Score card performance access

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EXHIBIT 10
Collection Service Operations Plan

EXHIBIT 10
Collection Service Operations Plan

A. VEHICLES

1. CR&R has prepared a list of all vehicles owned and operated by the Company that will be available to the City of Hemet to service the franchise agreement.
2. CR&R is proposing to utilize the City's existing collection fleet for the first 12 months of the new contract. At that time, CR&R will begin to replace the older equipment with new Alternative Fueled Vehicles. The transition to Alternative Fueled Vehicles will meet the requirements of the South Coast Air Quality Management District (AQMD) and will be completed in the timeline established in Rule 1193.
3. CR&R will utilize the existing Alternative Fueled Trucks in operation today by the City of Hemet and begin to replace the diesel powered equipment as required by AQMD Rule 1193. The transition to Alternative Fueled Vehicles from the current diesel vehicles will have a 100% improvement in the air emissions in the City of Hemet since currently half of the vehicles utilized are powered by diesel fuel. CR&R is proposing to right size the fleet and the number of vehicles serving the City through route efficiencies which we believe will have a significant benefit to the wear and tear on the streets. CR&R, through its logistic routing system, will strive to reduce the number of truck trips in the City by creating efficient and effective routes and route patterns.
4. We have and will continue to deploy GPS tracking equipment in all of our trucks. This technology is currently installed in our equipment and will be included in the new replacement vehicles serving the City of Hemet. CR&R currently utilizes a proprietary system for GPS tracking, camera surveillance and the completion of the driver's daily log.
5. All City of Hemet trucks will be painted to match the CR&R color and theme that is currently displayed on our trucks. The colors are red, white and blue. All trucks will be labeled with the CR&R number and toll-free telephone number.
6. All vehicle maintenance is performed on schedule or as needed in case of a mechanical failure. CR&R currently tracks all preventative and scheduled maintenance on the company's master computer systems. These records are and will be available to the City for review as needed with 72 hours notice.
7. All vehicles and equipment are washed and cleaned on a daily basis. As mentioned above, all maintenance is performed on a strict schedule and in conformance with the California Highway Patrol BIT inspection procedure.

B. Containers

1. CR&R intends to purchase Toter carts for residential customers. These containers are stackable to make the delivery of them easier and they are similar to the containers

EXHIBIT 10

Collection Service Operations Plan

currently utilized by the City. In regards to the city's current inventory of containers, CR&R proposes to use the existing carts as we initially take over operations. CR&R will evaluate the existing residential carts as we transition over to the Mixed Recyclables Program in 2012.

2. The capacity and the various sizes required used in normal collection services should be more than adequate to service the City.
3. All new containers will be uniform in color and will have a hot stamp with the company name and detailed instructions on how to use the containers.
4. CR&R currently maintains an inventory of well over two million containers. The maintenance program is very simply, the customer request an exchange to their container and it is performed on the next scheduled collection day no questioned asked. All maintenance is performed by CR&R employees and is not out sourced to a third party.

C. Route Operations

1. We will initially assign the following vehicles to the City collection.

<u>Units</u>	<u>Vehicle Type</u>	<u>Service Sector</u>
5	Residential	Trash
4	Residential	Recyclables
3	Residential	Yard Waste
1	Residential	Bulky-Item
2	Commercial	Trash – Landfill
2	Commercial	Trash – MRF
1	Commercial	Recyclables
2	Roll-off	Various
1	Residential	Street Sweeper
1	Commercial	Street Sweeper

2. The automated residential trucks will service and/or pass approximately 1,100 homes per day per route and the commercial will service approximately 140 to 150 bins per route per day.
3. CR&R runs one operator trucks and has for the past 20 years. The Operator is required to operate the vehicle and service their required route in the target time designated for that specific route. All routes are monitored by GPS and camera system and if an operator gets behind on a route the Route Manager can inquire about any issues and possibly provide help to complete the route in the allotted time. All routes are prepared with the most efficient travel path and have start and finish times assigned in order to

EXHIBIT 10
Collection Service Operations Plan

monitor the driver's performance.

4. CR&R is proposing to initially utilize the same type and size of equipment that is currently in place today. As CR&R replaces the older diesel equipment with Alternative Fueled vehicles, the noise and emissions will be reduced. CR&R will introduce 4 axle vehicles in the City which will allow for larger pay loads and better route efficiency. This will help to minimize truck traffic, truck noise and reduce our carbon footprint by minimizing vehicle impacts. The larger vehicles will still meet all legal weight limit requirements per the California Highway Patrol.
5. All vehicles deployed into the City will be equipment with a Nextel Radio and Cell Phone. The dispatch center at the Perris facility will be responsible for communicating with the trucks and dispatching any additional work, customer service requirements or collection disputes. All calls prior to 10am will be handled the same day and calls after 10am are handle the following morning unless it is an emergency in which case it is handled as soon as possible.

E. SAFETY

1. Prior to the hiring of any personnel for the purposes of providing services in the City of Hemet, CR&R will offer employment to qualified and properly licensed personnel employed by the city. All applicants seeking employment with CR&R would be scheduled for an interview conducted by our Human Resources Manager, Corporate Recruiter, and General Manager. Applicants successfully completing the interview process would be required to undergo a pre-placement physical examination, background investigation, and drug screening at the Company's designated facilities. The pre-hire requirements are the standards required by all potential employees seeking employment with CR&R. These procedures would be scheduled in order to avoid any interruption of service or performance with the City.
2. The Corporate Safety Director conducts monthly meetings with all drivers and maintenance personnel. Topics relating to safe operating procedures are taught in both English and Spanish. Personnel are encouraged to bring to the company's attention any unsafe working condition which may exist for the immediate attention of management.

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EXHIBIT 11
HHW Collection Plan

EXHIBIT 11
HHW Collection Plan

The following Programs will be offered to City of Hemet Residential Customers in order to safely dispose of their Household Hazardous Waste (HHW). All materials will be collected by a separate vehicle when appropriate. Customers requesting this service will be required to call CR&R's Toll Free Telephone numbers in order to place their orders.

The following protocol will be followed:

- Customers will call CR&R's Customer Service Center to order doorside or curbside collection or mail back service of HHW.
- CR&R's Customer Service Representative will ask the customer a series of questions in order to clearly define what the customer's needs are and recommend a prescribed service level/offering.
- Customers will be given both collection schedules and costs. In addition they will also be given instructions on how to package the materials if necessary. For certain materials (i.e. Sharp's) they may be given instructions on how to fill the containers and then mail them to the processor.
- CR&R's drivers will collect the materials on the scheduled day for proper disposal.

The following materials will be collected on a subscription/on-call basis:

- **Electronic Waste** – TV's, Computers, Cell Phones, Land Line Phones, printers, toasters, irons, VCR's, DVD's, CD Players, stereos and other similar electronic devices.

Quantity: Up to five items per household per calendar year.

Cost: No cost. Customers with smaller quantities (i.e. one cell phone) may be asked bundle these devices with other electronic devices when possible or they may be given additional disposal options where they can be dropped off for disposal (i.e. electronics stores, Home Depot, etc.).

- **Automotive Items** – Clean/Non Contaminated Antifreeze, Clean/Non Contaminated Motor Oil, Automotive Oil Filters

Quantity: Up to two gallons of Antifreeze and/or Motor Oil per Household per month. Up to two Oil Filters per Household per month.

Cost: \$115.00 per pick up.

- **Universal Waste** – Common Household Batteries (AA, AAA, C, D, Cell and Button Batteries) and Fluorescent tubes and bulbs.

Containers: One 6"x6" box for Batteries; one 6"x6" box for Compact Fluorescent Bulbs

EXHIBIT 11
HHW Collection Plan

(CFL's); one four foot box for fluorescent tubes (one box holds eight fluorescent tubes). Customers may order as many boxes as they would like.

Cost: One 6"x 6" box for either batteries or CFL's \$44.00 per box (includes postage and recycling fees). One four foot box that holds eight fluorescent tubes \$49.00 per box.

- **Sharps Mail Back Program** – Syringes and needles

Containers: One three gallon Sharps container

Cost: \$109.47 per three gallon container (includes postage)

*All prices are subject to change without notice.

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EXHIBIT 12
Community Involvement Plan

EXHIBIT 12
Community Involvement Plan

Start Date: November 1, 2011

CR&R has been involved in a variety of events and organizations for many years within the City of Hemet and the San Jacinto Valley. We will build upon these relationships as our involvement in the community grows over the term of our contractual relationship. The following organizations will see a continued CR&R presence as we expand our focus in the community and provide assistance to worthwhile organizations.

a. Valley Wide Recreation

CR&R will continue its commitment towards supporting the Valley Wide Recreation Center in the Valley. We will meet with VWRC staff to enhance their recycling programs as needed. Recycling materials will be available for special events to help the organization with their own environmental goals/programs.

b. Ramona Pageant

CR&R is already a proud sponsor of the Annual Ramona Pageant and we plan to continue our support of this long-running cultural icon.

c. Hemet/San Jacinto Chamber of Commerce

As a long standing member of this active chamber, CR&R's Community Relations Compliance Specialists regularly attend and take part in functions year-round. We currently volunteer on various committees and subcommittees and have roles in planning various events. We plan to continue our involvement in this important business advocacy organization.

d. Community Presentations

CR&R will be available to provide presentations throughout the community. This could be at monthly meetings with the various service clubs such as the Friends of the Library, Hemet Rotary, Hemet Kiwanis and Lions Club. Our goal will be to introduce our company into the community and to educate residents and businesses on CR&R's array of environmental services.

e. Diamond Valley Lake Western Science Center

CR&R will reach out to the Western Science Center to seek constructive and supportive roles which will support their efforts towards creating environmentally conscientious programs. We will strive to reach common goals towards protecting and preserving our environment.

f. Community Events

CR&R personnel and equipment are available upon request to volunteer and participate in Community Events such as annual parades and other popular community activities. Organizers of such events would need to work with our Community Relations personnel in order to schedule and coordinate our participation. As an additional service, CR&R also provides cardboard litter event boxes at a nominal charge to non-profit organizations within the City.

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EXHIBIT 13
Vehicle Specifications

EXHIBIT 13			
Vehicle Specifications			
1. Material to be Collected	<input checked="" type="checkbox"/> Solid Waste	<input checked="" type="checkbox"/> Recyclables	<input checked="" type="checkbox"/> Organic Waste
2. Manufacturer and Model	<u>Autocar ACX64</u>		
a. Cab and Chassis	<u>Right Hand Drive</u>		
b. Body	<u>Amrep</u>		
c. Engine	<u>Cummins ISL-G CNG</u>		
d. Transmission	<u>Allison 3000 Series</u>		
3. Cab and Chassis:			
a. Cab Height			<u>59</u> inches
b. Number of Axles			<u>3</u>
c. Overall Length With Body Mounted			<u>369</u> inches
4. Body:			
a. Type of Body	<u>Amrep-AMHASLTPO-21</u>		
b. Rated Capacity	<u>36</u>		cu. yd.
c. Practical or Net Capacity	<u>33</u>		cu. yd.
d. No. of collection Compartments	<u>1</u>		cu. yd.
e. Net Capacity of Each Compartment	<u>36</u>		cu. yd.
f. Overall Body Length	<u>326</u>		inches
g. Body Height	<u>101</u>		inches
h. Body Width	<u>102</u>		inches
i. Loading Height Above Ground	Minimum	<u>No Minimum</u>	inches
.....	Maximum	<u>105</u>	inches
5. Weight	GVW	<u>60,000</u>	lbs.
	Tare	<u>30,180</u>	lbs.
6. Will the vehicles be owned, leased, or other?	<u>Owned</u>		

**EXHIBIT 13
Vehicle Specifications**

7. Purchase cost of each vehicle.....	\$280,000.00
8. Fuel type.....	<u>Natural Gas</u>
9. Fuel usage.....	<u>5</u> mpg
10. Emissions rating	
a. CO.....	<u>Meets AQMD Standards</u> g/bhp/hr
b. HC (total hydrocarbons).....	<u>Meets AQMD Standards</u> g/bhp/hr
c. NO_x.....	<u>Meets AQMD Standards</u> g/bhp/hr
d. Particulate Matter.....	<u>Meets AQMD Standards</u> g/bhp/hr
11. Safety Features.....	<u>Back-up Alarm and Camera, Safety Markings</u>
12. Color.....	<u>Red, White and Blue</u>
13. GPS Monitoring and Tracking Features	<u>Yes</u>
1. Material to be Collected	<input checked="" type="checkbox"/> Solid Waste <input checked="" type="checkbox"/> Recyclables <input checked="" type="checkbox"/> Organic Waste
2. Manufacturer and Model.....	<u>Autocar ACX64</u>
a. Cab and Chassis.....	<u>Left Hand Drive</u>
b. Body.....	<u>Amrep</u>
c. Engine.....	<u>Cummins ISL-G CNG</u>
d. Transmission.....	<u>Allison 3000 Series</u>
3. Cab and Chassis:	
a. Cab Height	<u>59</u> inches
b. Number of Axles	<u>4</u>
c. Overall Length With Body Mounted	<u>369</u> inches
4. Body:	
a. Type of Body.....	<u>Amrep - AMHFLPO-21</u>

**EXHIBIT 13
Vehicle Specifications**

b.	Rated Capacity.....		<u>40</u>		cu. yd.
c.	Practical or Net Capacity.....		<u>30</u>		cu. yd.
d.	No. of collection Compartments.....		<u>1</u>		cu. yd.
e.	Net Capacity of Each Compartment		<u>36</u>		cu. yd.
f.	Overall Body Length.....		<u>374</u>		inches
g.	Body Height		<u>111</u>		inches
h.	Body Width		<u>102</u>		inches
i.	Loading Height Above Ground.....	Minimum	<u>No Minimum</u>		inches
	Maximum	<u>154</u>		inches
5.	Weight.....	GVW	<u>60,000</u>	lbs.	Tare <u>33,900</u> lbs.
6.	Will the vehicles be owned, leased, or other?.....				<u>owned</u>
7.	Purchase cost of each vehicle.....				<u>\$280,000.00</u>
8.	Fuel type.....				<u>Natural Gas</u>
9.	Fuel usage.....		<u>5</u>		mpg
10.	Emissions rating				
a.	CO.....		<u>Meets AQMD Standards</u>		g/bhp/hr
b.	HC (total hydrocarbons).....		<u>Meets AQMD Standards</u>		g/bhp/hr
c.	NO _x		<u>Meets AQMD Standards</u>		g/bhp/hr
d.	Particulate Matter.....		<u>Meets AQMD Standards</u>		g/bhp/hr
11.	Safety Features.....				<u>Back-up Alarm and Camera and Safety Markings</u>
12.	Color.....				<u>Red, White and Blue</u>
13.	GPS Monitoring and Tracking Features				<u>Yes</u>

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EXHIBIT 14
Container Specifications

EXHIBIT 14				
Container Specifications				
1.	Material to be Collected.	Solid Waste <input checked="" type="checkbox"/>		
		Recyclables <input checked="" type="checkbox"/>		
		Organic Waste <input checked="" type="checkbox"/>		
		"Kitchen" Food Waste Pail <input checked="" type="checkbox"/>		
2.	Manufacturer.....	<u>Toter Incorporated</u>		
3.	Material of Construction	<u>Linear Medium Density Polyethylene</u>		
4.	Recycled Content (percentage).....	<u>20%</u>		
5.	Manufacturing Method (rotational molding, injection molding, other.)	<u>Rotational molding</u>		
	Container Size	"Kitchen" Food Waste Pail	32 gal	64 gal
			96 gal	
6.	Color	<u>Green</u>	<u>Various</u>	<u>Various</u>
7.	Durability (in service years)	<u>10</u>	<u>10</u>	<u>10</u>
8.	Cost of Each Container	<u>\$25</u>	<u>\$50</u>	<u>\$50</u>
9.	Dimensions of Each Container (Length x Width x Height)	<u>N/A</u>	<u>24x38x19</u>	<u>32x42x24</u>
10.	Wheel Size (carts only)	<u>N/A</u>	<u>10"</u>	<u>10"</u>
11.	Manufacturer's warranty (10-year minimum for carts)	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>

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EXHIBIT 15
List of City's Personal Property

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EXHIBIT 15					
List of City's Personal Property					
Unit #	Asset #	Description	License	VIN	In-service Date
7007	V7007	95 FORD F450	E027492	1FDLF47G0SEA77944	1995
7011	V7011	99 VOLVO WXR64 REFUSE TRUCK	E371086	4VMECMUEXXN785770	2/3/00
7012	V7012	99 VOLVO WXR64 REFUSE TRUCK	E371087	4VMECMUE3XN785769	2/24/00
7013	V7013	98 PETERBILT FRONT LOADER	E371089	1NPZLPPX-1-XD711665	4/4/00
7014	V7014	98 PETERBILT FRONT LOADER	E371093	1NPZL00X4XD711868	1/2/00
7015	V7015	2000 VOLVO WXR64 FULLY AUTO	E1036256	4V2EC2UE5YN243135	2/2/00
7016	V7016	2000 VOLVO WXR64 FULLY AUTO	E1036262	4V2EC2UE1YN252088	2/13/01
7017	V7017	2000 VOLVO WXR64 FULLY AUTO	1062268	4V2EC6UEX1N320241	1/18/01
7018	V7018	2001 COMMERCIAL FRONT LOADER	1062296	4V2HC6UE91N319689	4/23/01
7019	V7019	2002 VOLVO AUTOCAR	1132418	5VCHC6UE33N194245	7/30/02
7020	V7020	2002 VOLVO AUTOCAR	1132417	5VCHC6UE33N194246	7/18/02
7021	V7021	04 AUTOCAR CNG AUTOMATED	1175289	5VCEC6LEO4H200247	4/15/04
7022	V7022	04 AUTOCAR FAU CNG	1183071	5VCEC6LE24H200248	4/29/04
7023	V7023	04 AUTOCAR CNG ROLLOFF	1183124	5VCDC6LE24H200293	6/4/04
7024	V7024	04 AUTOCAR/AMREP CNG FRL	1122331	5VCH6FE74H200299	8/11/04
7025	V7025	04 AUTOCAR/BRIDGEPORT CNG	1210074	5VCEC6FE04H200924	12/12/05
7030	V7030	06 FORD F350 STINGER TRANSFER	1164773	1FDWF36596ED10720	7/2/06
7032	V7032	2007 Peterbilt Roll-Off CNG	1242961	3BPZLZ0X37F717794	10/26/07

EXHIBIT 15
List of City's Personal Property

Unit #	Asset #	Description	License	VIN	In-service Date
7033	V7033	2007 Peterbilt Automated CNG	1242960	3BPZLZ0XX7F717792	10/26/07
7034	V7034	2007 Peterbilt Automated CNG	1243324	3BPZLZ0X17F717793	10/26/07
7035	V7035	2007 Peterbilt Commercial CNG	1243320	3BPZLZ0X87F717788	11/1/07
7037	V7037	2007 Peterbilt Commercial CNG	1243321	3BPZLZ0XX7F717789	11/20/07
7038	V7038	2007 Peterbilt Commercial CNG	1243322	3BPZLZ0X67F717790	11/12/07
7040	V7040	99 VOLVO WX-64 ROLL TRUCK	E371077	4VMDCMPE4WN762720	1/11/00
7041	V7041	2007 Peterbilt Commercial CNG	1243323	3BPZLZ0X87F717791	10/11/07
7049	V0549	90 FORD SERVICE TRUCK	E337145	2FDLF47G1L67088	1990
STREET SWEEPERS					
4401	V4401	2000 Broom Bear Street Sweeper	E1043236	1FV6HJBAXYHF15204	2/14/00
4402	V4402	2000 Broom Bear Street Sweeper	106446	1FVABTAKX1HG77034	12/6/00
4403	V4403	03 ELGIN CROSSWIND STREET SWEEPER	1166426	49HAADB34DM87113	1/15/04
COLLECTION CONTAINERS AND SPARE PARTS					
Collection Carts	Approximately 74,000 of various sizes		Carts in service and at the City's corporation yard		
Collection Bins and debris Box Containers	Approximately 820 bins and 67 debris boxes: 145 – 2 CY bin 180 – 3 CY bin 450 – 4 CY bin 45 – 6 CY bin 8 – 17 CY debris box 19 – 30 CY debris box 40 – 50 CY debris box		Bins and Debris Box containers in service and at the City's corporation yard		
Spare Parts	Various		Limited to spare parts as stock items at City Corporation Yard for refuse vehicles and containers		
Currato Cans	Four (4)				

3122
3123

EXHIBIT 16
Displaced Employee Transfer / Compensation

EXHIBIT 16 Displaced Employee Transfer / Compensation	
Hourly salary	Will retain current hourly pay
Current Medical Plan	Kaiser HMO Employee only: \$13.86/week Employee plus one dependent: \$18.92/week Employee plus family: \$21.46/week
Current Dental Plan	Option of United Concordia DMO or PPO. No cost for DMO plan. PPO plan costs \$2.31/week for employee or \$3.46/week for employee plus dependent or family
Current Vision Plan	Through EyeMed. Employees can go to participating provider or provider of their choice for reduced out-of-network benefits. Company pays 100% of monthly premium
Current Life insurance AD&D	Through Lincoln Life. Company pays 100% of monthly premium for basic life and AD&D (\$25,000 each)
Current Living care – benefit	Benefits available through Lincoln Life. 50% of the amount of life insurance benefit is available in case of terminal illness (not to exceed \$100,000)
Current Supplemental life insurance	Additional term life insurance can be purchased for employee or dependents. Premiums dependent on age and amount of coverage and are deducted on an after-tax basis
Cobra Payments for Insurance	Hemet employees will receive full cobra coverage for 3 months from date of hire
Current Retirement	401k plan available through The Principal. Each employee may contribute up to maximum allowable by IRS (\$16,500). Company will match 50% of employee's contribution up to the first 4% of eligible pay. Vesting of company's contribution is graduated over 6 years of service. Employee contributions 100% vested
Seniority	All employees will be transferred in at current hourly rate of pay and current seniority level
Prescheduled vacation	Will be honored as long as coverage has been established so there is no customer impact

EXHIBIT 16	
Displaced Employee Transfer / Compensation	
Sick leave	3 sick days per year. Accrual begins 90 days after start of employment
Paid holidays	Company recognizes the following 6 national holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day. Employees scheduled to work on one of these holidays will be paid normal hourly wage plus one and one half (1-1/2) times for time worked on that holiday unless otherwise stated. Employees also receive 2 floating holidays
Vacation time	Years 0-2: 5 days/year Years 3-7: 10 days/year Years 8-13: 15 days/year Years 14-above: 20 days/year Accrual begins 90 days after start of employment
Retention bonuses	\$1,000 per employee (\$500 paid immediately, and an additional \$500 paid after 6 months of employment)
Guaranteed minimum payout period	6 months beginning on December 1, 2011
Severance policy	Depends on length of service. Hemet employees will be guaranteed 1 month of severance if terminated as a lay-off due to a reduction in force after six months of service
Displaced street sweeping employees	Will be retained in current capacity

EXHIBIT 16

Displaced Employee Transfer / Compensation

**Displaced City
Employee
Employment
Eligibility**

Background Checks – CR&R uses an outside service (Data Check) to perform the background checks. Data Check is a professional pre-employment background investigation firm performing background checks as its normal course of business. There are several items that Data Check will review, they are:

- Previous Employment
- Driving Record
- Criminal Record (having a criminal record will not automatically disqualify a person from employment)

DOT Physical - Includes:

- Blood Pressure check
- Vision exam
- Urine test for diabetes or infection
- Drug Test
- Medical History review
- Review of current medications.

Minimum CDL requirements:

- Two years commercial driving experience in class A or B trucks with air brakes
- Clean driving record supported by a current H-6 from DMV

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