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AGENDA
TUOLUMNE COUNTY BOARD OF SUPERVISORS
Solid Waste Committee
SPECIAL MEETING
August 31, 2022, at 1:00 p.m.

This is a Virtual/Remote Meeting Only
ZOOM MEETING
Meeting ID: 821 2913 2559
Passcode: 196435

1. **INTRODUCTIONS**

2. **ASSEMBLY BILL 361**
Consideration of Adopting Re-Authorizing Resolution 2022-07 Making Findings in Support of Remote Meetings Pursuant to AB361 (Modified Brown Act Procedures During a Declared Emergency).

3. **PUBLIC FORUM**
The public may speak on any item not on the printed agenda. No action may be taken by the Committee. The amount of time allocated for the public forum is limited to 15 minutes.

4. **COMMITTEE BUSINESS**
   A. Consideration of the Minutes of the meeting on August 10, 2022

5. **ACTION ITEMS**
   - Consideration and recommended approval of the Cal Sierra/Waste Management Inc. waste transfer station franchise agreement 10-year extension.

6. **COMMITTEE MEMBER REPORTS**

7. **NEXT MEETING** – October 12, 2022

8. **ADJOURNMENT**

The Board of Supervisors Solid Waste Committee serves as an advisory group to the Board of Supervisors by reviewing, commenting on and recommending new and/or modifications to existing policy related to the Solid Waste Collection, management and disposal systems within the County.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Department of Public Works at (209) 533-5601. Notifications 48 hours prior to the meeting will enable the County to make reasonable arrangements to ensure accessibility to this meeting

FINDINGS OF THE SOLID WASTE COMMITTEE/LOCAL TASK FORCE RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE PERIOD AUGUST 31, 2022-SEPTEMBER 30, 2022 PURSUANT TO THE RALPH M. BROWN ACT.

WHEREAS, all meetings of SOLID WASTE COMMITTEE/LOCAL TASK FORCE and its legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and view the legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions and requirements; and

WHEREAS, a required condition of Government Code section 54953(e) is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558(b); and

WHEREAS, a further required condition of Government Code section 54953(e) is that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body holds a meeting to determine or has determined by a majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, on March 4, 2020, Governor Newsom issued a Proclamation of a State of Emergency declaring a state of emergency exists in California due to the threat of COVID-19, pursuant to the California Emergency Services Act (Government Code section 8625); and,

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-07-21, which formally rescinded the Stay-at-Home Order (Executive Order N-33-20), as well as the framework for a gradual, risk-based reopening of the economy (Executive Order N-60-20, issued on May 4, 2020) but did not rescind the proclaimed state of emergency; and,

WHEREAS, on June 11, 2021, Governor Newsom also issued Executive Order N-08-21, which set expiration dates for certain paragraphs of the State of Emergency Proclamation dated March 4, 2020 and other Executive Orders but did not rescind the proclaimed state of emergency; and,

WHEREAS, as of the date of this Finding, neither the Governor nor the state Legislature have exercised their respective powers pursuant to Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent Finding the state Legislature; and,

WHEREAS, the California Department of Industrial Relations has issued regulations related to COVID-19 Prevention for employees and places of employment. Title 8 of the California Code of Regulations, Section 3205(5)(D) specifically recommends physical (social) distancing as one of the measures to decrease the spread of COVID-19 based on the fact that particles containing the virus can travel more than six feet, especially indoors; and,

WHEREAS, August 10, 2022, the SOLID WASTE COMMITTEE/LOCAL TASK FORCE previously adopted Finding No. 2022-06, finding that the requisite conditions existed for the SOLID WASTE COMMITTEE/LOCAL TASK FORCE to conduct remote teleconference meetings without compliance with Government Code section 54953 (b)(3), as authorized by Section 54953(e); and,

WHEREAS, as a condition of extending the use of the teleconferencing provisions for another 30 days beyond the Finding adopted on August 10, 2022, pursuant to Government Code Section 54953(e), the SOLID WASTE COMMITTEE/LOCAL TASK FORCE must reconsider the circumstances of the state of emergency that exists and find that either the state of emergency continues to directly impact the ability of the members to meet safely in person or state or local officials continue to impose or recommend measures to promote social distancing; and,

WHEREAS, the SOLID WASTE COMMITTEE/LOCAL TASK FORCE has reconsidered the circumstances of the state of emergency and finds that state or local officials continue to impose or recommend measures to promote social distancing, based on the California Department of Industrial Relations regulations related to COVID-19 Prevention, specifically, Title 8 of the California Code of Regulations, Section 3205(5)(D), continuing to remain in effect; and,

WHEREAS, as a consequence, the SOLID WASTE COMMITTEE/LOCAL TASK FORCE does hereby find that it may continue to conduct their meetings by teleconferencing without compliance with Government Code section 54953 (b)(3), pursuant to Section 54953(e), and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed by Government Code section 54953(e)(2).

NOW, THEREFORE, BE IT RESOLVED, FOUND AND ORDERED by the SOLID WASTE COMMITTEE/LOCAL TASK FORCE State of California, in regular session assembled on August 31, 2022 does hereby find as follows:

Section 1. Recitals. All of the above recitals are true and correct and are incorporated into this Finding by this reference.

Section 2. Reconsideration of the State of Emergency. The SOLID WASTE COMMITTEE/LOCAL TASK FORCE has reconsidered the circumstances of the state of emergency that continues to exist and was proclaimed by the Governor through a State of Emergency Proclamation on March 4, 2020.

Section 3. State or Local Officials Continue to Impose or Recommend Measures to Promote Social Distancing. The SOLID WASTE COMMITTEE/LOCAL TASK FORCE hereby proclaims that state officials continue to impose or recommend measures to promote social (physical) distancing based on the continuance of California Department of Industrial Relations regulations related to COVID-19 Prevention through Title 8 of the California Code of Regulations, Section 3205(5)(D).

Section 4. Remote Teleconference Meetings. The SOLID WASTE COMMITTEE/LOCAL TASK FORCE is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Finding including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date. This Finding shall take effect immediately upon its adoption and shall be effective until the earlier of (i) September 30, 2022 or (ii) such time the SOLID WASTE COMMITTEE/LOCAL TASK FORCE adopts a subsequent Finding in accordance with Government Code section 54953(e)(3) to extend the time during which its legislative bodies may continue to teleconference without compliance with Section 54953(b)(3).

ADOPTED this ___ day of _______________, 2022 by the SOLID WASTE COMMITTEE/LOCAL TASK FORCE, by the following vote:

YES:

NO:

ABSENT:

ABSTAIN:

COUNTY OF TUOLUMNE CALIFORNIA

Department of Public Works

Kim MacFarlane, P.E.
Director

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MINUTES
UNAPPROVED
Board of Supervisors Solid Waste Committee (BOSSWC)
Wednesday, August 10, 2022, at 1:00p.m.

PRESENT: Supervisor Ryan Campbell; Supervisor David Goldemberg, Matt Hawkins; Sonora City Council Member, Monique Holcomb; At-Large Public Committee Member; John La Torre Jr., At-Large Public Committee Member.

STAFF: Kim MacFarlane, Director of Public Works; Jim McHargue, Solid Waste Director; Diane Green, Solid Waste Specialist; Amy Welch, Solid Waste Technician I; Monique Figueroa, Solid Waste Technician I, Emma Hawks, Assistant to the Department Head.

GUESTS: Vanessa Barberis, Public Sector Manager Waste Management, Brad Cea, Public Sector Director Waste Management: Jim Garcia; District Manager Waste Management, Dave Vaccarezza; Cal Waste Recovery Systems, Beverly Britts; A member of the public.

CALL TO ORDER

Supervisor Ryan Campbell called the meeting of August 10, 2022, to order at 1:02 p.m. Supervisor Campbell suggested we introduce ourselves first then address Assembly Bill 361 Consideration of Adopting Resolution 2022-06 Making Findings in Support of Allowing Remote Meetings Pursuant to AB361 (modified Brown Act Procedures During a Declared Emergency).

Jim McHargue, Solid Waste Director stated this was a standard action that we take every month re-authorizing the resolution.

Supervisor Campbell asked if there was any public comment. None noted.

It was moved by Sonora City Council Member Hawkins and seconded by Public Committee Member Holcomb.

Supervisor Campbell Called for the vote: Ayes; 5 Noes; 0; Abstain 0.

Motion Carried 5 – 0 - 0

PUBLIC FORUM

Supervisor Campbell asked if anyone had any public comments at this time. This is the part of the meeting where a member of the public can speak on any item not on the agenda, no action can be taken, and fifteen minutes will be devoted to public comments.

Beverly Britts, a member of the public shared her thoughts on a program she helped start in Baja, CA called "No Mas Basura" (No More Garbage). This program had purchased a glass crusher that could turn glass bottles into resources such as sand for concrete counter tops, water filtration systems, and walkways. Ms. Britts also mentioned that single use plastics are being made into building blocks using steam and compression.

Supervisor Campbell asked the committee if we could have a discussion later regarding the glass crusher and how that could benefit Tuolumne County.

Councilman Matt Hawkins and Supervisor David Goldemberg both agreed that Ms. Britts ideas are worth exploring.

Public Committee Member Monique Holcomb states that she is interested in recycling non-recyclable plastics to create building blocks for fencing that Tuolumne County could then offer to residents and businesses' that are experiencing problems with illegal dumping on their properties.

Public Committee Member John La Torre thanked Ms. Britts for her time and information and requested that we add her ideas to the agenda for a later meeting.

Mr. McHargue mentioned that these types of ideas are what excites and motivates us here in the Solid Waste Department. Being able to take waste materials that we created and instead of throwing them away, we can turn them into new products that the public can then utilize.

Ms. Britts thanks everyone for their enthusiasm and attention for her ideas and information.

Supervisor Campbell asks if it is ok to extend the time for public comment.

Everyone agreed.

Jason Revord, 1Pileatatime mentions that they are not seeing a huge amount of illegal dumping currently but what he does notice is that there is a lot of roadside trash. Majority of this debris is coming from vehicles and garbage trucks.

Supervisor Campbell states we all need to do our part when it comes to roadside trash, please make sure you tarp your loads and retrieve any debris that comes from your vehicle.

Mr. Revord states that if the garbage trucks were to make sure their backs are clear before taking off that would eliminate some of the roadside trash.

Dave Vaccarezza, Cal Waste Recovery Systems would like to invite anyone who would like to take a tour of their Materials Recovery Facility (MRF) in Galt CA. There have been a lot of remodeling and changes to their facility, and he welcomes anyone who would like to visit.

COMMITTEE BUSINESS

A. Consideration of the Minutes of the meeting on July 13, 2022

Supervisor Campbell asked if anyone had any public comments.

It was moved by Supervisor Goldemberg and seconded by Councilman Hawkins to approve the Minutes of the July 13, 2022, meeting.

Supervisor Campbell called for a vote: Ayes 5; Noes 0; Abstain 0.

Motion carried 5 – 0 – 0

B. Updates

- **Treated Wood Waste**

Mr. McHargue reviewed with the committee the concerns that we have been discussing these past months. Mainly how treated wood waste is being handled, the specific requirements and the fees associated with disposing of treated wood waste. There has been a lot of discussion between the County and Cal Sierra/Waste Management and although we are not there, we are closer to nailing down what the current standards are. This is a work in progress.

Brad Cea, Area Sales Director Waste Management agrees with Mr. McHargue and states that they should have some updates to the County by the end of the week.

Supervisor Campbell asks if there are any questions.

Supervisor Goldemberg states he appreciates everyone's time and effort's in working on this issue.

C. Clarification by Cal Sierra/Waste Management on the Water, Sewer, and Trash rate adjustment index.

Mr. McHargue stated he had an update on the three outstanding questions the committee had for Cal Sierra/ Waste Management regarding the new proposed Water, Sewer, and Trash (WST) Index. First was that the draft collection agreement we had brought to the committee last month had stated a time of April to March for the CPI adjustment period. That change has now been made to July 1st of the prior year to June 30th of the current year. The new rate will take place the following January 1st. The second issue was the comparison of the previous index, which was the Consumer Price Index (CPI) All Urban Consumers – All Items . The committee wanted to know why we were comparing the old method in previous years when we are focusing on a new and different method which is the WST index. Mr. McHargue wanted to state that it was important to look at the previous way of doing things because that was our reality. Then we wanted to show a comparison of what could have been if we were using the new method, by doing so we are comparing two different perspectives and we could have a better idea of what to expect from the new specific WST Index. The last thing to clear up was the verbiage on page 13 of the draft agreement, it has now been changed to specifically state WST index Rate.

Mr. Cea stated that Cal Sierra/Waste Management wanted to clarify some issues that the

County was having with both indexes. He provided a chart that compares the current CPI and the proposed WST Index. There's a 12-month average provided from June of the previous year to June of the current year and at the bottom you can see that over 9 years the average for the CPI was 3.35% and the WST Index average was 3.61%.

Mr. La Torre asked for Mr. McHargue's opinion on this matter.

Mr. McHargue stated that this really shows what we are trying to accomplish. The chart gives us a realistic view. Mr. McHargue stated that it is in his experience that most waste companies use the WST Index because it just makes more sense. Another thing to consider is that in June 2022 you see that spike of 6.80% for the CPI whereas the WST Index is at 3.90%, much more stability in that. This is a very similar comparison and makes sense to use it.

Mr. Cea went on further to state that he provided Mr. McHargue a 12-month calculation of the All-Urban Index as well as the WST Index and how Cal Sierra/Waste Management arrived at the 3.90% Consumer Price Index Percentage Difference. Mr. McHargue wanted to remind everyone that when we first started the conversation of a new index Cal Sierra/Waste Management had suggested a 3.90% rate adjustment in lieu of a new CPI and it just so happens that they both ending up matching.

ACTION ITEMS

- **Consideration and recommended approval to the Board of Supervisors, for the meeting on September 6, 2022, of the Cal Sierra/Waste Management Inc. waste collection franchise agreement and the 10-year extension.**

Mr. McHargue clarified that in our last meeting our committee did act however, it was for a referral to the Board of Supervisors when we needed to recommend and approve. Mr. McHargue stated his verbiage was off and takes full responsibility for having to bring this item back to the committee.

Supervisor Campbell asked if anyone had any comments. None noted.

It was moved by Councilman Hawkins and seconded by Public Committee Member Holcomb.

Supervisor Campbell called for a vote: Ayes 5; Noes 0; Abstain 0.

Motion carried 5 – 0 – 0

Mr. McHargue informs the Board of Supervisor's Solid Waste Committee (BOSSWC) that we will need to have a special meeting on August 31, 2022, at 1:00 pm regarding the Cal Sierra/Waste Management Inc. waste transfer station franchise agreement.

Supervisor asked if there were any comments. None Noted.

Supervisor Campbell asked for a motion.

It was moved by Supervisor Goldemberg and seconded by Councilman Hawkins.

Supervisor Campbell called for a vote: Ayes 5; Noes 0; Abstain 0.

Motion carried 5 – 0 – 0

- **Consideration and recommended approval to the Board of Supervisors, for the meeting on September 6, 2022, of the Cal Sierra/Waste Management Inc. waste transfer station franchise agreement extension.**

Mr. McHargue stated that the agreement is not yet ready for review so therefore a special meeting will be needed. There are 7 specific areas that needed to be addressed and they are as follows: term, rate adjustments, insurance, recycling, household hazard waste, green waste, and treated wood waste. Once we have discussed these items with Cal Sierra/Waste Management we will bring an agreement back to the BOSSWC on August 31, 2022, for review.

Mr. Cea thanked Mr. McHargue, Cody Nesper, Kim MacFarlane, and the Board of Supervisors for all their help during these negotiations.

Supervisor Campbell asked if there were any comments. None noted.

No action is needed at this time, we will bring this item back to the BOSSWC on August 31, 2022.

Mr. Cea provided the website https://sustainability.wm.com/ where you could go to view what Waste Management is doing not only as a company but locally as well. You can schedule a tour of their facility where they process as much recycling as possible.

Ms. Holcomb wanted to thank Cal Sierra/ Waste Management for being a leader in recycling.

COMMITTEE MEMBER REPORTS

Mr. McHargue updated the BOSSWC that we are in the process of hiring a new Solid Waste Administrative Assistant. Monique Figueroa, Solid Waste Administrative Technician has been promoted to Solid Waste Technician I.

Supervisor Goldemberg thanked Mr. Cea for the update and would like to schedule a tour of Cal Sierra/Waste Management's MRF.

NEXT MEETING

There will be a special meeting on August 31, 2022, at 1:00 pm.

ADJOURNMENT

Supervisor Campbell asked if anyone had anything further to comment.

Seeing none, Supervisor Campbell adjourned the meeting at 2:28 p.m.

Next regular scheduled meeting will be September 14, 2022.

CAL SIERRA/WASTE MANAGEMENT

TRANSFER STATION FRANCHISE AGREEMENT

1. TERM:
   Current agreement allows for a 5-year term extension. CS/WM has requested a 10-year term extension.

2. RATE ADJUSTMENTS:
   Payment section (rate adjustments) has been changed to the mirror language in the waste collection agreement (CPI changed to Water, Sewer and Trash and Extraordinary Adjustment included).

3. INSURANCE:
   Insurance section has been updated to standard county insurance requirements.

4. RECYCLING:
   Signage will be added to transfer station informing customers that they can take segregated and clean recycling, to the buy-back center at no cost. Transfer station scale house staff will inform customers they can reduce disposal costs by taking recycling to the CS/WM recycle center.

5. HHW:
   Cooperation with County on annual Household Hazardous Waste (HHW) collection event at the Sonora transfer station and provision of no cost non-HHW waste disposal.

6. GREEN WASTE:
   Four annual green waste Dollar Drop-Off Days at Sonora transfer station to help with the wildfire threat due to vegetation.

7. TWW:
   Treated Wood Waste (TWW) accepted at Sonora transfer station with no special fee or charge. The County may consider a special rate in 2023 for TWW, if proposed by CS/WM, provided substantive changes from the state's Alternative Management Standards in effect prior to 1/1/21 can be demonstrated.

AMENDED AND RESTATED
FRANCHISE AGREEMENT FOR TRANSFERRING, PROCESSING, TRANSPORTING AND ARRANGING FOR DISPOSAL OF SOLID WASTE

THIS AMENDED AND RESTATED AGREEMENT ("Agreement") is made and entered into at Sonora, California, this November 1, 2022 ("Effective Date"), by and between the County of Tuolumne ("County") and Cal Sierra Disposal, a Waste Management company ("Franchisee"). This Agreement amends and restates that certain Franchise Agreement For Transferring, Processing, Transporting and Arranging for Disposal of Solid Waste, by and between the County and Cal Sierra Disposal, Inc. (the correct legal name of which is Cal Sierra Disposal), dated October 24, 1995, as amended on September 23, 1997, July 7, 1998, August 11, 1999, November 12, 2002, October 6, 2003 and October 13, 2009 ("Original Agreement"). This Agreement supersedes the Original Agreement in its entirety. In consideration of the premises and the terms and conditions herein contained, the parties hereto agree as follows:

AGREEMENT

1. DEFINITIONS

For the purposes of this Agreement, all references to "Title," "Chapter" or "Section" are to the Tuolumne County Ordinance Code and all references to "Article" or "Paragraph" are to this Agreement, unless otherwise indicated. All terms used shall have the same meaning as those defined in Title 7 and as defined herein as follows:

A. **Acceptable Waste** means:

1. Solid Waste, including the categories of commercial Solid Waste, industrial Solid Waste, and municipal Solid Waste, as defined in Title 7, but excluding Unacceptable Waste; and

2. Special Waste, only if agreed to by the Solid Waste Director, Local Enforcement Agency and the Franchisee.

B. **Change in Law** means:

1. Any of the following that occurs after the date of this Agreement:

a) The enactment, adoption, promulgation, modification, or repeal of any federal, state, city, county or other local law, ordinance, code, rule, requirement or regulation; or

b) The issuance of an order, decree or judgment of any federal, state or local court, administrative agency or governmental office or body, to the extent that order, decree or judgment is not also the result of negligence or willful action or failure to act of the party relying thereon, provided that contesting in good faith any order, decree or judgment shall not constitute or be construed as a willful or negligent action of that party; or

c) The imposition of any new material conditions on the renewal of any official permit, license or approval which establishes requirements making the construction or operation of the Transfer Facility, Satellite Transfer Stations, Disposal Site or Vehicles financially more burdensome, as determined by the Solid Waste Director, than the most stringent requirements in effect on January 1, 2022.

2. Notwithstanding the foregoing, the following shall not constitute a Change of Law for purposes of this Agreement:

a) The adoption of, or change, amendment or modification to, any federal, state, local or any other law which imposes or increases a tax, fee or charge upon business activities generally or certain classes of business activities generally, and which is not specifically directed at solid waste disposal and/or solid waste transportation business activities to the exclusion of other business activities not directly related to solid waste.
b) The adoption of, or change, amendment or modification to any law, ordinance, code, rule, regulation or similar requirement by a local governmental body with jurisdiction over the Disposal Site; or

c) The imposition of any material conditions on the issuance of any official permit, license or approval required for the initial commencement of any obligations described in this Agreement.

C. **Designated Hauler** means the person named in writing by the Solid Waste Director, from time to time, to deliver Acceptable Waste to the Transfer Facility or Satellite Transfer Stations under the authority of a franchise or permit issued pursuant to Title 7.

D. **Disposal Site** means:

1. Any landfill or disposal site used by a Franchised Disposer for the final treatment, utilization, processing, or depositing of any Acceptable Waste received under this Agreement which:

    a) Meets the requirements of 40 Code of Federal Regulations, Part 258 as such may be amended from time to time;

    b) Meets that state's requirements for operation; and

    c) Is approved in writing in advance by the Solid Waste Director, which approval will not be unreasonably withheld.

E. **Fees**. Within this Agreement, individual fees are defined as follows:

1. **State/Local Solid Waste Handling Fee** means a privately or governmentally imposed fee, tax, surcharge, or similar charge on waste transfer, processing, transportation or disposal services; the term does not

include federally imposed fees, taxes, surcharges, or other charges levied equally on solid waste handling in all states.

2. **Integrated Waste Management Fee** means the fee remitted by the Franchisee to the County for its operation of the integrated waste management system.

3. **Tipping Fee** means the fee charged to customers at the Transfer Facility and Satellite Transfer Stations.

F. **Franchise Activities** means activities as described in Article II.

G. **Franchised Disposer means** the person(s) authorized by the County to dispose or make arrangements for disposal pursuant to Title 7; this activity does not include Transportation.

H. **Recyclable Household Hazardous Waste** or **Recyclable HHW** means the same as defined within the California Public Resources Code and Health and Safety Code, as amended.

I. **Satellite Transfer Stations** means the solid waste transfer stations which are listed in Exhibit 1 of this Agreement.

J. **Self-Haul** or **Self-Hauler** means those residents of the Service Area that might deliver Acceptable Waste to the Transfer Facility or Satellite Transfer Stations as described in Title 7.

K. **Service Area** means all of the unincorporated geographic areas lying within the boundaries of Tuolumne County.

L. **Special Waste** means a waste which is a hazardous waste only because it contains an inorganic substance or substances which cause it to pose a chronic toxicity hazard to human health or the environment and which meets all of the criteria and requirements of 22 California Code of Regulations section 66261.122 and has been classified a special waste pursuant to 22 California Code of Regulations section 66261.124.

M. **Transfer Facility** means the Cal Sierra solid waste transfer and processing station located on Industrial Drive in East Sonora, California.

N. **Transport** or **Transportation** means the transportation and unloading of Acceptable Waste from the Satellite Transfer Stations to the Transfer Facility and from the Transfer Facility to the Disposal Site under this Agreement.

O. **Unacceptable Waste** means Hazardous Waste, volatile, corrosive, biomedical, infectious, biohazardous, and toxic substances or material, waste that Franchisee reasonably believes would, as a result of or upon disposal, be a violation of local, state or federal law, regulation or ordinance, including land use restrictions or conditions, and waste that cannot be disposed of in Class III landfills; but not including de minimis volumes or concentrations of waste of a type and amount normally found in residential solid waste.

P. **Uncontrollable Circumstances** means any act or event that has had, or may reasonably be expected to have, a material adverse effect on the rights or obligations of a party to this Agreement, or a material adverse effect on the acquisition, construction, start-up, testing, operation, ownership or possession of the Transfer Facility, Satellite Transfer Stations, Vehicles or Disposal Site, if that act or event is beyond the reasonable control of the party relying thereon as justification for not performing an obligation or complying with any condition, under this Agreement. Those acts or events shall include, but are not limited to, the following:

1. An act of God, ice and snow that causes road closures, hurricanes, tornadoes, epidemic, landslide, lightning, earthquake, volcanic eruption, nuclear radiation, fire or explosion, flood or similar occurrence, an act of public enemy, war, blockade, insurrection, riot, general unrest, or restraining of government and people, civil disturbance or similar occurrence, that directly affects the operation of the Transfer Facility, Satellite Transfer Stations, Vehicles or Disposal Site; or

2. The failure of any appropriate federal, state or local agency or public or private utility having operational jurisdiction over, or responsibility to serve any of the Transfer Facility, Satellite Transfer Stations, Vehicles or Disposal Site to provide, maintain and assure the maintenance of any necessary utility which failure is not caused by Franchisee's failure to pay for those utilities or Franchisee's failure to comply with applicable law; or

3. Any strike or labor dispute; or

4. A Change in Law.

Q. **Vehicle** means any piece of equipment used to Transport Acceptable Waste.

R. **Waste Reduction Program** means any County program that reduces the amount of solid waste that would otherwise be disposed of in a landfill, including recycling, composting, salvaging and waste-to-energy projects.

2. GRANT OF FRANCHISE

County grants the Franchisee an exclusive franchise to perform solid waste transfer and/or processing activities within the Service Area, and related Transport, except as provided in (a) and (b) below, and a non-exclusive franchise for arranging for disposal for Acceptable Waste, hereinafter jointly referred to as "Franchise Activities," as described in the Agreement.

A. **Future Franchise**. The County reserves the right to grant franchises to other entities for further processing of Acceptable Waste following processing through the Transfer Facility or other facilities of Franchisee or its affiliates.

B. **Excluded Materials and Activities**.

1. Recyclables that are donated to youth, civic or charitable organizations.

2. Recyclables collected by a permittee under Section 7.12.060 for which the customer is paid a fee, provided that at least ninety-five percent (95%) of all materials collected are recycled.

C. **Arrangement for Disposal.**

1. Continuation. Upon execution of this Agreement by the parties, the Franchisee shall continue arranging for disposal at a Disposal Site for Acceptable Waste accepted at the Transfer Facility.

2. Suspension. The County may suspend, partially or totally, either temporarily or indefinitely, the Franchised Disposer provisions of the Agreement upon one hundred eighty (180) days' prior written notice, and the Franchisee shall cease performance of its obligations as arranger for disposal, under any of the following conditions:

a) The County determines that the Disposal Site does not meet all federal, state and local standards then in effect which are applicable to disposal facilities, and Franchise fails to correct any identified compliance deficiencies within 30 days of receiving notice from the County;

b) There is a Disposal Site that the County deems to be a less expensive (total cost) alternative;

c) The Franchisee fails to perform pursuant to the terms of this Agreement, and Franchise fails to correct any identified performance deficiencies within 30 days of receiving notice from the County; or

d) The County wishes to enter into a direct contractual agreement with a Disposal Site, another Franchised Disposer or a secondary processor.

3. Recommencement. If the County determines that the conditions that caused the suspension of the Franchised Disposer provision are no longer applicable, upon ninety (90) days' written notice from the Solid Waste Director, the Franchisee shall recommence performance of its obligations as arranger for disposal.

4. Specific Severability. This Paragraph shall be severable in respect to this Agreement and shall not invalidate any other provision contained herein. The term of this Agreement as described in Paragraph VIII-A shall not be affected by suspension as provided in this Paragraph.

3. SERVICES AND OBLIGATIONS OF FRANCHISEE

A. Services and Obligations. According to the terms of this Agreement, the Franchisee shall perform the following services and obligations:

1. Comply with Applicable Laws - Obtain Permits. Perform all requirements under this Agreement in a lawful manner in compliance therewith and all applicable federal, state and local laws, regulations, ordinances and permits. Franchisee agrees to make proper application for, and to secure and maintain, all proper permits, licenses and authorizations from County, State or Federal agencies which may have authority over the operation of the Transfer Facility and Satellite Transfer Stations and related transfer, processing, transport and disposal activities necessary to fulfill this Agreement, and to pay the cost thereof. Franchisee shall be named operator on all applicable permits, licenses and authorizations.

2. Continue Franchise Activities, Charges. With respect to the Transfer Facility and Satellite Transfer Stations, the Franchisee shall continue Franchise Activities.

3. Receive Acceptable Waste from Service Area. Receive at the Transfer Facility and Satellite Transfer Stations Acceptable Waste from Self Haulers and Designated Haulers from the Service Area.

4. Waste from Outside Service Area. The Franchisee may accept Acceptable Waste from outside the Service Area without the consent of the County unless directed otherwise as provided herein. The County reserves the right to prohibit the Franchisee from accepting all, or any portion of, waste from outside the Service Area. Such prohibition shall be provided in writing to the Franchisee by the County and Tipping Fees may be adjusted pursuant Paragraph IX-J. If such waste is received, the non-Service Area Tipping Fees will be set as provided in Paragraph IX-J. If Franchisee refuses services on the basis of this Paragraph, County shall indemnify Franchisee in accordance with Paragraph XVI-F.

5. Provide Uninterrupted Service. Receive Acceptable Waste at the Transfer Facility from Self Haulers, and reasonably accommodate Designated Haulers with access to the Transfer Facility as provided in the Operations Plan and approved by the Solid Waste Director, which approval shall not be unreasonably withheld.

6. Charge Tipping Fees. Charge Tipping Fees for services provided under this Agreement as established by resolution of the Board of Supervisors.

7. Transmit Integrated Waste Management Fees. Pay to County the Integrated Waste Management Fees as set by resolution of the Board of Supervisors.

8. Inspect for Unacceptable Waste. Perform reasonable inspections, including load checking, to discover and separate materials from the solid waste which are Unacceptable Waste.

9. Reject Unacceptable Waste. Reject Unacceptable Waste.

10. Report to County Any Rejected Waste. Report, as soon as practicable, to the Solid Waste Director any time Acceptable Waste is rejected.

11. Implement SRRE and HHWE Programs. Recognizing that the California Public Resources Code requires the County to prepare and implement a Source Reduction and Recycling Element (SRRE) and a Household Hazardous Waste Element (HHWE), except as provided in Paragraph 13 below, the Franchisee shall be responsible for implementing provisions of these plans to the extent such plans impose duties upon Franchisee.

12. Facilitate Other System Elements. Within the scope of the Franchise Activities, facilitate the operations of elements of the County's integrated waste management system, including provision of recyclable materials feed stocks to business operations in the Recycling Market Development Zone, the County's Franchised Disposer(s) and other persons directed by the Solid Waste Director to pick up or deliver material at the Transfer Facility.

13. Recover Materials at Discretion of County. Within ninety (90) days of receiving written notice from the County to halt recovery of specified materials, the Franchisee shall discontinue processing Wastes at the Transfer Facility which result in the recovery of specified materials. If the Franchisee continues to sort and remove such materials, the cost for performing those processing operations shall be done at no cost to the ratepayers and shall no longer be included in the costs which make up the Tipping Fee.

14. Process Recyclables. Receive, weigh, process and transport collected Recyclables for market. Franchisee will install signage at the entrance to the Sonora Transfer Station, or near the scale house, informing customers that they can take segregated, clean recycling on the list of acceptable recycling items, to the buy-back center at no cost; and Franchisee will inform customers of this option when customers arrive with segregated, clean recycling on the list of acceptable recycling items.

15. Process Green Waste. Accept green waste and wood wastes at the Satellite Transfer Facility (Earth Resources Facility) and process for re-use and/or market.

16. Recyclables to Market. Transfer possession of, as agreed to by the County and Franchisee, all or part of the recyclables recovered due to Franchise Activities to a market which generates the highest net yield or, with the approval of the Solid Waste Director, to another location.

17. Accept Recyclable Household Hazardous Waste. Provide personnel as may be required to accept Recyclable Household Hazardous Waste and operate permanent Recyclable Household Hazardous Waste collection facilities, provided by the County, as directed by the Solid Waste Director. All other program costs for this Recyclable Household Hazardous Waste facility will be supported by the County, including purchase of capital equipment and the maintenance thereof, facility supplies and equipment, provision of public information, and HHW disposal or recycling costs. In cases where revenues are generated by Recyclable HHW received at the facility, the County shall receive said revenue.

18. Maintain County Equipment. Be responsible for all operation and maintenance costs associated with County-owned equipment. The Franchisee shall be responsible for all damage (normal wear and tear excepted) and shall repair or replace any such damage.

19. Design, Construct and Modify Facilities. Take all steps necessary to acquire and operate facilities in order to fulfill the Franchise Activities. Necessary steps include, but are not limited to, siting, design, permitting and construction of:

a) The Transfer Facility; and

b) Satellite Transfer Stations listed on Exhibit I.

20. Maintain Transfer Facility and Satellite Transfer Stations. Provide all maintenance necessary to keep the Transfer Facility and Satellite Transfer Stations operating so as to meet the requirements of this Agreement.

21. Provide All Necessary Equipment. Provide or make arrangements for, all equipment, vehicles, labor, facilities and supplies necessary to fulfill all Franchise Activities in compliance with the Agreement.

22. Operations Plan. Franchisee shall annually submit to the County an updated operations plan, including, but not limited to, franchise operating plan contents as described in Section 7.16.030. Changes to the operations plan shall be submitted to the Solid Waste Director for approval. Such approval shall not be unreasonably withheld.

23. Coordinate Public Information with County. Coordinate public information documents or media releases regarding the Transfer Facility, Satellite Transfer Stations and their operations with the Solid Waste Director.

24. Conduct Bulky Waste Clean-Up Campaign. The Franchisee agrees to conduct at least two special Bulky Waste Clean-Up Days per year, on dates determined by the Solid Waste Director, where Self Haulers and customers of Designated Haulers can deliver Acceptable Waste free of charge, as described in Exhibit 3 or an equivalent plan approved by the Board. A Bulky

Waste Coupon program may be substituted and conducted as described in Exhibit 3.

25. Conduct Holiday Tree Recycling Program. The Franchisee will accept clean, whole holiday trees from Service Area residents at no charge during regular business houses at the Satellite Transfer Station (Earth Resources Facility) during the month of January.

26. Act as Franchised Disposer. Act as a Franchised Disposer pursuant to the terms of Paragraph II-C. Franchisee shall enter into and maintain agreements with the Disposal Site. Franchisee shall annually provide copies of all disposal agreements for Acceptable Waste to the Solid Waste Director.

27. Provide Evidence of 15 Years' Disposal Capacity. Annually provide evidence of capacity to accommodate the County's solid waste stream for a minimum of fifteen (15) years.

28. Transport Acceptable Waste. Transport and deliver solid waste from the Satellite Transfer Stations to the Transfer Facility and from the Transfer Facility to the Disposal Site or to another location.

29. Submit Contingency Plan for Disposal. Submit to the Solid Waste Director for approval a contingency plan for the disposal of solid waste for short periods of time in the event that 1) the Franchisee's Transfer Facility and Satellite Transfer Stations become unavailable for solid waste disposal, or 2) if the Disposal Site is unavailable for the disposal of solid waste for any reason during the term of this Agreement.

30. Performance Requirements. The Franchisee shall prepare the Performance Requirements pursuant to Paragraph IX-F. The Franchisee's compliance with the Performance Requirements shall be a factor used by the County to determine if, and in what amount, the Franchisee receives any requested Tipping Fee modifications.

4. SERVICES AND OBLIGATIONS OF COUNTY

1. Flow Control. The County shall, to the extent permitted by law, cause all Acceptable Waste originating in the Service Area, as to which County has flow control, and not diverted by legal self-disposal or a Waste Reduction Program, to be delivered to the Transfer Facility or Satellite Transfer Stations.

2. Coordination of Franchises. The Solid Waste Director shall coordinate activities between various franchisees and permittees authorized under Title 7. This coordination includes the right of the County, through the Solid Waste Director, to arbitrate the equipment, transportation devices, Vehicles, machinery, methods and procedures that shall be used when there is a dispute between franchisees and/or permittees.

3. Unacceptable Waste. The County shall have no obligation to inspect the solid waste delivered to the Franchisee's facilities for Unacceptable Waste.

5. EVENTS OF DEFAULT. County reserves the right to exercise the remedies provided below in Section 6 in the event of any of the following, unless such event is capable of cure and has been cured promptly, upon written notice to Franchisee by County ("Event of Default"):

1. If Franchisee defaults in the performance of any material provisions of this Agreement.

2. If Franchisee becomes insolvent, unable or unwilling to pay its debts, or upon listing of an order for relief in favor of Franchisee in a bankruptcy proceeding.

3. If Franchisee knowingly violates any orders or rulings of any regulatory body having jurisdiction over Franchisee relative to this Agreement, provided that Franchisee may contest any such orders or rulings by appropriate proceedings conducted in good faith, in which case no breach of this Agreement shall be deemed to have occurred until resolution of that proceeding.

4. If Franchisee ceases to provide the services required under this Agreement for a period of seven (7) days or more, for any reason within the control of Franchisee.

5. If Franchisee willfully fails to make any payments or reports required under this Agreement and fails to cure such failure promptly after written notice.

6. If Franchisee, one of its officers or managers, is found guilty of a felony relating to services required under this Agreement, or is found guilty of illegal dumping of solid or hazardous waste, and fails to implement corrective action promptly and to the County's reasonable satisfaction.

7. In the event that this Agreement is terminated by County upon the failure of Franchisee to secure and maintain the insurance policies and/or performance bond required under the terms of this Agreement, Franchisee shall be liable to County for any and all damages suffered by County arising out of failure to provide insurance under this Agreement.

Franchisee's failure to perform under the terms of this Agreement by reason of a major disaster, epidemic, or other act of God or other emergency or Uncontrollable Circumstance shall not constitute a breach of this Agreement or Event of Default for purposes of this Agreement.

6. REMEDIES.

1. Sue for actual damages.

2. Terminate this Agreement and sue for actual damages resulting from the breach and termination (this right to sue for damages from termination shall survive the termination by County) following a hearing to determine whether this Agreement should be terminated. In the event County decides to terminate this Agreement, County shall serve ten (10) days' written notice of its intention to terminate upon Franchisee. In the event

County exercises its right to terminate this Agreement, County may, at its option, either directly undertake performance of the services or arrange with other persons to perform the services. In either event, Franchisee shall be liable to County for any expense County incurs in performing the services. In the event County exercises its option under this Paragraph to terminate this Agreement, and directly performs the services; County shall pay to Franchisee, from revenues received by County from customers, any amounts due Franchisee for services performed as of the date of termination, which amount remain unpaid ninety (90) days from such date. If County arranges with other persons to perform the services, County shall ensure that such other persons pay Franchisee the amounts due under this paragraph and agrees to pay such amounts in the event the other persons do not. County may take possession of Franchisee's equipment necessary to perform the services required under this Agreement, and retain it until County can purchase or otherwise acquire equipment suitable for that purpose, but in no event longer than one hundred and twenty (120) days. County shall compensate Franchisee for the reasonable rental value of its equipment during the period County retains possession of it...

3. Seek judicial remedy of specific performance.

4. Foreclose on the performance bond.

5. Pursue any combination of the foregoing or any other remedy provided under this Agreement or as provided by law.

7. WAIVER OF BREACH. The waiver by either party of any breach of any provision of this Agreement is not a waiver of a breach of any other provision, or any subsequent breach of the same provision.

8. TERM AND TERMINATION OF AGREEMENT.

A. Term.

1. Period. The term of this Agreement shall commence on the Effective Date and shall terminate September 30, 2032, unless sooner terminated as hereinafter provided.

2. Effective Date. This Agreement shall become effective upon the date indicated on page one, and will remain in full force and effect for the period described above.

3. Extension of term. Upon mutual agreement at least eighteen months prior to the end of the term in Section 8(a)(i), this Agreement maybe renewed for an additional term of five (5) years.

B. Provision for Buy-Out.

1. County Determines Method of Service. The Franchisee agrees that the County is responsible for determining the method that solid waste services will be provided and that the County has decided that the private sector should provide those services in the form of franchises. The Franchisee acknowledges that the County may determine at a later date that the

Franchise Activities under this Agreement may need to be provided in a manner different than that needed today and may need to make new and separate arrangements for these services. The County reserves the right to make those changes and makes provisions for doing so in this Paragraph by allowing for the right for County to buy out Franchisee as described in Section 8(b)(ii).

2. Termination for Change of Service Method. If the County decides to furnish the Franchise Activities by means other than by this Agreement, it may terminate this Agreement and buy out the Transfer Facility, Satellite Transfer Stations and all other assets used in the operations of the Franchise Activities (except Transportation) provided hereunder by providing six (6) months' written notice to the Franchisee.

3. Buy-out Option upon Termination. If County terminates this Agreement under Section 8(d), it may buy out the Transfer Facility, Satellite Transfer Stations and all other assets used in the operations of the Franchise Activities (except Transportation) provided hereunder.

4. Determination of Asset Value. Upon invoking Sections 8(b)(ii) or (iii), the assets of the Franchisee, including the Transfer Facility, Satellite Transfer Stations and all other assets used in the operations of the Franchise Activities (except Transportation) provided hereunder, and the real property on which the facilities are located as described in the attached Exhibit 4, will be valued by using the market value as determined by the County appraiser, Franchisee's appraiser and a third appraiser chosen by the County appraiser and the Franchisee's appraiser. If such buy-out occurs, the County shall not be required to buy out the entire business from the Franchisee.

C. Uncontrollable Circumstances.

1. Uncontrollable Circumstances Limited. The Franchisee's obligations to perform Franchise Activities and the County's obligations hereunder are subject to Uncontrollable Circumstances that necessarily and unavoidably prevent performance of any component of the Franchise Activities. In any such event, the date for the party's performance shall be deferred for a period of time equal to the time lost by reason of such Uncontrollable Circumstance, provided that the delayed party shall notify the other party of such occurrence and shall cooperate with the other party in minimizing any adverse impact of such occurrence.

2. Notification. The party with knowledge of the occurrence of an Uncontrollable Circumstance shall notify the other of the event and its effect on the Franchise Activities promptly, but in no case more than twenty-four (24) hours after the discovery of the event or such amount of time as is practicable under the circumstances. Notice shall again be given when the effect of the occurrence of an Uncontrollable Circumstance has ceased.

3. Alternative Service Arrangement. In the event that Franchisee fails or is unable to provide the Franchise Activities which it has agreed to perform under this Agreement because of an Uncontrollable Circumstance, Franchisee shall use reasonable business efforts to make available to Solid Waste Director feasible alternative arrangements for the required Franchise Activities, at the prevailing Tipping Fees then in effect for the majority of waste delivered, Transferred, handled, processed or Transported for disposal at such alternate site or location, for the period during which such event continues. Failure of Franchisee to secure alternative arrangements as provided in this Paragraph shall not be deemed a breach of this Agreement, provided that Franchisee has exercised good faith efforts to make such alternative arrangements.

D. Termination for Uncontrollable Circumstances. Subject to the provisions of this Article, if an Uncontrollable Circumstance occurs and prevents the County or the Franchisee from performing under this Agreement for a period in excess of ninety (90) days (except for an increase in or imposition of a State/Local Solid Waste Handling Fee enacted by the County or a change in County law that makes performance impossible), then Franchisee and County shall each have the right, in its sole discretion, to terminate this Agreement for convenience.

E. County Takeover of Assets.

1. Threat to Public Health and Safety. In the event that the County determines that any uncured breach by the Franchisee poses a threat to the public health and safety, the County may, within 30 days of breach of Franchisee, using its own forces or under contract, take over any or all of the Franchisee's assets or equipment in order to provide the Franchise Activities required under this Agreement, and retain it until County can purchase or otherwise acquire equipment suitable for that purpose.

2. Termination of Agreement. The County may exercise the take-over provisions contained in this Paragraph VIII-E if either party terminates this Agreement.

3. Payment for Use of Equipment. Upon invocation of these take-over provisions, County shall compensate Franchisee for the reasonable rental value of its equipment during the period County retains possession of it.

4. Payment of Debts Owed Franchisee. In the event of takeover under Paragraph VIII-E-1, if County directly performs any of the Franchise Activities, County shall pay to Franchisee, from revenues received by County from service customers, any amounts due Franchisee for Franchise Activities performed as of the date of breach or termination, which amounts remain unpaid ninety (90) days from such date. If County arranges with other persons to perform the Franchise Activities, County shall insure that such other persons pay Franchisee the amounts due under this Paragraph and agrees to pay such amounts in the event the other persons do not.

9. PAYMENT

A. Franchisee Fees, Charges and Adjustments to Fees & Charges.

1. Upon the Effective Date of this Agreement, Franchisee's rates and services will be as described in Exhibit A, attached hereto and incorporated herein by this reference. Rates for additional services not specified in Exhibit A shall be as agreed between Franchisee and a customer with written notice to the Solid Waste Director; provided, however, that in the case of a dispute. the dispute shall be submitted to the Solid Waste Director for resolution. Applications for rate increases will be based as follows:

    a) CPI Indexed Rates. The rates approved as part of this Agreement, and all rates established by the Board of Supervisors pursuant to Title 7 hereafter, shall be adjusted annually based on 100 percent of the percentage of change in the Consumer Price Index, series CUUR0000SEHG CPI-U Water and Sewer and Trash Collection Services, as published by the United States Department of Labor, Bureau of Labor Statistics ("CPI"). The CPI adjustment will be calculated using the change in the 12-month annual average of monthly CPI index values between the April to March of the year immediately prior to the adjustment date. Should the Bureau of Labor Statistics of the Department of Labor discontinue publication of the described index, or publish it less frequently, or alter it in any other manner, the parties shall mutually adopt a substitute index or procedure which reasonably reflects and monitors consumer prices. The first CPI adjustment will occur on January 1, 2023, and rates shall be adjusted in the same manner annually thereafter. Adjustments in accordance with the CPI shall be subject to the following qualifications:

        (1) Rates adjusted in accordance with the CPI shall not be greater than six percent (6%) nor less than zero percent (0%) in any one year regardless of the percentage changes in the CPI; and

        (2) In the event Franchise obtains a return on revenues that average more than eight percent (8%) per annum, using a 3-year rolling average, then the Franchise will not be entitled to make a cost of living adjustment for the immediately succeeding year, and continually thereafter so long as the 3-year rolling average of return on revenues exceeds (8%).

        (3) Franchisee shall be entitled to a fair return on revenues. Return on revenues is hereby defined as the ratio of net income to gross revenues. Net income is arrived at by deducting all expenses (including taxes) from gross revenues. In the event Franchisee obtains a return on revenues that averages more than eight

percent (8%) per annum, using a three year rolling average, then Franchisee shall refund full amount above eight percent (8%) to Customers through a rate reduction for the following year.

(4) Adjustment for Extraordinary Costs. The process for effecting any rate adjustment above what is set forth in subsection 1 above shall be made by application. Franchisee may apply to County for consideration of a special interim rate review as provided in Title 7. If, in any contract year, Franchisee incurs extraordinary expenses, over and above the annual CPI increase for reasons beyond Franchisee's control, Franchisee may request an adjustment in rates to compensate for the amount of such increased cost. Nothing herein shall obligate the County to grant such increase, but it shall negotiate in good faith and not withhold approval of such increase where Franchisee has provided reasonably requested documentation, as provided in this Section. If in any contract year Franchisee is subject to (i) a landfill disposal or processing increase, (ii) new or increased governmental fees, charges or other amounts, (iii) increased costs or reduced revenues due to a change in applicable law, (iv) a change in Franchise Services from those provided by Franchisee as of the effective date of this Agreement, all of said increased costs or reduced revenue may be passed through by means of an Extraordinary Adjustment rate increase. In the event that Franchisee requests an Extraordinary Adjustment, the Extraordinary Adjustment shall be based on evidence or data presented by Franchisee that a singular and/or unexpected occurrence has occurred within the past 12 months that has effected and will continue to have a significant financial effect on Franchisee's revenues and/or expenses and that Franchisee's costs for the required franchise services have undergone and will continue to undergo a significant increase or decrease due to this occurrence. The Franchisee shall be responsible for both its and the County's reasonable associated costs to complete the Extraordinary Adjustment. If the increase is due to the imposition of a host fee, the County will review the fees to determine if the increase should be passed through. At County's expense, County may initiate an interim rate review at its option. Any rate review, whether initiated by County or Franchisee, will follow the format specified for in Title 7. Franchisee shall provide written notice to Customers of proposed rate changes

and annual rate pursuant to Title 7. Prior to providing said notice to Customers, Franchisee shall provide said notice to County for review and approval.

B. General Conditions, Modifications and Limitations on Tipping Fees.

1. Reasonable Costs. Tipping Fee components may be increased under Paragraph IX-D only for reasonable costs that are actually incurred for Franchise Activities, net of any available insurance proceeds. Reasonable costs mean actual costs incurred, but are limited to those that would have been incurred by a prudent businessman seeking to maximize profit, yet not extravagant or extreme, consistent with ensuring the lowest possible fees to ratepayers, while maintaining an economical but efficient operation in a monopoly utility market regulated by an elected body answerable to the taxpaying public.
No Tipping Fee increases shall be allowed for any cost increases that are in any way attributable to conditions, structures, operations, or activities caused by the Franchisee or its subcontractors, employees, agents, or servants, or are otherwise within Franchisee's control.
2. Modification of Tipping Fees. On the Solid Waste Director's request, Franchisee shall immediately provide the Solid Waste Director with all documents, information or other evidence in the Franchisee's possession or control that the Solid Waste Director requests to determine whether there is a need to modify the Tipping Fee. The County may at any time modify the Tipping Fee established under this Article upon good cause. If necessary, the County may also modify the Tipping Fees pursuant to Title 7. The Franchisee shall at all times keep the Solid Waste Director informed as to whether any modification remains necessary.

3. Limitations.
   a) The Tipping Fee shall not be increased due to the imposition of any of material conditions on the issuance of any official permit, license or approval required for the initial commencement of any obligations described in the Franchise Agreement.
   b) The Tipping Fee shall not be increased due to an increase in a State/Local Solid Waste Handling Fee unless the Franchisee engages in efforts satisfactory to the County to prevent or reverse the imposition of said fee.

C. Performance Reviews Required for Tipping Fee Modifications.

1. Franchisee Preparation and County Approval. In addition to Title 7 and Paragraph IX-E above, the Franchisee shall be eligible for a Tipping Fee increase pursuant to this Article only if the County determines the Franchisee has adequately fulfilled all Performance Requirements described herein. The Performance Requirements developed by the Franchisee shall be approved by the County and may be modified by the County from time to time. The Performance Requirements shall be prepared or revised by the Franchisee and submitted to the County for approval, prior to any request by the Franchisee for a rate increase.

2. Criteria for Performance Requirements. The Performance Requirements shall include goals that are specific, measurable and attainable while describing how the Franchisee will meet, at a minimum, the following Performance Requirements criteria:

Element 1 - PREPARATION AND STARTUP - Scheduling of Preparation and Startup Activities; Staffing; Facilities Operating Plan; Commencement Dates.

Element 2 - FUNCTIONAL REQUIREMENTS - Scheduling; Management; Quality of Performance; General Waste Receiving and Transfer Operation; Drop- off Recyclable Household Hazardous Waste Facility; Separation and Recycling; Special Wastes; Public Information Area; Marketing of Recovered Materials.

Element 3 - FACILITIES MANAGEMENT Data Collection; Billing and Reporting; Public Information; Staffing; Safety and Emergency Response Procedures and Training.

Element 4 - FACILITIES OPERATIONS - General; Days and Hours of Operation; Scale Operations; Traffic Management; Waste Transfer and Disposal; Safety Plan; Accident Report; Unacceptable Waste; Contingency Operations; Unloading of Designated Haulers.

Element 5 - FACILITIES MAINTENANCE - Buildings; Scale Maintenance; Roads and Pavements; Cleaning.

Element 6 - TRANSPORTATION OPERATIONS - General Requirements; Maintenance and Repairs; Storage; Optimum Loading for Transport.

3. Establishment of Criteria and Performance Requirements.
Performance Requirements are to be proposed by the Franchisee. The initial proposal is based on the criteria cited above. The proposed Performance Requirements are due to the Solid Waste Director 180 days after execution. The County may modify the list of criteria and the Franchisee must submit new proposed Performance Requirements thirty (30) days after receiving notice. The County may approve as proposed, may modify and approve, or may return the Performance Requirements to Franchisee for alteration and resubmission.

D. Tipping Fee Decreases.

1. Acceptable Reductions. Subject to the provisions of this Article and Title 7, the Tipping Fees shall be reduced one hundred percent of any reduction in Franchisee's cost of performance, or necessary County incurred costs, under the Agreement if the reduced costs are attributable to one or more of the following:

a) Franchisee's cost of performance under the Agreement, if the reduced costs are attributable to a reduction in any component of the Tipping Fee to which the Franchisee has no control; or

b) Franchisee's average rate of return exceeds eight percent (8%) as provided in Paragraph IX-C.

2. Notice. The Solid Waste Director shall serve the Franchisee with notice and explanation of the request that the Franchisee reduce Tipping Fees. Within thirty (30) days of service of that notice, the Franchisee shall respond in writing to the Solid Waste Director. The written response shall state whether or not the Franchisee believes that any reduction in the Tipping Fees is justified and shall

itemize any reduction in cost of performing the Agreement. The Franchisee shall fully document and otherwise support its response to the Solid Waste Director's notice under this Section. The Solid Waste Director shall submit its recommended decrease to the Board of Supervisors with the information submitted by the Franchisee. If, after reviewing the information submitted by the Solid Waste Director and Franchisee, the Board determines that the decrease is warranted, the Board shall send notice to the Franchisee to reduce the Tipping Fees within seven

(7) days. After receiving the Board's notice to reduce the Tipping Fees, the Franchisee shall institute the fee and/or rate reduction.

3. Cancellation of Reductions. Upon petition of the Franchisee, the Board of Supervisors may at any time cancel reductions made under this Paragraph if the Board determines that the need for the reduction has expired or that a reduction was made in error. The Franchisee shall at all times keep the Solid Waste Director informed as to when any reduction is appropriate and when any reduction is no longer appropriate. The cancellation of any reduction shall not individually, or in the aggregate, allow the Tipping Fees to exceed those established by the County pursuant to Title 7.

E. Tipping Fee Collection, Reporting and Payments to County. The Franchisee shall collect the Tipping Fees and shall remit the Integrated Waste Management Fee in the manner described below. The remittance shall be accompanied by a report setting forth the basis and calculations used for computing the amount due. The figures used shall agree with the general books of account of Franchisee.

1. Monthly Rate Report. No later than the fifteenth day of each month, Franchisee shall provide the Solid Waste Director with a report itemizing the Tipping Fees received by date, delivered loads, other fees or charges authorized by this Agreement (for example, charges assessed for handling any Unacceptable Waste discovered in the delivered load), monthly average load weight per trip to the Disposal Site, and other information as Solid Waste Director may instruct in writing from time to time.

2. Statement of Tipping Fees Collected. The Franchisee shall provide to the Solid Waste Director, by the fifteenth day of each month, a statement in a format acceptable to the Solid Waste Director and accompanied by supporting documentation as required by the Solid Waste Director detailing Tipping Fees collected or imposed by the Franchisee under this Agreement in the preceding month.

3. Payment of Integrated Waste Management Fee. The Franchisee shall accompany submittal of reports with payment of the Integrated Waste Management Fee in accordance with Solid Waste Director's written instructions to Franchisee, or, in the absence of any written instructions, to the County Collections office. Integrated Waste Management Fees will be due and payable in accordance with the following:

a) Collections from Customers. Franchisee shall collect Tipping Fees, at the time of Acceptable Waste deposit, from all persons other than a charge account Designated Hauler who delivers Acceptable Waste at the Transfer Facility or Satellite Transfer Stations, and shall remit all Integrated Waste Management Fees associated with the waste delivered by those customers.

b) Collections from Designated Haulers. The Franchisee shall submit to the Solid Waste Director a copy of the statement of Tipping Fees due and owing for the preceding month from Designated Haulers. Franchisee shall pay County the portion of the Integrated Waste Management Fee due to the County within fifteen (15) business days of Franchisee's due date for invoices to the Designated Hauler regardless of the state of collection on that account by the Franchisee.

4. Billing Schedule Adjustment. The parties may, from time to time and by mutual consent expressed in writing between the Franchisee and Solid Waste Director, change the frequency of Integrated Waste Management Fee payments to the County required by this Paragraph.

F. Integrated Waste Management Fee Payment Disputes. All unresolved disputes concerning the calculation of, or adjustment to, Integrated Waste Management Fee payments shall be resolved in accordance with Article XIV. However, the undisputed portion of the Integrated Waste Management Fees shall be made effective promptly; further adjustment shall be made effective upon the resolution of the dispute under Article XIV.

G. Rate Setting for Non-Service Area Customers. Should the Franchisee, pursuant to Paragraph III-A-4 of this Agreement, permit the use of the Transfer Facility or Satellite Transfer Stations by customers outside the Service Area, the rate setting mechanisms described in this Paragraph and Title 7 will be used. At no time shall the Franchisee charge Tipping Fees for non-Service Area customers at levels lower than the Tipping Fees charged for Service Area customers. Should the addition of Acceptable Waste from non-Service Area customers benefit the Franchisee's operation from an economy of scale, the revenues from the non-Service Area customers shall be used to lower the Tipping Fees established for Service Area customers. Upon the prohibition of the receipt of non-Service Area Acceptable Waste, pursuant to Paragraph III-A-4, the Franchisee may petition for a rate modification as provided in this Article.

H. **Review.** For the purposes of preparing the County budget and reviewing the Tipping Fees, by March **1** of each year, the Franchisee and Solid Waste Director shall meet at a time and place of mutual convenience to discuss costs, operations, performance and other matters that may be of mutual interest to the parties.

10. REPORTS.

A. **Monthly Waste Reports**. The Franchisee shall provide the following information in a format requested by the Solid Waste Director:

1. Daily totals for scale weight or volume and Acceptable Waste type of all inbound and outbound loads, including residential and commercial delivery vehicles, collection vehicles, and other containers.

2. Monthly quantities of tires, wood, construction, demolition and yard waste; and any Special Waste received.

3. Monthly quantities of each type of Recyclable Household Hazardous Waste received.

4. Monthly summary of the Acceptable Waste transfer history showing, for each Disposal Site or processing facility used, the total number of loads and tonnage for each load.

5. Information pertaining to the handling of any Unacceptable Waste as required in the Agreement.

6. Total solid waste handled, in tons and yards as applicable, from the Service Area over the month.

7. The percentages of Acceptable Wastes received, processed, diverted and/or recycled for purposes of compliance with various reporting mandates.

8. Total solid waste and the percentages of Acceptable Wastes which quantifies all material delivered to the Disposal Site each month.

9. A summary of the above mentioned data for each city within the County of Tuolumne or other entity outside the Service Area that delivers Acceptable Wastes to the Transfer Facility.

10. A summary of the types and amounts of recyclables conveyed to market from the Transfer Facility.

Said report shall be submitted to the Solid Waste Director prior to the fifteenth (15th) day of the following month. Audits of such reports may be conducted by County pursuant to Section 11.

B. Quarterly Operations Reports. The Franchisee shall provide summaries of the following information in quarterly operations reports, in a format requested by the Solid Waste Director:

1. Equipment and Transfer Facility maintenance records, (only necessary when non-routine or extraordinary maintenance occurs).

2. Equipment replacement records, (only necessary when major equipment is replaced).

3. Customer or other complaints and recommended actions, (every quarter). Quarterly reports for the preceding quarter shall be delivered to the Solid Waste Director no later than January 31, April 15, July 15 and October 15 of each year.

C. Annual Summary Reports. The Franchisee shall provide a reviewed annual report that incorporates a summary of the monthly waste reports and quarterly operations reports for the preceding year. The annual report for each year shall be delivered to the Solid Waste Director no later than January 31 of the following year.

11. ACCOUNTING RECORDS: AUDITS AND INSPECTIONS

Franchisee agrees to maintain complete records relating to its performance of this Agreement. Franchisee shall at any time during business hours, and as often as the Solid Waste Director or Auditor Controller may deem necessary, make available to the Solid Waste Director or Auditor Controller for examination all of its records and data with respect to the matters covered by this Agreement. Franchisee shall, upon request by the Solid Waste Director or Auditor Controller, permit the Solid Waste Director or Auditor Controller to audit and inspect all of such records and data necessary to ensure Franchisee's compliance with the terms of this Agreement.

12. ACCESS TO FACILITY.

Franchisee agrees to allow for access by Solid Waste Director and shall allow bona fide representatives of County to inspect Franchisee's facilities from time to time for compliance with this Agreement and for information seeking purposes.

13. MAINTENANCE OF CORPORATION AND AGREEMENT EXISTENCE.

A. Non-Conversion of Assets. Franchisee covenants that it will maintain its corporate existence, will not voluntarily dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more entities to consolidate with or merge into it; provided, however, that Franchisee may consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve with the prior written approval of the County. If a consolidation, merger, sale or transfer is made as permitted by this Paragraph, the provisions of this Paragraph shall continue in full force and effect and no further consolidation, merger, sale or other transfer shall be made except in compliance with the provision of this Article.

B. No Assignment of Agreement. Franchisee shall not, directly or indirectly, by operation of law or otherwise, assign, or transfer this Agreement or any interest therein, without the prior written consent of County. Any attempt to do so without that consent shall be null and void, and any assignee or transferee shall acquire no right or interest by reason of such attempted assignment or transfer.

C. Modified Terms. County may impose any modified or new terms and provisions of this Agreement as a condition of its approval to any consolidation, sale, merger, assignment or transfer as provided for in Sections 13(a) and (b) above.

14. DISPUTE RESOLUTION.

With respect to any dispute or disagreement between the parties arising out of or related to this Agreement, ("Disputed Matter"), other than determinations or decisions the authority for which is granted to the County, through the Board of Supervisors or any of the County's officers or agents, by this Agreement, and other than decisions which are appealable to the Board of Supervisors under Title 7, either party shall have the right to submit the Disputed Matter in accordance with the following dispute resolution hierarchy until the Disputed Matter is resolved: 1) to the Franchisee's facility manager and an appointee of the Solid Waste Director, 2) to such senior executives as may be mutually agreed upon by the parties from time to time, and 3) to the President of Franchisee and Solid Waste Director. If such executives do not agree upon a decision within fifteen (15) days after reference of the matter to them, the parties are free to pursue any legal or equitable remedies available to them.

Pending the resolution of any Disputed Matter, the parties shall continue their performance under this Agreement.

15. PUBLIC SOLID WASTE DISPOSAL

A. Posting of Hours and Rates. Franchisee shall post in plain view a sign indicating the hours each facility or station is open to the public and the cost of services provided by the Franchisee at that location.

B. Franchisee's Right to Refuse Service. The Franchisee reserves the right to refuse service to any person, party or entity that is delinquent in paying for said facilities services, creates a nuisance or health risk, disobeys applicable laws and regulations or for any reason fails to abide by the rules, directives and policies as may be adopted by the Franchisee which are consistent with this Agreement and Title 7. Franchisee shall notify Solid Waste Director of those persons, parties or entities refused service.

16. INSURANCE.

A. Submittal of Policies. Franchisee, prior to award of franchise, shall maintain at its own expense at all times the following insurance with insurance companies licensed in the State of California and shall provide evidence of such insurance to the County as may be required by the Risk Manager of the County. The policies or certificates thereof shall provide that, thirty (30) days prior to cancellation notices of same shall be given to the Risk Manager of the County or delivered in person to Risk Manager. Coverage shall be at least as broad as:

1. Worker's Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

2. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than $2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

3. Automobile Liability: ISO Form Number CA 00 20 covering any auto (Code 1), or if Franchisee has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than $1,000,000 per accident for bodily injury and property damage.

If the Franchisee maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Franchisee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

Fidelity Bond. A fidelity bond with limits of not less than Thirty Thousand Dollars ($30,000.00) per occurrence. The County, its elected and appointed officials, officers, employees, agents and volunteers, individually and collectively, shall be names as co-obligee or additional insured on such bond, but only insofar as the operations under this Agreement are concerned.

B. Additional Insurance Requirements. The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. Additional Insured Status. The County, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Franchisee including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Franchisee's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

2. Primary Coverage. For any claims related to this contract, the Franchisee's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the Franchisee's insurance and shall not contribute with it.

3. Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be canceled, except with thirty (30 days' notice to the County.

4. Waiver of Subrogation. Franchisee hereby grants to County a waiver of any right to subrogation which any insurer of said Franchisee may acquire against the County by virtue of the payment of any loss under such insurance. Franchisee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

5. Self-Insured Retentions. Self-insured retentions must be declared to and approved by the County. The County may require the Franchisee to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or County.

6. Acceptability of Insurers. Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the County.

7. Verification of Coverage. Franchisee shall furnish the County with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to County before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Franchisee's obligation to provide them.

8. Special Risks or Circumstances. County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

C. Performance Bond. All bonds required herein shall be issued by a surety. For purposes of this Paragraph, the word "bond" shall mean any bond, letter of credit or other financial guarantee acceptable to the Risk Manager, and provided to guarantee or provide the funds to guarantee the performance of the Franchisee's obligations under this Agreement.

Fourteen (14) days prior to the date of commencement of Franchise Activities as described in Section 3(a)(ii), the Franchisee shall provide a one-year contract performance bond ("Performance

Bond"). The Franchisee shall provide a new Performance bond, or evidence satisfactory to the Risk Manager of the Performance Bond's renewal, at least ninety (90) days before the Performance Bond then in effect expires. The amount of the Performance bond for the first year of the Agreement shall be $250,000 and modified each year thereafter to an amount set by the Risk Manager but not to exceed 50% of the Transfer Facility Operation plus Transportation Cost for the prior year. The Performance Bond shall be in the form acceptable to the Risk Manager.

D. Indemnification.

1. Franchisee shall hold harmless, defend and indemnify County and its officers, officials, employees and volunteers from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with Franchisee 's performance of work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the County.

   If such indemnification becomes necessary, the County Counsel for the County shall have the absolute right and discretion to approve or disapprove of any and all counsel employed to defend the County. This indemnification clause shall survive the termination or expiration of this Agreement.

2. CERCLA. In the event Franchisee, when acting as the Franchised Disposer pursuant to Section 2(c), disposes or arranges for disposal of solid waste in any Disposal Site (except one owned by the County), Franchisee shall hold harmless, defend and indemnify County audits officers, employees, agents, assigns, and any successor or successors to County's interest from and against all claims, actual damages (including but not limited to special and consequential damages), natural resource damage, punitive damages, injuries, costs, response and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including, but not limited to, attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against, County or its officers, employees, agents or Franchisee arising from or attributable to repair, remediation, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, or closure or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substance or Hazardous Waste at any place (except one owned by the County) where Franchisee stores or disposes of solid or Hazardous Waste pursuant to this Agreement. The foregoing indemnity is intended to operate as an Agreement pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 United States Code Section 9607(e), and California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify

County from liability. Nothing in this Section is meant to preclude Franchisee from recovering any fees from generator of hazardous waste, placed in the waste stream by generator.

3. No Diminishment. Inspections, reviews and approvals by the County as provided in the Agreement shall not diminish the Franchisee's obligations, rights and responsibilities or create any County liability for the Transfer Facility, Satellite Transfer Stations or the Franchisee's operation thereof.

4. Survival. This Section shall survive termination of this Agreement.

E. Indemnification of Franchisee. County shall indemnify and hold Franchisee harmless from and against any and all damages, liability, claims, suits, costs and expenses, whatsoever, regardless of the merit or outcome of any such claim or suit, arising out of a refusal of service based on the Franchisee's compliance with Section 3(a)(iv). This obligation shall be limited exclusively to a claim or cause of action based on the refusal of service and shall not include any other claim or cause of action that may be alleged. In this regard, indemnification shall be apportioned to the time and expense directly attributed to the refusal of service claim or cause of action. Moreover, County shall indemnify and hold Franchisee harmless from and against any and all damages, liability, claims, suits, costs and expenses, whatsoever, regardless of the merit or outcome of any such claim or suit, arising out of the County's operation of equipment or facilities as described in Section 6(b)

17. SUBCONTRACTORS

A. Franchisee Responsibility. All applicable provisions and requirements of this Agreement shall apply to any subcontracts of Agreement. The Franchisee shall be held responsible by the County for the performance of any subcontractors.

18. INDEPENDENT CONTRACTOR

In the performance of the work herein, it is mutually understood and agreed that Franchisee, including any and all of Franchisee's officers, agents, subcontractors and employees, will at all times be acting and in the performance of the work herein, it is mutually understood and agreed that Franchisee, including performing as an independent contractor, and shall act in an independent capacity and not as an officer, agent, subcontractor, servant, employee, joint venturer, partner, or associate of the County. However, County shall retain the right to administer this Agreement so as to verify that Franchisee is performing its obligations in accordance with the terms and conditions thereof.

Because of its status as an independent contractor, Franchisee, or its officers, agents, subcontractors, servants or employees, shall have absolutely no right to employment rights and benefits available to County employees. Franchisee shall be solely liable and responsible for providing to, or on behalf of, its employees all legally-required employee benefits. In addition, Franchisee shall be solely responsible and save County harmless from all matters relating to payment of Franchisee's employees, including compliance with Social Security, withholding, and all other regulations governing such matters.

19. ENTIRE AGREEMENT; AMENDMENT.

This Agreement and all documents, exhibits and attachments incorporated herein constitute the entire understanding of the parties hereto and supersedes any and all prior or contemporaneous representations or agreements, whether written or oral, between the parties, including, without limitation, the Original Agreement, and cannot be changed or modified unless in writing signed by all parties hereto. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

20. NOTICES.

A. **Notice to Parties**. In the event either party to this Agreement shall need to serve notice on the other respecting this Agreement, such notice shall be served by personal delivery or by certified mail addressed to the following addresses, unless and until different addresses may be furnished in writing by either party to the other:

County
Solid Waste Director
County of Tuolumne
2 South Green Street
Sonora, CA 95370

Franchisee
District Manager
Cal Sierra Disposal
14959 Camage, Sonora, CA 95370

With a copy to :
Public Sector Director
100 Vassar Street
Reno, NV 89502

B. **Effect of Service**. Such notice shall be deemed to have been served the day after the same has been deposited in a United States Post Office by certified mail or has been delivered personally.

21. JURISDICTION; VENUE; SEVERABILITY.

This Agreement shall be administered and interpreted under the laws of California. Jurisdiction and venue of any litigation arising from the Agreement shall be in the County of Tuolumne, State of California. If any part of the Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall be in full force and effect.

22. ARTICLE AND PARAGRAPH REFERENCES.

Any Articles or Paragraphs mentioned in this Agreement by number only, without reference to another document refer to those Articles or Paragraphs contained in this Agreement. All headings contained in this Agreement are for convenience and reference only. They are not intended to define nor shall they limit or affect the scope of any provision of this Agreement.

23. EXECUTION.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first hereinabove written.

[ADD SIGNATURES]

EXHIBIT 1 - SATELLITE TRANSFER STATIONS

1. Pinecrest Transfer Station
   No Street Address
   Pinecrest, CA
   Solid Waste Facility Permit #55-AA-0003

2. Cal Sierra Earth Resource Facility
   14909 Carnage Avenue
   Sonora, California 95370

(b) EXHIBIT 2 - TIPPING FEES AS OF EFFECTIVE DATE NOVEMBER 1, 2022

	Self Haul	Franchised Hauler
Franchisee Compensation	$70.60/ton	$67.60/ton
Integrated Waste Management Fee	$34.30/ton	$28.30/ton
Tipping Fee	$104.90/ton	$95.90/ton

The rate schedule for the Cal Sierra Transfer Station was set by Resolution No. 183-04. The rate schedule for the Pinecrest Satellite Facility is included in Resolution No. 183-04.The rate schedule for the Earth Resources Facility was set by Resolution No. 182-03.

EXHIBIT 3

HHW – GREEN WASTE - TWW

- Household Hazardous Waste Drop-off Day: Franchisee will cooperate with County by hosting the County's existing annual HHW Drop-off event and will provide one (1) 40-yard debris box for non-HHW waste generated during the annual event.

- In an effort to collaborate with the County on addressing the high fire risks due to green waste in the county, Franchisee will conduct Dollar Dump Days at Slash Transfer Station: All County residents may deliver up to 1 yard of yard waste and tree trimmings for a price $1.00 once per quarter for a total of four (4) times per calendar year.
- Because the changes to Treated Wood Waste (TWW) handling, effective January 1, 2021, by state Department of Toxic Substances Control Department have been reversed, Franchisee will accept Treated Wood Waste at the same rate as non-treated wood waste and will not charge any additional surcharges, fees or special rates.

BULKY WASTE CLEAN UP COUPON PROGRAM FOR TUOLUMNE COUNTY

The Franchisee will provide the following program as the countywide Clean Up Program through the term of the Agreement or as modified as mutually agreed between the Franchisee and County.

The Franchisee will provide two coupons per year redeemable at the Cal Sierra Transfer Station to self-haul customers with four (4) transfer stations receipts as proof of disposal within a twelve month period. These coupons will be valid from January 1 to December 31 of each year through the term of the Agreement. Customers will pick up the coupons at the Franchisee's office, currently located at 14959 Carnage Avenue, Sonora.

The Franchisee will accept valid coupons from residential collection service customers that have been issued coupons by their Franchised Hauler.

The following restrictions apply:

Two (2) Coupons per year, per person with four (4) valid transfer station receipts or per household solid waste collection account.

Only the Tuolumne County citizen who signed the coupon will be able to redeem it. (valid ID. will be required)

Each coupon will be valid only for the period specified on the coupon. (Freon appliances will require the then current established fee for freon removal with presentation of coupon)

Each coupon is good for up to one (1) cubic yard. Materials for disposal may include items, such as junk, bulky waste or one appliance, or one piece of furniture.

Both coupons can be redeemed at the same time or on separate dates. No Household Garbage or Hazardous Waste is permitted.

The County will waive the per ton Integrated Waste Management Fee. The Franchisee which issues the coupon will be responsible for the remaining dollar value of the coupon. The Franchise will pay the value of the coupon at the rate of $60.65 per ton or $7.28 per yard

EXHIBIT 4

Franchise Activities Assets

Exhibit A

ASSET LIST- 2009

835370	1994	CAT 936F LOADER,	8AJ01152
838867	2004	2004 VOLVO L120E WHEEL LOADER	L120EV64489
838910	2000	2000 VOLVO L40 WHEEL LOADER	L40TPD1920266
858359	2008	2008 HYSTER H50FT	LI77B24205F
852288	1981	ACME WATER TRUCK	1FDPK84N2CVA24381
		LINEMANN BALING SYSTEM, Model 726-100 2-Ram Baler	
		SCALES, Flexway Corp, DWMiiV S22677	
		LOADING RAMP	
		TIPPING CONTAINERS: 6-3 CUBIC YARDS	
		DEBRIS BOXES: 5-40 CUBIC YARDS, 2-20 CUBIC YARDS	
		STORAGE CONTAINERS: 3-20 FOOT	
		HAZARDOUS MATERIAL STORAGE CONTAINER:	
	1995	ONE TRANSFER STATION/MRF METAL BUILDING: 16,080 SQ. FT.	
	1996	WAREHOUSE METAL BUILDING: 4,500 SQ. FT.	
		LAND: 19309 Industrial Drive, 3.59 acres Zoned M-1	Assessor Parcel# 61-040-33
		2.70 acres Zoned M-1	Assessor Parcel # 61-040-02