

# EXHIBIT A

## **SOLID WASTE COLLECTION AGREEMENT BETWEEN THE COUNTY OF SHASTA AND BURNEY DISPOSAL, INC.**

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## EXHIBIT A

### **SOLID WASTE COLLECTION AGREEMENT BETWEEN THE COUNTY OF SHASTA AND BURNEY DISPOSAL, INC., A CALIFORNIA CORPORATION**

This agreement is entered into between the County of Shasta, a political subdivision of the State of California through the Department of Public Works ("County"), and Burney Disposal, Inc., a California corporation ("Contractor") for the purpose of collection, transportation and disposal of Residential Solid Waste, Commercial Solid Waste, Green Waste and recovery of Recyclables, as well as the operation of Transfer Stations in Burney and Fall River Mills.

#### Recitals

**WHEREAS**, the Public Resources Code permits the Board of Supervisors of the County of Shasta to award an exclusive franchise for the collection of solid waste; and

**WHEREAS**, the Board of Supervisors of the County of Shasta has found and determined that the public health, safety and welfare will be promoted and protected by awarding an exclusive franchise for the collection of solid waste; and

**WHEREAS**, the Board of Supervisors authorized the execution of this agreement on June 4, 2013; and

**WHEREAS**, the execution and delivery of this franchise by the County has been duly authorized by all necessary legal actions.

#### **Section 1     DEFINITIONS.**

- A.     **BOARD:** Board of Supervisors of the County of Shasta.
- B.     **COLLECTION:** The act of collecting Residential Solid Waste and Commercial Solid Waste at the place of generation and transporting it to the Disposal Site or of collecting or receiving Residential Solid Waste and Commercial Solid Waste at a Transfer Station and transporting it to the Disposal Site. The act of receiving Recyclables at a Transfer Station and conveying them to a processing facility. The act of receiving Green Waste at a Transfer Station and either processing it onsite or conveying it to a processing facility.
- C.     **COLLECTION AREA:** The area of Shasta County delineated as Area 1 in the *Collection Area Map*, attached and incorporated herein as Exhibit E, in which Contractor has the exclusive right to provide collection.
- D.     **COMMERCIAL SOLID WASTE:** Solid Waste generated by stores, offices, multi-family residence dwellings with five (5) or more units, and other

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commercial sources, excluding Residential Solid Waste and Industrial Solid Waste.

- E. **DESIGNATED WASTE:** Waste material defined as “designated” by California Water Code § 13173 as it may be amended from time to time.
- F. **DIRECTOR:** Shasta County Public Works Director.
- G. **DISPOSAL SITE:** The West Central Landfill or such other site as the Director may designate.
- H. **EXTRAORDINARY CIRCUMSTANCE:** A circumstance giving rise to an expense or savings a reasonable Contractor would not have anticipated and which is significant when compared to the gross revenues Contractor realizes pursuant to this agreement. The need to repair or replace equipment and fluctuations in labor, fuel or equipment costs are not Extraordinary Circumstances. Changes in local, state or federal laws, rules or regulations occurring after the effective date of this agreement for which compliance requires an expense constituting 4% of gross revenues Contractor realizes pursuant to this agreement shall constitute an Extraordinary Circumstance.
- I. **FORCE MAJEURE:** Any act, event or condition beyond the reasonable control of a party and not the result of willful or negligent action or inaction of that party (other than the contesting in good faith or the failure in good faith to contest that action or inaction), which materially and adversely affects the ability of either party to perform any obligation under this agreement, including:
  - 1. an act of God including landslide, lightning, earthquake, fire, flood, storms, explosion, sabotage, acts of a public enemy, war, blockade or insurrection, riot or civil disturbance, whether of the kind enumerated or otherwise; and
  - 2. the failure of any appropriate federal, state, city, or local public agency or private utility having operational jurisdiction in the area in which service assets comprised of realty, including maintenance and administrative facilities, are located, to provide and maintain utilities, services, water, sewer or power transmission lines thereto.
- J. **GREEN WASTE:** Vegetative landscaping-type solid wastes generated at premises that are primarily dwelling units in structures of four (4) units or less.
- K. **INDUSTRIAL SOLID WASTE:** Solid Waste that results from industrial processes and manufacturing operations.
- L. **PRIVATE DRIVEWAY:** A road or other vehicular passageway not open to the general public.

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- M. **RECYCLABLES:** Solid Waste materials which have been segregated from Residential Solid Waste and Commercial Solid Wastes for the purpose of being returned to the economic mainstream in the form of raw material for new, reused, or reconstituted products.
- N. **RESIDENTIAL SOLID WASTE:** Solid Waste generated by accounts that are primarily dwelling units in structures of four (4) units or less.
- O. **SOLID WASTE:** "Solid Waste" as defined in California Public Resources Code § 40191, as it may be amended from time to time, that can be disposed of in Class III landfills. The term "Solid Waste" as used herein does not include hazardous waste, Designated Waste or contaminants which might be injurious to personnel engaged in solid waste handling, including, but not limited to, infectious waste, acids, explosives, radioactive materials and septic tank pumpings; nor shall it include any materials that are, or in the future may be, prohibited from dumping by the regulations of the California Regional Water Quality Control Board, Central Valley Region, or by any other public agency, or by operation of law.
- P. **TRANSFER STATION:** Facility for public delivery of Green Waste (Burney Transfer Station only), Solid Waste and Recyclables.
- Q. **TRANSFER STATION SITE:** That portion of the parcel containing a Transfer Station inside of the innermost Transfer Station perimeter fencing.

### Section 2 **SCOPE OF WORK.**

- A. Subject to the terms and conditions set forth in the agreement, Contractor shall have the exclusive duty, right and privilege to collect and dispose of all Residential Solid Waste and Commercial Solid Waste within the collection area shown as Area 1 in Exhibit E for the rates set forth in the *Fee Schedule for Residential and Commercial Collections* attached and incorporated herein as Exhibit A, the *Fee Schedule for Burney and Fall River Mills Transfer Stations* attached and incorporated herein as Exhibit B.
- B. Contractor shall not be required to provide collection services to those areas within Area 1 in Exhibit E designated as "SERVED BY TRANSFER STATION."
- C. Collection shall be provided to any customer who requests service and is located on a road that is passable in a safe manner year round to regular collection vehicles. However, Contractor shall not be required to walk more than 50 feet from the roadside nor drive on a private driveway to provide collection service.
- D. Customers who are on roads impassable to collection vehicles shall be provided service if they leave their collection containers at the nearest passable road.

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- E. Contractor shall operate Transfer Stations as provided in Section 26 and charge rates as shown on Exhibit B of this agreement, attached and incorporated herein subject to adjustment as provided in this agreement.
- F. Contractor shall be responsible for all billing and collections for services provided in accordance with this agreement.
- G. Contractor shall provide services for free disposal events as provided in Section 27.
- H. Contractor shall comply with all laws and regulations applicable to Contractor's operations.
- I. Nothing in this agreement shall be construed to require any person or entity to request and receive service from Contractor.

### **Section 3     COMPENSATION.**

- A. As compensation for the grant of an exclusive right to collect and dispose of all Residential Solid Waste and Commercial Solid Waste as set forth in this agreement and for other consideration provided herein, Contractor shall provide service in accordance with the terms of this agreement.
- B. Contractor shall be compensated by rates charged to customers. No compensation shall be provided by County.
- C. Except for industrial Solid Waste and governmental accounts, Contractor shall charge only such rates and fees as are set forth in Exhibits A, B and D or as are subsequently set pursuant to Section 19 or as approved by resolution of the Board in accordance with Section 8.32.080 of the Shasta County Ordinance Code. For Industrial Solid Waste and government accounts, Contractor and the customer may agree on the rate and fee to be charged. No other rate or charge of any type may be charged for services described herein, except as provided in subdivision D of this section.
- D. Nothing herein, however, shall prevent Contractor from charging less than the maximum charges allowed by this agreement, nor from charging for services not provided for in this agreement. Contractor shall submit for review any offer to provide service that is not provided for in this agreement. If the Director, in his or her sole discretion, determines that the service to be offered is already included in the services to be provided by Contractor pursuant to the agreement, the Director shall notify the Contractor in writing and Contractor shall not initiate a new charge for the service. Contractor may appeal the Director's determination to County's Chief Executive Officer by submitting, within ten days of the date of the Director's determination, a written appeal detailing all bases for the appeal. The decision of County's Chief Executive Officer regarding the appeal shall be final and conclusive. If services offered are not provided for in this agreement,

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Contractor may offer those services but shall not make those services mandatory nor shall contracting for those services be made a condition of receiving the services provided for in this agreement.

### **Section 4      COUNTY FRANCHISE FEE.**

- A. Contractor shall compensate County as follows:
  - 1. As consideration and compensation for the grant of an exclusive franchise for collections as described in this agreement, Contractor shall pay annually to County three percent (3%) of Contractor's gross revenue received from the collections authorized by this agreement.
  - 2. All compensation provided for by subdivision A. of this section shall be paid by August 1<sup>st</sup> each year for the preceding County fiscal year ending June 30<sup>th</sup>.
- B. A penalty in the amount of five percent (5%) of the sum remaining due under this section shall be assessed against Contractor if the sums due are not transmitted to County within thirty (30) days of the date the amount first became due. Thereafter, a penalty in the amount of one percent (1.0%) of the sum remaining due shall be assessed for each succeeding month thereafter until the delinquent balance is paid in full.
- C. All payments due from Contractor to County shall be paid to County at the address provided in Section 43 of this agreement.

### **Section 5      TERM OF AGREEMENT.**

This agreement shall commence on July 1, 2013, and shall end on July 1, 2023.

### **Section 6      TERMINATION OF AGREEMENT.**

- A. Except as otherwise specifically provided in this agreement, if, other than due to an event of Force Majeure, Contractor fails to perform its duties under this agreement, or if Contractor fails to fulfill in a timely and professional manner its obligations under this agreement, or if Contractor violates any of the terms or provisions of this agreement, County shall set forth the deficiencies in performance and/or violations of this agreement in writing and Contractor shall have sixty (60) days to cure the deficiencies or violations, or, if the failure, violation, breach or default cannot reasonably be cured within such period, and if diligent efforts to cure promptly commence, then the cure period shall continue as long as such diligent efforts to cure continue, but not beyond a period of 120 calendar days.

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- B. County may terminate this agreement if Contractor has not corrected all deficiencies and/or violations of the agreement, to County's satisfaction within the applicable period provided in subdivision A. of this section.
- C. All terms and conditions of this agreement are material and the breach of any term or condition by Contractor, unless directly caused by an event of Force Majeure, may, in County's discretion, be considered a substantial and material breach rendering Contractor in default.
- D. The rights and remedies of County provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this agreement.

### **Section 7      RESIDENTIAL ACCOUNTS.**

- A. Residential accounts shall be responsible to provide their own Solid Waste containers in sufficient number to accommodate the amount of Solid Waste intended for collection. Such containers shall be constructed of metal, hard rubber or plastic, and shall have handles and covers. The individual containers shall have a capacity of not less than 20 nor more than 32 gallons and shall weigh, when loaded, not more than 50 pounds. Heavy duty plastic bags of the type especially manufactured for waste collection and trash compactor type bags may also be used provided they are securely tied, not perforated or split, and the bag and its contents do not weigh more than 50 pounds.
- B. Contractor shall immediately pick up and properly dispose of Solid Waste spilled during its collection activities.

### **Section 8      RESIDENTIAL SOLID WASTE NOT SUITABLE FOR CONTAINER.**

In addition to Residential Solid Waste placed in a Solid Waste container, as described above, Contractor shall collect on an occasional basis any Residential Solid Waste that is placed for collection in the same manner and at the same places as designated for containers, provided such Residential Solid Waste is not heavier than thirty-five (35) pounds and, if composed of loose material, is placed in a 55-gallon (or smaller) bag. However, the service provided for in this section shall be limited to no more than four occasions per year per customer.

### **Section 9      COMMERCIAL ACCOUNTS.**

- A. Contractor shall supply commercial accounts with a Commercial Solid Waste container. All Commercial Solid Waste containers shall be owned by Contractor and shall be provided at no cost other than the Collection rates charged.
- B. All Commercial Solid Waste containers shall be of sturdy construction, be leak proof, have covers and be kept in good repair.



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- C. Contractor shall immediately pick up and properly dispose of Solid Waste spilled during its collection activities.

### **Section 10 FREQUENCY OF COLLECTION.**

- A. Except as provided in Section 12 of this agreement, Residential Solid Waste shall be collected according to the following schedules for each residential account, where such services are requested and contracted for:
  - 1. Solid Waste shall be collected at least once during each calendar week.
  - 2. The normal schedule of collections shall be arranged so that the collection at any premise will be made on the same day of the week in each succeeding week, and shall occur on a weekday (i.e., Monday to Friday, inclusive).
- B. Except as provided in Section 12 of this agreement, Commercial Solid Waste collection frequency shall, where such services were requested and contracted, be in accordance with an agreement between the business and Contractor and shall be of a frequency as to prevent a health hazard.

### **Section 11 INCLEMENT WEATHER.**

In the event of inclement or severe weather that makes it unsafe for collection vehicles or personnel to perform collection services, Contractor shall be excused from performing services in accordance with the normal collection schedule for the period of time of the inclement weather and will make commercially reasonable efforts to provide collection services within a one-week time period (or earlier if reasonably practicable) provided the roads are safely accessible and may double-up on collections at no additional charge. Contractor shall provide a notice on its website and telephone answering service of all changes in Contractor's regular collection schedule. In the event of inclement weather, Contractor shall: (i) contact County to determine plowed roads and accessibility, (ii) contact schools in the County to confirm accessibility, (iii) confirm access to more remote areas through key residents identified by Contractor in advance, (iv) confirm the foregoing information by physical inspection where reasonably possible, and (v) contact customers by phone (including automated calls) describing available collection options, including free use of the Transfer Station or for free disposal of extra material during the next available collection date.

### **Section 12 HOLIDAY COLLECTIONS.**

- A. When a normal collection day falls on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day or Christmas Day, collection shall be provided as follows:
  - 1. on the holiday, or

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2. one day prior to or one day after the holiday at Contractor's discretion, providing regular collection can be maintained on scheduled days the remainder of the week.
- B. Contractor shall notify the Director of Contractor's intended option and provide any information requested by County to assure itself of Contractor's ability to maintain the scheduled collection.
- C. Contractor's intention for holiday collection shall be clearly stated in the published collection schedule and in a notice mailed or delivered to residents of the County. The published collection schedule shall then be maintained at all times.

### **Section 13     HOURS.**

All residential and commercial collections shall be between the hours of 4:00 a.m. and 4:00 p.m. No residential collections shall be made on Saturday or Sunday, except as may be necessary for holiday collection as set forth in Section 12.

### **Section 14     ADDITIONAL CLEAN-UP COLLECTIONS.**

The normal collections following the Christmas and New Year's holidays shall include discarded Christmas trees and waste packaging materials which may be set out for collection in suitable containers or bundled, and which may exceed the normal collection volume. Such items shall not exceed four feet in greatest dimension or fifty (50) pounds in weight. Contractor shall collect such items without additional charge. Such collections shall be made within two (2) collection periods following January 1<sup>st</sup> of each year.

### **Section 15     RESIDENTIAL ROUTES AND SCHEDULES.**

- A. Within thirty (30) days of the effective date of this agreement, Contractor shall prepare and provide Director a map of the collection area which sets forth each collection route and the weekday upon which collection shall occur on each route. The map shall also be annotated to demonstrate the holiday schedule for each collection.
- B. Contractor may make changes to established collection routes or schedules; however, all proposed changes shall be presented to County in writing no less than ten (10) days prior to implementation.
- C. Contractor shall notify all affected customers of any change in the collection route or schedule at least seven (7) days before such change becomes effective.
- D. Contractor shall provide a new map specifying the information required by subdivision A. of this section for all changes to the established collection routes or schedules.

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### **Section 16     NOTICE OF FAILURE OR REFUSAL TO COLLECT.**

When any Solid Waste is not collected as a result of being determined as non-collectible pursuant to this agreement, Contractor shall secure a tag on the container or article refused which indicates the reasons for Contractor's failure or refusal to collect the Solid Waste. Contractor shall keep a record of all places where it was necessary to leave such notice.

All Solid Waste shall be collected unless it is in excess of fifty (50) pounds per bundle, object, or package, or contains any waste not classified as municipal solid waste appropriate for a Class III landfill.

### **Section 17     COLLECTION VEHICLES AND EQUIPMENT.**

- A. Contractor shall possess and maintain adequate vehicles and equipment, including reserve or replacement vehicles and equipment, sufficient to perform the services required of Contractor herein. Contractor shall also operate, or provide evidence of access to, shop facilities required for the maintenance of such vehicles and equipment.
- B. Contractor's collection vehicles shall be of a type manufactured or modified expressly for the purpose to which they are assigned. Vehicles and equipment shall be maintained so that liquids or Solid Waste will not blow, fall, sift or leak onto the street, or in any other way escaped from containers or vehicles.
- C. Each truck, trailer, or other conveyance or equipment used to collect, haul, or transport Solid Waste in County shall, at all times, be kept clean, in good repair, in good mechanical condition and uniformly painted. Each piece of equipment used to collect from residential and commercial accounts shall be marked with Contractor's business name and telephone number.
- D. All equipment used to collect or transport Solid Waste is subject to inspection for compliance with health provisions at least once annually by County. Contractor hereby consents to such inspections.
- E. Nothing in this agreement shall be construed to impose a duty on County to conduct or otherwise perform any inspection of Contractor's equipment or facilities.

### **Section 18     CUSTOMER SERVICE.**

- A. Contractor shall maintain a toll-free phone line that can be called by customers. Customers shall be able to reach a person on the toll-free phone line during normal working hours.
- B. Contractor shall maintain a log of service complaints and shall record the name and telephone number of the complainant and the time the inquiry or the

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complaint was received and the date and manner of disposition of each complaint. Contractor shall provide a copy of this log to the Director each August 1<sup>st</sup> or upon request.

- C. Contractor bills, invoices and other business correspondence shall contain Contractor's phone number.

### Section 19 RATE ADJUSTMENTS.

- A. Contractor shall provide services as required herein at the rates set forth in Exhibits A, B and D. The rates set forth in Exhibit A and D shall apply throughout the service area. Rates set forth on Exhibits B apply only to Transfer Station sites.
- B. On each July 1<sup>st</sup> beginning July 1, 2015, Contractor shall be permitted to set its rates for the following 12 months provided that the maximum rate increase shall not exceed one hundred percent (100%) of the percentage change in the Consumer Price Index U.S. City Average ("CPI") for the twelve (12) month period ending the preceding December.
- C. On each July 1<sup>st</sup> beginning July 1, 2015, Contractor shall be permitted to increase its rates where there is a change in the tipping charge that is greater than the CPI adjustment permitted by subdivision B. of this section. Where such a condition exists, the rate shall be adjusted in an amount to compensate Contractor for the increment in excess of the percentage change in the CPI, as provided in subdivision B of this section.
- D. On each July 1<sup>st</sup> beginning July 1, 2015, Contractor shall be permitted to increase its rates where there is a change in the hauling cost that is greater than the CPI adjustment permitted by subdivision B. of this section. Where such a condition exists, the rate shall be adjusted in an amount to compensate Contractor for the increment in excess of the percentage change in the CPI, as provided in subdivision B of this section.
- E. Contractor shall be permitted to charge a monthly fuel surcharge for Residential and Commercial collections. The fuel surcharge shall be calculated as the difference between the *Gross Fuel Surcharge* as determined using the *Gross Fuel Surcharge Table*, attached and incorporated herein as Exhibit D, and the CPI as determined in accordance with subdivision B of this section. Where the difference between the *Gross Fuel Surcharge* and the CPI is zero (0) or less, no monthly fuel surcharge shall be charged. In determining the *Gross Fuel Surcharge*, the *Diesel Fuel Index*, as referenced in the *Gross Fuel Surcharge Table*, shall be the most current monthly "California U.S. On-Highway Diesel Fuel Price" as reported by the United State Energy Information Administration.
- F. In Extraordinary Circumstances, as defined in Section 1, Contractor may request approval from County for rate increases in excess of the limits imposed herein.

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Likewise, in Extraordinary Circumstances, Director may on his or her own initiative, recommend rate adjustments. In either event, the matter will be referred to the Director for review and recommendation to the Board. The decision of the Board, after an informal hearing in which Contractor is entitled to present evidence, shall be final and binding on Contractor.

- G. When Contractor requests a rate increase due to Extraordinary Circumstances, it shall make available to County such records and information as may reasonably be required by County to substantiate the request and to review Contractor's actual costs of operation, including, but not limited to, those records referred to in Section 20.
- H. County's review of costs occur between February 1<sup>st</sup> and the last day of February. The revised rates will be effective July 1<sup>st</sup> unless prohibited by law, the Board orders different rates, there is a delay in the setting of a hearing or to Contractor's failure to provide to County by February 1<sup>st</sup> the records set forth in Section 20 or any other information requested by County.
- I. In no event may the total of all adjustments prescribed under the provisions of this section exceed eight percent (8%) of the rate previously in effect in any year. If said adjustments expressed in percentage terms (the "Raw Percentage Increase") exceed eight percent (8%), the difference between the Raw Percentage Increase and eight percent (8%) may be added by Contractor to the annual adjustment made in future years, subject to a maximum adjustment of eight percent (8%) in any year. If the amount of that difference cannot be fully applied in the following year because of the eight percent (8%) cap in the following year, then any portion that is not applied shall continue to be carried forward to future years until it is fully applied.
- J. The rate adjustments in subdivision B, C, D and E. of this section are maximum rate changes that may be made by Contractor pursuant to this agreement, subject only to compliance with applicable law and confirmation of the data and calculations used in computing the amount of the adjustments. All other rate adjustments are subject to approval by the Board and shall comply with and be adopted in accordance with all applicable laws including, but not limited to, Article XIIC and Article XIID of the California Constitution and California Government Code sections 53750 et seq. County shall make good faith efforts to implement the rate adjustments in a manner that complies with applicable laws, including in connection with public notices and other public involvement with rate adjustments required by applicable laws.
- K. Nothing in this agreement shall be construed to prevent County from utilizing any procedure provided for in Article XIIC or XIID of the California Constitution and California Government Code sections 53750 et seq. to approve any rate permitted to be charged by Contractor pursuant to the terms of this agreement. County shall provide 180 days prior written notice to Contractor of County's intent to utilize any procedure provided for in Article XIIC or XIID of the

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California Constitution and California Government Code sections 53750 et seq. Contractor shall provide any information reasonably requested by County related to the implementing the procedures in this subsection within ten (10) days of County's request. If County exercises its right to utilize any procedure provided for in Article XIII C or XIII D of the California Constitution and California Government Code sections 53750 et seq. and the results of that procedure is that a rate could not be changed pursuant to those provisions, Contractor shall not increase any rate that was the subject of those proceedings.

### **Section 20     REPORTING REQUIREMENTS.**

- A. Contractor shall prepare an annual collection activity report and deliver the same to the Director no later than January 31<sup>st</sup> of each year.
- B. Each annual collection activity report shall include the following, summarized by month:
  - 1. Total tons of Solid Waste disposed of at the Disposal Site.
  - 2. Total tons of Recyclables processed.
  - 3. Total number of Transfer Station users, segregated by Transfer Station and including a tabulation of Transfer Station use (disposal of Solid Waste and/or delivery of Recyclables and/or Green Waste) and zip code of user;
  - 4. Estimated quantity of materials delivered by users to the Transfer Stations for disposal, segregated by Transfer Station and type of material (Solid Waste, Recyclables and Green Waste). Quantities shall be reported in the units used by Contractor in calculating disposal fees or, where no disposal fee is charged, those units most applicable to the material received (pounds, tons, cubic feet, cubic yards, gallons, each, etc);
  - 5. A record of Transfer Station load inspections, segregated by Transfer Station and containing a summarized record of each load inspection performed including details of prohibited materials discovered during such inspections; and
  - 6. A recap of any special occurrences or unusual circumstances affecting the provision of services pursuant to this agreement.
- C. Contractor shall provide any other information or data required to be reported by Contractor to County including but not limited to the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code) as amended, supplemented, superseded, and replaced from time to time.

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- D. Contractor shall retain a certified public accountant to prepare an annual financial report that shall be provided to Director no later than March 1<sup>st</sup> of each year. The annual financial report shall include, but not be limited to, the following information:
1. Hourly labor rates, salaries and total salary expenditures;
  2. Maintenance costs;
  3. Vehicle and equipment purchases;
  4. Administration;
  5. Overhead;
  6. Revenues from Transfer Station operations;
  7. Revenues from both residential and commercial collection;
  8. The number of residential and commercial accounts;
- E. At any time during normal business hours, and as often as County may reasonably deem necessary, Contractor shall make available to federal, state, or County authorities all of Contractor's data, invoices and records with respect to all matters covered by this agreement and will permit federal, state, or County authorities to audit, examine and make excerpts or photocopies of such data, invoices and records. Contractor shall maintain such data and records in an accessible location.
- F. County's right to inspect shall not terminate until three years after the expiration of this agreement. Contractor shall preserve all records pertinent to the performance of its duties under this agreement for the same period of time.

### **Section 21    DISPOSAL SITE.**

- A. Excepting Recyclables, Designated Wastes, Green Wastes and such other Solid Waste as the Director may designate, Contractor shall dispose of all Solid Waste collected pursuant to this agreement at the Richard W. Curry West Central Landfill or such other site as the Director may approve in writing.
- B. If, for whatever reason, the Richard W. Curry West Central Landfill is closed on a day on which Contractor provides Solid Waste collection services, Contractor may dispose of said Solid Wastes at an alternate Disposal Site of Contractor's choosing.
- C. Contractor is responsible for paying all tipping fees at the Disposal Site.

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### Section 22 COMPLAINTS.

Dissatisfied customers may complain to the Director. The Director will investigate complaints and may impose penalties in accordance with the provisions of Section 28. Contractor may appeal the Director's determination to impose penalties to County's Chief Executive Officer by submitting, within ten days of the date of the Director's determination, a written appeal detailing all bases for the appeal. The decision of County's Chief Executive Officer regarding the appeal shall be final and conclusive. Matters concerning immediate health or environmental hazards will be referred to the appropriate County office.

### Section 23 RESOURCE RECOVERY - RECYCLING.

- A. Contractor shall collect residential quantities of Recyclables at the Burney and Fall River Mills Transfer Stations at no charge to customers. Recyclables to be collected include, but are not limited to:
1. California Refund Value ("CRV") beverage containers as defined in the California Public Resource Code §14504;
  2. cardboard;
  3. tin and steel cans;
  4. scrap metal; and
  5. electronic wastes.
- B. Contractor shall make commercially reasonable efforts to participate in County's efforts to comply with the State of California's mandatory commercial recycling regulations including, but not limited to California Code of Regulations, Title 14, sections 18835 through §18839 as they may be amended from time to time. Such participation may include, but is not limited to, mailing special periodic publications in its regular bills, providing contact information for commercial accounts and providing data indicating levels of participation of commercial accounts in recycling programs. Contractor and County shall cooperate in developing measures related to implementation of the mandatory commercial recycling law and agree to modify recycling requirements in this agreement as necessary to assure its successful implementation in a manner consistent with the provisions of this agreement and applicable law and regulations. In the event such modified requirements are implemented, the maximum rates that Contractor may charge its commercial customers shall be adjusted in an amount sufficient to recover in full its costs of fulfilling such requirements plus 5% of those costs. If County and Contractor are unable to agree on the amount of such adjustment, then the adjustment shall be determined as provided below:



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1. Contractor shall submit to County a report prepared by an independent certified public accountant.
2. The report shall include the accountant's estimate of the additional costs, on an annualized basis, required for Contractor to perform the additional modified requirements, plus 5% of those costs (the "Adjustment Amount").
3. The report shall include the accountant's calculation of a uniform percentage increase (the "Percentage Increase") in the maximum rates that Contractor may charge to commercial customers that would be sufficient to allow Contractor to recover the Adjustment Amount from the change in such rates on an annualized basis.
4. The maximum rates that Contractor may charge to commercial customers shall be increased by the Percentage Increase effective upon implementation of the modified requirements (subject to such other or further adjustments as are otherwise permitted pursuant to this agreement).

In the event County determines, in its sole discretion, that any such changes in rates requires compliance with Article XIIC or Article XIID of the California Constitution and California Government Code sections 53750 et seq. or any other applicable law, such change in rates shall not be effective until completion of all such procedures and the maximum rate has been approved in accordance with the applicable law.

### **Section 24     GREEN WASTE.**

- A. The Contractor has implemented a pilot Green Waste collection program at the Burney Transfer Station. After six (6) pilot Green Waste collection events, Contractor shall submit to the County a financial report compiled by a certified public accountant showing all income and expenses related to the pilot Green Waste collection events. The financial report shall be used by County to determine the practicability of enacting a permanent Green Waste collection program at the Burney Transfer Station.
- B. If, in County's sole discretion, a permanent Green Waste collection program is warranted, County shall notify Contractor of such and Contractor shall implement said program within 14-days of such notification.
- C. The permanent Green Waste collection program, if enacted by the County, shall provide that Contractor shall accept for disposal residential quantities of Green Waste at the Burney Transfer Station during normal facility operating hours on at least two (2) Saturdays every month. Disposal of the collected Green Waste materials by Contractor shall be to a facility that composts such materials or utilizes them for some other beneficial use. Green Waste materials shall not be

## EXHIBIT A

disposed of at the Disposal Site unless approved in advance by Director. Green Wastes to be collected include, but are not limited to:

1. grass clippings;
  2. yard trimmings;
  3. leaves and pine needles;
  4. tree branches (no longer than 3.5 feet and no more than 4" in diameter);  
and
  5. un-flocked Christmas trees (cut into sections no longer than 3.5 feet).
- D. The initial rate for Green Waste disposal under the permanent collection program shall be set by Contractor based on the program costs given in the financial report produced in accordance with subsection A. plus 10% of those costs.

### Section 25 COMMUNITY EDUCATION.

Contractor shall participate in County's public awareness and education program by mailing in its regular residential and commercial bills on a quarterly basis the publication *Trash Talk* or other similar publication provided by County. Contractor agrees to distribute a flyer, at least annually, describing Contractor's recycling services to all residential and commercial accounts. Contractor shall also mail special periodic publications provided by County in its regular bills, including, but not limited to notices of rate increases and of public hearings related to the services and rates provided for by this agreement.

Upon request, Contractor shall make available to County an editable electronic copy of its account database containing the name and address of all residential and commercial account holders. County shall treat all information disclosed or made available for inspection by Contractor and marked as confidential hereunder that affects the competitive position of Contractor as confidential information to the extent permitted by law. If County receives any requests for disclosure of Contractor's information under any applicable state public records disclosure law, County shall notify Contractor in writing of such request. In no event shall Contractor file a claim, action, suit or take any other action to recover any damages or seek any relief for County's compliance with any lawful request or request for public records. This release is in addition to any other indemnification or release provided for in this agreement.

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### Section 26 TRANSFER STATIONS.

A. Contractor shall operate Transfer Stations in Burney and Fall River Mills in accordance with the days and hours shown in the *Transfer Station Operating Schedule*, attached and incorporated herein as Exhibit C. During the term of this agreement the Director, in his or her sole discretion, may adjust the Transfer Station days and hours of operation. Contractor shall operate the Transfer Stations in accordance with the adjusted days and hours of operation. In the event such modified days and hours of operation are implemented, the maximum disposal fees that Contractor may charge shall be adjusted in an amount sufficient to recover in full its costs to operate the Transfer Stations using the modified days and hours of operation plus 5% of those costs. If County and Contractor are unable to agree on the amount of such adjustment, then the adjustment shall be determined as provided below:

- (1) Contractor shall submit to County a report prepared by an independent certified public accountant.
- (2) The report shall include the accountant's estimate of the additional costs, on an annualized basis, required for Contractor to operate the Transfer Stations using the modified days and hours of operation, plus 5% of those costs (the "Adjustment Amount").
- (3) The report shall include the accountant's calculation of a uniform percentage increase (the "Percentage Increase") in the maximum disposal fees that Contractor may charge to Transfer Station customers that would be sufficient to allow Contractor to recover the Adjustment Amount from the change in such rates on an annualized basis.
- (4) The maximum disposal fees that Contractor may charge shall be increased by the Percentage Increase effective upon implementation of the modified requirements (subject to such other or further adjustments as are otherwise permitted pursuant to this agreement).

In the event County determines, in its sole discretion, that any such changes in rates requires compliance with Article XIII C or Article XIII D of the California Constitution and California Government Code sections 53750 et seq. or any other applicable law, such change in rates shall not be effective until completion of all such procedures and the maximum rate has been approved in accordance with the applicable law.

B. Compensation for operating and maintaining such Transfer Stations shall be as set forth in Exhibit B. The compensation is to pay Contractor for all labor, equipment, materials and disposal fees necessary to collect and dispose of the Solid Waste, Recyclables and Green Waste collected.

## EXHIBIT A

- C. Contractor shall post, in clear public view, signs indicating the facility's days and hours of operation and the rates charged for disposal. The sign indicating the facility's days and hours of operation shall be mounted in a visible location such that users of the facility can determine the operating schedule when the facility is closed. Contractor shall maintain the signs in a good, readable condition and shall update the signs when the hours of operation or the Transfer Station disposal rates change.
- D. Subject to the limitations in subdivision F of this section, Contractor is responsible for day to day maintenance and repair of Transfer Station facilities, including, but not limited to fencing, gates, pavements, signs, and snow removal. County agrees to assist in pavement maintenance and snow removal when, in its judgment, such assistance is in the best interest of the Transfer Station operations and County resources are readily available for such assistance. Failure of County to assist in pavement maintenance and snow removal does not relieve Contractor of the responsibilities of this subdivision.
- E. In the event of severe weather conditions which make operation and use of the Transfer Stations unsafe, the Contractor, with the County's approval, shall be excused from operating the Transfer Stations until such time as conditions improve such that the Transfer Stations can again be operated and used safely.
- F. Contractor is responsible for minor improvements which it deems necessary for the operation of the Transfer Stations. Minor improvements are defined as improvements costing \$500 or less per improvement. Contractor is not responsible for major improvements. Major improvements are defined as improvements costing in excess of \$500 per improvement.
- G. Transfer Stations shall be operated and maintained in a clean and orderly fashion in accordance with all applicable permits and regulations. Litter and fugitive Solid Waste, Recyclables and Green Waste resulting from the operation of the Transfer Station shall be collected and deposited within the bins at the end of each day of operation and more often as necessary.
- H. Contractor shall be responsible to collect and dispose of all fugitive litter and illegally dumped Solid Waste, Recyclables and Green Waste:
  - 1. within a Transfer Station Site;
  - 2. within five hundred (500) feet of a Transfer Station Site; and
  - 3. within one hundred (100) feet of a Transfer Station access road.
- I. Contractor shall not encroach upon County properties beyond the aforementioned limits, other than for the purpose of collecting fugitive litter or illegally dumped Solid Waste and Recyclables, without the express written approval of the Director.

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- J. Contractor shall use the Transfer Stations and Transfer Station access roads for the purpose of operating Transfer Stations only and for no other purpose, unless otherwise authorized by the Director.
- K. Contractor shall restrict access to Transfer Stations except during their hours of operation, as posted at the Transfer Station. Contractor shall mend breaches in fencing and gates promptly in a durable and workmanlike manner so that the fencing or gate is restored to its original condition.
- L. Should any Transfer Station during the course of inspection by any state or local agency charged with regulating such facilities receive two (2) or more violations or documented areas of concern per any twelve (12) month period for litter resulting from unauthorized scavenging activities, whether cause by person or animal, such Transfer Station shall, within three (3) months of the most recent such violation or documented area of concern, be equipped with Solid Waste and recycling containers of a configuration such that they may be secured with a padlock or other mechanism which prevents unauthorized access to container's contents. All such containers shall be locked or secured at all times outside of the normal Transfer Station operating hours.
- M. Transfer Station perimeter gates shall be secured with padlocks. Padlocks shall be furnished, installed and maintained by Contractor. Padlocks shall be keyed alike so that a single master key will open all gates at Transfer Stations, unless otherwise directed by the Director. At no cost to County, Contractor shall furnish Director with two copies of the Transfer Station master key within seven days of the effective date of this agreement and within seven days of replacement of the padlock. Contractor shall furnish Director with additional copies upon demand at no charge to County.
- N. Contractor shall not disturb additional locks installed on gates by County for fire access and other purposes. County shall not be obligated to furnish keys for such locks to Contractor. However, all locks will be installed in series so that unlocking any one individual lock will permit access to the Transfer Station. Upon termination of this agreement, all locks on Transfer Station gates shall become the property of County.
- O. Contractor shall maintain records of Transfer Station activities sufficient to fulfill the requirement for annual Transfer Station activity reports as required by Section 20.
- P. Any Contractor or County funded improvements affixed to the Transfer Station Sites during the term of this agreement shall revert to the ownership of County upon termination of this agreement.
- Q. It is acknowledged that Contractor leases from Thomas and Gwen Ghiorso the five acre parcel, Assessor's Parcel No. 030-390-044 (the "Property"), which is the

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location of the Burney Transfer Station. In recognition of the significance of the Burney Transfer Station and, in turn, the Property, to solid waste collection in the Intermountain area, and in return for the exclusiveness of this agreement and other considerations provided for herein, Contractor, has secured from the owner of the Property, Thomas and Gwen Ghiorso, an irrevocable agreement not to sell, offer for sale, lease, subdivide or otherwise transfer the Property to any person, entity, or party without having first offered to sell, offer for sale, lease, subdivide or otherwise transfer the Property to the County of Shasta ("Right of First Refusal"). County shall be expressly named as a third party beneficiary in the Right of First Refusal. The Right of First Refusal shall also provide that County has an option to lease the Property upon (A) notice of intent from the Trust of its intent to lease, rent, or otherwise transfer control of the Property to any other party by means of a lease or rental of the Property; or (B) the expiration or assignment of this Solid Waste Collection agreement or any subsequent agreements between Burney Disposal, Inc. and County. County's option to lease the Property shall be for a term commencing upon expiration or assignment of the Solid Waste Collection Agreement and extending for a period to be determined by County at that time, but in no case extending beyond December 31, 2033, unless agreed to by the Parties. The lease shall provide for a base monthly rent to be calculated at the Market Rent rate described in Exhibit F. Furthermore, the Right of First Refusal shall be effective throughout the term of this Solid Waste Collection Agreement and any subsequent agreements. Termination of the Right of First Refusal may, in County's sole discretion, be cause for termination of this Solid Waste Collection Agreement. The Right of First Refusal shall, at a minimum, provide that:

1. Should County choose to purchase or otherwise acquire the Property, the sale price will be established by an appraisal done by a mutually agreed upon appraiser. If the two parties cannot agree on an appraiser, each party will appoint an appraiser. The two appraisers will then select a third appraiser to perform the required appraisal.
2. The appraisal shall consider the current land use of the Property as a large volume solid waste transfer/processing facility.
3. The appraiser shall not include the value of any improvements at the Property paid for by County or by means of an increase in rates and shall not include improvements made by any other person to the Property unless those improvements are approved in advance by County. By Contractor's execution of this agreement, Contractor acknowledges that all improvements existing at the time of the execution of this agreement have been paid for by County or by means of an increase in rates.

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### Section 27 FREE DISPOSAL EVENTS.

- A. A free disposal event is an event in which Contractor will accept without charge Solid Waste and those Recyclables as listed in Section 23, at a time and place designated by Director.
- B. Free disposal events shall be held only at the reasonable discretion of County. Contractor shall be responsible to perform the services set forth in this section at no cost to County, individuals, agencies or organizations involved. Sites for free disposal events shall be located within the County and as determined by County. Contractor shall not be obligated to provide more than two (2) free disposal events within a calendar year.
- C. Free disposal events shall be sponsored by a host. The host shall provide all labor, equipment and materials necessary to organize, advertise, operate and otherwise arrange for free disposal events. The host shall submit written requests to Director at least forty (40) days prior to each free disposal event. If approved by County, County will forward said request to Contractor at least thirty (30) days prior to each free disposal event, and Contractor shall comply with all terms and conditions of County approved request. Requests shall specify the host organization and contact person, location, date and hours of operation of the proposed free disposal event.
- D. Subject to the terms and conditions herein, Contractor shall furnish and deliver Solid Waste and Recyclables containers of sufficient number and volume to accommodate all Solid Waste and Recyclables received at free disposal events. Solid Waste and Recyclables containers shall be delivered in accordance with County's or the host's instructions and made available to accept material for the entire duration of the free disposal event. Contractor is responsible to pay all applicable fees for disposal of the Solid Waste and Recyclables collected during free disposal days.
- E. Contractor shall not be obligated to provide services pursuant to this section at multiple locations on the same day. Contractor shall not be obligated to provide services pursuant to this section if Contractor has participated in a County approved free disposal event within the preceding fifty (50) weeks at the proposed site, or at another site within five (5) miles of the proposed site. Contractor shall not be obligated to provide services pursuant to this section if Contractor has participated in a free disposal event within the preceding forty five (45) days.
- F. Upon approval from the Director, Contractor may, as an alternative to providing the services described in this section, supply free disposal event hosts with a suitable number of vouchers which provide for free waste disposal at one of the Transfer Stations operated by Contractor in accordance with this agreement. Where this alternative is approved, the Director shall determine the suitable number of vouchers to be distributed.

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### **Section 28     PENALTY FOR POOR SERVICE.**

- A. Contractor has previously deposited one thousand dollars (\$1,000) with County to be reserved as a fund from which County may deduct penalties as provided herein.
- B. In the event the Director receives a service complaint which requires staff time to investigate, and the investigation results in a County finding that Contractor is at fault, the Director shall deduct fifty dollars (\$50) from the fund as a penalty.
- C. The Director shall notify Contractor of this complaint and penalty. When the fund falls below five hundred dollars (\$500), Contractor shall deposit sufficient funds with County to return the balance to one thousand dollars (\$1,000) within ten (10) days of notice from County.

### **Section 29     RIGHT TO USE EQUIPMENT.**

Should Contractor fail or refuse to provide service or otherwise fail or refuse to perform as provided herein, and should this failure of performance constitute, in the opinion of County, a hazard to the health or safety of the public, County may, without liability for doing so, take possession and utilize, for a period of no longer than two (2) months, Contractor's equipment necessary for County or its agents to perform the services provided for herein. County shall pay the prevailing rental rates for use of such equipment. Nothing in this section shall be construed to create a duty for County to act pursuant to this section.

### **Section 30     ASSIGNMENT.**

Inasmuch as this agreement is intended to secure the specialized services of Contractor, Contractor may not assign, transfer, delegate or sublet any interest herein without the prior written consent of County. Notwithstanding the foregoing, Contractor shall not be required to obtain County's consent for the following types of assignments and transfers: (i) reorganizations, mergers, consolidations, sales of equity or assets or similar transactions between or among entities owned by the same ultimate parent, including but not limited to Contractor and regardless of which entity is the survivor, or (ii) any issuance, sale, exchange or other transfer if thereafter the surviving ultimate parent entity is owned by a large, fluid aggregation of shareholders where no shareholder owns more than ten percent (10%) of the voting securities of the surviving ultimate parent entity (excluding, however, any such shareholder that prior to such transaction owned ten percent (10%) or more of the voting securities of the ultimate parent entity of Contractor).

### **Section 31     INDEPENDENT CONTRACTOR.**

Contractor shall, during the entire term of this agreement, be construed to be an independent contractor and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow



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County to exercise discretion or control over the professional manner in which Contractor performs the services which are the subject matter of this agreement; provided, however, that the services to be provided by Contractor shall be provided in a manner consistent with the professional standards applicable to such services. The sole interest of County is to insure that services shall be rendered and performed in a competent, efficient and satisfactory manner. Contractor shall be fully responsible for payment of all taxes due to the State of California or the federal government which would be withheld from compensation if Contractor were a County employee. County shall not be liable for deductions for any amount for any purpose from Contractor's compensation. Contractor shall not be eligible for coverage under County's workers' compensation insurance plan nor shall Contractor be eligible for any other County benefit.

### **Section 32    INDEMNIFICATION.**

- A. Contractor shall indemnify and hold harmless County, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including, but not limited to, reasonable attorney's fees of County Counsel and counsel retained by County, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees by reason of any person's or persons' injury, including death, or property (including property of County) being damaged by the negligent acts, willful acts, or errors or omissions of Contractor or any of Contractor's subcontractors, any person employed under Contractor, or under any subcontractor, or in any capacity during the progress of the work or the provision of services undertaken pursuant to this agreement, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of County. Contractor shall also, at Contractor's own expense, defend County against any suit or action brought against County founded upon any claim, action or proceeding which is based upon the acts or omissions of Contractor, any person employed under Contractor, or under any subcontractor, undertaken pursuant to this agreement. Contractor shall also defend and indemnify County for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency (and shall defend, indemnify, and hold harmless County) with respect to Contractor's "independent contractor" status that would establish a liability on County for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. To the extent consistent with the limitations provided by Public Resources Code section 40059.2 and subject to the limitations in subdivisions F. and G., Contractor shall defend, hold harmless, and indemnify County, its officers, officials, employees, volunteers, agents and assignees from and against any loss, liability, penalties, forfeiture, claims, damages, demands, actions, proceedings or suits, in law or equity, of every kind and description ("Losses"), arising from any challenges to the tipping fees or any subcomponent thereof and/or in connection with the application of Article XIII C and Article XIII D of the California Constitution to the imposition, payment, or collection of tipping fees or payment

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of concession charges for services provided by Contractor under and/or in connection with this agreement ("Rate Lawsuit"), provided, however, that such obligation to defend, hold harmless and indemnify shall not apply to claims, demands, actions, proceedings, and suits that assert that franchise fees, or any other amounts payable to County under this agreement are not imposed in accordance with Article XIIC or Article XIID of the California Constitution. County shall defend, hold harmless, and indemnify Contractor, its officers, officials, employees, volunteers, agents and assignees from and against any Losses arising from any challenges, claims, demands, actions, proceedings, and suits that assert that franchise fees, or any other amounts payable to County under this agreement are not imposed in accordance with the procedural requirements of Article XIIC or Article XIID of the California Constitution.

- C. To the extent consistent with the limitations provided by Public Resources Code section 40059.2 and subject to the limitations in subdivisions F. and G. and the obligations of Contractor set forth above, the following provisions are intended to address issues of defense and allocation of risk as between Contractor and County in the event that either or both are named in a rate lawsuit brought by a third party. Contractor and County agree to cooperate with each other and provide a joint defense in any such matter to the extent practical, and each shall fully assist the other in separate or a joint defense as may occur. In the event that County retains counsel separate from and in addition to counsel selected by Contractor, County shall bear any fees, costs or expenses it incurs in providing its own defense or joint defense, and Contractor's obligation to defend, hold harmless and indemnify County will not include any obligation for payment of such fees, costs or expenses. Contractor shall not assert any legal theories inconsistent with County's interest in sustaining rates for collection of Commercial Solid Waste or Residential Solid Waste, regardless of whether a lawsuit or claim seeks invalidation of the rates or damages or both. Contractor and County further agree to toll all cross-claims against each other which are inconsistent with the provisions of this section, whether either or both Contractor and County are named in a suit or action. Potential cross-claims by County or Contractor related to a rates lawsuit which are not addressed by the terms of this section will be tolled until after the conclusion of the litigation concerning the third party claim, unless Contractor and County mutually agree to the contrary.
- D. To the extent consistent with the limitations provided by Public Resources Code section 40059.2 and subject to the limitations in subdivisions F. and G., if any monetary damages are awarded in a rate lawsuit brought against County and/or Contractor, Contractor shall be responsible for that portion of any damages or refunds which are allocable to the portions of the rates charged for Contractor's services, including its direct cost, overhead and profit. Likewise, with regard to that portion of any damages or refunds allocable to the portion of the rates relating to the franchise fee or other fees and charges remitted to County, County shall be responsible.

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- E. Nothing in this section is intended to imply that any action of County or Contractor with regard to adoption, imposition or collection of charges is violative of any laws, regulations or Constitutional provisions or that any particular law, regulations or Constitutional provision is applicable. These provisions are merely intended as a statement of an agreed upon process for defense and allocation of risks between County and Contractor in the event of a rates lawsuit, regardless of the merit or lack of merit of any of the claims set forth therein.
- F. The covenants in this section are subject to the provisions of subdivision (b) of Public Resources Code section 40059.2 as it may be amended from time to time
- G. Notwithstanding anything in this section to the contrary, in no event will Contractor have any liability to indemnify or defend County or to hold County harmless for Losses or have any responsibility for monetary damages or refunds arising solely as a result of County's negligent or intentional failure to comply with the procedural requirements of Article XIIC or Article XIID of the California Constitution, unless County's failure to comply with the procedural requirements of Article XIIC or Article XIID of the California Constitution resulted from the act or omission of Contractor.

### **Section 33     OBLIGATION TO PROVIDE SERVICE.**

- A. County and Contractor agree that this agreement for collection, transportation and disposal of Residential Solid Waste and Commercial Solid Waste and recovery of Recyclables as well as the operation of the Burney and Fall River Mills Transfer Stations is fundamental to the protection of the public health, safety and the well-being of the residents of the County. County's responsibility for ensuring the adequacy of these sanitation services in part provides the justification for the granting of an exclusive franchise to Contractor.
- B. Specifically, with reference to any legal action contesting charges for services under this Contract, should a court of competent jurisdiction or other regulatory agency set aside, invalidate or stay all or a portion of the rates set forth in this agreement and/or established by County, then the parties shall enter into good faith negotiations to establish a new relationship that, to the degree practicable, preserves the relative economic burdens and benefits created by this agreement. Contractor agrees to continue to provide Collection services as otherwise set forth herein during the duration of such negotiations, though shall have no obligation to continue such services for more than ninety (90) days if the rates created by this agreement have been invalidated, reduced or stayed. County may take such urgency actions as necessary to facilitate Contractor's continuation of service, potentially including interim suspension of portions of this agreement, such as the limitations set on rates pursuant to this agreement. Under such circumstances, County and Contractor agree to cooperate and mutually act in good faith and, if needed, immediately meet and confer to address the impact of these legal actions.
- C. If as a result of a legal action Contractor is unable to include franchise fees or other governmental fees or charges in the rates it charges for Collection services,

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then Contractor agrees, upon direction from County, to reduce its charges to customers in an amount corresponding to the disallowed fee or charge, and shall thereafter not be required to remit the amount of the disallowed fee or charge, provided it is not collected from Customers.

- D. Neither Contractor nor County shall have the right to obtain payment from the other party for losses either may sustain due to a court of competent jurisdiction or other regulatory agency invalidating, setting aside, or staying the collection of all or a portion of the rates set forth in this agreement. Contractor shall bear the risk of losses associated with the cost of providing continued service as a result of such a legal action or ruling and similarly County shall bear the loss of franchise fees or other County charges during any period where rate charges cannot be lawfully collected from customers by Contractor.
- E. Nothing herein is intended to imply that California Constitution Articles XIIC or XIID apply to the rates provided for under this agreement. The foregoing paragraphs are merely intended as a contractual allocation of risks in the event of an unanticipated event affecting the ability to impose or collect rates or charges pursuant to this agreement.

### **Section 34     INSURANCE COVERAGE.**

- A. Without limiting Contractor's duty of indemnification, Contractor and any subcontractor shall obtain, from an insurance carrier authorized to transact business in the State of California, and maintain continuously during the term of this agreement Commercial General Liability Insurance, including coverage for owned and non-owned vehicles and other insurance necessary to protect County and the public with limits of liability of not less than One Million Dollars (\$1 Million) combined single limit bodily injury and property damage; such insurance shall be primary as to any other insurance maintained by County.
- B. Contractor and any sub-contractor shall obtain and maintain continuously required Workers' Compensation and Employer's Liability Insurance to cover Contractor, subcontractor, Contractor's partner(s), subcontractor's partner(s), Contractor's employees, and sub-contractor's employees with an insurance carrier authorized to transact business in the State of California covering the full liability for compensation for injury to those employed by Contractor or subcontractor. Each such policy shall be endorsed to state that the Workers' Compensation carrier waives its right of subrogation against County, its elected officials, officers, employees, agents, and volunteers which might arise in connection with this agreement. Contractor hereby certifies that Contractor is aware of the provisions of section 3700 of the Labor Code, which requires every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and Contractor shall comply with such provisions before commencing the performance of the work or the provision of services pursuant to this agreement.

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- C. Contractor shall obtain and maintain continuously a policy of Contractor's Pollution Liability, Environmental Impairment Liability, or Hazardous Waste Liability Insurance, with limits of liability of not less than One Million Dollars (\$1 Million) per occurrence.
- D. Contractor shall require subcontractors to furnish satisfactory proof to County that liability and workers' compensation and other required types of insurance have been obtained and are maintained similar to that required of Contractor pursuant to this agreement.
- E. With regard to all insurance coverage required by this agreement:
  - 1. Any deductible or self-insured retention exceeding \$25,000 for Contractor or subcontractor shall be disclosed to and be subject to approval by the County Risk Manager prior to the effective date of this agreement.
  - 2. If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Contractor or subcontractor shall maintain such insurance coverage with an effective date earlier or equal to the effective date of this agreement and continue coverage for a period of three years after the expiration of this agreement and any extensions thereof. In lieu of maintaining post-agreement expiration coverage as specified above, Contractor or subcontractor may satisfy this provision by purchasing tail coverage for the claims-made policy. Such tail coverage shall, at a minimum, provide the insurance coverage required hereunder for claims received and reported three years after the expiration date of this agreement.
  - 3. All insurance (except workers' compensation and professional liability) shall include an endorsement or an amendment to the policy of insurance which names *Shasta County, its elected officials, officers, employees, agents, and volunteers as additional insureds* and provides that coverage *shall not be reduced below the amounts required by this section or canceled without 30 days written prior notice certain to the County*. The additional insureds coverage shall be equal to Insurance Service Office endorsement CG 20 10 for on-going operations, and CG 20 37 for completed operations.
  - 4. Each insurance policy (except for workers' compensation and professional liability policies), or an endorsement thereto, shall contain a "separation of insureds" clause which shall read:

"Separation of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

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- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each suit insured against whom a claim is made or suit is brought.”
5. Contractor shall provide County with an endorsement or amendment to Contractor’s policy of insurance as evidence of insurance protection before the effective date of this agreement.
6. The insurance coverage required herein shall be in effect at all times during the term of this agreement. In the event any insurance coverage expires at any time during the term of this agreement, Contractor shall provide, at least 20 days prior to said expiration date, a new endorsement or policy amendment evidencing insurance coverage as provided for herein for not less than the remainder of the term of this agreement or for a period of not less than one year. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided and a renewal endorsement or policy amendment is not provided within ten (10) days of the expiration of the endorsement or policy amendment in effect at inception of this agreement, County may, in addition to any other remedies it may have, terminate this agreement upon the occurrence of such event.
7. If the endorsement or amendment does not reflect the limits of liability provided by the policy of insurance, Contractor shall provide County a certificate of insurance reflecting those limits.

### **Section 35 NOTICE OF CLAIM; APPLICABLE LAW; VENUE.**

- A. If any claim for damages is filed with Contractor or if any lawsuit is instituted concerning Contractor’s performance under this agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect County, Contractor shall give prompt and timely notice thereof to County. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Any dispute between the Parties, and the interpretation of this agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

### **Section 36 ENTIRE AGREEMENT; AMENDMENTS.**

- A. This agreement constitutes the entire understanding of the parties hereto and supersedes all previous agreements relating to the subject of this agreement including, but not limited to, the *REFUSE COLLECTION AGREEMENT*

## EXHIBIT A

*BETWEEN COUNTY OF SHASTA AND BURNEY GARBAGE DISPOSAL, INC.* executed on June 18, 2002, and all amendments of said agreement and the SOLID WASTE COLLECTION AGREEMENT BETWEEN THE COUNTY OF SHASTA AND BURNEY DISPOSAL, INC. executed on May 29, 2013 by Contractor and by County on June 4, 2013 which is hereby terminated. Contractor shall be entitled to no other benefits other than those specified herein. Contractor specifically acknowledges that in entering into and executing this agreement, Contractor relies solely upon the provisions contained in this agreement and no others.

- B. No changes, amendments or alterations to this agreement shall be effective unless in writing and signed by both parties. However, minor amendments that do not result in a substantial or functional change to the original intent of this agreement may be agreed to in writing between Contractor and Director, provided that the amendment is in substantially the same format as the County's standard format amendment contained in the Shasta County Contracts Manual (Administrative Policy 6-101). Notwithstanding the previous sentence, Director has the authority to execute any amendment to this agreement to set rates for the Green Waste program described in Section 24 of this agreement should County elect to continue the program in accordance with the terms of that section.
- C. The headings that appear in this agreement are for reference purposes only and shall not affect the meaning or construction of this agreement.
- D. If any ambiguity, inconsistency, or conflict exists or arises between the provisions of this agreement and the provisions of any of this agreement's exhibits or appendices, the provisions of this agreement shall govern.

### **Section 37     BANKRUPTCY.**

In the event Contractor files a petition in bankruptcy or any other type of insolvency proceeding is initiated, or upon insolvency of Contractor, County may terminate this agreement upon oral notice to Contractor.

### **Section 38     TAXES.**

Contractor is advised that, pursuant to Revenue and Taxation Code section 107.6, a possessory interest subject to taxation may be created by the grant of this franchise and that Contractor may be subject to taxes levied upon this interest.

### **Section 39     INTERPRETATION OF AGREEMENT.**

- A. Any uncertainty, ambiguity, or discrepancy in the terms or provisions hereof, or any misunderstanding as to the interpretation to be placed upon any portion hereof or of the applicability of the provisions hereof to Contractor or the performance required hereunder shall be referred to the Director. The decision of the Director

## EXHIBIT A

will be final and binding on Contractor, subject to appeal by Contractor to the County's Chief Executive Officer and the Board. Such appeal shall be filed within twenty (20) days of the Director's decision by submitting a written letter of appeal to the Chief Executive Officer, and an appeal from the decision of the Chief Executive Officer to the Board shall be filed by Contractor within twenty (20) days of the Chief Executive Officer's decision by submitting a written letter of appeal to the Clerk of the Board. The decision of Board regarding the appeal shall be final and conclusive. Either party may seek review of a decision by the Director, the Chief Executive Officer or the Board in the courts of the State of California, which shall have exclusive jurisdiction over such disputes. The laws of the State of California shall govern the rights, obligation, duties and liabilities of the parties to this agreement and shall govern the interpretation of this agreement. Review of the decision of the Board shall be limited to review pursuant to California Code of Civil Procedure section 1094.5; provided that review of the Board's or County's exercise of its rights or performance of its duties and obligations as a contractual party to this agreement shall not be subject to California Code of Civil Procedure section 1094.5.

- B. Complaints, reviews of rates, levels of service and contract compliance shall be considered and any subsequent determinations made in accordance with the terms of this agreement.

### **Section 40 COMPLIANCE WITH LAWS; NON-DISCRIMINATION.**

- A. Contractor shall observe and comply with all applicable federal, state, and local laws, ordinances, and codes that relate to the work or services to be provided pursuant to this agreement. Notwithstanding anything to the contrary in this agreement, nothing in this agreement is intended to imply that California Constitution Articles XIIC or XIID apply to the rates provided for under this agreement.
- B. Contractor shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS) physical or mental disability, use of family care leave under either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.
- C. Contractor represents that Contractor is in compliance with and agrees that Contractor shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101, *et seq.*), the Fair Employment and Housing Act (Government Code sections 12900, *et seq.*), and regulations and guidelines issued pursuant thereto.



## EXHIBIT A

### **Section 41    ACCESS TO RECORDS/RETENTION.**

County, federal and state officials shall have access to any books, documents, papers and records of Contractor which are directly pertinent to the subject matter of this agreement for the purpose of auditing or examining the activities of Contractor or County. Except where longer retention is required by federal or state law, Contractor shall maintain all records for five (5) years after County makes final payment hereunder.

### **Section 42    SEVERABILITY.**

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or County ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

### **Section 43    NOTICES.**

Except where oral notice is permitted pursuant to this agreement, any notices required or permitted pursuant to the terms and provisions of this agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing. Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by certified or registered mail, postage prepaid, two days after the date of mailing.

If to County:                      Shasta County Department of Public Works  
1855 Placer Street  
Redding, CA 96001

If to Contractor:                Tom Ghiorso  
Burney Disposal  
37484B Cornaz Drive  
Burney, CA 96013

### **Section 44    AGREEMENT PREPARATION.**

It is agreed and understood by the parties that this agreement has been arrived at through negotiation and that neither Party is to be deemed the Party which created any uncertainty in this agreement within the meaning of section 1654 of the Civil Code.

### **Section 45    COMPLIANCE WITH POLITICAL REFORM ACT.**

Contractor shall comply with the California Political Reform Act (Government Code sections 81000, et seq.), with all regulations adopted by the Fair Political Practices

## EXHIBIT A

Commission pursuant thereto, and with the County's Conflict of Interest Code, with regard to any obligation on the part of Contractor to disclose financial interests and to recuse from influencing any County decision which may affect Contractor's financial interests. If required by the County's Conflict of Interest Code, Contractor shall comply with the ethics training requirements of Government Code sections 53234, et seq.

### **Section 46    PROPERTY TAXES.**

Contractor represents and warrants that Contractor, on the date of execution of this agreement, (1) has paid all property taxes for which Contractor is obligated to pay, or (2) is current in payments due under any approved property tax payment arrangement. Contractor shall make timely payment of all property taxes at all times during the term of this agreement.

### **Section 47    DRUG-FREE WORKPLACE.**

Contractor shall maintain a drug-free workplace.

### **Section 48    COUNTY AUTHORITY.**

Unless specifically provided in this agreement, any County action or notice authorized by or provided for in this agreement may be exercised by County's Chief Executive Officer or his or her designee or by the Director or his or her designee.

### **Section 49    NON-WAIVER.**

The waiver by County of any breach of any requirement of this agreement shall not be deemed to be a waiver of any other breach.

**SIGNATURE PAGE FOLLOWS**

EXHIBIT A

IN WITNESS WHEREOF, County and Contractor have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this agreement and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SHASTA

Date: JUN 24 2014



LES BAUGH, CHAIRMAN  
Board of Supervisors  
County of Shasta  
State of California

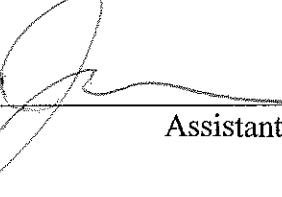
ATTEST:

LAWRENCE G. LEES  
Clerk of the Board of Supervisors

By:   
Deputy

Approved as to form:

RUBIN E. CRUSE, JR  
County Counsel

By:   
Assistant

RISK MANAGEMENT APPROVAL

By:  6/13/14

**CONTRACTOR**  
Burney Disposal, Inc.

By: 

Print Name: Tom Ghiorso

Title: Pres CEO

Date: June 13, 2014

Tax I.D. #: 68-0307764

By: 

Print Name: Gwen Ghiorso

Title: Vice President

Date: June 13, 2014

## EXHIBIT A

### EXHIBIT A

#### Fee Schedule for Residential and Commercial Collections

Effective July 1, 2013, Contractor shall be permitted to collect the following monthly fees plus the monthly fuel surcharge for collection services:

1. Residential Service

Residential service includes weekly collection of up to three (3) 32 gallon customer supplied waste containers.

Monthly Residential Service	\$29.08 / Month
Each additional 32-gallon waste container	\$4.17 / Can / Month
Yellow Tag Service <sup>1</sup>	\$6.00/ Bag

2. Commercial Service

CONTAINER SIZE*	TIMES PICKED UP PER WEEK					
	1	2	3	4	5	6
1 Yard	\$110.68	\$221.40				
1.5 Yards	\$171.94	\$285.05				
2 Yards	\$205.60	\$364.20	\$522.74			
3 Yards	\$265.33	\$471.64	\$623.18	\$731.44	\$886.84	\$1,042.25
4 Yards	\$348.46	\$586.93	\$787.79	\$1,064.27	\$1,263.58	\$1,502.16
6 Yards	\$436.35	\$715.75	\$995.04	\$1,274.41	\$1,553.77	\$1,833.08
10 Yards	\$576.80	\$957.34	\$1,337.86	\$1,718.40	\$2,098.92	\$2,479.46

\* Customer will be charged according to the total yardage of containers. For example, two 2-yard bins will be charged at the 4-yard rate.

## EXHIBIT A

### EXHIBIT A (continued)

#### Fee Schedule for Residential and Commercial Collections

<b>** DROP BOXES</b>	
16 - Yard Drop Box	\$468.16 Per Collection
20 - Yard Drop Box	\$542.73 Per Collection
30 - Yard Drop Box	\$677.29 Per Collection
40 - Yard Drop Box	\$786.81 Per Collection
50 - Yard Drop Box	\$1,025.78 Per Collection
Trash Compaction	\$29.10 Per Yard Capacity of Box Per Collection
32-Gallon Container	\$21.05 Per Collection Per Month

\*\* Drop boxes not picked up within 14 days will have an additional \$7.33 per day rental rate added to the collection rate.

Effective July 1, 2014, Contractor shall be permitted to collect the following monthly fees plus the monthly fuel surcharge for collection services:

1. Residential Service

Residential service includes weekly collection of up to three (3) 32 gallon customer supplied waste containers.

Monthly Residential Service	\$29.59 / Month
Each additional 32-gallon waste container	\$4.23 / Can / Month
Yellow Tag Service <sup>1</sup>	\$6.08/ Bag

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# EXHIBIT A

## EXHIBIT A (continued)

### Fee Schedule for Residential and Commercial Collections

#### 2. Commercial Service

CONTAINER SIZE*	TIMES PICKED UP PER WEEK					
	1	2	3	4	5	6
1 Yard	\$112.61	\$225.27				
1.5 Yards	\$174.94	\$290.03				
2 Yards	\$209.19	\$370.56	\$531.87			
3 Yards	\$269.96	\$479.87	\$634.06	\$744.21	\$902.32	\$1,060.45
4 Yards	\$354.54	\$597.18	\$801.54	\$1,082.85	\$1,285.64	\$1,528.39
6 Yards	\$443.97	\$728.25	\$1,012.41	\$1,296.66	\$1,580.90	\$1,865.08
10 Yards	\$586.87	\$974.05	\$1,361.22	\$1,748.40	\$2,135.57	\$2,522.75

\* Customer will be charged according to the total yardage of containers. For example, two 2-yard bins will be charged at the 4-yard rate.

** DROP BOXES	
16 - Yard Drop Box	\$476.33 Per Collection
20 - Yard Drop Box	\$552.21 Per Collection
30 - Yard Drop Box	\$689.11 Per Collection
40 - Yard Drop Box	\$800.55 Per Collection
50 - Yard Drop Box	\$1043.69 Per Collection
Trash Compaction	\$29.61 Per Yard Capacity of Box Per Collection
32-Gallon Container	\$21.42 Per Collection Per Month

\*\* Drop boxes not picked up within 14 days will have an additional \$7.43 per day rental rate added to the collection rate.

## EXHIBIT A

### EXHIBIT A (continued)

#### Fee Schedule for Residential and Commercial Collections

##### NOTES:

1. Waste containers marked with Yellow Tags purchased from Contractor maybe set out for collection during normal collection times and will be collected at no additional charge. Alternatively, containers marked with Yellow Tags purchased from Contractor may be deposited for free at any Transfer Station operated by Contractor.
2. Contractor may charge customers beginning new service or reinitiating old service after the date of this agreement a service deposit in the amount not to exceed two (2) months service fee for the service requested. Upon termination of service, Contractor shall refund to customer the full deposit minus any fees for unpaid service.

## EXHIBIT A

### EXHIBIT B

#### Fee Schedule for Burney and Fall River Mills Transfer Stations

Effective July 1, 2013, Contractor shall be permitted to collect the following fees for services provided at the Transfer Stations:

##### General Disposal Fees

Up to 2 cans or bags  
(except for hard to handle items, demolition materials, Green Wastes, trees or stumps)..... \$ 13.23

Each additional can or bag.....\$ 3.58

Pickups or trailers:

7 ft. in length or less and 2 ft. in height or less .....\$25.87

1 ton truck (non-compacted) 2 ft. in height or less .....\$46.83

1-1/2 ton truck (non-compacted) 2 ft. in height or less .....\$56.24

Each additional foot in height or length for all pickups, trucks or two wheel drive trailers .....\$ 7.16

##### Disposal Fees for Hard to Handle Items

Pickup or car tires .....\$ 5.52/ea

Truck tires .....\$8.59/ea

Equipment tires .....\$34.31/ea

##### Disposal Fees for Demolition Material, Trees & Stumps

1 ton truck .....\$77.51

Pickup .....\$51.79

##### Disposal Fees for Weighed Materials (Burney Transfer Station Only)

For quantities not listed above, disposal fees shall be based on weight of waste. Where there is a conflict between the above listed rates and the rate for weighed material, the rate which results in the lowest price shall be used.

Weighed waste ..... \$77.51 / ton

**A 10% DEFERRED PAYMENT SURCHARGE WILL BE ADDED TO THE REGULAR FEE IN THOSE INSTANCES WHEN PAYMENT IS NOT MADE AT THE TIME OF DISPOSAL.**



## EXHIBIT A

### EXHIBIT B (continued)

#### Fee Schedule for Burney and Fall River Mills Transfer Stations

Effective July 1, 2014, Contractor shall be permitted to collect the following fees for services provided at the Transfer Stations:

##### General Disposal Fees

Up to 2 cans or bags  
(except for hard to handle items, demolition materials, trees or stumps) ..... \$ 13.46

Each additional can or bag ..... \$ 3.64

##### Pickups or trailers:

7 ft. in length or less and 2 ft. in height or less ..... \$26.32

1 ton truck (non-compacted) 2 ft. in height or less ..... \$47.65

1-1/2 ton truck (non-compacted) 2 ft. in height or less ..... \$57.22

Each additional foot in height or length for all pickups, trucks or two wheel drive trailers ..... \$ 7.29

##### Disposal Fees for Hard to Handle Items

Pickup or car tires ..... \$5.62 /ea

Truck tires ..... \$8.74/ea

Equipment tires ..... \$34.91/ea

##### Disposal Fees for Demolition Material, Trees & Stumps

1 ton truck ..... \$78.86

Pickup ..... \$52.69

##### Disposal Fees for Weighed Materials (Burney Transfer Station Only)

For quantities not listed above, disposal fees shall be based on weight of waste. Where there is a conflict between the above listed rates and the rate for weighed material, the rate which results in the lowest price shall be used.

Weighed waste ..... \$78.86 / ton

**A 10% DEFERRED PAYMENT SURCHARGE WILL BE ADDED TO THE REGULAR FEE IN THOSE INSTANCES WHEN PAYMENT IS NOT MADE AT THE TIME OF DISPOSAL**  
BURNLEY DISPOSAL, INC.

**EXHIBIT A**

**EXHIBIT C**

**Transfer Station Operating Schedule**

<b>TRANSFER STATION</b>	<b>DAYS OF OPERATION</b>	<b>HOURS OF OPERATION</b>
Burney	Wednesday, Saturday	8 am to 4 pm
Fall River Mills	Saturday	8 am to 4 pm

# EXHIBIT A

## EXHIBIT D

### Gross Fuel Surcharge Table

Effective July 1, 2013, Contractor shall be permitted to collect the following Fuel Surcharge for collection services:

Diesel Fuel Index <sup>1</sup>		Gross Fuel Surcharge	CPI	Fuel Surcharge <sup>2</sup>
From	To			
\$0.01	\$3.05	1.74%	1.74%	0.00%
\$3.06	\$3.15	1.95 %	1.74 %	0.21 %
\$3.16	\$3.25	2.16 %	1.74 %	0.42 %
\$3.26	\$3.35	2.37 %	1.74 %	0.63 %
\$3.36	\$3.45	2.58 %	1.74 %	0.84 %
\$3.46	\$3.55	2.79 %	1.74 %	1.05 %
\$3.56	\$3.65	3.00 %	1.74 %	1.26 %
\$3.66	\$3.75	3.21 %	1.74 %	1.47 %
\$3.76	\$3.85	3.42 %	1.74 %	1.68 %
\$3.86	\$3.95	3.63 %	1.74 %	1.89 %
\$3.96	\$4.05	3.84 %	1.74 %	2.10 %
\$4.06	\$4.15	4.05 %	1.74 %	2.31 %
\$4.16	\$4.25	4.26 %	1.74 %	2.52 %
\$4.26	\$4.35	4.47 %	1.74 %	2.73 %
\$4.36	\$4.45	4.68 %	1.74 %	2.94 %
\$4.46	\$4.55	4.89 %	1.74 %	3.15 %
\$4.56	\$4.65	5.10 %	1.74 %	3.36 %
\$4.66	\$4.75	5.31 %	1.74 %	3.57 %
\$4.76	\$4.85	5.52 %	1.74 %	3.78 %
\$4.86	\$4.95	5.73 %	1.74 %	3.99 %
\$4.96	\$5.05	5.94 %	1.74 %	4.20 %
\$5.06	\$5.15	6.15 %	1.74 %	4.41 %
\$5.16	\$5.25	6.36 %	1.74 %	4.62 %
\$5.26	\$5.35	6.57 %	1.74 %	4.83 %
\$5.36	\$5.45	6.78 %	1.74 %	5.04 %
\$5.46	\$5.55	6.99 %	1.74 %	5.25 %
\$5.56	\$5.65	7.20 %	1.74 %	5.46 %
\$5.66	\$5.75	7.41 %	1.74 %	5.67 %
\$5.76	\$5.85	7.62 %	1.74 %	5.88 %
\$5.86	\$5.95	7.83 %	1.74 %	6.09 %
\$5.96	\$6.05	8.04 %	1.74 %	6.30 %
\$6.06	\$6.15	8.25 %	1.74 %	6.51 %
\$6.16	\$6.25	8.46 %	1.74 %	6.72 %
\$6.26	\$6.35	8.67 %	1.74 %	6.93 %
\$6.36	\$6.45	8.88 %	1.74 %	7.14 %
\$6.46	\$6.55	9.09 %	1.74 %	7.35 %
\$6.56	\$6.65	9.30 %	1.74 %	7.56 %
\$6.66	\$6.75	9.51 %	1.74 %	7.77 %
\$6.76	\$6.85	9.72 %	1.74 %	7.98 %

$$\text{Fuel Surcharge}^2 = \text{Gross Fuel Surcharge} - \text{CPI (per Section 19, subdivision B)}$$

# EXHIBIT A

## EXHIBIT D (continued)

Effective July 1, 2014, Contractor shall be permitted to collect the following Fuel Surcharge for collection services:

Diesel Fuel Index <sup>1</sup>		Gross Fuel Surcharge	CPI	Fuel Surcharge <sup>2</sup>
<i>From</i>	<i>To</i>			
\$0.01	\$2.55	0.00%	1.41%	0.00%
\$2.56	\$2.65	0.91%	1.41%	0.00%
\$2.66	\$2.75	1.12%	1.41%	0.00%
\$2.76	\$2.85	1.32%	1.41%	0.00%
\$2.86	\$2.95	1.53%	1.41%	0.12%
\$2.96	\$3.05	1.74%	1.41%	0.33%
\$3.06	\$3.15	1.95%	1.41%	0.54%
\$3.16	\$3.25	2.16%	1.41%	0.75%
\$3.26	\$3.35	2.37%	1.41%	0.96%
\$3.36	\$3.45	2.58%	1.41%	1.17%
\$3.46	\$3.55	2.79%	1.41%	1.38%
\$3.56	\$3.65	3.00%	1.41%	1.59%
\$3.66	\$3.75	3.21%	1.41%	1.80%
\$3.76	\$3.85	3.42%	1.41%	2.01%
\$3.86	\$3.95	3.63%	1.41%	2.22%
\$3.96	\$4.05	3.84%	1.41%	2.43%
\$4.06	\$4.15	4.05%	1.41%	2.64%
\$4.16	\$4.25	4.26%	1.41%	2.85%
\$4.26	\$4.35	4.47%	1.41%	3.06%
\$4.36	\$4.45	4.68%	1.41%	3.27%
\$4.46	\$4.55	4.89%	1.41%	3.48%
\$4.56	\$4.65	5.10%	1.41%	3.69%
\$4.66	\$4.75	5.31%	1.41%	3.90%
\$4.76	\$4.85	5.52%	1.41%	4.11%
\$4.86	\$4.95	5.73%	1.41%	4.32%
\$4.96	\$5.05	5.94%	1.41%	4.53%
\$5.06	\$5.15	6.15%	1.41%	4.73%
\$5.16	\$5.25	6.36%	1.41%	4.94%
\$5.26	\$5.35	6.57%	1.41%	5.15%
\$5.36	\$5.45	6.78%	1.41%	5.36%
\$5.46	\$5.55	6.99%	1.41%	5.57%
\$5.56	\$5.65	7.20%	1.41%	5.78%
\$5.66	\$5.75	7.41%	1.41%	5.99%
\$5.76	\$5.85	7.62%	1.41%	6.20%
\$5.86	\$5.95	7.83%	1.41%	6.41%
\$5.96	\$6.05	8.04%	1.41%	6.62%
\$6.06	\$6.15	8.25%	1.41%	6.83%
\$6.16	\$6.25	8.46%	1.41%	7.04%
\$6.26	\$6.35	8.67%	1.41%	7.25%

$$\text{Fuel Surcharge}^2 = \text{Gross Fuel Surcharge} - \text{CPI (per Section 19, subdivision B)}$$

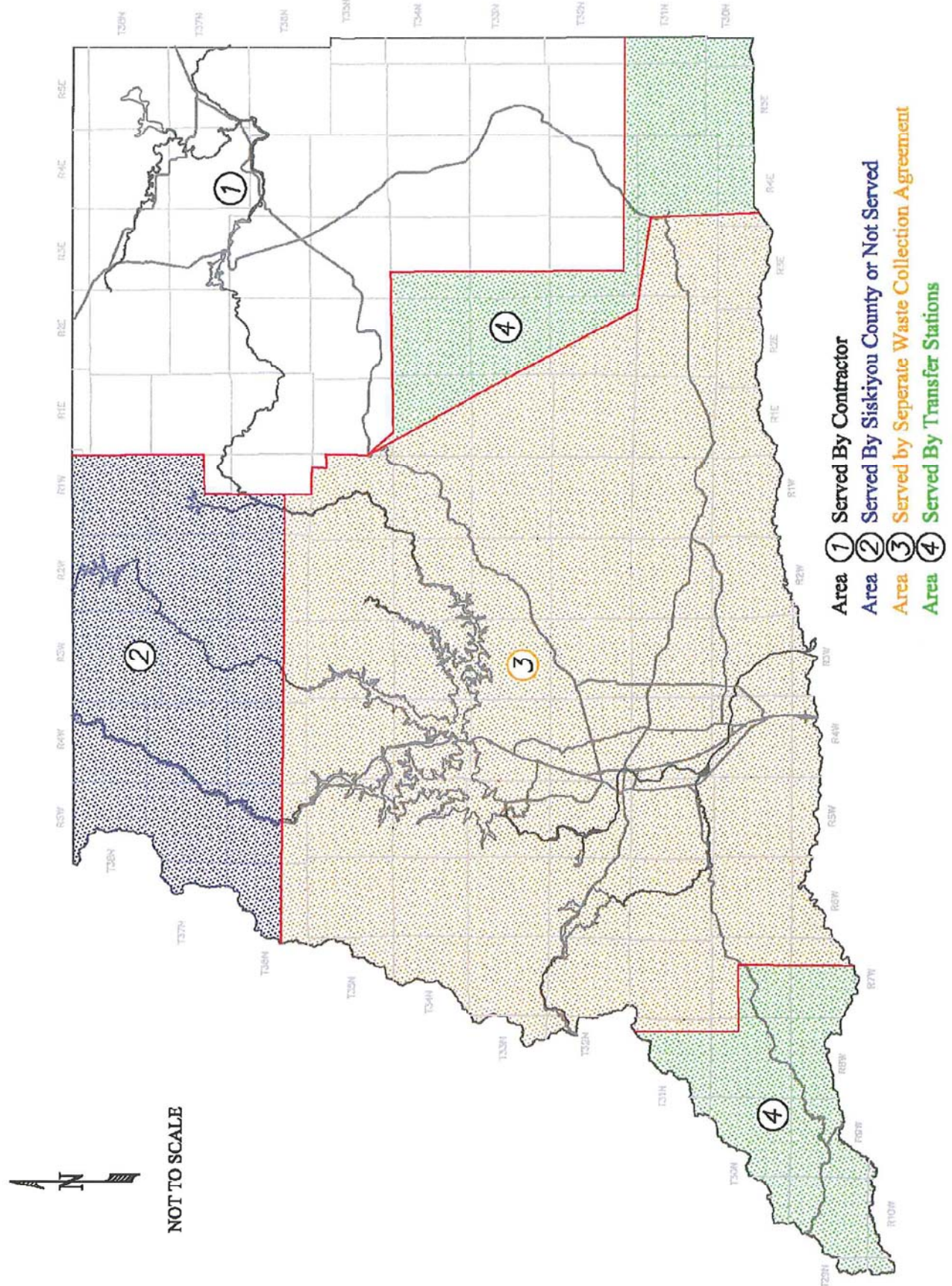
## EXHIBIT A

### EXHIBIT D (continued)

1. Diesel Fuel Index shall be the most current monthly "California U.S. On-Highway Diesel Fuel Price" as reported by the U.S. Energy Information Administration.
2. Fuel Surcharge expressed as percentage of Monthly Collection Rate. Where the difference between the Gross Fuel Surcharge and the CPI is zero (0) or less than zero, no fuel surcharge shall apply.

# EXHIBIT A

## EXHIBIT E Collection Area Map



**EXHIBIT A**  
**MARKET RENT**

**EXHIBIT "F"**

1. The term "Market Rent" shall mean and become the minimum rent of any lease between the Thomas and Gwen Ghiorso Family Trust (hereinafter the "Trust") and Shasta County (hereinafter the "County") pursuant to its option to lease the Property in accordance with the terms of subsection Q. of Section 26 of the agreement (for purposes of this Exhibit F, the "First Option to Lease") at the conclusion of this agreement or any subsequent agreement between the parties. A separate Market Rent determination shall be made for each subsequent lease term or option.

2. Should County exercise its First Option to Lease the Property, County shall request in writing that the Trust provide a market rent value for the Property. The Trust shall send written notice to the County setting forth the Trust's determination of the fair market value of the rental of the premises for the agreed upon lease term ("Market Rent Notice"). In the event that County disagrees with the market rent set forth in the Market Rent Notice, the County shall, within thirty (30) days after receipt of the Market Rent Notice, provide to the Trust a written explanation with reasonable detail of the basis for County's disagreement, together with the amount which in County's opinion is the fair market rent for the lease term ("County's Notice"). If County's Notice is not given to Trust within thirty (30) days, the market rent shall be the market rent set forth in the Market Rent Notice. If County's notice is provided within thirty (30) days, market rent for the lease term shall be established as follows:

2.1. No later than twenty (20) days following receipt of County's Notice, Trust shall elect an individual as an appraiser of its choice and give County written notice of such appraiser's name, address and telephone number.

2.2. Within ten (10) days after receipt of such notice from Trust, County shall select an appraiser of its choice and give Trust written notice of such appraisal's name, address and telephone number.

2.3. The two selected appraisers shall have thirty (30) days to mutually agree on the market rent. If they come to such agreement, they shall promptly provide written notice of the agreed market rent rate to Trust and County, which shall be applied to the agreed upon lease term. If they are unable to agree, the two appraisers so selected by Trust and County shall instead, within said thirty (30) days select an individual as a third appraiser and furnish Trust and County written notice of such appraiser's name, address and telephone number.

2.4. Each appraiser selected pursuant to this process shall be a commercial real estate appraiser or broker, unless Trust and County shall otherwise agree in writing, each having experience with appraising and/or leasing of commercial property in the county where the premises is located. In the event it is necessary to have a third appraiser appointed, each of the three (3) selected appraisers shall then determine the fair market rent of the premises for the option term. If said three (3) appraisers are unable to agree on the fair market rent for the option term, then the market rent for the option term shall be determined to be the average of the three (3) appraisals.

2.5 In determining the market rent, the appraiser shall presume that the Property will be used as a large volume solid waste transfer/processing facility. The market rents shall include scheduled annual step increases adjusted annually, commencing on the first day of the second year of the lease term, with adjustments



## EXHIBIT A

to be based on the consumer price index U.S. city average ("CPI") for the twelve (12) month period ending the preceding March.

3. If the procedures set forth in Sections 2.1 through and including 2.5 above is implemented, and if for any reason whatsoever (including, without limitation, the institution of any judicial or other legal proceedings), the market rent for the lease term has not been finally determined prior to the first day of said lease term, then the average amount of the market rent set forth by Trust in good faith in the Market Rent Notice and the amount of the market rent set forth in County's Notice shall be the market rent for all purposes under the lease for the additional lease term until such time as the market rent is finally determined as set forth above. Once finally determined, the market rent shall apply to the entire option term and Trust and County shall, by appropriate payments to the other, correct any over payment or underpayment which may have been made prior to such final determination.
4. If Trust fails to select its appraiser in the manner and within the time specified in 2.1 above, then the market rent for the lease term shall be the market rent set forth in County's Notice.
5. If County fails to select its appraiser in the manner and within the time specified in 2.2 above, then market rent for the lease term shall be the market rent set forth in the Market Rent Notice.
6. If the appraiser selected by Trust and County fail to appoint the third appraiser within the time and in the manner prescribed in 2.3 above, then Trust and/or County shall promptly apply to a mutually agreed upon third party for the appointment of the third appraiser.
7. The determined market rent (inclusive of annual step increases) shall be in effect for the entire subject lease term.
8. Each party shall bear their own fees, costs and expenses incurred in connection with obtaining their individual appraisals provided for in this agreement. Trust and County shall share equally the fees, costs and expenses incurred in connection with selecting and obtaining any third appraisal.
9. Notwithstanding anything to the contrary in this exhibit, Trust acknowledges and agrees that only the Board of Supervisors has the authority to execute a lease of real property or the authority to delegate execution of a lease of real property subject to certain restrictions imposed by law and County policy. County shall not be obligated to any lease of the Property including any payment of rent until such time as a lease between Trust and County is executed in accordance with all applicable laws.