

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 January 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 January 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 initially be phased with two equal increments of 1.61% each. Effective January 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 January 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. 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

Republic Waste Services of Southern California, 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 Contractor 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: _____

Exhibit 1

(Amended Exhibit A)

CITY OF FULLERTON
EXHIBIT "A"
Maximum Rates for Services
[Applicable as of January 1, 2019]

		Initial Maximum Rate Calculation				Organic Recycling Adjustments			Total
		Maximum Rate For Service Component	Disposal Component Tonnage Basis	Maximum Rate For Disposal Component	Sub-Total: Maximum Rate To Customer [combining Service and Disposal Component]	Designated Rate	Organic Waste Collection Adjustment	Discretionary Organic Processing Adjustment	Total Maximum Rate to Customer
Customers at Single Family Dwellings and Dwelling Units at Multi-Family Dwellings (Monthly)		\$17.46	0.09	\$3.00	\$20.46	no			\$20.46
Extra Refuse Cart (per cart)		\$4.55	n/a	\$0.70	\$5.25	no			\$5.25
Non-scheduled Service		\$24.22	n/a	n/a	\$24.22	no			\$24.22
Cart Replacement due to Misuse		\$66.25	n/a	n/a	\$66.25	no			\$66.25
Cart Replacement: Unspecified Reason - In excess of 1x/yr [set of 3 Carts]		\$37.44	n/a	n/a	\$37.44	no			\$37.44
Multi-Family Dwelling Bin Rental (Monthly)									
Bin Rental	3yd	\$42.66	n/a	n/a	\$42.66	no			\$42.66
Bin Rental	1.5yd	\$30.99	n/a	n/a	\$30.99	no			\$30.99
Manure Bins (Monthly)									
1 x p/wk	1.5yd	\$161.13	0.71	\$24.18	\$185.31	no			\$185.31
2 x p/wk	1.5yd	\$235.48	1.41	\$48.35	\$283.83	no			\$283.83
3 x p/wk	1.5yd	\$309.85	2.12	\$72.53	\$382.38	no			\$382.38
4 x p/wk	1.5yd	\$384.24	2.83	\$96.70	\$480.94	no			\$480.94
5 x p/wk	1.5yd	\$458.63	3.54	\$120.88	\$579.51	no			\$579.51
6 x p/wk	1.5yd	\$533.03	4.24	\$145.06	\$678.09	no			\$678.09
Commercial Refuse Carts (Monthly) (AKA "Hand Stops")									
1 x p/wk		\$24.17	0.15	\$4.99	\$29.15	yes	\$0.94		\$30.09
2 x p/wk		\$48.35	0.29	\$9.94	\$58.29	yes	\$1.87		\$60.16
3 x p/wk		\$72.55	0.44	\$14.92	\$87.47	yes	\$2.81		\$90.28
4 x p/wk		\$96.75	0.58	\$19.89	\$116.64	yes	\$3.74		\$120.38
5 x p/wk		\$120.89	0.73	\$24.85	\$145.74	yes	\$4.68		\$150.42
6 x p/wk		\$145.15	0.87	\$29.83	\$174.98	yes	\$5.62		\$180.60
Commercial Bins (Monthly)									
1 x p/wk	3yd	\$158.39	0.71	\$24.18	\$182.57	yes	\$5.86		\$188.43
2 x p/wk	3yd	\$231.34	1.41	\$48.35	\$279.69	yes	\$8.98		\$288.67
3 x p/wk	3yd	\$304.29	2.12	\$72.52	\$376.81	yes	\$12.10		\$388.91
4 x p/wk	3yd	\$377.26	2.83	\$96.71	\$473.97	yes	\$15.21		\$489.19
5 x p/wk	3yd	\$450.26	3.54	\$120.87	\$571.13	yes	\$18.33		\$589.46
6 x p/wk	3yd	\$523.21	4.24	\$145.06	\$668.27	yes	\$21.45		\$689.73
7x p/wk	3yd	\$609.52	4.95	\$169.22	\$778.74	yes	\$25.00		\$803.74
Note: Any Commercial Customer with a service rate frequency less than 7x per week service may add Sunday service for which an additional monthly Service Component may be added at a									
1 x p/wk	1.5yd	\$126.71	1.77	\$12.08	\$138.79	yes	\$4.46		\$143.24
2x p/wk	1.5yd	\$180.45	3.54	\$24.18	\$204.63	yes	\$6.57		\$211.20
Commercial Mini Packer (Monthly)									
1 x p/wk	3yd	\$330.42	2.12	\$72.50	\$402.92	yes	\$12.93		\$415.86
2 x p/wk	3yd	\$585.87	4.24	\$145.01	\$730.89	yes	\$23.46		\$754.35
3 x p/wk	3yd	\$841.40	6.36	\$217.52	\$1,058.92	yes	\$33.99		\$1,092.91
4 x p/wk	3yd	\$1,096.91	8.49	\$290.03	\$1,386.94	yes	\$44.52		\$1,431.46
5 x p/wk	3yd	\$1,352.38	10.61	\$362.53	\$1,714.91	yes	\$55.05		\$1,769.96
6 x p/wk	3yd	\$1,607.39	12.73	\$435.06	\$2,042.45	yes	\$65.56		\$2,108.01
Special or Irregular Bins (Monthly - max. rate is per cubic yard)		\$52.57	0.24	\$8.08	\$60.65	yes	\$1.95		\$62.60
Each Extra "Dump"									
Commercial Bin	1.5yd	\$36.61	0.09	\$3.01	\$39.62	yes	\$1.27		\$40.89
Commercial Bin	3yd	\$41.69	0.18	\$6.04	\$47.73	yes	\$1.53		\$49.26
Mini Packer	3yd	\$47.59	0.53	\$18.14	\$65.73	yes	\$2.11		\$67.84
Manure Bin	1.5yd	\$41.69	0.18	\$6.04	\$47.73	no			\$47.73
Temp Construction Bin	3yd	\$99.75	0.18	\$6.04	\$105.79	yes	\$3.40		\$109.19
Locking Bins									
Installation		\$82.69	n/a	n/a	\$82.69	no			\$82.69
Monthly		\$7.12	n/a	n/a	\$7.12	no			\$7.12

CITY OF FULLERTON
EXHIBIT "A"
Maximum Rates for Services
[Applicable as of January 1, 2019]

Initial Maximum Rate Calculation							Total
Maximum Rate For Service Component	Disposal Component Tonnage Basis	Maximum Rate For Disposal Component	Sub-Total: Maximum Rate To Customer [combining Service and Disposal Component]	Designated Rate	Organic Waste Collection Adjustment	Discretionary Organic Processing Adjustment	
\$209.83	n/a	n/a	\$209.83	yes	\$6.74		\$216.57
\$209.83	n/a	n/a	\$209.83	yes	\$6.74		\$216.57
\$252.20	n/a	n/a	\$252.20	yes	\$8.10		\$260.30
\$273.37	n/a	n/a	\$273.37	yes	\$8.78		\$282.15
\$294.58	n/a	n/a	\$294.58	yes	\$9.46		\$304.04
n/a	1.00	\$34.18	\$34.18	yes	\$1.10		\$35.28
\$46.46	n/a	n/a	\$46.46	no			\$46.46
\$57.89	n/a	n/a	\$57.89	no			\$57.89
\$57.89	n/a	n/a	\$57.89	no			\$57.89
\$36.03	n/a	n/a	\$36.03	no			\$36.03
\$84.34	n/a	n/a	\$84.34	yes	\$2.71		\$87.05
\$11.00	n/a	n/a	\$11.00	no			\$11.00
\$138.79	n/a	n/a	\$138.79	yes	\$4.46		\$143.25
\$204.63	n/a	n/a	\$204.63	yes	\$6.57		\$211.20
\$270.47	n/a	n/a	\$270.47	yes	\$8.68		\$279.15
\$100.00	n/a	n/a	\$100.00	yes	\$3.21		\$103.21
\$45.00	n/a	n/a	\$45.00	yes	\$1.44		\$46.44
\$90.00	n/a	n/a	\$90.00	yes	\$2.89		\$92.89
\$135.00	n/a	n/a	\$135.00	yes	\$4.33		\$139.33
\$50.00	n/a	n/a	\$50.00	yes	\$1.61		\$51.61
\$29.15	n/a	n/a	\$29.15	yes	\$0.94		\$30.09
\$58.29	n/a	n/a	\$58.29	yes	\$1.87		\$60.16
\$87.47	n/a	n/a	\$87.47	yes	\$2.81		\$90.28
n/a	n/a	n/a		no			
\$166.18	0.71	\$24.18	\$190.36	yes	\$6.11		\$196.47
\$246.87	1.41	\$48.35	\$295.23	yes	\$9.48		\$304.70
\$330.50	2.12	\$72.52	\$403.03	yes	\$12.94		\$415.96
\$406.79	2.83	\$96.70	\$503.49	yes	\$16.16		\$519.66
\$490.46	3.54	\$120.87	\$611.32	yes	\$19.62		\$630.95
\$574.04	4.24	\$145.06	\$719.10	yes	\$23.08		\$742.18
\$77.27	0.18	\$6.04	\$83.31	yes	\$2.67		\$85.98
\$483.71	3.69	\$126.24	\$609.95	yes	\$19.58		\$629.53
\$575.06	5.17	\$176.74	\$751.80	yes	\$24.13		\$775.93
n/a	1.00	\$34.18	\$34.18	yes	\$1.10		\$35.28
\$106.82	n/a	n/a	\$106.82	no			\$106.82
\$110.91	n/a	n/a	\$110.91	no			\$110.91
\$50.61	n/a	n/a	\$50.61	no			\$50.61
\$6.74	n/a	n/a	\$6.74	no			\$6.74

CITY OF FULLERTON
EXHIBIT "A"
Maximum Rates for Services
[Applicable as of January 1, 2019]

Initial Maximum Rate Calculation					Organic Recycling Adjustments		Total
Maximum Rate For Service Component	Disposal Component Tonnage Basis	Maximum Rate For Disposal Component	Sub-Total: Maximum Rate To Customer [combining Service and Disposal Component]	Designated Rate	Organic Waste Collection Adjustment	Discretionary Organic Processing Adjustment	Total Maximum Rate to Customer
Overloaded (aka Over-the Top) Bins	\$38.51	n/a	n/a	\$38.51	yes	\$1.24	\$39.75
Heavy Truck Charge	\$388.17	n/a	n/a	\$388.17	no		\$388.17
Scout Service [aka Pull Out Service] (per month, multiplied by frequency of service)	\$59.59	n/a	n/a	\$59.59	no		\$59.59
Push out Service - in excess of 5 yards (per month, multiplied by frequency of service)	\$59.59	n/a	n/a	\$59.59	no		\$59.59
Limited Access - Key or Access Code Required	\$11.00	n/a	n/a	\$11.00	no		\$11.00
Restart Fee- Delinquent Accounts	\$84.34	n/a	n/a	\$84.34	no		\$84.34

Exhibit 2

EXHIBIT 2
Organics Material Processing Component Adjustment
Example Fullerton Calculation

Note: This formula is only to be applied if the processing cost per ton for organic waste changes from previous year and if the rebalancing procedure in Exhibit 3 is not implemented that year.

Step 1: Calculate the organics processing price increase per ton by inputting existing and new organic waste cost per ton in blue columns.

		A	B	C	D	E
Row	Adjustment Factor	Existing Organic Waste Processing Cost per Ton	Input Most Recent CPI Adjustment % to Designated Rates identified on Exhibit 1	Adjusted Cost per Ton with CPI Adjustment (Column C = Column A x (1 + Column B))	New Organic Waste Cost per Ton effective July 1, 2018	Change In Cost per Ton (Column D - Column C)
1	Organic Waste Processing Cost per Ton	\$ 91.00	3%	\$ 93.73	\$ 100.10	\$ 6.37

Step Two: Determine the percentage adjustment to all Designated Rates for increases in organic processing costs by entering in Column F the higher of the annual organics tonnage threshold established in Exhibit 4, footnote 6 or the actual organics tonnage processed in the past 12 months. Enter the annual rate revenue from all Designated Rates received from Contractor in Column I.

		F	G	H	I	J
Row	Rate Category	Higher of Organics Tonnage Threshold or Actual Collected Tonnage ⁽¹⁾	Change In Cost per Ton (From Column E)	Additional Processing Costs (Column F x Column G)	Revenue from Designated Rates From Contractor	Total Percent Change to be applied to Designated Rates ((Column H ÷ Column I) + 1) ⁽³⁾
2	Organic Waste Recycling Program	2,470	\$ 6.37	\$ 15,734	\$ 9,950,700	0.16%

⁽¹⁾ Initial tonnage based on Contractor's 9/26/2017 proposed organics tonnage threshold.

⁽²⁾ Contractor to provide annual rate revenue for the "Designated Rates" noted in Exhibit 1.

⁽³⁾ To be applied to the "Designated Rates" at annual rate adjustment by adjusting the Organic Waste Collection Adjustment by the percentage in Column J

Note: This formula is only to be applied if the processing cost per ton for organic waste changes from previous year and if the rebalancing procedures in Exhibit 3 is not implemented.

Any ambiguity between this exhibit and the text of the Second Amendment shall be governed by the text of the Second Amendment.

Exhibit 3

EXHIBIT 3
CITY OF FULLERTON

Step 1. Calculate the Commercial Organics Program Cost

Description:

1. Use the table to calculate the updated annual organics program costs by entering data in Columns A, D and E in the highlighted and outlined boxes. See footnotes below for clarification on data entry. Any cell that is not highlighted and outlined is a calculation.
2. Enter most recent CPI adjustment in footnote 4 to automatically import into Rows 2 through 5, Column B.
3. Calculated result on Row 10 will be utilized in Step 3, Row 1 to calculate the rebalancing adjustment.

Step 1 - Calculate the annual organics program cost for the most recent 12 month period.										
Row	Cost Category	Unit Cost at Time of Last Adjustment (Column A) ⁽¹⁾		Adjustment Method (Column B)	Adjustment % to Unit Cost (Column C)	Updated Cost per Unit (Column D = Column A x (1+Column C))		Actual Number of Units (Column E)		Monthly Cost (Column F = Column D x Column E)
1	Processing - Pass Through	\$ 100.10	/ton ⁽²⁾⁽³⁾	Actual	4.9% ⁽³⁾	\$ 105.00	/ton ⁽³⁾	412	tons/month ⁽⁵⁾	\$ 43,260
2	Collection	\$ 105.78	/hour ⁽²⁾	CPI ⁽⁴⁾	10.0% ⁽⁴⁾	\$ 116.36	/hour	380	hours/month ⁽⁶⁾	\$ 44,216
3	Outreach	\$ 30,417	/year ⁽²⁾	CPI ⁽⁴⁾	10.0% ⁽⁴⁾	\$ 33,458.70	/year	12	months/year	\$ 2,788
4	Containers - Carts	\$ 0.50	/cart/month ⁽²⁾	CPI ⁽⁴⁾	10.0% ⁽⁴⁾	\$ 0.55	/cart/month	0	carts ⁽⁷⁾	\$ -
5	Containers- Bins	\$ 8.33	/bin/month ⁽²⁾	CPI ⁽⁴⁾	10.0% ⁽⁴⁾	\$ 9.16	/bin/month	256	bins ⁽⁷⁾	\$ 2,346
6	Subtotal (Sum of R1 through R5)									\$ 92,610
7	Contractor Margin at 10% (R6 x 10%)									\$ 9,261
8	Total Organics Program Monthly Cost (R6+R7)									\$ 101,871
9	Months per Year									12
10	Total Organics Program Annual Cost (R8 x R9)									\$ 1,222,452

⁽¹⁾ Original Unit Costs are based on the costs used in Exhibit 4 - Documentation of the Rebalancing Adjustment Factor.

⁽²⁾ For initial rebalancing on or before 7/1/2022, unit costs, except for processing costs as described in footnote 3, are initially set as shown in Exhibit 4. Unit Costs to be entered from previous rebalancing Column D Unit Costs in Exhibit 3, Step 1, if an additional rebalancing occurs per the guidelines of the Amendment Section 4.c.

⁽³⁾ Enter most recent organics processing cost per ton used to determine the sector-wide increase from Exhibit 2, Column D . Enter Updated Cost per Unit Category in Column D to automatically calculate the Adjustment % in Column C.

⁽⁴⁾ Use Consumer Price Index for All Urban Customers (CUURA421SA0). Adjustment to be calculated for 7/1/2022 (or earlier if applied prior to that under Section 4.c of the Amendment). As an example, if the first rebalancing adjustment is calculated for July 1, 2022, then the change in the CPI would be calculated based on the average annual CPI index for calendar year 2017 compared to the same index for calendar year 2021, a four-year change. Insert CPI adjustment percentage below for automatic calculation.

10.0%

Insert CPI change since last rebalancing adjustment

⁽⁵⁾ Input average monthly tonnage from the most recent 12 months. Tonnage from routes that crossover City boundaries will be allocated to jurisdictions based on container capacity.

⁽⁶⁾ Input average monthly collection hours from the most recent 12 months. Route hours from routes that crossover City boundaries will be allocated to jurisdictions based on container capacity.

⁽⁷⁾ Input most recent available container count.

EXHIBIT 3
CITY OF FULLERTON

Step 2. Calculate the Current Rate Revenues from the Commercial Organics Program

Description:

1. Enter the most recently available number of customers for each service level provided by Contractor in Column A.
2. Enter the current rates for organics under each service in Column B.
3. Upon data population, the monthly and annual program rate revenue will automatically calculate and be utilized in Step 3.

Step 2 - Calculate the annual rate revenue generated from the commercial organics program.				
Row #	Container Size and Frequency	Number of Customers for Each Service Level (Column A)	Current Rates for Organics Services (Column B)	Rate Revenue per Service Type (Column C = Column A x Column B)
	1.5 Yard Bin			
1	1x per week			\$ -
2	2x per week	266	\$ 197.57	\$ 52,553.62
3	3x per week			\$ -
	Cart Rate			
4	1x per week			\$ -
5	2x per week			\$ -
6	3x per week			\$ -
7	Sum of Organics Program Monthly Revenue (Sum R1 - R6)			\$ 52,553.62
8	Months per Year			12
9	Annual Organics Program Revenue (R7 x R8)			\$ 630,643.44

EXHIBIT 3
CITY OF FULLERTON

Step 3. Calculation of the Difference Between Organics Program Cost and Revenue

Description:

1. Step 3 will automatically calculate by carrying data forward from Steps 1 and 2 to determine the difference between Organics Program Rate Revenue and Costs before applying the commercial sector-wide increase. Row 3 will be utilized in Step 5.

Step 3 - Calculate the difference between organics program rate revenue and costs before additional sector-wide increase.			
Row #	Line Item	Units	Notes
1	Annual Organics Program Cost	\$ 1,222,452 /year	From Step 1, Row 10
2	Annual Rate Revenue for Organics	\$ 630,643 /year	From Step 2, Row 9
3	Annual Difference (R1 - R2)	\$ 591,809 /year	Calculation R1 - R2

EXHIBIT 3
CITY OF FULLERTON

Step 4. Calculate the Negotiated Annual Program Costs.

Description:

1. Step 4 requires input of the most recent commercial and industrial rate revenue provided by Contractor (including the most recent CPI adjustment) and the previously applied sector-wide increase percentages in the highlighted and outlined cells. This step calculates the current negotiated cost of the commercial organics program. Row 5 will be utilized in Step 6.

Step 4 - Calculate the annual negotiated costs of the commercial organics program.			
Row #	Line Item	Units	Notes
1	Total commercial and industrial rate revenue	10,556,698 /year	For the most recent Fiscal Year.
2	Negotiated % sector-wide increase for commercial and industrial rates	3.00%	For the first rebalancing the percentage is the amount shown in this Exhibit. For subsequent rebalancing use the percentage from Step 7, Row 3.
3	Cumulative Organic Waste processing component adjustments since the most recent rebalancing	0.16%	Cumulative of all sector-wide increases calculated by Exhibit 2 under the Amendment since the last rebalancing.
4	Cumulative negotiated sector-wide % increase (R2 + R3)	3.16%	Calculation R2 + R3
5	Annual Negotiated Costs of Organics Program (R1 x R4)	\$ 316,701 /year	Calculation R1 x R4

EXHIBIT 3
CITY OF FULLERTON
Step 5. Calculate the New Funding Requirements

Description:

1. Upon completion of Steps 1-4, Step 5 will automatically calculate the new funding requirement in order to calculate the rebalanced sector-wide adjustment in subsequent steps.

Step 5 - Calculate the new funding requirement for sector-wide adjustment.			
Row #	Line Item	Units	Notes
1	Difference between commercial organics program revenue and costs	\$ 591,809 /year	From Step 3, Row 3 Previously negotiated rebalancing adjustment factor as documented in Exhibit 4. This factor does not change in future rebalancing.
2	Rebalancing adjustment factor	<u>1.14</u>	
3	New Funding Requirement for Rebalanced Sector-wide Adjustment (R1 x R2)	\$ 675,000 /year	

EXHIBIT 3
CITY OF FULLERTON
Step 6. Calculate the Rebalancing Percentage

Description:

1. Step 6 will automatically calculate the future sector-wide rebalancing percentage to be applied to commercial and industrial rates.

Step 6 - Calculate the future sector-wide rebalancing percentage to be applied to commercial and industrial rates.			
Row #	Line Item	Units	Notes
1	New funding requirement for rebalanced sector-wide adjustment	\$ 675,000 /year	From Step 5, Row 3
2	Negotiated cost of organics program	\$ 316,701 /year	From Step 4, Row 5
3	New funding requirement for new sector-wide adjustment (R1 - R2)	\$ 358,299 /year	
4	Total commercial and industrial rate revenue	\$ 10,556,698 /year	From Step 4, Row 1
5	Additional Percentage for Rebalancing (R3 ÷ R4)	3.39%	To be applied to the commercial and industrial rates with next annual CPI adjustment.

EXHIBIT 3
CITY OF FULLERTON

Step 7. Calculate Cumulative Sector-wide Increase Only if Rebalancing Mechanism is Implemented more than Once

Description:

NOTE: Step 7 will only be used if an additional rebalancing procedure is initiated, carry forward Step 7, Row 3 to Step 4, Row 2 of future rebalancing procedure.

Step 7 - Calculate the future sector-wide rebalancing percentage to be applied to commercial and industrial rates.			
Row #	Line Item	Units	Notes
1	Cumulative negotiated sector-wide increase	3.16%	From Step 4, Row 4
2	Additional percentage for current rebalancing adjustment	<u>3.39%</u>	From Step 6, Row 3
3	Cumulative Sector-wide Increase (R1 + R2)	6.55%	To be implemented in Step 4, Row 2 of future rebalancing procedures.

Exhibit 4

EXHIBIT 4
CITY OF FULLERTON
Documentation of the Rebalancing Adjustment Factor

Step 1 - Calculate Monthly Organics Program Cost					
Row	Cost Category	Cost	Number of Units	Monthly Cost	Notes
1	Processing - pass through	\$ 91.00 /ton ⁽¹⁾	206 tons/month ⁽⁶⁾	\$ 18,746	
2	Collection	\$ 105.78 /hour ⁽²⁾	190 hours/month ⁽⁷⁾	\$ 20,098	
3	Outreach	\$ 30,417 /year ⁽³⁾	12 months/year	\$ 2,535	
4	Containers - carts	\$ 0.50 /cart/month ⁽⁴⁾	0 carts ⁽⁸⁾	\$ -	
5	Containers- bins	\$ 8.33 /bin/month ⁽⁵⁾	128 bins ⁽⁸⁾	\$ 1,066	
6	Subtotal			\$ 42,445	Sum
7	Contractor margin at 10%			\$ 4,245	Previously Contractor proposed 10% margin on tip fee.
8	Total Organics Program Monthly Cost			\$ 46,690	Sum

⁽¹⁾ Cost per ton to take organics to the third party CORE facility in the City of Orange located at 2050 North Glassell Street.

⁽²⁾ Contractor's proposed cost per hour including full-time helper was \$117.33 in spreadsheets provided 5/15/2017 Anaheim collection cost was \$76.23 per hour, and Contractor states vehicle depreciation at \$18.00/hour should be added for a total of \$94.23/hour. The negotiated midpoint = \$105.78 ((\$117.33 + \$94.33) ÷ 2 = \$105.78)

⁽³⁾ Contractor estimated figure includes assumption to provide 3.5 hours of outreach to each of the 128 Tier 1 and 2 customers for a total of 448 hours annually at \$39.20 per hour totaling to \$17,562 per year, plus indirect outreach costs of \$12,855 for billing, SGA, and outreach materials.

⁽⁴⁾ \$60.00 depreciated over 10 years = \$0.50/cart/month.

⁽⁵⁾ \$500.00 depreciated over 5 years = \$8.33/bin/month. Container maintenance allowance included by shorter amortization period.

⁽⁶⁾ (2,470 tons/year ÷ 12 months/year) = 206 tons/month per correspondence from Contractor dated 9/26/2017.

⁽⁷⁾ 2,279 hours/year⁽⁸⁾ ÷ 12 months = 190 hours/month

⁽⁸⁾ Per Contractor spreadsheet in response to data request titled "Detail Supporting Calculation"

Step 2 - Estimated Annual Rate Revenue Generated from Charging Organics Equal to Refuse Rates			
Row #	Line Item	Units	Notes
1	1.5 yd. refuse service rate 2x/wk. as of 7/1/2017	\$ 197.57 /month	From the current Fullerton Rate Schedule (no 2 yd. refuse rate)
2	Refuse yards serviced per month	13 yds./month ⁽¹⁾	Refuse collection service
3	Rate per yard	\$ 15.20 /yd.	Calculation R1 ÷ R2
4	Total organics yards per year	19,526 yds./year ⁽²⁾	
5	Annual rate revenue for organics	\$ 297,000 /year	If organics rate is equal to the trash rate. (Calculation R3 x R4)

⁽¹⁾ 1.5 yds. x 2 collections/week = 3 yds./week x 4.33 weeks/month = 13 yards/month

⁽²⁾ (2,470 tons/year x 2,000 lbs./ton) = 4,940,000 lbs./year ÷ 253 lbs./yard (Contractor Estimation) = 19,526 yards/year

Step 3 - Calculate the Difference Between Organics Program Revenue and Costs Before Sector-wide Increase			
Row #	Line Item	Units	Notes
1	Monthly organics program cost	\$ 46,690 /month	From Step 1, Row 8
2	Months per year	12 month/year	
3	Annual organics program cost	\$ 560,000 /year	Calculation R1 x R2
4	Annual rate revenue for organics	\$ 297,000 /year	From Step 2, Row 5
5	Difference	\$ 263,000 /year	Calculation R3 - R4

Step 4 - Calculate the Rebalancing Adjustment Factor			
Row #	Line Item	Units	Notes
1	Total commercial and industrial rate revenue	9,950,700 /year	From Annual revenue supplied by Contractor in spreadsheet associated with negotiations data request attached to email dated 8/14/2017
2	Negotiated % sector-wide increase for commercial and industrial rates	3.0%	From Contractor Proposal dated 9/26/2017
3	Annual negotiated costs of organics program	\$ 299,000 /year	Calculation R1 x R2
4	Difference from Table 3	\$ 263,000 /year	From Step 3, Row 5
5	Rebalancing Adjustment Factor	1.14	Calculation R3 ÷ R4 (To be used in all future rebalancing)

Exhibit 5

(Administrative Adjustment Memo)

**Memorandum Re Administrative Amendments to Solid Waste Franchise
Agreement with MG Disposal**

Pursuant to Section 8.7 of the Agreement between the City of Fullerton and MG Disposal Services, LLC for Solid Waste Handling Services, the City Manager of the City has authority to approve rates for special pickup procedures or services that are in addition to the services described in the Agreement known as “special services”. This Memorandum re Administrative Amendments is intended to memorialize the following special services and associated rates which have been requested by Contractor and approved by the City Manager. The rates associated with the following special services are shown on Exhibit A to the Franchise Agreement (i.e., Exhibits 1A and 1B to the Second Amendment of the Franchise Agreement):

1. **Rolloff Box Standby and Dead Run Charges** When Contractor arrives at the time scheduled with a Customer to Collect Rolloff Boxes (whether provided for Commercial service or Temporary Service), there may be occasions in which the Customer: (1) advises Contractor’s personnel that it has decided not to have the Rolloff Box Collected at all and Contractor therefore makes a trip without “pulling” the Rolloff Box, which is referred to a “dead run;” or, (2) asks Contractor’s personnel to wait for a period of time before “pulling” the Rolloff box, referred to as “standby time.” Contractor may charge Customers a rate for dead runs not exceeding the maximum rate set forth in the attached Exhibit A. Contractor may not charge Customers for an initial 10 minutes of standby time, but thereafter may charge Customer an hourly rate for standby time for every hour, or portion thereof, during which Contractor is requested to standby, which rate shall not exceed the maximum rate set forth in the attached Exhibit A.
2. **Overweight Rolloff Boxes – Heavy Truck Charge.** The maximum weight for Solid Waste placed in any Rolloff Box pursuant to existing laws related to Highway safety is ten (10) tons. Should a Customer load more than ten (10) tons of Solid Waste in a Rolloff Box, it shall have the option of removing Solid Waste from the Rolloff Box until the maximum weight is no longer exceeded, or paying a charge for a specialized truck designed to carry loads in excess of ten (10) tons (a “Heavy Truck Charge”), which charge shall not exceed the maximum rate set forth in Exhibit A. Contractor may also charge a Customer availing itself of the Heavy Truck Charge rates not exceeding the maximum per pull rate and the maximum per ton disposal rate set forth in Exhibit A in connection with Collecting a Rolloff Box that exceeds ten (10) tons.
3. **Scout and Push Out Service:** Certain Commercial Premises within the City Limits are uniquely configured such that Contractor may be required to use a smaller vehicle to retrieve a Customer’s Container and deliver it to a typical Collection vehicle to service the Container (“Pull Out Service” or “Scout Service”). Certain Commercial Premises may be configured such that a Customer’s Container must be manually moved more than 5 yards, without the need for Scout Service, in order to be serviced by a Collection Vehicle (“Push Out Service”). Contractor may provide Scout Service and Push Out Service to Commercial Premises when reasonably necessary, at rates that do not exceed those set forth in the attached Exhibit A. The maximum rate set forth for these services is intended to apply in cases where either Scout Service, Push Out Service or a combination of both is needed (i.e., Contractor may not charge for both Scout and Push Out Service.)

4. **Access to Containers within Locked Gates.** Should Contractor's personnel be requested to access the location for the Collection of a Customer's Bins or Rolloff Boxes at a Commercial Premises by exiting the Collection Vehicle, and unlocking gates with either a key or access code, then Contractor may charge such Customers a monthly rate for such service that does not exceed the maximum rate set forth in the attached Exhibit A..
5. **Delinquent fee.** Section 13.3 of the Agreement requires City Manager approval of any delinquent fees or services charges for Customers whose service is discontinued and restarted. The City Manager has approved a restart fee for delinquent accounts, and the maximum rate approved for that fee is now set forth in Exhibit A.
6. **Overloaded (aka Over the Top) Bins.** Contractor may charge rates, not exceeding those set forth in Exhibit A, in connection with handling Bins that are overloaded (also known as filled over-the-top). A Bin is deemed to be overloaded if Solid Waste protrudes more than one (1) foot above the surface. If a Bin is loaded such that its weight exceeds five hundred (500) pounds, Contractor shall not be required to Collect it, and the Customer shall be responsible to either unload the Bin, or pay Contractor for doing so at rates subject to the City Manager's approval.
7. **Residential Non-scheduled Service.** Customers may request a special pickup, whereby, either on the designated Collection day for the Customer, or such other day as may be agreed upon, the Customer may receive additional Collection service utilizing such Customer's Refuse Cart(s), Green Waste Carts and/or Recycling Carts (as appropriate). Rates for such a special pickup charged by Contractor shall not exceed those set forth in the attached Exhibit A labeled "non-scheduled service," which rate shall apply as the maximum for a set of three Carts.
8. **Residential Cart Replacement.** Contractor shall maintain and replace lost, stolen and damaged Carts as set forth in Section 8.1.8; however, should a Customer request that all its Carts be replaced for any reason not addressed in Section 8.1.8, Contractor shall do so at no charge not more than once per year. Additional replacements for reasons not addressed in Section 8.1.8 shall occur upon request by a Customer at rates not exceeding those set forth in Exhibit A.
9. **Turnaround Service.** If a Customer requires a Rolloff Box to be turned around in order for it to be serviced due to the configuration of its property, or for any other reason, Contractor may charge a "Turnaround Service" fee at a rate not exceeding that set forth in Exhibit A.