

SECOND AMENDMENT TO AGREEMENT FOR SOLID WASTE HANDLING SERVICES

This Second Amendment (the "Second Amendment") to the Agreement for Solid Waste Handling Services between the City of Fullerton (hereinafter "City") and MG Disposal Services, LLC (hereinafter "Contractor" and/or "MG") is made and entered so as to be effective as of May 1, 2019 ("Second Amendment Effective Date").

1. RECITALS

A. City and MG entered an agreement entitled Agreement for Solid Waste Handling Services effective as of March 1, 2009 (the "Agreement").

B. The Agreement was amended by a written agreement (the "First Amendment") effective as of February 5, 2013.

C. MG is an affiliate of Republic Services, Inc., a Delaware corporation ("Guarantor"), and Guarantor has entered into a written Guarantee Agreement (the "Guarantee") with City related to MG's performance pursuant to the terms of the Agreement and the First Amendment.

D. The State of California enacted AB 1826, requiring the implementation of mandatory commercial organics recycling, which services are not currently covered by the Agreement.

E. Contractor in consideration for entering this Second Amendment has proposed a program to enable City to comply with the requirements of AB 1826, and has agreed to implement the programs set forth in this Second Amendment (including without limitation all noted Collection and processing services, outreach and assistance to City with monitoring and reporting) at rates that do not exceed maximum rates set forth herein.

F. The parties now desire to enter this Second Amendment for the purpose of setting forth their agreements and understandings with respect to the implementation of a program to achieve compliance with AB 1826, while leaving all other aspects of the Agreement, as amended by the First Amendment, unchanged.

G. Guarantor has reviewed this Second Amendment and remains willing to apply the Guarantee it provided in connection with Contractor's performance under the Agreement as amended by the First Amendment to this Second Amendment, and accordingly has executed the Acknowledgment and Consent set forth below reflecting the application of the guarantee it has provided to Contractor's performance hereof.

2. COVENANTS

Section 1. Reimbursement of Costs. As a prerequisite to the effectiveness of this Second Amendment Contractor shall pay to City an amount equal to the actual legal and consulting costs incurred by City in administering the Agreement, including specifically all legal

fees and consultant fees incurred in connection with this Second Amendment pursuant to Section 11.2 of the Agreement. All such amounts are to be paid within 30 days of being presented with an invoice therefore by City.

Section 2. Amendments to implement AB 1826. In order to implement AB 1826 the following provisions shall apply:

A. Amendment to Definitions:

Section 2 of the Agreement is hereby amended to add the following defined terms:

AB 1826. “AB 1826” shall mean the Organic Waste and Recycling Act of 2014 (Chapter 27, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as “AB 1826,” as amended, supplemented, superseded, and replaced from time to time.

Food Waste “Food Waste” shall mean all kitchen and table food scraps; animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; discarded paper that is contaminated with Food Waste; fruit waste, grain waste, dairy waste, meat, and fish waste, which has been source separated from other Solid Waste. Food Waste is a subset of Organic Waste.

Green Waste “Green Waste” shall mean leaves, grass clippings, brush, branches, and other forms of organic materials generated from landscapes or gardens, which have been Source Separated from other Solid Waste. Green Waste is a subset of Organics Waste.”

Organic Waste “Organic Waste” shall mean Food Waste, Green Waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper that is mixed in with food waste.

Organic Waste Processing Facility “Organic Waste Processing Facility” shall mean a permitted Facility where Organic Waste is sorted, mulched or separated for the purposes of Recycling, reuse or composting.

B. Amendment to Section 8.3 to Add Organic Recycling Services. Section 8.3 of the Agreement is hereby amended to add a new Section 8.3.5 which shall read as follows:

- **8.3.5 Organic Waste Recycling Program for Commercial Premises and Multi-Family Dwelling Customers**

- (a) Contractor shall offer Organic Waste recycling services to all Commercial Premises, all Multi-Family Dwellings and all City Facilities. Contractor shall be responsible for ensuring that the Organic Waste recycling services it offers meet the requirements of AB 1826. Contractor shall make available information related to its Organic Waste recycling program and shall promote said program through its website, mailers, brochures, billing inserts, email content, social media, and online announcements.

- (b) Contractor shall be responsible to ensure that all Organic Waste it Collects is delivered to a properly permitted Organic Waste Processing Facility where it is processed in a manner that complies with AB 1826, using methods that are approved by the California Department of Resources, Recycling and Recovery (CalRecycle) so as to ensure the handling of such Organic Waste qualifies for diversion credit.
- (c) Section 8.1.6 of the Agreement, is hereby amended such that City consents to Contractor commingling Organic Waste Collected in connection with Organic Waste Recycling services provided pursuant to this Second Amendment (and no other Solid Waste) with Organic Waste Collected in other jurisdictions. City's consent to commingling of Organic Waste Collected by Contractor is subject to Contractor utilizing a methodology satisfactory to the City Manager to account for Organic Waste collected within the City for purposes of reporting, rate adjustments or any other reason deemed relevant by the City Manager. The City Manager is authorized to withdraw the City's consent to the commingling of Organic Waste authorized by this provision in his/her absolute and sole discretion if he determines that doing so is necessary or convenient to protect the City's interests.
- (d) Commencing May 1, 2019, Contractor shall offer Organic Waste recycling services at rates based on Container size and service frequency that do not exceed the maximum rates set forth in Exhibit A. to all Customers who meet the compliance thresholds of AB 1826. Contractor shall offer Organic Waste Recycling services using either a 1.5-cubic yard Bin or a sixty-four (64) gallon Cart, each to be collected one to three times per week. AB 1826 enables CalRecycle to require the implementation of Organic Waste recycling services in 2020 to Customers that generate two-cubic yards or more of Solid Waste per week under certain circumstances. Should that occur, Contractor shall also offer Organic Waste recycling services using a thirty-five (35) gallon Cart at rates that do not exceed the maximum set forth in Exhibit A.
- (e) On behalf of City, Contractor shall regularly identify opportunities for, barriers to, and incentives for Organic Waste recycling, and shall engage in Customer education and outreach related to Organic Waste recycling, all in a manner that ensures City is in compliance with its related obligations pursuant to AB 1826. The method(s) by which Contractor contacts Customers for these purposes, unless otherwise specified, may be by any reasonable means Contractor desires (which may include direct mail, email, telephone calls, site visits and/or such other methods as Contractor reasonably deems appropriate), provided that such methods result in compliance with all obligations of AB 1826, and any related requirements of CalRecycle.
- (f) In the event Contractor encounters a contaminated Organic Waste Container, Contractor shall document the contaminated container using a driver on-board system, forward the message to Dispatch and retain photos of the incident. Contractor shall advise the Customer that the Contractor will return not later

than the following business day and will provide typical Solid Waste Collection service for the contaminated Container. In addition, Contractor shall provide the Customer with education materials related to the appropriate items to be placed in the Organic Waste Container. In addition to the monthly rate charged for Organic Waste recycling services, Contractor may charge Customers a Contamination Fee not exceeding that set forth in Exhibit A for servicing each contaminated Organic Waste Container.

- (g) Contractor shall identify Commercial Premises that create large amounts of Organic Waste, including specifically hotels, business parks, Multi-family Dwelling Customers, and Customers engaged in food service operations (i.e., restaurants, grocery stores, hospitals, corporate cafes, and bakeries.) Once identified, Contractor shall engage in education and outreach efforts, including specifically by providing access to employee training materials, in order to encourage such Customers to utilize Organic Waste recycling services. Contractor shall specifically advise such Customers if they are not in compliance with AB 1826. If necessary for compliance with AB 1826, or if requested by CalRecycle, Contractor shall conduct visual waste audits of Commercial Premises and Multi-Family Dwellings to evaluate the Organic Waste service requirements and service level needs. If required to ensure City's compliance with AB 1826, or if requested by CalRecycle, Contractor shall annually conduct Customer surveys and onsite waste assessments of Commercial Premises and Multi-Family Dwelling Customers subject to the requirements of AB 1826, including those that do not receive Contractor provided Organic Waste recycling, utilize an in-house program, donate edible foods to charitable organizations, and/or recycle Organic Waste using a third party vendor. Contractor shall provide copies of waste assessments performed each quarter until January 2020 or later if requested by CalRecycle or City and submit copies of all waste assessments as part of the annual report to the City in accordance with Section 14(C) of this Second Amendment. In the event a Customer which is subject to the requirements in AB 1826 refuses Contractor provided Organic Waste recycling services, and does not report to Contractor that it achieves compliance with AB 1826 through other methods (such as in-house recycling, food donations, or a third party recycling program) Contractor shall provide the City with Customer's name, address, contact information and such other information available to Contractor as may be requested by City or CalRecycle, in a format approved by City, for inclusion with State reporting.
- (h) Contractor, with such support from City as may be reasonably necessary, shall perform at least the following outreach to Customers at Commercial Premises and Multi-Family Dwellings:
- (i) Initial Direct Mailing Outreach to be performed by Contractor
- Immediately following the Second Amendment Effective Date, Contractor shall prepare a multi-lingual letter regarding the

requirements of AB 1826 for City approval. Upon receipt of City approval the letter shall be printed using the City's electronic letterhead and mailed or delivered by Contractor to all Commercial Premises and Multi-Family Dwelling Customers, informing such Customers of the availability of Contractor-provided Organic Waste recycling services and the requirements for compliance with AB 1826. The letter shall note that participation is mandatory under State law for Customers that meet the participation thresholds under AB 1826.

(ii) Initial Direct Mailing Out of Compliance Outreach to be performed by Contractor

- Within 90 days of the Second Amendment Effective Date, Contractor shall prepare a letter for City approval, and mail or deliver it to all Customers who are not in compliance with AB 1826 utilizing Contractor's database. The letter shall explain the requirements of AB 1826, detail the Customer's specific reasons for non-compliance, and explain the annual reporting requirements to CalRecycle. The letter is to be printed using the City's electronic letterhead. Contractor shall concurrently provide City with a list of all Customers who are not in compliance with AB 1826 (including but not limited to a contact person, service and billing addresses, phone number, email, account notes and any other information reasonably necessary) as well as all available information relating to any refusal by the Customer to utilize Organic Waste recycling services, in order that such information may be included in reports to CalRecycle.

(iii) Annual Outreach to be performed by Contractor

- Contractor, in coordination with City, shall annually contact all Customers who are not in compliance with AB 1826 and shall explain the requirements of AB 1826, detail the Customer's specific reasons for non-compliance, and explain the annual reporting requirements to CalRecycle. Contractor shall annually provide City with a list of all Customers who are not in compliance with AB 1826 (including but not limited to a contact person, service and billing addresses, phone number, email, account notes and any other information reasonably necessary) as well as all available information relating to any refusal by the Customer to utilize Organic Waste recycling services, in order that such information may be included in reports to CalRecycle.

(iv) Contractor shall perform at least the following ongoing outreach efforts:

- Provide Organic Waste recycling information to all Commercial Premises and Multi-Family Dwelling Customers, including Step by Step process; guidelines for new employee training; do's and don'ts of separation; signage examples; source reduction suggestions; links to

online Contractor and City programs/resources; Good Samaritan Law definition; information on environmentally preferable purchasing policies; and resource list of sustainability programs and toolkits from trade organizations like the National Restaurant Association and US Composting Council Curb to Compost Toolkit and/or government agencies like the EPA toolkit for Reducing Food Waste and Packaging and FTC Guidelines on compostable and degradable claims.

- Provide samples of indoor and outdoor Container options and signage.
- Contact or provide information to help identify Customer's "startup team" to implement the program and provide long term support.
- If necessary or if requested by Customers, conduct, comprehensive, in-house, multi-lingual trainings with kitchen and janitorial staff.
- Follow-up and monitor to ensure successful participation, which shall include visual audits and additional training when necessary.
- Create solutions for the identified challenges and waste stream specifics.
- Connect Customers with food donation programs where applicable in order to, among other things, enable compliance with SB 1383.
- Contractor shall produce, keep current, and provide information to the public on AB 1826 and identification of Commercial Premises and Multi-Family Dwelling Customers affected by the legislation.

C. **Amendment to Section 23.2.** Section 23.2 of the Agreement entitled Quarterly Reports is amended by addition of the following to the end of existing language, and all other aspects of Section 23.2 remain unchanged:

Commercial Premises Organic Waste Recycling Program Reporting Requirements:

Contractor shall provide the following to City on a quarterly basis until January 2020, and annually thereafter, in a format approved by the City:

- The total number of Commercial Premises and Multi-Family Dwelling Customers serviced by Contractor that meet the thresholds of AB 1826.
- The number of these Customers that:
 - Subscribe to Contractor's Organic Waste recycling service;
 - Recycle Organic Waste via an in-house program;

- Donate edible food to charitable organizations;
 - Use a third-party vendor for Organic Waste recycling; and,
 - Are without a known Organic Waste Recycling program.
- A listing of all contacts with, and copies of all surveys and onsite waste assessments for those Customers that meet the thresholds of AB 1826, but refuse Organic Waste recycling service.
 - Contact information for all Commercial Premises and Multi-Family Dwelling Customers (as identified in Contractor's data base) that do not have an Organic Waste recycling program.
 - Detailed support documentation for the forgoing as may be reasonably required by City.

D. Discretionary Adjustment to "Total: Maximum Rate to Customer". In order to compensate for costs associated with the State mandated Organic Waste recycling program, City agrees, pursuant to Section 24.8 of the Agreement, to a discretionary adjustment to the otherwise approved maximum rates set forth in Exhibit A applicable to those commercial related services designated on Exhibit A, as "Designated Rates" [see Exhibit A column G]. This adjustment shall not apply to those maximum rates not identified as "Designated Rates" on Exhibit A. The discretionary adjustment will occur as set forth below:

- (a) Except as noted below, upon the Second Amendment Effective Date, the "Sub-Total: Maximum Rate to Customers" [column F of Exhibit A] applicable to each of the Designated Rates [as noted in Exhibit A, column G] shall be increased by 3.21% (the "Organic Waste Collection Adjustment"). The 3.21% Organic Waste Collection Adjustment shall be effective May 1, 2019. The amount of the "Sub-Total: Maximum Rate to Customers" identified in Exhibit A applicable to each of the Designated Rates will be increased by multiplying it by .0321. The sum shall be added to the "Sub-Total: Maximum Rate to Customer" to arrive at the Total: Maximum Rate to Customer [i.e., referring to the columns on Exhibit A: column F + column H = column K]
- (b) Thereafter, the Organic Waste Collection Adjustment will be implemented at the time the annual adjustment to the service component and disposal component to the maximum rates identified in Exhibit A occurs pursuant to Section 24 of the Agreement. It will be implemented in the manner set forth above after the formulas set forth in Section 24 are applied to the service component and disposal component of each maximum rate to arrive at a new Sub-Total Maximum Rate to Customer. Specifically, the "Sub-Total: Maximum Rate to Customer" [Exhibit A column F] for each of the Designated Rates [Exhibit A column G] shall be multiplied by .0321 to arrive at a revised Organic Collection Adjustment [Exhibit A column H]. Then the sums of the new Sub-Total: Maximum Rate to Customer and the new Organic

Waste Collection Adjustment shall be combined to arrive at a new Total: Maximum Rate to Customers [i.e., referring to the columns on Exhibit A: column F + column H = column K].

- (c) In order to take into account increases for processing costs incurred when Organic Waste is delivered to an Organic Waste Processing Facility pursuant to the terms of this Second Amendment, commencing July 1, 2019 an additional adjustment shall annually occur to the maximum rates associated with the Designated Rates. Specifically, each July 1 the Organic Waste Collection Adjustment set forth above will be adjusted by an amount equal to the percentage arrived at in Column J of the attached Exhibit 2 after applying the formula set forth in Exhibit 2 (the “Organic Waste Processing Adjustment.”) Accordingly, maximum rates shall be adjusted annually each July 1, commencing July 1, 2019, as follows: First, the formula set forth in Section 24 of the Agreement shall be applied to the service component and disposal component with any adjusted totals being combined to arrive at an adjusted Sub-Total: Maximum Rate to Customers [i.e., referring to the columns on Exhibit A: Following application of the formula of Section 24 the revised amounts of column C + column E = column F]. Next, a revised Organic Collection Adjustment [Exhibit A column H] shall be calculated by multiplying the Sub-Total Maximum Rate to Customers [Exhibit A column F] by .0321. This sum, shall then be multiplied by the percentage arrived at in Column J of Exhibit 2 after applying the formula set forth in Exhibit 2, to arrive at the Organic Waste Processing Adjustment [to be inserted in Exhibit A, column I]. Finally, the adjusted Sub-Total: Maximum Rate to Customer and the Organic Waste Processing Adjustment shall be combined to arrive at the new Total Maximum Rate to Customers [i.e., referring to the columns on Exhibit A: column F + column I = column K].
- (d) Effective July 1, 2022, the Organic Waste Collection Adjustment will be further adjusted based on the Rate Adjustment Rebalancing Formula set forth in Exhibit 3 to reflect the actual level of participation in the Organic Waste recycling program. Application of the Rate Adjustment Rebalancing Formula is expected to result in a different factor (i.e., a percent number different [either higher or lower] than the initial 3.21%) to be applied to the “Sub-Total: Maximum Rate to Customers” when annually calculating the Organic Waste Collection Adjustment. Accordingly, the impact of applying the Rate Adjustment Rebalancing Formula is to arrive at a new factor by which to multiply the Sub-Total: Maximum Rate to Customers [Exhibit A, column F] in order to arrive at the Organic Collection Adjustment [Exhibit A, column H]. Once such a new factor is established, it will be used instead of .0321 as noted above for purposes of adjusting maximum rates. Contractor shall be responsible to provide City all data and documentation requested by the City supporting the number of units (tons, hours, container count) and related calculations necessary to implement the Rate Adjustment Rebalancing Formula set forth in in Exhibit 3. Such data shall include any allocation methods used to allocate tons or hours to the City from Organics Collection

routes shared with other cities (i.e., routes in which Organic Waste is commingled as permitted above.)

- (e) If the actual number of tons of Organic Waste Collected as part of the Organic Waste recycling service provided by Contractor in calendar year 2019 or 2020 exceeds the tonnage threshold of 2,470 tons, then the Rate Adjustment Rebalancing Formula set forth in Exhibit 3 may be accelerated and applied earlier than July 1, 2022, so as to be effective July 1, 2020 or July 1, 2021. Contractor shall have the burden of making a written request to City for this acceleration to occur, and such request must be received on or before March 31, of the year for which acceleration is requested. If accelerated so as to apply in 2020 and/or 2021, the Rate Adjustment Rebalancing Formula will be applied to the Organic Waste Collection Adjustment again on July 1, 2021 and July 1, 2022, as applicable. The Rate Adjustment Rebalancing Formula will not be utilized again after July 1, 2022.
- (f) The Rate Adjustment Rebalancing Formula is designed to take into account processing cost increases at the Organic Waste Processing Facility; and, hence, in any year in which the Rate Adjustment Rebalancing Formula is applied, the Organic Waste Processing Rate Adjustment will not be applied as part of the annual process to adjust maximum rates.

E. Amendment to Exhibit A. Exhibit A to the Agreement is hereby replaced in its entirety with a new Exhibit A as more fully set forth below:

(a) Attached hereto as Exhibit 1 is a new Exhibit A which shall become effective May 1, 2019. It provides the maximum rates applicable following adoption of the First Amendment and Second Amendment, and includes maximum rates for all services permitted by the Agreement, as amended by the First Amendment and Second Amendment. It also applies the Organic Collection Adjustment described herein.

(b) The parties acknowledge that included in the revised Exhibit A (Exhibit 1) are maximum rates for Special Services which have been approved by the City Manager pursuant to an administrative adjustment memo (the "Administrative Adjustment Memo") attached hereto as Exhibit 5 for reference. The rates associated with such Special Services are subject to the same formulas set forth in the Agreement as amended by the First Amendment and this Second Amendment.

F. Contractor's Future Organic Waste Processing Facility. The processing cost per ton to be used in Exhibit 2 and Exhibit 3 is based on the tipping fee at the CORE Organic Waste Processing Facility in the City of Orange, owned by a party not affiliated with this Second Amendment. If Contractor develops its own Organic Waste Processing Facility and proposes to use it for processing Organic Waste generated in the City, and provided that Contractor's facility is competitive with market rates, City and Contractor shall meet and attempt to negotiate in good faith an adjustment to the processing cost per ton that reflects the proposed facility's costs, and a method of adjusting the processing cost per ton. The determination of whether such a facility

owned by Contractor is competitive with market rates shall be determined by City in its reasonable discretion.

G. **Exhibit 4.** Exhibit 4 entitled "Documentation of the Rebalancing Adjustment Factor" is hereby incorporated for the sole purpose of providing historical reference to the means by which the calculations in Exhibit 3 were arrived at.

Section 3. Future Services to Business Improvement District. City is contemplating the creation of a Business Improvement District (BID) in its downtown area. It is likely that services not expressly set forth in the Agreement, or the First or Second Amendment, will be required to properly provide Solid Waste Handling to the BID. Any Solid Waste Handling Services deemed appropriate by the City Manager for Customers that are subject to the BID, and which are different or in addition to the provisions of the Agreement, as amended by the First or Second Amendments, are hereby expressly deemed to be "special services" as that term is defined in the Agreement, such that the City Manager is hereby expressly authorized to approve such services as well as maximum rates associated therewith.

Section 4. Unaffected Provisions Remain in Full Force. All provisions of the Agreement, as amended by the First Amendment, excepting for those expressly amended by this Second Amendment, shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Second Amendment to be effective as of the date and year written above.

CITY OF FULLERTON

By: 
Mayor

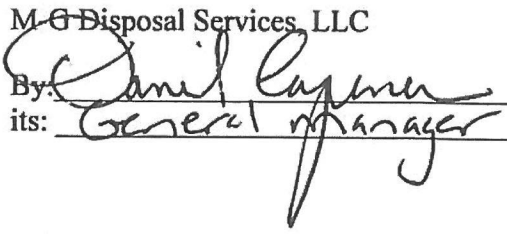
Attest:

By: 
City Clerk

Approved as to form:

By: _____
Rutan & Tucker, LLP, Special Counsel

M-G Disposal Services, LLC

By: 
its: General Manager

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IN WITNESS WHEREOF, the Parties hereto have executed this Second Amendment to be effective as of the date and year written above.

CITY OF FULLERTON

By: _____
Mayor

Attest:

By: _____
City Clerk

Approved as to form:



By: _____
Rutan & Tucker, LLP, Special Counsel

M-G Disposal Services, LLC

By: _____
its: _____

ACKNOWLEDGEMENT AND CONSENT BY CORPORATE GUARANTOR

A. M-G Disposal Services, LLC hereinafter (“Contractor”) is an affiliate of Republic Services, Inc., a Delaware corporation (“Guarantor”).

B. Guarantor has entered a Corporate Guarantee (the “Guarantee”) related to Contractor’s obligations pursuant to the Agreement, and has previously agreed (in connection with the approval of the First Amendment) that said Guarantee applies equally to the obligations of Contactor thereunder.

C. Guarantor hereby acknowledges and consents to the provisions of the forgoing Second Amendment, and agrees that its obligations as set forth in the Guarantee provided as Exhibit C to the Agreement shall comply equally not only to the First Amendment but also to the Second Amendment set forth above as if fully restated with respect to said Second Amendment.

GUARANTOR:

Republic Services, Inc., a Delaware Corporation

By: 

City Of Fullerton
MAY 1, 2019 MAXIMUM RATES FOR SERVICES

EXHIBIT "A"

			Base Maximum Rate for Service	Disposal Component	Maximum rate for Disposal component	Max rate to customer	2019 Organic Increase 3.05%	Total Rate to Customers
Single Family - Basic Rate		\$	17.46	0.09	\$ 3.00	\$ 20.46		\$ 20.46
Additional "Trash" Cart		\$	4.55		\$ 0.70	\$ 5.25		\$ 5.25
Non-Scheduled Service 3 Carts		\$	24.22		n/a	\$ 24.22		\$ 24.22
Cart Exchange > 1x/Yr		\$	37.44		n/a	\$ 37.44		\$ 37.44
New Cart - Misuse		\$	66.25		n/a	\$ 66.25		\$ 66.25
Manure Bin								
1 x p/wk	1.5yd	\$	161.13	0.71	\$ 24.18	\$ 185.31	\$ 5.65	\$ 190.96
2 x p/wk	1.5yd	\$	235.48	1.41	\$ 48.35	\$ 283.83	\$ 8.66	\$ 292.49
3 x p/wk	1.5yd	\$	309.85	2.12	\$ 72.53	\$ 382.38	\$ 11.66	\$ 394.04
4 x p/wk	1.5yd	\$	384.24	2.83	\$ 96.70	\$ 480.94	\$ 14.67	\$ 495.61
5 x p/wk	1.5yd	\$	458.63	3.54	\$ 120.88	\$ 579.51	\$ 17.67	\$ 597.18
6 x p/wk	1.5yd	\$	533.03	4.24	\$ 145.06	\$ 678.09	\$ 20.68	\$ 698.78
Temporary Bin	3yd	\$	77.27		\$ 6.04	\$ 83.31	\$ 2.54	\$ 85.85
Extra Days of Service (Ea)		\$	6.70	n/a		\$ 6.70		\$ 6.70
Apartments		\$	17.46		\$ 3.00	\$ 20.46		\$ 20.46
Bin Rental	3yd	\$	42.66		n/a	\$ 42.66		\$ 42.66
Bin Rental	1.5yd	\$	30.99		n/a	\$ 30.99		\$ 30.99
Hand Stops								
1 x p/wk		\$	24.17	0.15	\$ 4.99	\$ 29.15	\$ 0.89	\$ 30.04
2 x p/wk		\$	48.35	0.29	\$ 9.94	\$ 58.29	\$ 1.78	\$ 60.07
3 x p/wk		\$	72.55	0.44	\$ 14.92	\$ 87.47	\$ 2.67	\$ 90.14
4 x p/wk		\$	96.75	0.58	\$ 19.89	\$ 116.64	\$ 3.56	\$ 120.20
5 x p/wk		\$	120.89	0.73	\$ 24.85	\$ 145.74	\$ 4.45	\$ 150.19
6 x p/wk		\$	145.15	0.87	\$ 29.83	\$ 174.98	\$ 5.34	\$ 180.32
Bin Service								
1 x p/wk	3yd	\$	158.39	0.71	\$ 24.18	\$ 182.57	\$ 5.57	\$ 188.14
2 x p/wk	3yd	\$	231.34	1.41	\$ 48.35	\$ 279.69	\$ 8.53	\$ 288.23
3 x p/wk	3yd	\$	304.29	2.12	\$ 72.52	\$ 376.81	\$ 11.49	\$ 388.31
4 x p/wk	3yd	\$	377.26	2.83	\$ 96.71	\$ 473.97	\$ 14.46	\$ 488.43
5 x p/wk	3yd	\$	450.26	3.54	\$ 120.87	\$ 571.13	\$ 17.42	\$ 588.55
6 x p/wk	3yd	\$	523.21	4.24	\$ 145.06	\$ 668.27	\$ 20.38	\$ 688.66
7x p/wk	3yd	\$	609.52	4.95	\$ 169.22	\$ 778.74	\$ 23.75	\$ 802.49

Note: Any service rate frequency less than 7x per week service, may add Sunday collection service for an additional \$40.20 per month service premium.

MAY 1, 2019 MAXIMUM RATES FOR SERVICES

EXHIBIT "A"

CITY OF FULLERTON

			Base Maximum Rate for Service	Disposal Component	Maximum rate for Disposal component	Max rate to customer	2019 Organic Increase 3.05%	Total Rate to Customers
Bin Service								
1 x p/wk	1.5yd	\$	126.71	1.77	\$ 12.08	\$ 138.79	\$ 4.23	\$ 143.02
2 x p/wk	1.5yd	\$	180.45	3.54	\$ 24.18	\$ 204.63	\$ 6.24	\$ 210.87
Organic Bin								
1 x p/wk	1.5yd	\$	126.71	1.77	\$ 12.08	\$ 138.79	\$ 4.23	\$ 143.02
2 x p/wk	1.5yd	\$	180.45	3.54	\$ 24.18	\$ 204.63	\$ 6.24	\$ 210.87
Organic Com Cart								
1 x p/wk	64gl	\$	45.00			\$ 45.00		\$ 45.00
2 x p/wk	64gl	\$	90.00			\$ 90.00		\$ 90.00
3 x p/wk	64gl	\$	135.00			\$ 135.00		\$ 135.00
Mini Packer								
1 x p/wk	3yd	\$	330.42	2.12	\$ 72.50	\$ 402.92	\$ 12.29	\$ 415.21
2 x p/wk	3yd	\$	585.87	4.24	\$ 145.01	\$ 730.89	\$ 22.29	\$ 753.18
3 x p/wk	3yd	\$	841.40	6.64	\$ 217.52	\$ 1,058.92	\$ 32.30	\$ 1,091.21
4 x p/wk	3yd	\$	1,096.91	8.49	\$ 290.03	\$ 1,386.94	\$ 42.30	\$ 1,429.24
5 x p/wk	3yd	\$	1,352.38	10.61	\$ 362.53	\$ 1,714.91	\$ 52.30	\$ 1,767.22
6 x p/wk	3yd	\$	1,607.39	12.73	\$ 435.06	\$ 2,042.45	\$ 62.29	\$ 2,104.74
Recycle Bin								
1 x p/wk	3yd	\$	158.37		\$ -	\$ 158.37		\$ 158.37
2 x p/wk	3yd	\$	231.26		\$ -	\$ 231.26		\$ 231.26
Temp Construction								
1 x p/wk	3yd	\$	166.18	0.71	\$ 24.18	\$ 190.36	\$ 5.81	\$ 196.17
2 x p/wk	3yd	\$	246.87	1.41	\$ 48.35	\$ 295.23	\$ 9.00	\$ 304.23
3 x p/wk	3yd	\$	330.50	2.12	\$ 72.52	\$ 403.03	\$ 12.29	\$ 415.32
4 x p/wk	3yd	\$	406.79	2.83	\$ 96.70	\$ 503.49	\$ 15.36	\$ 518.85
5 x p/wk	3yd	\$	490.46	3.54	\$ 120.87	\$ 611.32	\$ 18.65	\$ 629.97
6 x p/wk	3yd	\$	574.04	4.24	\$ 145.06	\$ 719.10	\$ 21.93	\$ 741.03
Special or Irregular Bins (charge per cubic yard)		\$	52.57	0.24	\$ 8.06	\$ 60.63	\$ 1.85	\$ 62.48
SPECIAL SERVICES								
Extra "dump"								
Commercial	1.5yd	\$	36.61		\$ 3.01	\$ 39.62	\$ 1.21	\$ 40.83
Commercial	3yd	\$	41.69		\$ 6.04	\$ 47.73	\$ 1.46	\$ 49.19
Mini Packer	3yd	\$	47.59		\$ 18.14	\$ 65.73	\$ 2.00	\$ 67.73
Manure Bin	1.5yd	\$	41.69		\$ 6.04	\$ 47.73	\$ 1.46	\$ 49.19
Construction	3yd	\$	99.75		\$ 6.04	\$ 105.79	\$ 3.23	\$ 109.02
Organic Bin Contamination fees - Per occurrence								\$ 100.00
Organic Cart Contamination fees - Per occurrence								\$ 50.00
Commercial Bulky P/U (2 items)		\$	50.61		n/a	\$ 50.61		\$ 50.61
Each Item after the First 2		\$	6.74		n/a	\$ 6.74		\$ 6.74
If Required - Gas Removal Fee		\$	47.22		n/a	\$ 47.22		\$ 47.22

MAY 1, 2019 MAXIMUM RATES FOR SERVICES

EXHIBIT "A"

CITY OF FULLERTON

		Base Maximum Rate for Service	Disposal Component	Maximum rate for Disposal component					
40 yd DOB	\$	483.71	\$ 3.69	\$ 126.24	\$	609.95	\$	18.60	\$ 628.55
Billing Rate:	\$	408.86		\$ 126.24	\$	535.10	\$	16.32	\$ 551.42
overweight @ 6 tons									
15 yd DEMO	\$	575.06	5.17	\$ 176.74	\$	751.80	\$	22.93	\$ 774.73
Billing Rate:	\$	445.71		\$ 176.74	\$	622.45	\$	18.98	\$ 641.43
overweight @ 8 tons									
Overweight Rate (P/Ton)	\$	41.42	1.00	\$ 34.18	\$	75.60	\$	2.31	\$ 77.91
Additional Service Days (Each)	\$	13.40	n/a		\$	13.40	\$	0.41	\$ 13.80
Permanent Service one-time delivery fee	\$	46.46	1.00	n/a	\$	46.46	\$	1.42	\$ 47.88
40 yd DOB	\$	209.83	n/a		\$	209.83	\$	6.40	\$ 216.23
Billing Rate:	\$	180.18			\$	180.18	\$	5.50	\$ 185.68
15 yd DEMO	\$	209.83	n/a		\$	209.83	\$	6.40	\$ 216.23
Billing Rate:	\$	186.81			\$	186.81	\$	5.70	\$ 192.51
20 yd Compactor	\$	252.20	n/a		\$	252.20	\$	7.69	\$ 259.89
Billing Rate:	\$	214.44			\$	214.44	\$	6.54	\$ 220.98
30 yd Compactor	\$	273.37	n/a		\$	273.37	\$	8.34	\$ 281.71
Billing Rate:	\$	233.25			\$	233.25	\$	7.11	\$ 240.36
40 yd Compactor	\$	294.58	n/a		\$	294.58	\$	8.98	\$ 303.57
Billing Rate:	\$	250.93			\$	250.93	\$	7.65	\$ 258.58
Tonnage Rate	\$	41.42		\$ 34.18	\$	75.60	\$	2.31	\$ 77.91
Relocation / Dead Run	\$	57.89	n/a		\$	57.89	\$		\$ 57.89
Pull Out Service p/Tip Freq.	\$	59.59	n/a		\$	59.59	\$		\$ 59.59
Special Access (Keys & Codes)	\$	11.00	n/a		\$	11.00	\$		\$ 11.00
Sat Service	\$	36.03	n/a		\$	36.03	\$		\$ 36.03
Bin Exchange >1x p/year	\$	83.18	n/a		\$	83.18	\$		\$ 83.18
Redeliver Bin(s) (Non-Payment)	\$	84.34	n/a		\$	84.34	\$		\$ 84.34
Bin Steam Cleaning >1x p/year	\$	106.82	n/a		\$	106.82	\$		\$ 106.82
R/O Steam Cleaning >1x p/year	\$	110.91	n/a		\$	110.91	\$		\$ 110.91
R/O Turnaround Fee (Each Load)	\$	11.00	n/a		\$	11.00	\$		\$ 11.00
Driver/Truck Stand-by Hourly Rate	\$	84.34	n/a		\$	84.34	\$		\$ 84.34
Heavy Truck Fee	\$	388.17	n/a		\$	388.17	\$		\$ 388.17
Locking Bin Installation	\$	82.69	n/a		\$	82.69	\$		\$ 82.69
Monthly	\$	7.12	n/a		\$	7.12	\$		\$ 7.12
Over-the-Top / Clean & Dump	\$	38.51	n/a		\$	38.51	\$		\$ 38.51



CITY OF FULLERTON

City Manager's Office

April 9, 2019

Mr. Dan Capener
General Manager, MG Disposal Services, LLC
1131 N. Blue Gum St.
Anaheim, California 92806

RE: Letter of Understanding: Second Amendment, AB 1826 Implementation, Reimbursement Issues, and Assumption and Assignment Agreement.

Dear Mr. Capener:

This letter is intended to memorialize our agreement with respect to the matters set forth below. By way of background, the City and MG Disposal Services, LLC., (MG) have been working together to implement an Organics Recycling Program as mandated by AB 1826. In order to move forward, MG on the one hand, and the City on the other hand (collectively "the Parties") are in agreement as follows:

- MG will execute the Second Amendment to the Franchise Agreement approved by the City Council on November 20, 2018, subject to one modification. The only modification to the Second Amendment approved by the Council will be the effective date of the program, which shall be May 1, 2019. A copy of the Second Amendment approved by Council is attached.
- The Parties acknowledge the provisions of Section 11.2 of the Franchise Agreement requiring MG to reimburse the City for certain legal and consulting costs related to the Franchise. Moreover, the Parties acknowledge that MG held a good faith belief that it was not responsible to reimburse the City for such costs based on a variety of factors (including the City not having billed MG for some time for such costs due to personnel changes). In light of these factors, and the desire to move forward, the Parties agree that MG shall only be responsible to reimburse the City for \$86,227 in past legal fees and past consulting fees of \$50,693.
- MG shall reimburse the \$86,227 in legal fees to the City in the form of a credit to the rates related to the Organics Recycling program set forth in the Second Amendment for a period of 26 months – May 1, 2019 through July 1, 2021. Additionally, the consulting fees related to AB 1826 implementation in the amount of \$50,693 are to be considered a programmatic cost, added to the commercial implementation rate. The past consulting fee of \$50,693 shall be remitted to the City no later than June 30, 2019. Accordingly, the maximum rates associated with services as set forth in the Exhibits to the Second Amendment which show as an increase of 3.21% shall only be increased 3.05% during the above noted 26-month period. This reflects a discount of .39% related to legal fees and a pass-through, programmatic cost of .23% related to consultant fees. As of July 1, 2021, the maximum rate shall return to 3.21%.
- The Parties acknowledge that, except with respect to the fees set forth above, nothing in this letter modifies the provisions of Section 11.2 of the Franchise Agreement. Accordingly, MG shall be responsible for the legal fees the City continues to incur, including all fees incurred since

THE EDUCATION COMMUNITY

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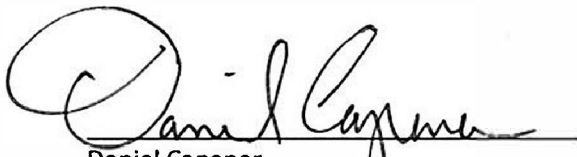
February 1, 2019. City has attempted to estimate the total fees it anticipates will be incurred, and puts that estimate at \$15,000, but the Parties acknowledge that this is merely an estimate and the actual amount will depend on the level of work necessary to bring all issues to a resolution. The City, per Section 11.2 will process a reimbursement request prior to July 1, 2019.

- MG has committed to an assumption and assignment agreement to effectuate an assignment of the Franchise Agreement from MG to Republic Waste Services of Southern California, LLC on or before July 31, 2019, subject to Council approval. Republic has agreed it will submit the assignment fee of \$200,000 and administrative costs of \$50,000, as part of such an agreement per Section 16.4 of the Franchise Agreement, and City Staff has agreed to recommend approval as part of this letter agreement. The Parties acknowledge that approval of the assignment as set forth in this letter agreement is within the discretion of the City Council, and that absent Council approval no such transfer shall be approved. If approved by the City Council, the transfer fee and administrative cost reimbursement shall be remitted to the City by October 31, 2019. In the event the Council does not approve the assignment, no fees or administrative costs shall be due, and MG shall continue to be the contracting entity under the terms of the Franchise Agreement.
- Other than the legal fees and consulting and administrative fees and costs identified above in this letter of agreement, City is not aware of and does not seek reimbursement of any other legal fees or consulting fees and costs or administrative costs pursuant to section 11.2 or any other provision of the Franchise Agreement through January 31, 2019.

With my signature to this letter, I am in agreement with the above letter agreement terms. Please add your signature to this letter and return it and an executed copy of the Second Amendment to me by Friday, April 12, 2019 prior to close of business. If you have questions about the above terms in this letter agreement, please contact me at your earliest convenience.

Sincerely,


Kenneth A. Domer
City Manager


Daniel Capener
General Manager
MG Disposal Services, LLC

4/11/19
Date