

NOVATO SANITARY DISTRICT

March 14, 2011

The Board of Directors of Novato Sanitary District will hold a Closed Session at 6:00 p.m., Monday, March 14, 2011, at the District offices, 500 Davidson Street, Novato. The Open Session will begin after the closed session at approximately 6:30 p.m. as noted in the Agenda below.

Materials related to items on this agenda are available for public inspection in the District Office, 500 Davidson Street, Novato, during normal business hours. They are also available on the District's website: www.novatosan.com.

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9: 1 potential case

AGENDA

- 1. PLEDGE OF ALLEGIANCE:**
- 2. AGENDA APPROVAL:**
- 3. PUBLIC COMMENT (Please observe a three-minute time limit):**

This item is to allow anyone present to comment on any subject not on the agenda, or to request consideration to place an item on a future agenda. Individuals will be limited to a three-minute presentation. No action will be taken by the Board at this time as a result of any public comments made.

- 4. BOARD MEMBER REPORTS:**
- 5. REVIEW OF MINUTES:**

a. Consider approval of minutes of the March 2, 2011 meeting.

- 6. CONSENT CALENDAR:**

The Manager-Engineer has reviewed the following items. To her knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.

a. Approve Sewer Main Extension plans for 275 Bel Marin Keys Blvd.

- b. Approve regular disbursements and ratification of February payroll and payroll related disbursements.

7. SOLID WASTE:

- a. Consider making determination that the Amendment of the Agreement between Novato Sanitary District and Novato Disposal Service, Inc. for Solid Waste Collection, Processing, Diversion and Disposal is not a Project and/or is categorically exempt under CEQA and direct staff to file the Notice of Exemption
- b. Consider approving the Amended and Restated Agreement between Novato Sanitary District and Novato Disposal Service, Inc. for Solid Waste Collection, Processing, Diversion, and Disposal subject to minor modifications approved by the District Manager-Engineer and District Counsel.

8. MARIN LOCAL AGENCY FORMATION COMMISSION (LAFCO):

- a. Consider selecting first, second, and third choice candidates for the regular Special District representative to LAFCO.

9. PUMP STATION REHABILITATION PROJECT NO 72403:

- a. Review bids received.
- b. Consider authorizing contract award to the lowest responsive bidder, and authorize Manager-Engineer to execute contract.

10. STAFF REPORTS:

- a. North Bay Watershed Association meeting.

11. MANAGER'S ANNOUNCEMENTS:

12. ADJOURN:

Next resolution no. 3029

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District at (415) 892-1694 at least 24 hours prior to the meeting. Notification prior to the meeting will enable the District to make reasonable accommodation to help ensure accessibility to this meeting.

1609577.1

March 2, 2011

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:36 p.m., Wednesday, March 2, 2011, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President William C. Long, Members Michael Di Giorgio, James D. Fritz, George C. Quesada and Dennis Welsh.

BOARD MEMBERS ABSENT: None

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, Deputy Manager-Engineer Sandeep Karkal, Administrative Services Manager June Brown, and legal counsel Kent Alm.

ALSO PRESENT: Lee Pierce, Novato resident
Richard Drury, Attorney, Lozeau Drury LLP
Brant Miller, Novato resident
Dee Johnson, HHW Coordinator
Delyn Kies, Sustainable Novato/MFSRTF
Ernie Carpenter, Hunter Legacy
Curtis Michelini, Industrial Carting
Steve McAffrey, Novato Disposal Service
Susan Stompe, Marin Conservation League

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: Legal counsel Kent Alm advised that a matter had arisen after the posting of the agenda in the form of a 23-page legal letter, along with a number of attachments.

He explained the procedure under the Brown Act where items may be added as an urgency item if the matter arose after the posting of the agenda and needs to be dealt with prior to the next regularly scheduled meeting. He further advised that the item for consideration is documentation that was received by the District yesterday afternoon that takes the position that the District is unable to move forward with the item on the agenda dealing with the Solid Waste Franchise Agreement because adequate CEQA compliance was not performed; that Novato Disposal Service is in violation of the current franchise and therefore cannot be issued an extension; and that, under the District's own procedure, this is a project that would have to be competitively bid. Legal counsel recommended that the item be added to the agenda and taken up under closed session as an item with significant exposure to litigation, and that it be handled at the same time as the discussion of the item on the franchise agreement.

The Chairman called for a motion to amend the agenda.

It was moved by Member Quesada, and seconded by Member Di Giorgio, to amend the agenda as recommended.

Legal counsel reiterated that the Board needs to make the finding that the item is an urgency item that needs to be added to the existing agenda for immediate action and the need to take action came to the attention of the Board subsequent to the agenda being posted. The Manager-Engineer confirmed that the documentation was received via email yesterday afternoon and by FedEx today.

The maker and second of the motion indicated their understanding of the findings. The motion carried unanimously.

PUBLIC COMMENT: None.

BOARD MEMBER REPORTS: Member Fritz reported that the Wastewater Operations Committee met and the report is included with the agenda packet.

Member Long reported that he attended a meeting of the Marin County Council of Mayors and Councilmembers Ad Hoc Committee on Pensions and Other Post-Employment Benefits. The committee has completed their pension survey of cities and participating agencies and is in the process of organizing the information and beginning to identify options to deal with the cost and security of both pensions and benefits. He indicated they are on a good timetable to wrap the work up in the next few months.

REVIEW OF MINUTES:

Consider approval of minutes of the February 14, 2011 meeting.

On motion of Member Di Giorgio, seconded by Member Fritz, and carried unanimously, the minutes of the February 14, 2011 Board meeting were approved.

CONSENT CALENDAR:

On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously, the following Consent Calendar items were approved:

- a. Approval of Subordination Request from the Redevelopment Agency of the City of Novato.
- b. Approval of regular disbursements in the amount of \$359,028.50, and project account disbursements in the amount of \$144,870.36.

SOLID WASTE: Prior to meeting in closed session, President Long asked if there were any public comments relative to this item. Legal counsel invited Richard Drury, attorney with Lozeau Drury, and author of the letter opposing adoption of the Solid Waste Franchise Agreement on behalf of the Concerned Citizens of Novato, to present his

comments. Legal counsel clarified that comments would be allowed both before and after the closed session depending on the Board's action.

Mr. Drury thanked the Board and presented the original documents prepared on behalf of the Concerned Citizens of Novato to the District Manager-Engineer for filing. The documents consisted of a 23-page comment letter and Exhibits A through M.

Mr. Drury apologized to the Board for presenting such a large document before them at such short notice but indicated his office was unaware until Friday of last week that the District Board was going to be making CEQA findings at this meeting. He stated he believed that the draft CEQA findings were in fact only made available on-line today and urged the Board to continue this matter for possibly 30 days to at least allow consideration of these issues. He stated the decision to grant a no-bid contract for up to 15 years to a corporation without taking competitive bids is a very big decision. He further stated that it's a discretionary action that will have environmental impacts. His argument is that those impacts ought to be considered in an environmental impact report when true flexibility remains, which is now. In the CEQA findings, which Mr. Drury received today, the agency purports to be taking two CEQA exemptions. One is the pre-existing facility exemption, Section 15301, which Mr. Drury claims does not apply here because the contract requires the franchisee to construct a new recycling facility and expanded household hazardous waste facility. He indicated those facilities can have impacts such as noise, odor, dust, air quality etc and cited Exhibit B of his documentation, comments by environmental scientists, Pless Environmental, Inc., on the potential environmental impacts of the proposed revised franchise agreement. The comments of Pless Environmental indicate that such facilities can have impacts that exceed Bay Area Air Quality Management District's significant thresholds.

The second exemption that's claimed is the Categorical Exemption for projects that are consistent with community planning and zoning under Section 15183. Mr. Drury stated that, again, that exemption doesn't apply because it expressly does not apply to any project that may have significant impacts due to the project itself or its location. The agreement doesn't specify what the location will be so there is no basis for the agency to make a finding that there will be no significant impacts due to the location. Mr. Drury's position is that the CEQA documents should be prepared now when flexibility still remains to decide where the facilities should be located. Environmental experts, Pless Environmental, also conclude that the project may have significant impacts due to stormwater. Lozeau Drury is currently representing the California Sportfishing Alliance and the Petaluma River Council against the Novato Disposal Company because their facilities on Petaluma Blvd., as well as the North Bay Company's on Standish Avenue, by the company's own self-reporting have discharged hundreds and hundreds of times into the receiving waters of the Petaluma River and the Laguna in Santa Rosa. Mr. Drury continued that this contract may well result in additional materials being taken to those facilities and additional runoff. He stated that the violations are the subject of pending litigation in federal U.S. District Court.

Mr. Drury referred to the Initial Study attached to the CEQA findings and stated an Initial Study is not a document that's prepared with an exemption. It's a document that precedes either a Negative Declaration or an Environmental Impact Report, so the fact that an Initial Study was prepared indicates that CEQA review should be required here – not a Categorical Exemption for a decision of this magnitude.

Mr. Drury invited any questions and urged the Board to consider his comments. He apologized again for putting such a large matter before the Board at such short notice.

Board Member Di Giorgio asked Mr. Drury who his clients "Concerned Citizens of Novato" are. Mr. Drury responded that they are a group of citizens who he has met with who are residents of Novato and they have asked him not to disclose their names. He reiterated that he has met with them and they are residents of the City of Novato.

Board Member Di Giorgio then asked Mr. Drury if he has represented anyone like Industrial Carting in any of the litigation he mentioned. Mr. Drury responded that he has not.

President Long and legal counsel Kent Alm stated if anyone else in the audience has concerns about the issue that's been presented it would be appropriate to hear them now.

There being no further comments, at 6:52 p.m. President Long announced that the Board would meet in closed session.

CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Subdivision (a) of G.C. Section 54956.9:

OPEN SESSION: No reportable action was taken in closed session and President Long reconvened the meeting in open session at 8:05 p.m.

SOLID WASTE:

- Consider making CEQA findings and approving the Amended and Restated Agreement between Novato Sanitary District and Novato Disposal Service: *Member Quesada, seconded by Member Welsh, moved to continue this item to the next regularly scheduled Board meeting on March 14th. The motion carried 3-2 on the following vote: AYES: Members Quesada, Welsh, Long. NOES: Members Di Giorgio, Fritz.*

Member Di Giorgio expressed his irritation with the outcome. He indicated that Novato's clean-up program will be affected and residents will not have the 4 times a year clean-up that would be offered under this contract. He further stated he does not like threats of lawsuits by people unknown. They should be named and if they're embarrassed to be named they shouldn't make threats. Member Di Giorgio believes this is delaying the implementation of some of the food waste programs, including

commercial food waste, and is going to take away our goals of achieving zero waste. He stated everything has been done to mollify people of Sustainable Novato. Initiation of food waste recycling at all multi-family units will now be delayed. He added that it's interesting that those sacrifices to the environment are being threatened by somebody who's saying they're doing this to protect the environment and he thinks it's the exact opposite.

DeLyn Kies of Sustainable Novato presented written testimony from Sustainable Novato and from the Marin Food Scrap Recycling Task Force.

Mr. Curtis Michelini of Industrial Carting and Global Recycling, responding to Member Di Giorgio's comments on the clean-up program, announced his company would be honored to participate in clean-up events at no charge.

No further comments were received from the Board or the public.

WASTEWATER FACILITIES UPGRADE CONTRACT D - RECYCLED WATER
PROJECT 73002:

- Consider approval of Agreement for Grant Facilitation Services for North San Pablo Bay Restoration and Reuse Project: The Manager-Engineer reported that the Sonoma County Water Agency (SCWA) has prepared an Agreement for Grant Facilitation Services for the North San Pablo Bay Restoration and Reuse Project. The Grant Facilitation Agreement, provided to the Board with the agenda packet, specifies the responsibilities of the lead agency (SCWA) and each of the participating agencies, including Novato Sanitary District, as recipients for the American Reinvestment and Recovery Act (ARRA) grant for the project. The Manager stated that District legal counsel has reviewed the agreement and it has been reviewed and agreed to by legal counsel of all the other participating agencies. She recommended Board approval of the agreement as presented.

Member Quesada asked what percentage of the grant funds would be used to reimburse Sonoma County Water Agency for administration of the grant and whether a maximum amount could be stipulated in the Agreement. The Manager responded that she didn't recall the exact percentage but there is a provision in the agreement for administrative documentation to be made available to recipients upon request. Any revisions to the agreement would be difficult as it would have to be re-circulated through all the other agencies.

On motion of Member Fritz, seconded by Member Quesada and carried unanimously, the Board approved the Agreement for Grant Facilitation Services for North San Pablo Bay Restoration and Reuse Project as written.

- Consider approving plans and specifications, and authorizing advertising for bids: The Manager reported briefly on the background of the project and recommended that the Board approve the plans and specifications and authorize advertising for bids.

On motion of Member Quesada, seconded by Member Fritz and carried unanimously, the Board approved the plans and specifications for Wastewater Facilities Upgrade Contract D - Recycled Water Project 73002, and authorized advertising for bids.

WASTEWATER OPERATIONS:

- Wastewater Operations Committee Report for January: The Manager-Engineer presented the Wastewater Operations Committee report for January, a copy of which was included in the agenda packet. She reported that the treatment plant has been performing very well. It performed well through the wet weather, with no violations occurring in January. The landscaping in front of the facility has been replaced and restored and will be irrigated with recycled water.

No odor complaints have been received since the beginning of January. The first review of Standard Operating Procedures is final and new SOP's continue to be written. 236 work orders were completed in January.

The Manager stated that there was a pipe break when the glue joint on a cleanout riser failed at the sludge ponds at Reclamation, resulting in a spill of approximately 8,600 gallons. The spill occurred on the Pozzi Ranch property owned by the Audubon Society.

There was one sewer overflow for the month of January at Michelle Circle caused by a grease blockage due to a sag in the mainline, resulting in an overflow of approximately 2,500 gallons to a drainage ditch. Notification protocol was initiated and results reported to Marin County Environmental Health Services. This particular line was on a 12-month cleaning schedule that has now been changed to a 4-month frequency until this section of the line can be replaced.

Member Di Giorgio commented on the work orders, noting that 205 of them were preventative rather than corrective. He also pointed out that the spill record for December and January is excellent.

Suzanne Brown Crow questioned the sludge spill onto Audubon Society land and asked if there are any repercussions against the contractor responsible for installing the failed pipe joint. The Manager responded that the work was performed 3 years ago and, unfortunately, too much time has passed for the maintenance period to still be in effect for this small job. Ms. Crow nonetheless indicated the District should write the contractor, especially if it's a contractor who performs work for the District on a regular basis, and at least alert him of the problem. The Manager indicated that she will inform the contractor although there is no financial recourse at this point.

Member Long requested that permit limits be included in the tables and graphs as part of the Operations Report and the Manager confirmed that they will be provided in future.

ADMINISTRATION:

- Review six month Revenue and Expenditure Report: The Board and Manager reviewed the Revenue and Expenditure Report for period ending December 2010. Total operating revenues are at 50.6% with operating expenses at 46.9%. Overall the revenues and expenditures are within budget for this time period. The Manager explained the reasons for variances in the report, indicating that there is a budget amendment request on the agenda for two items significantly over budget. Member Fritz asked if there is a line item for the cost of Board meetings. The Manager responded that Board Member fees are listed under "Directors' Fees" and Board medical benefits included in "Employee Benefits". Staff costs for Board meeting preparation and attendance are not included.

Capital Improvement revenue is at 46.3% of budget, with expenditures at 48%.

In response to a question from Member Long, the Manager reported that staff anticipates that overall the fiscal year expenses will be within budget.

- Review Quarterly Investment Report for Quarter Ended December 2010: The Board and Manager reviewed the Quarterly Investment Report for Quarter Ended December 2010. District funds are invested with the State Local Agency Investment Fund and transferred as needed to meet District obligations. The current LAIF yield is 0.46%.

- Consider amending the budget for account 60091, Collection System Software, and account 66122, Attorney Fees: The Manager explained the reasons for two requested budget amendments.

A budget amendment of \$23,000 is requested for account #60091, Collection System Software Maintenance. This account is over budget because the vendor for the Collection System software program did not bill for the 2009-10 maintenance fee of \$17,000 and the District was therefore double-billed this year. In addition, the software budget of \$20,000 for 2010-11 was exceeded by an additional \$8,700 for program updates. No further expenditures are anticipated for the remainder of this fiscal year.

A budget amendment of \$101,000 is requested for account #66122, Attorney Fees. This account is over budget for several reasons which were explained by legal counsel Kent Alm. EPA investigation fees were higher than anticipated and, at the conclusion of the EPA investigation, the matter was referred to the State Water Resources Control Board for potential civil action, resulting in more legal fees. Additionally, the District incurred extraordinary legal and labor investigation expenses relating to personnel matters over the last six months.

The Manager stated that the budget amendments will be offset by other line items that are expected to be under-budget. Overall the 2010-11 budget expenditures will not be exceeded.

Member Di Giorgio, seconded by Member Fritz, moved to approve the two budget amendments as presented.

Ms. Suzanne Brown Crow stated that, in her opinion, the projected legal expenses of \$87,000 for the remainder of the fiscal year are high. Legal counsel explained the issues regarding legal costs connected with current personnel issues and stated that on an ongoing basis legal expenses are not expected to remain at the same level.

Member Welsh asked for an explanation of what the labor and employment issues are. Legal counsel responded that there were a number of labor and personnel issues that were not handled directly by him and, although he is aware of the issues, prefers not to discuss personnel issues at a public meeting. There were several personnel investigations involving separate individuals, one of which is still not resolved. Member Welsh questioned whether these incidents came to the Board in closed session. The Manager confirmed that they did not come to the Board. It is not typical that situations of this type come to the Board. In dealing with personnel issues, there are very strict rules. Member Long indicated that a guideline in this kind of an issue may be that if there's a substantial policy question, or exception to past practices, the Board should be aware of it. The Manager indicated that was not the issue in this case.

The motion to approve the two budget amendments was carried unanimously.

WASTEWATER FACILITY UPGRADE PROJECT 72609:

- Consider approval of an addendum to the EIR for the Wastewater Facility Plan Project: The Manager-Engineer presented proposed addendum number 4 to the EIR for the Wastewater Facilities Upgrade Project. She described the proposed revisions, prepared by RMC Water Environment and ERA Associates. A description of the revisions was included in the staff report as part of the agenda packet. District staff has reviewed the contents of the addendum, concurs with its findings, and recommends that the Board approve Addendum No. 4 to the Final Environmental Impact Report.

On motion of Member Di Giorgio, seconded by Member Welsh and carried unanimously, the Board approved Addendum No. 4 to the EIR for the Wastewater Facility Plan Project.

- Consider approving plans and specifications, and authorizing advertising for bids for Phase I Landscaping Project: The Manager-Engineer requested approval of the plans and specifications and authorization to bid for the Phase I Landscaping Project as part of the Wastewater Facility Upgrade Project. The plan incorporates responses generated during public outreach that occurred in 2010 and includes screening vegetation to enhance the visual boundary between the treatment plant and neighboring Lea Drive. Phase I will consist of planting screening trees along the property fence line along Lea Drive. The plantings will be California native trees which will be irrigated with potable water until recycling water facilities are available. The engineer's estimate for this work is \$70,000.

On motion of Member Di Giorgio, seconded by Member Fritz and carried unanimously, the Board approved the plans and specifications and authorized advertising for bids for Phase I of the Landscaping Project.

MANAGER'S ANNOUNCEMENTS:

- The North Bay Watershed Association will be meeting at the District on Friday, March 4, 2011.
- The North Bay Watershed Association Water Quality Committee will be meeting at the District on Tuesday, March 8, 2011.
- Board Member Mike Di Giorgio and Deputy Manager-Engineer Sandeep Karkal recently attended a Special District Governance Seminar in Anaheim, presented by the Special Districts Institute. Member Di Giorgio noted that the seminar was excellent.
- Administrative Secretary Julie Borda is attending a 2-day California Special Districts' Association seminar on Board Secretary Training.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the meeting at 9:05 p.m.

Respectfully submitted,

Beverly B. James, Secretary

June Brown, Recording

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Approval of Sewer Main Extension (SME) plans for 275 Bel Marin Keys Blvd

MEETING DATE: March 11th, 2011

RECOMMENDED ACTION: Approve improvement plans for the 275 Bel Marin Keys Blvd Sewer Main Extension (SME) project.

SUMMARY AND DISCUSSION:

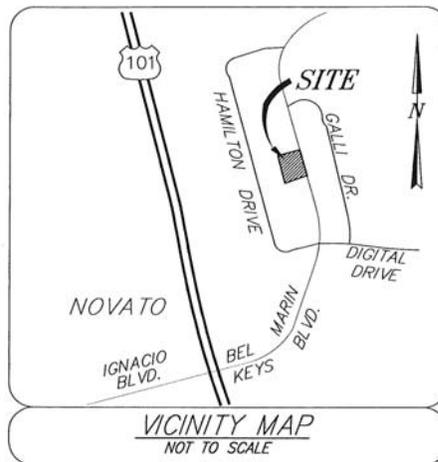
The SME project proposed for 275 Bel Marin Keys Blvd intends to extend the public sewer to serve a four parcel commercial condominium project. The overall project is a previously constructed commercial building that is being converting to commercial condominiums. The building was initially constructed about three years ago and shared a private six-inch lateral that also served 265 Bel Marin Keys Blvd. The 275 BMK structure is being separated out on to its own parcel and the commercial suites are being converted to commercial condominiums. The SME project plans have been prepared to the satisfaction of District staff and staff recommends approval of the plans.

275 Bel Marin Keys Blvd. SME

The Design Engineer is ILS Associates, Inc of Novato.

Items required for construction are as follows:

- 3 EA Manholes
- 1 EA Manhole modification
- 374 L.F. of 8" PVC Sewer Main



ALTERNATIVES: Do not approve the sewer extension plans for 275 Bel Marin Keys Blvd SME.

BUDGET INFORMATION: Increase of District's assets by \$ 63,880.00

DEPT.MGR.:

MANAGER:

Novato Sanitary District Check Register

March 7 - 14, 2011

Date	Num	Name	Credit
Mar 7 - 14, 11			
3/14/2011	52494	J&M Inc.	158,689.10
3/14/2011	52518	Veolia Water North America, ...	156,680.28
3/14/2011	52510	RMC Water & Environment, I...	79,307.56
3/14/2011	52484	Covello Group, The	35,849.73
3/14/2011	52492	Ghilotti Bros. Inc.	13,474.54
3/14/2011	52479	Cantarutti Electric, Inc	11,077.87
3/14/2011	52478	Caltest Analytical Lab Inc.	8,686.40
3/14/2011	52498	Meyers, Nave, Riback, Silver ...	7,603.84
3/14/2011	52495	Johnson, Dee	7,181.29
3/14/2011	52513	Stiles Construction Company	4,820.00
3/14/2011	52506	Pacific, Gas & Electric	4,726.13
3/14/2011	52477	California Diesel & Power	4,690.45
3/14/2011	52509	Preferred Benefit	3,853.89
3/14/2011	52488	Dearborn National	3,622.37
3/7/2011	52471	Unicorn Group	3,553.48
3/14/2011	52512	Royal Petroleum Company	3,141.56
3/14/2011	52502	North Marin Water District Pa...	2,624.00
3/14/2011	52491	EOA, Inc.	2,354.64
3/14/2011	52516	U.S. Bank Card (2)(June)	2,078.64
3/14/2011	52480	Central Marin Sanitation District	1,553.38
3/14/2011	52496	Lateral-Graham, Esme	1,500.00
3/14/2011	52482	Comet Building Maintenance,...	1,450.59
3/14/2011	52511	Roy's Sewer Service, Inc.	1,450.00
3/14/2011	52525	Bowens, Kenneth	1,440.00
3/14/2011	52520	Verizon California	1,403.58
3/14/2011	52493	IEDA, INC	1,020.00
3/14/2011	52481	Cintas Corporation	813.97
3/14/2011	52521	Vision Service Plan	756.57
3/14/2011	52476	Beecher Engineering	750.00
3/14/2011	52497	MarinScope Inc.	628.00
3/14/2011	52523	WasteManagement	601.03
3/14/2011	52508	Pini Hardware	560.08
3/14/2011	52524	Zenith Instant Printing, Inc.	538.82
3/14/2011	52519	Verizon	392.91
3/14/2011	52475	AT&T Mobility	337.28
3/7/2011	dir dep	Karkal, Sandeep	317.47
3/14/2011	52504	Novato Disposal-	280.38
3/14/2011	52473	Alhambra	257.67
3/14/2011	52522	VWR International Inc.	248.52
3/14/2011	52483	Control Systems West, Inc.	227.50
3/14/2011	52507	Petty Cash	196.25
3/14/2011	52487	CWEA-Redwood Empire Sec...	150.00
3/14/2011	52486	CSDA-	135.94
3/14/2011	52489	Di Giorgio, Mike	115.64
3/14/2011	52490	Electrical Equipment Compan...	114.40
3/14/2011	52474	American Water Works Asso...	95.00
3/14/2011	52517	Vega-, Javier	91.00
3/14/2011	52499	North Bay Portables, Inc.	89.70
3/14/2011	52485	Creamer, Laura(reimb)	89.25
3/14/2011	52515	U.S. Bank Card (1)(Bev)	81.40
3/14/2011	52505	O'Reilly Auto Parts	31.59
3/14/2011	52500	North Marin Auto Parts	26.26
3/14/2011	52514	T-Mobile	22.69
3/14/2011	52472	Able Tire & Brake Inc.	21.74
3/14/2011	52501	North Marin Water District	20.40
3/14/2011	52503	Novato Builders Supply	10.55
3/7/2011			
Mar 7 - 14, 11			531,835.33

03/11/11

Novato Sanitary District Check Register

March 14, 2011

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
Mar 14, 11			
3/14/2011	2158	Zions Bank	5,336,673.26
3/14/2011	2155	Covello Group, The	63,648.61
3/14/2011	2157	RMC Water & Environment, I...	56,956.01
3/14/2011	2156	Pini Hardware	19.43
Mar 14, 11			<u>5,457,297.31</u>

03/11/11

Novato Sanitary District Check Register

March 11, 2011

Date	Num	Name	Credit
Mar 11, 11			
3/11/2011	dir dep	Long, William C	1,245.45
3/11/2011	3094	Di Giorgio, Michael	908.75
3/11/2011	3095	Fritz, James O	776.15
3/11/2011	3097	Welsh, Dennis J	296.57
Mar 11, 11			3,226.92

Novato Sanitary District Payroll and Payroll Related Check Register

February 25 - 28, 2011

	<u>Date</u>	<u>Name</u>	<u>Credit</u>
Feb 25 - 28, 11			
	02/28/2011	February P/R Checks and Vouchers	116,090.22
	02/25/2011	PERS Retirement	31,283.91
	02/25/2011	CalPers Health	30,273.61
	02/25/2011	United States Treasury	25,514.33
	02/25/2011	Lincoln Financial Group-401a Plan	3,995.88
	02/25/2011	Lincoln Financial Group	3,969.80
	02/25/2011	Lincoln Financial Group-401a Plan	3,403.54
	02/25/2011	State Street Bank & Trust	2,875.00
	02/25/2011	EDD	7,194.78
	02/25/2011	Marin Employ Federal Credit Union	517.00
	02/25/2011	Local Union 315	356.00
	02/25/2011	ACS	80.00
	02/25/2011	North Bay Children's Center	40.00
	02/25/2011	Hampton, Cari	400.00
	02/25/2011	Retiree Health Benefits	16,711.11
Feb 25 - 28, 11			<u><u>242,705.18</u></u>

March 11, 2011

Memo to: Board of Directors

From: Beverly B. James, Manager-Engineer

Subject: Amendment of Solid Waste Franchise
Staff Report

STAFF RECOMMENDATION

Staff recommends that the Board make the finding that the Amendment of the Agreement Between Novato Sanitary District and Novato Disposal Service, Inc. for Solid Waste Collection, Processing, Diversion and Disposal is not a Project or categorically exempt under CEQA and direct staff to file the Notice of Exemption

Staff further recommends that the Board approve the Amended and Restated Agreement between Novato Sanitary District and Novato Disposal Service, Inc. for Solid Waste Collection, Processing, Diversion, and Disposal subject to minor modifications approved by the District Manager-Engineer and District Counsel.

BACKGROUND

The District is proposing to amend the Solid Waste Franchise Agreement Between Novato Disposal Services and Novato Sanitary District, which is a financial agreement for hauling services within the District service area ("Amendment"). The amendments include extending the term, revising financial provisions and making other changes, including incorporation of Zero Waste Goals.

The terms relating to Zero Waste Goals are being taken to implement policies for waste reduction previously adopted by the State of California, Marin County, the Marin County Hazardous and Solid Waste Joint Powers Agency ("JPA"), and the City of Novato. The relevant actions by these agencies are summarized below:

- Multi-jurisdictional Source Reduction and Recycling Element for Marin

- County and its Cities was adopted in 1996 by Marin County and each City, including Novato,
- Global Warming Solutions Act of 2006 (AB 32) was passed by the State legislature and signed by the Governor which includes targets for waste reduction and implementing regulations require mandatory commercial recycling,
 - Marin County Hazardous and Solid Waste JPA (JPA) adopts Zero Waste Resolution, November 9, 2006,
 - Marin County Board of Supervisors adopts Zero Waste Resolution, April 17, 2007 after determining that the CEQA review for the Resolution was covered under the Marin Countywide General Plan EIR and no further CEQA review was required,
 - City of Novato adopted a Zero Waste Resolution, 2007,
 - Marin County Hazardous and Solid Waste JPA accepts Zero Waste Feasibility Study, January 28, 2010,
 - Marin County Hazardous and Solid Waste JPA adopts budget implementing Zero Waste Program, June 2010,
 - Marin County Hazardous and Solid Waste JPA awards public outreach contract for Zero Waste Program, January 2011,
 - Marin County Hazardous and Solid Waste JPA issues grant application guidelines for Zero Waste Program, January 2011.

The JPA is composed of representatives of all of the cities in Marin plus the County of Marin because these are the entities that have the responsibility of complying with AB 939, the California Integrated Waste Management Act of 1989. Novato Sanitary District is represented on the JPA by the City of Novato. The City and District have a Joint City District Solid Waste Committee, which coordinates the City and District's compliance with AB 939 and other waste reduction and diversion mandates.

The Novato Sanitary District last amended the Franchise Agreement in 2005. The 2005 Amendment was found not a project and/or exempt under CEQA. The City District Solid Waste Committee (Joint Committee) has been discussing how to best implement the Zero Waste Goals articulated by the State, City, and County since the adoption of the Zero Waste Goals by the County in 2007. The Joint Committee is a standing committee under the Brown Act whose meetings and agendas are publicly noticed. After reviewing the JPA proposal and budget, the District decided that it would be more cost-effective to implement a Zero Waste Program targeted at Novato's special situation rather than participate in the County-wide Zero Waste program.

The District requested that the City, as the JPA member for Novato, opt out of the program. At their meeting on October 2010, the City Council agreed to opt out of the JPA Zero Waste Program, which effectively required that the Zero Waste programs for the Novato area be implemented through the District's

franchised collection.

The Novato Sanitary District Board then began addressing the issue of incorporating Zero Waste Goals into the Franchise Agreement at the following Board meetings:

- Board of Directors President appointed Adhoc Solid Waste Franchise Update Committee, November 8, 2010,
- On November 22, 2010, the Board of Directors discussed the Franchise Amendment for Zero Waste,
- December 13, 2010, Board of Directors set the date for the Public Hearing for January 24, 2011 for the Franchise Update.
- January 19, 2011, the Adhoc Solid Waste Franchise Update Committee held a public workshop on the proposed amendment for Zero Waste,
- January 24, 2011, the Board of Directors held a public hearing on the Solid Waste Franchise Amendment. A partial draft agreement covering the changes was made available,
- February 14, 2011, A working draft of the Franchise Agreement amendment was made available to the Board and to the public and discussed,
- February 25, 2011, the Board Agenda packet was posted along with the Final Draft of the Amended Franchise Agreement,
- March 2, 2011, consideration of the Amended Franchise Agreement was on the agenda and public comment was accepted. A decision on the item was deferred until March 14, 2011.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) REVIEW

Based on the facts relating to the specific actions under the proposed Amendment, staff recommends that the Board find that the Amendment is not a Project and/or is exempt under CEQA. The facts relating to this CEQA determination and substantial evidence in support are contained in the record as a whole relating to the Amendment. All documents referenced in this staff report are incorporated into the record by reference. Staff's recommendation is based on a review of the facts and information in the record. Staff has consulted with District Counsel on the proposed CEQA recommendation. The District's environmental consultant (ESA) also reviewed the issue relating to the proper CEQA review for the Amendment and produced a document describing the evidence which supports use of a no project or exemption determination. CEQA does not require the District to make findings with respect to CEQA exemption. Therefore, this staff report briefly summarizes the evidence supporting the proposed CEQA determination and does not recite each and every fact that supports the proposed determination. If the Board adopts the CEQA recommendation, staff will prepare and file a Notice of Exemption.

(1) The Amendment is not a Project under CEQA pursuant to CEQA Guidelines sec. 15378(b)(4). It is a financial agreement that does not commit the District to any specific project that will result in a potentially significant adverse impact on the environment. The Amendment revises the term and financial provisions for the continuation of existing activities. It does not constitute approval of any specific project that will result in a significant adverse impact.

(2) If the Amendment is a Project under CEQA, it is exempt under the following provisions. None of the exceptions to the use of these exemptions under CEQA Guidelines section 15300.2 apply

- CEQA Guidelines § 15301 – operation or minor alteration of existing structures and facilities involving no or negligible expansion of use existing at time of approval.
- CEQA Guidelines § 15308 – actions taken by regulatory agencies, as authorized by state or local ordinance, to ensure the maintenance, enhancement or protection of the environment where the regulatory process involves procedures for protection of the environment. Construction activities are not included.
- CEQA Guidelines § 15061(b)(3) – where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment

Summary of Evidence regarding Franchise Agreement Supporting CEQA Determination

(1) Activities under Amendment will be the same as under the existing Franchise Agreement

The Project is an extension of an existing Franchise Agreement for waste disposal with the same operator. The Agreement addresses the rights and obligations of the parties (particularly, financial) regarding the granting of the franchise, which is to be operated in accordance with and is subject to adopted waste disposal laws and policies. The Franchise Agreement implements, but does not establish, waste policy. No specific project that will result in an adverse environmental impact is approved by the Amendment.

The activities under the Amendment will be essentially the same as the activities under the existing Franchise Agreement. The Amendment does not change the total volume of waste materials picked up for disposal. The Amendment does not change the existing waste stream from customers which will be the same or less. Certain customers will segregate their existing waste into different bins. The same number and type of trucks will be used to pick up and transport waste, including the pickup of food waste from multi-family and commercial buildings. However, no new types of trucks will be required to pickup the different waste streams, including food waste. The same trucks will be used. The number of

truck trips will be the same because the amount of waste generated by the households for pickup will be the same or less.

The disposal of the waste will be the same. Under the Amendment, the waste may be disposed of and processed at any permitted facility. This is the same authorization as under the existing Franchise Agreement. So, under the new Franchise Agreement, the disposal facility terms are not revised and the location for waste disposal is not required to change. Consistent with current operations, the waste will continue to go to Redwood Landfill for the foreseeable future. Consistent with current operations, residential and commercial recycling will go to the recycling facility in Santa Rosa..

(2) The Amendment Does Not Approve or Commit to The Approval of Any Project, including a new or expanded Drop off Recycling Center

The Lozeau Drury letter alleges that the Amendment constitutes the approval of a new or expanded Novato Recycling Center (“Recycling Center” or “Center”). The Lozeau Drury letter mischaracterizes the activities conducted at the Recycling Center and misrepresents the Amendment’s terms relating to the Recycling Center.

The Novato community is required to have Recycling Center under existing law. AB 939 requires each California city and county to adopt a source reduction and recycling element (SRRE) that demonstrates how the jurisdiction will meet AB 939 mandated diversion goals. The City of Novato adopted a county-wide SRRE in July 1996. The County-wide SRRE, selected specific recycling programs for implementation or maintenance. Buyback centers and drop-off centers are identified as existing recycling programs to be continued. In the Franchise Agreement Amendment, the District merely acknowledges the existence and continuation the Recycling Center that a regional agency already mandates as one component of a comprehensive waste diversion plan.

The existing Franchise Agreement and the Amendment do not alter or affect this existing obligation. The Novato community is required to have a recycling drop-off facility regardless of the terms of the Franchise Agreement. The nature of the activities which currently take place and will continue to take place at the Recycling Center are as follows. The Recycling Center is a drop-off facility for recyclable materials. No processing of recyclable materials occurs at the Center. The current facility consists of a small metal building of 4800 square feet and a drop-off area on a site of 19,000 square feet. It operates 6 days a week between the hours of 10-4PM. The Company operates the Center under a lease and neither the District nor Company own the property. The property is located in the City of Novato and is under the City’s land use jurisdiction.

The Center is not the type of intense processing facility as described in Lozeau Drury's letter. The type of facility described in Lozeau Drury's letter involves materials recovery, disposal and composting. The referenced projects in Southern California involved an increase in amount and type of disposal activities, construction of significant new facilities, and increased truck trips. The agency action for both of those projects was approval of a specific project, not a Franchise Agreement. The Mitigated Negative Declaration and EIR for those projects analyzed new and significant impacts that would result from new truck trips and waste disposal operations, including odors, air emissions and noise.

The Franchise Agreement is nothing like the projects described by the Lozeau Drury. It is not an approval of a specific facility or project. It does not require construction of a new Recycling Center or commit the District to a new facility. It only allocates financial and other obligations between the parties *if and when* a new facility is built. The activities under the Amendment can be conducted at the current facility.

Furthermore, there is no available information about plans for a new or expanded Drop off Recycling Center or its location. There is not enough information about any future recycling facility to allow meaningful environmental analysis at this time. The location and size of the facility is not known and is not dictated by the Amendment. Since this information is not known, it is speculative to conduct environmental review at this time. As Lozeau Drury's letter acknowledges, the feasibility of a potential new or expanded Recycling Center is being studied at this time separate and apart from the Amendment. Feasibility or planning studies are exempt from CEQA review under CEQA Guidelines sec. 15262. If a new Recycling Center is built in the future or the current facility is expanded, it will be subject to permitting and approval by the applicable public agency and CEQA environmental review will take place at that time.

The Amendment terms on the Household Hazardous Waste (HHW) Collection Facility are a recitation of existing legal requirements and activities. Under the law, a public agency is required to be the permit holder for HHW drop-off operations. The Amendment acknowledges and does not change this existing legal obligation. The Amendment describes what the current HHW operations are and the District's legal obligations. These exist regardless of the Franchise Agreement. The relocation of the HHW Facility is only referenced because it will be moved if the Recycling Center is moved in the future. However, as described above in the discussion of the Recycling Center, the Amendment does not require relocation of the HHW Facility or a change in its operations. The activities under the Franchise Agreement can continue to be conducted at the existing HHW Facility. There is no available information about the potential relocation of the Recycling Center and HHW Facility at this time to allow environmental analysis. Any future relocation of the HHW Facility will be subject

to future review and approval by the applicable permitting authorities, which will be subject to applicable CEQA environmental review.

(3) Amendment implements, but does not adopt, requirements for waste reduction.

The Franchise Agreement does not adopt or impose new waste processing requirements. They are imposed by other laws and policies, not the Franchise Agreement. These laws and policies include: AB 939, Integrated Waste Management Plans, Source Reduction and Recycling Elements, solid waste plans, Zero Waste Goals, AB 32 mandates, etc. Specifically, the Zero Waste diversion goals and timeframes in the Agreement are consistent with those adopted by the Marin County Hazardous and Solid Waste JPA, and the City of Novato. These are regulations to enhance the environment. The prior adoption of these policies did not identify any adverse environmental impacts under CEQA. In adopting these policies, these agencies found that Zero Waste programs would be consistent with the Marin Countywide General Plan and Solid Waste Element and any environmental impacts were addressed by the CEQA analysis for these prior approvals. The Franchise Agreement incorporates and implements these previously adopted policies.

(4) The activities implemented under Amendment will result in environmental benefits.

The activities under the Franchise Agreements will result in environmental benefits. The Agreement will implement the Zero Waste policies. This will result in a significant reduction in waste sent to landfills for disposal. It will also provide for the beneficial composting and reuse of food waste for soil enrichment and reduce greenhouse gasses. It will reduce the need for the mining and extraction of resources such as metals, wood pulp, and oil through the increased recycling of materials. The Agreement also will allow the Company to continue its program of implementing lower emission trucks over time.

ALLEGED VIOLATIONS OF CLEAN WATER ACT AT PETALUMA FACILITY

The alleged violations of the Clean Water Act in the Lozeau Drury letter are irrelevant to the Franchise Agreement. Under the existing Franchise Agreement, no materials are being taken to the Petaluma site. The proposed Amendment does not require any change to the current waste disposal locations. Currently, waste collected under the Franchise Agreement goes to the Redwood Landfill site. The Company has informed the District that it does not expect any change in the disposal location in the foreseeable future. In any event, the Franchise Agreement does not dictate the location for waste disposal. Both the existing Franchise Agreement and Amendment requires waste to be taken to a licensed facility which has all required permits to operate.

The alleged violations in the Lozeau Drury letter also are based on inaccurate facts. Based on information provided by the legal counsel of Novato Disposal Services, new construction has taken place at the Petaluma site, which addresses the alleged violations. Buildings and coverings have been added on the site and activities take place under cover. New bioswales to collect and treat stormwater have been built. The facts alleged in the lawsuit do not provide evidence to support an ongoing violation of ambient water quality standards or storm water permits as of this date by the Petaluma facility.

COMPETITIVE BIDDING REQUIREMENTS DO NOT APPLY TO THE AMENDMENT OR ACTIVITIES THEREUNDER

The Lozeau Drury letter alleges that construction and operation of a new Recycling Center under the Amendment and the franchise under the Amendment is subject to the District's competitive bidding ordinance, Ordinance 109. However, there is no legal requirement that the Amendment be subject to competitive bidding. As described above, the Amendment does not require the construction of a new or relocated Recycling Center.

The District elected, by adoption of Ordinance 109, to be subject to the Uniform Public Construction Cost Accounting Act ("Act"). To be subject to competitive bidding under the Act, the construction or renovation work must be done on "publicly owned, leased or operated facilities." (See Pub. Contract Code sec. 22002.)

The Amendment does not require or commit the District to the construction of a new or expanded Recycling Center. It only requires the Company to be responsible for the cost of building and operating any new or expanded Center if and when the District decides to make this decision. The current Recycling Center is not owned, leased, or operated by the District. The Amendment does not require the District to own, lease or operate any Recycling Center in the future.

Since there will be no publicly owned, leased or operated buildings required under the Amendment, there is no reason to subject the Franchise to competitive bidding under the Act as adopted by Ordinance 109. A negotiated franchise is one of the most common methods of providing solid waste services in California, and we are unaware of any requirements in AB 939, the Public Resources Code, the Sanitary District Act, or any other laws that would require bidding of such a franchise. (See *Davis v. City of Santa Ana* (1952) 108 Cal.App.2d 669 (holding that a similar competitive bidding statute did not apply to a contract for waste disposal services.)

The Lozeau Drury letter also states that "operation of the Zero Waste Program under the Franchise will necessarily require the purchase of supplies and

equipment by the District,” and that the Franchise is therefore subject to the District’s purchasing ordinance (Ordinance 18.)

In relevant part, Ordinance 18 provides that if expenditures for supplies and equipment are estimated to exceed \$2,500, a competitive process must be used for the purchase. However, entering into a Franchise agreement for solid waste services is not a purchase of supplies and equipment. Therefore, the Franchise is not subject to Ordinance 18.

Furthermore, there is nothing in the Franchise that requires the District to make purchases of supplies or equipment. For example, the Company, not the District, will supply all garbage carts. (Amendment, section 4.2.2; Exhibit E, Item 6, p. 3) The Company will provide recycling tote bags, and kitchen food waste pails. The Company is also required to provide a fleet of collection vehicles sufficient to perform all collection services. (Amendment, section 4.12.2) Purchases of fuel may influence service rates paid by the solid waste customers, but again, the District will not be purchasing any fuel or supplies required for the Company’s purchase of fuel for its vehicles.

The District may eventually make some purchases for supplies that are related to the Franchise. Any such purchases, such as paper for any mailings sent by the District, will be made in accordance with its purchasing ordinance, as is the District’s customary practice.

PUBLIC OUTREACH

The District actively solicited public input on the proposed Franchise Amendment at each step of its development. The Adhoc Solid Waste Franchise Committee held a workshop on January 19, 2011. The Manager-Engineer met individually with local citizens, Novato Disposal Service commissioned a professional poll, and the Board of Directors held a public hearing on January 24, 2011. Public comments were received and addressed up through March 2, 2011. As a result of this outreach a number of public comments have been received on the proposal. These have been predominately in favor of the proposal to incorporate Zero Waste goals into the agreement. Specific comments received and staff responses are given below:

Public Opinion Poll

The public is strongly in favor of the single-stream recycling program.

This program will continue unchanged for single-family dwellings and will be significantly expanded for multi-family and commercial accounts (Article 4.3 and 4.4)

The public strongly supports a goal of achieving 80% diversion in 10 to 15 years.

The Agreement sets a target of 80% diversion by 2025 with an incentive to Novato Disposal of a 5-year extension if the goal is reached. (Exhibit 6)

Promoting recycling, providing more recycling options, and providing more public education were the top suggestions for achieving waste reduction goals.

Article 5.4 and Exhibits 4 and 5 outline public and school outreach program requirements. Article 4 details the requirement to provide more recycling options including food waste and bulky items.

Commercial food waste recycling was very or somewhat important to 77% of the respondents.

Article 4.9.3 requires the implementation of Commercial food waste recycling by December 31, 2012.

An expanded Recycling Center capable of handling a wider range of recyclable material was very or somewhat important to 77% of the respondents.

Articles 4.9.4 and 4.11.7 require the Company to work with the District to construct a new Recycling Facility by December 31, 2015.

Changing from 2 clean up events/year to a 4x/year by-appointment pick up of bulky waste was view favorably by 73% of the respondents.

Article 4.2.11.2 requires 4x/year bulky waste pick ups for single family customers. Article 4.4.3 requires it for multi-family residents.

The Household Hazardous Waste Program and E-Waste events were supported by over 80% of the respondents.

Article 4.7.1 and 4.7.2 address the continued support of the HHW and E-Waste programs.

Sustainable Novato

Sustainable Novato provided verbal comments at both the workshop and the public hearing and then provided two written comment letters.

From the letter dated 2/1/11:

Is this a new agreement or an extension of an existing agreement?

This is an amendment and extension of an existing agreement.

What is the rationale for extending the agreement ten years with an option for an additional five-year extension?

It is proposed to extend the current agreement to 2025 to allow a reasonable time and stability to implement 80% diversion. The five-year extension is contingent on Novato Disposal achieving the Zero Waste goals to the District's satisfaction and its purpose is to provide an incentive to Novato Disposal to achieve the Zero Waste Goals set forth in the Agreement.

Company owned and operated Construction and Demolition Debris Facility?

The original proposal was to require Novato Disposal to provide a Construction Demolition Debris Recycling Facility in Petaluma. After considering the comments from Sustainable Novato this requirement has been replaced with a requirement to take construction and demolition debris to a properly licensed and permitted facility.

The Agreement should specify upstream zero waste measures

The agreement includes requirements for public outreach to include promotion of waste reduction and preferable purchasing (Exhibits 4 and 5).

The Countywide Diversion Rate is inaccurate

The reference to the Countywide Diversion rate was deleted.

The highest and best use of commercial food waste is to eat it. The District and Novato Disposal should work with the commercial food waste customers to locate places they can donate edible excess food.

The agreement includes requirements for public outreach to include promotion of waste reduction. The District and Company are committed to working with local non-profits to facilitate the distribution of edible food to the extent it complies with public health requirements. (Exhibit 4).

The new Recycling Facility should be expanded to be a "Resource Park".

The District is not making a decision on any potential new or expanded Recycling Center under the Amendment. That issue will be considered by the District in the future with ample opportunity for public input on options.

The net energy requirements and environmental impacts of current conversion technologies are problematic. Their preference is for waste reduction, reuse and recovery.

The District agrees, but is including the option of investigating such options in the future as the technology changes. Article 4.10.1.2 reserves the right to the District to determine if a proposed conversion technology is feasible.

Sustainable Novato is pleased that there is no "Evergreen Clause" in the Agreement.

The District agrees that “Evergreen Clauses” are counterproductive.

Performance Measures and timelines should be included in the Agreement.

The Zero Waste Goals have specific performance measures (percent diversion) and timelines. These are referenced in the Articles of the Agreement relating to the specific goal and summarized in Exhibit 6.

The District should consider separating garbage, recycling and organic waste into separate contracts and bidding them separately.

This would significantly increase the customers’ costs for recycling and organic waste which are currently subsidized by garbage rates.

The District should change the incentive structure to provide extensions based on the achievement of individual diversion goals.

The District is looking to Novato Disposal to implement a series of programs some of which are inter-related in order to achieve 80% diversion by 2025. There are intermediate goals for both program implementation and diversion (see Exhibit 6). It is our opinion that the District has the best chance of achieving the Zero Waste goals with a stable program in which long-term planning is possible.

Sustainable Novato letter of March 1, 2011:

“1. We continue to question the District’s authority to extend the franchise for more than 5 years beyond the current expiration date of December 15, 2015.”

District Counsel advises that there is no limit on the allowable length of Solid Waste Franchise Agreements. Many Franchise Agreements have no expiration dates. The language referenced in the existing agreement is contractual between the District and the Company and does not limit the District from extending the Agreement beyond that term.

“2. We appreciate the District not requiring a new Construction and Demolition Debris Processing Facility...”

We suggest adding the language below to Section 4.11.6 “...Construction and Demolition Debris Processing Facility that has been approved by the City of Novato for compliance with the City’s Recycling and Reuse Requirements for Construction and Demolition Projects.”

The current language requires that the facility be fully licensed and permitted, which is appropriate given that the area covered is in both the City and the County which may have differing standards.

“3. We think the 80% landfill diversion goal is achievable by 2020, not 2025.”

The Amendment sets a goal of 80%, which the experts we consulted indicated was a stretch but achievable goal using currently available resources. It relies on voluntary public participation based on an aggressive outreach campaign but it recognizes that it takes time for the public to fully change their habits. San Francisco chose to go with a punitive approach, issuing tickets to homeowners that do not participate in their programs.

“4. We suggest conducting annual performance reviews in conjunction with annual rate adjustments and including a public workshop or other opportunity for public involvement in the rate adjustment and performance review process.”

Article 7.3 requires the Company to provide quarterly reports on their performance. These reports are compiled into annual reports by the District's Solid Waste coordinator. These reports are available to the public and discussed at Board meetings and the Solid Waste Committee meeting. The annual rate adjustments are the subject of a public hearing.

“5. We continue to think there is merit to competitively bidding services worth over \$135 million over the next 15 years of the proposed agreement.”

It should be noted that the current Franchise Agreement does not expire until at least 2015. The decision before the Board at this time is not whether to competitively bid the Franchise or not, but whether or not to amend the Franchise Agreement. Staff recommends amending the Agreement at this time to achieve significant reduction in waste directed to the landfill rather than waiting until the Franchise Agreement is up for renewal. The negotiated Agreement maintains the dramatically lower rates and good service that has garnered Novato Disposal an 89% approval rating. It also incorporates reductions in materials going to the landfill while protecting the low rates both goals that are strongly supported by the community. The law does not require that the Franchise Agreement be put out for competitive bidding.

Sustainable Novato also provided specific comments to improve consistency in the Franchise Agreement. Those comments were incorporated in the revised draft Agreement.

Marin Food Scrap Recycling Task Force

Marin Food Scrap Recycling Task Force provided written testimony at the Board meeting on March 2, 2011. Their goals are to promote informed decision making about broad-scale residential food scrap recycling and composting and to provide community programs that educate Marin residents on the benefits of food scrap recycling. Their comments are attached and their suggested edits were incorporated in the final draft.

Concerned Citizens of Novato

Concerned Citizens of Novato, an anonymous group represented by the law firm of Lozeau Drury, is concerned about air pollution, noise, dust, odor, traffic and other impacts. They provided approximately 500 *single-sided* pages of comments to the District Board at their meeting on March 2, 2011. They also purchased a display ad in the Novato Advance advocating that the Agreement be opened to competitive bidding. The contact phone number in the Ad for Concerned Citizens of Novato is the Lozeau Drury office in the East Bay. In summary, they say that the Franchise Agreement may have significant adverse environmental affects and that an EIR should be prepared. They contend that the North Bay facilities in Santa Rosa and Petaluma violate stormwater standards. They further contend that the Franchise Agreement should be opened to competitive bidding. These issues are discussed above under CEQA, water quality, and bidding requirements.

Industrial Carting

Curtis Michelini, Sr. and Charles Hardin, Sr. of Industrial Carting hand-delivered a letter to the District on January 24, 2011. Industrial Carting provides competing debris box and resource recovery services. A copy of the letter is attached. In addition, Curtis Michelini attended the Public Hearing and spoke.

Industrial Carting is requesting that the District consider removing debris boxes from the Franchise Agreement and allowing multiple companies to provide debris box service in the District. They contend that it would not necessarily mean an increase in residential rates, that the cost for debris boxes might be lower, and the District could permit and monitor multiple haulers to track recycling.

District staff does not recommend removing the debris boxes from the Franchise Agreement. The proposed amendments are to implement Zero Waste Goals by placing extra goals and responsibilities on Novato Disposal. The current franchise provides exclusive rights for construction and demolition debris recycling. It also is an important aspect of implementing those goals. If C&D is removed from the Franchise there is no way that the Franchisee could meet the Zero Waste diversion requirements.

The District is too small an entity to economically devote the staff time that would be needed to monitor multiple haulers to assure that the material was being properly recycled. Novato Disposal has always provided good service in Novato and has sufficient capacity to provide prompt and good debris box service. There has been no request from customers or ratepayers in the District to change the way debris boxes are provided. Having all solid waste services consolidated under one hauler allows the District to have a coordinated public outreach program, household hazardous waste program, e-waste program and recycling programs.

Industrial Carting operates a C& D Recycling facility in Santa Rosa that is approved by the City of Novato.

The amended Franchise Agreement will not restrict where Novato Disposal takes materials for recycling as long as the facility meets permit, recycling, and diversion requirements of the District.

Marin Builders Association

Marin Builders Association requested additional time to review the Franchise Agreement via a letter sent on March 1st.

Other Public Comments

Members of the public spoke at the workshop and the public hearing.

Susan Stompe, Marin Conservation League, requested additional time to review the Agreement and said that she was pleased to see recycling opportunities for commercial and multi-family units incorporated into the Agreement.

The Board delayed approval of the agreement until March 14th to provide more time for review and comment. No further comments have been received from

Matt McCarron, Novato resident and member of the Marin County Solid Waste Task Force requested that the District hold annual workshops to discuss the progress of the Zero Waste Goals.

The Agreement includes requirements for Novato Disposal to report on progress in achieving Zero Waste Goals and an annual Workshop by the Solid Waste Committee is a good idea.

Chris Catlett, Novato resident telephoned to recommend that the Agreement require that some of the compost material generated through the program be made available to residents at no charge.

Article 5.4.9 requires the Company to provide up to 360 yards of compost a year upon request by the District. The District could make this compost available for pick up by the public at the future Recycling Facility.

SUMMARY

The Board of Directors at both Board meetings, Solid Waste Committee meetings, Adhoc Franchise Committee meetings and public workshops, and public hearings have thoroughly reviewed and discussed the proposed amendments to the Franchise Agreement intensively for four months. The goals and policies incorporated in the Agreement have been the subject of discussion and legislation for the past six years. District Counsel has reviewed the legal issues associated with CEQA and bidding requirements. The Novato citizens have demonstrated their strong support for the Zero Waste and Recycling goals incorporated in the Agreement both through their comments and through polling.

Board of Directors
March 11, 2011
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The primary objections to the Agreement appear to be from competing commercial interests and have little relationship to bona fide environmental impacts.

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**NOVATO SANITARY DISTRICT
CEQA REVIEW DOCUMENT
Franchise Hauling Agreement**

**Prepared for
Novato Sanitary District**

March 11, 2011



NOVATO SANITARY DISTRICT CEQA REVIEW DOCUMENT

Franchise Hauling Agreement

Prepared for
Novato Sanitary District

March 11, 2011



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SECTION 1

Introduction

1.1 Background and Proposed Action

The Novato Sanitary District (District) is considering extending its existing franchise agreement for hauling services within its service area, which includes the City of Novato and unincorporated areas of Marin County. The extension of the Franchise Agreement with Novato Disposal would be for a 20-year period, and would incorporate Zero Waste Goals at minimal cost to Novato residents. The new contract implements the goal of 60% diversion by 2015, 70% diversion by 2020, 80% diversion by 2025. Novato Disposal has already implemented the first step toward reaching these goals by providing for food waste composting. The next step will be to extend this food waste composting to apartments and condominiums. They will also be expanding efforts to increase recycling at commercial and multi-family customers as required by AB 32. Supermarket and Restaurant Food Waste recycling will come next with a target goal of 2012.

The Project is an extension of an existing Franchise Agreement for waste disposal with the same operator. The Agreement addresses the rights and obligations of the parties (particularly, financial) regarding the granting of the franchise which is to be operated in accordance with and is subject to adopted waste disposal laws and policies. The Franchise Agreement implements, but does not establish, waste policy.

The City of Novato is a member of the Marin County Hazardous and Solid Waste Joint Powers Authority (JPA). The JPA is composed of representatives of all of the cities in Marin plus the County of Marin. Although NSD is not a member of the JPA, NSD has historically operated in a manner consistent with the goals and objectives of the JPA, and provides reports on diversion within the Novato area to the JPA. The JPA does all of the AB 939 reporting for the cities and Marin County. To that end, the extension of the Franchise Agreement has been developed to be consistent with the goals and objectives of the Regional Integrated Waste Management Plan (Regional IWMP), including the Zero Waste Goal adopted by the JPA. The Zero Waste Goal was determined to be consistent with the Countywide Plan's Solid Waste Element (Alex Soulard pers comm., 2011). The City of Novato adopted similar goals and objectives in 2007. A timeline regarding the Zero Waste Goal is provided below.

- Marin County Hazardous and Solid Waste JPA adopts Zero Waste Resolution, November 9, 2006
- Marin County Board of Supervisors adopts Zero Waste Resolution, April 17, 2007. The Zero Waste Resolution was found to be consistent with the Marin Countywide General Plan and Solid Waste Element.

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- City of Novato adopted a Zero Waste Resolution, 2007.
 - Marin County Hazardous and Solid Waste JPA accepts Zero Waste Feasibility Study, January 28, 2010
 - Marin County Hazardous and Solid Waste JPA adopts budget implementing Zero Waste Program, June 2010.
 - Marin County Hazardous and Solid Waste JPA awards public outreach contract for Zero Waste Program, January 2011
 - Marin County Hazardous and Solid Waste JPA issues grant application guidelines for Zero Waste Program, January 2011

The Novato Sanitary District has discussed the issue of incorporating Zero Waste into an update of the Franchise Agreement at the following Board meetings:

- Board of Directors President appointed Adhoc Solid Waste Franchise Update Committee, November 8, 2010
- Novato Disposal Letter requesting consideration of a franchise extension, November 18, 2010
- Board of Directors discussed Franchise Amendment for Zero Waste but deferred a decision to set the date for the public hearing until the meeting on December 13th.
- December 13, 2010, Board of Directors set the date for the Public Hearing for January 24, 2011 for the Franchise Update.
- January 19, 2011, the Adhoc Solid Waste Franchise Update Committee held a public workshop on the proposed amendment for Zero Waste
- January 24, 2011, the Board of Directors held a public hearing on the Solid Waste Franchise Amendment. A partial draft agreement covering the changes was made available.
- February 14, 2011, a working draft of the Franchise Agreement amendment was made available to the Board and to the public and discussed.

Under the Franchise Agreement Extension, NSD would be entering into a financial agreement for hauling services within its service area. The service area of the Franchise Agreement would not be changed. No additional facilities are proposed by NSD or the hauler, and no additional facilities are anticipated to be necessary for the hauler to meet the terms of this agreement. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with local municipal (City or County) CEQA requirements, as well as local land use, zoning and ordinance requirements, with the appropriate municipal agency acting as the CEQA Lead Agency. The Franchise Agreement Extension requires the hauler to comply with all local, state and federal requirements.

Under the Franchise Agreement Extension, NSD is contracting for hauling services; there are no project specific facilities or impacts anticipated. The activities under the extension of the Franchise Agreement will be essentially the same as the activities under the existing Franchise Agreement. The same number and type of trucks will be used to pick up and transport waste, including the pickup of food waste from multi-family and commercial buildings. The existing waste stream from certain customers will be segregated into different bins. However, no new

types of trucks will be required to pickup the different waste streams, including food waste. The same trucks will be used. The number of truck trips will be the same because the amount of waste generated by the households for pickup is expected to be the same or less. The total volume of waste materials to be picked up under the Franchise Agreement is not changed.

The disposal of the waste will be the same. The waste may be disposed of and processed at any permitted facility. This is the same authorization as under the existing Franchise Agreement. So, under the new Franchise Agreement, the disposal facility terms are not revised and the location for waste disposal is not required to change. Consistent with current operations, the waste will continue to go to Redwood Landfill for the foreseeable future. Consistent with current operations, residential and commercial recycling will go to the Santa Rosa Recycling Center.

1.2 Purpose of this CEQA Review Document

The District has prepared this CEQA Review Document to review the Franchise Agreement Extension with respect to CEQA. Several CEQA statutes are applicable to the Franchise Agreement Extension, and are discussed below. Based upon review of these statutes, and as demonstrated by the attached Initial Study Checklist, extension of the Franchise Agreement is considered not a project or exempt under CEQA.

CEQA Guidelines Section 15378(b)(4). The Amendment is not a Project under CEQA pursuant to CEQA Guidelines sec. 15378(b)(4). It is a financial agreement that does not commit the District to any specific project that will result in a potentially significant adverse impact on the environment. The Amendment revises the term and financial provisions for the continuation of existing activities. It does not constitute approval of any specific project that will result in a significant adverse impact.

CEQA Guidelines Section 15301. Class 1 consists of the operation repair maintenance, permitting, leasing or licensing or minor alteration of public or private structures, facilities, mechanical equipment or topographical features involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The types of existing facilities itemized below are not intended to be all inclusive of the types of projects which might fall into Class 1. The key consideration is whether the project involves negligible or no expansion of an existing use. Examples include but are not limited to:

- b) Existing facilities of both investor and publically owned utilities used to provide electric power, natural gas, sewerage, or other public utility services.

CEQA Guidelines Section 15308 – actions taken by regulatory agencies, as authorized by state or local ordinance, to ensure the maintenance, enhancement or protection of the environment where the regulatory process involves procedures for protection of the environment. Construction activities are not included.

CEQA Guidelines Section 15061(b)(3) – where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment

Additionally, CEQA Guidelines Section 15183, *Projects Consistent with a Community Plan or Zoning* is also applicable to consideration of the Franchise Agreement. As noted above, the Zero Waste Goal is mandated by AB 939, and has been adopted by the Regional JPA and the City of Novato. CEQA Guidelines Section 15183 (b) and (f) provides the following:

- b) CEQA mandates that projects which are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are particular to the project or its site. This streamlines the review of such projects and reduces the need to prepare repetitive environmental studies.

- f) An effect of a project on the environment shall not be considered peculiar to the project or the parcel for the purposes of this section if uniformly applied development policies or standards have been previously adopted by the city or county with a finding that the development policies or standards will substantially mitigate that environmental effect when applied to future projects, unless substantial new information shows that the policies or standards will not substantially mitigate the environmental effect. The finding shall be based on substantial evidence which need not include an EIR. Such development policies or standards need not apply throughout the entire city or county, but can apply only within the zoning district in which the project is located, or within the area subject to the community plan on which the lead agency is relying. Moreover, such policies or standards need not be part of the general plan or any community plan, but can be found within another pertinent planning document, such as a zoning ordinance. Where a city or county, in previously adopting uniformly applied development policies or standards for imposition on future projects, failed to make a finding as to whether such policies or standards would substantially mitigate the effects of future projects, the decision making body of the city or county, prior to approving such a future project pursuant to this section, may hold a public hearing for the purpose of considering whether, as applied to the project, such standards or policies would substantially mitigate the effects of the project. Such a public hearing need only be held if the city or county decides to apply the standards or policies as permitted in this section.

In April 2007, the Marin County Board of Supervisors adopted the Zero Waste Resolution (April 17, 2007). The Zero Waste Resolution was found to be consistent with the Marin Countywide General Plan and Solid Waste Element, and no additional CEQA analysis was required. Similarly, NSD is considering extension of its existing Franchise Agreement; Franchise Agreements extension and amendment by individual contracting agencies is identified as one of the key implementation strategies in the Zero Waste Feasibility Study, accepted by the Marin County Hazardous and Solid Waste JPA January 28, 2010.

SECTION 2 ENVIRONMENTAL CHECKLIST

Initial Study

1. **Project Title:** Novato Sanitary District Franchise Agreement
2. **Lead Agency Name and Address:** Novato Sanitary District
3. **Contact Person and Phone Number:** Beverly James
4. **Project Location:** Novato, California
5. **Project Sponsor's Name and Address:** Novato Sanitary District
6. **General Plan Designation(s):** Not Applicable
7. **Zoning Designation(s):** Not Applicable
8. **Description of Project:** The Novato Sanitary District (District) is considering extending its existing franchise agreement for hauling services within its service area, which includes the City of Novato and unincorporated areas of Marin County. Novato Sanitary District is amending the Franchise Agreement with Novato Disposal to incorporate Zero Waste Goals at minimal cost to Novato residents. The new contract sets a goal of 60% diversion by 2015, 70% diversion by 2020, 80% diversion by 2025.
9. **Surrounding Land Uses and Setting.** The Franchise Agreement would provide hauling services within the Novato Sanitary District service area, which includes the City of Novato and unincorporated areas of Marin County.
10. **Other public agencies whose approval is required.** None.

Environmental Factors Potentially Affected

The proposed project could potentially affect the environmental factor(s) checked below. The following pages present a more detailed checklist and discussion of each environmental factor.

- | | | |
|---|---|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture and Forestry Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology, Soils and Seismicity |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Hydrology and Water Quality |
| <input type="checkbox"/> Land Use and Land Use Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Population and Housing | <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Transportation and Traffic | <input type="checkbox"/> Utilities and Service Systems | <input type="checkbox"/> Mandatory Findings of Significance |

DETERMINATION: (To be completed by Lead Agency)

On the basis of this initial study:

- I find that the proposed project **COULD NOT** have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A **MITIGATED NEGATIVE DECLARATION** will be prepared.
- I find that the proposed project **MAY** have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.
- I find that the proposed project **MAY** have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An **ENVIRONMENTAL IMPACT REPORT** is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or **NEGATIVE DECLARATION** pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or **NEGATIVE DECLARATION**, including revisions or mitigation measures that are imposed upon the proposed project, no further environmental documentation is required.

Signature

Date

Printed Name

For

Environmental Checklist

Aesthetics

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
1. AESTHETICS — Would the project:				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect daytime or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b,c,d) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore there would be no additional impact on scenic vistas, protected visual resources, or ambient light and dark sky conditions. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Agricultural and Forest Resources

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
2. AGRICULTURAL AND FOREST RESOURCES —				
<p>In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board.</p>				
Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b,c,d, e) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore there would be no additional impacts to agricultural or forest resources. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Air Quality

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
3. AIR QUALITY —				
Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations.				
Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b,c,d,e) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore the project would not violate or conflict with the Bay Area Air Quality Management District (BAAQMD) Air Quality Management Plan. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Biological Resources

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
4. BIOLOGICAL RESOURCES — Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b,c,d, e, f) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore there would be no additional impact on sensitive plant and wildlife species, or jurisdictional waters. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Cultural Resources

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
5. CULTURAL RESOURCES — Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b,c,d) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore, there would be no additional impact on sensitive historic, cultural, or paleontological resources. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Geology, Soils, and Seismicity

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
6. GEOLOGY, SOILS, AND SEISMICITY —				
Would the project:				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? (Refer to Division of Mines and Geology Special Publication 42.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b,c,d, e) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore no impacts from geologic and soil hazards would occur. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Greenhouse Gas Emissions

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
7. GREENHOUSE GAS EMISSIONS — Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

- a,b) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore no impacts from greenhouse gas emissions would occur. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Hazards and Hazardous Materials

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
8. HAZARDS AND HAZARDOUS MATERIALS — Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b,c,d,e,f,g,h) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore it would not result in disturbance of known hazardous materials or change the use, storage, or transport of hazardous materials. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Hydrology and Water Quality

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
9. HYDROLOGY AND WATER QUALITY — Would the project:				
a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially alter the existing drainage pattern of a site or area through the alteration of the course of a stream or river, or by other means, in a manner that would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially alter the existing drainage pattern of a site or area through the alteration of the course of a stream or river, or by other means, substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Place within a 100-year flood hazard area structures that would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j) Expose people or structures to a significant risk of loss, injury or death involving inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b,c,d,f,g,h,i ,j) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore there would be no impact on existing drainage patterns, groundwater, or the ability to comply with regulatory permits, including National Pollutant Discharge Effluent Standards (NPDES), Clean Water

Act Section 401 Water Quality certification, and Title 22. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Land Use and Land Use Planning

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
10. LAND USE AND LAND USE PLANNING — Would the project:				
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b,c) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore the project would not physically divide an existing community or conflict with existing land uses. There are no applicable Habitat Conservation Plans (HCPs) or Natural Community Conservation Plans (NCCPs) in the WWTP area. The project would not conflict with plans and policies identified in the Marin Countywide Plan or the City of Novato General Plan. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Mineral Resources

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
11. MINERAL RESOURCES — Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

- a,b) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore the project would not result in the loss of availability or known or locally important mineral resources. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Noise

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
12. NOISE — Would the project:				
a) Result in Exposure of persons to, or generation of, noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in Exposure of persons to, or generation of, excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan area, or, where such a plan has not been adopted, in an area within two miles of a public airport or public use airport, would the project expose people residing or working in the area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project located in the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b,c,d,e,f) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore the project would not contribute additional sources of excessive noise, generate groundborne vibration, or substantially increase ambient noise levels. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Population and Housing

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
13. POPULATION AND HOUSING — Would the project:				
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Displace substantial numbers of existing housing units, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b,c) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore, it would not induce substantial population growth, or displace substantial numbers of existing housing units or people. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Public Services

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
14. PUBLIC SERVICES — Would the project:				
a) Result in substantial adverse physical impacts associated with the provision of, or the need for, new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the following public services:				
i) Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii) Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii) Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv) Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
v) Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

- a) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore, there would be no impact on existing police, fire, or emergency services, emergency response times, and school facilities. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Recreation

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
15. RECREATION — Would the project:				
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facilities would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

- a,b) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore, there would be no impact on existing recreation facilities. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Transportation and Traffic

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
16. TRANSPORTATION AND TRAFFIC —				
Would the project:				
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable congestion management program, including, but not limited to, level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location, that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore, there would be no impact on traffic and transportation. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Utilities and Service Systems

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
17. UTILITIES AND SERVICE SYSTEMS — Would the project:				
a) Conflict with wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Require or result in the construction of new storm water drainage facilities, or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in a determination by the wastewater treatment provider that would serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b,c,d,e,f,g) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore, no impacts to public services would occur. It is anticipated that the Franchise Agreement, which includes the Zero Waste Goal, would have beneficial effects to local landfill capacity by increasing diversion rates. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

Mandatory Findings of Significance

<i>Issues (and Supporting Information Sources):</i>	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
18. MANDATORY FINDINGS OF SIGNIFICANCE —				
Would the project:				
a) Have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have environmental effects that would cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

a,b,c) The Franchise Agreement does not propose or require additional facilities in order for the waste hauler to continue to provide services, and it is not anticipated that waste hauler services would be substantially altered from those previously experienced under the current Franchise Agreement. The Franchise Agreement implements, but does not establish, waste policy. Execution of the proposed Franchise Agreement would not change or require additional facilities to meet its requirements; therefore, no impacts to the quality of the environment would occur. The Franchise Agreement would not contribute to cumulative considerable impacts, and would not cause substantial adverse effects on human beings. In the event that new disposal facilities are used in the future, they must be permitted facilities which comply with uniformly applied development policies or standards adopted by the city or county, including requirements to complete CEQA and conform to Solid Waste Facility Permit requirements at the municipal level.

MARIN FOOD SCRAP RECYCLING TASK FORCE

TESTIMONY: NOVATO SANITARY DISTRICT BOARD

MARCH 2, 2011

The Marin Food Scrap Recycling Task Force is an ad hoc group of Marin residents that emerged from a project of the Environmental Forum of Marin to advance food waste recycling/composting in Marin.

The Marin Food Scrap Recycling Task Force coordinates its efforts among Marin's waste haulers, sanitation franchises, the Department of Public Works, sanitation boards, landfills and other public and private entities involved in the waste collection and waste disposal industry.

The Marin Food Scrap Recycling Task Force has two important goals:

- to promote informed decision making about broad-scale residential food scrap recycling and composting;
- to provide community programs that educate Marin residents on the benefits of food scrap recycling and the "do's and don't's" of food scrap recycling.

Following are our comments on the Final Draft Franchise Agreement between Novato Sanitary District and Novato Disposal Service dated 2/25/11. We particularly reviewed Exhibits 4 (community outreach), 5 (school recycling) and 6 (implementation schedule):

Exhibit 5: School Recycling.

We realize this is an outline to be fully developed for implementation, but we suggest the following:

- More specifically include Food Waste in the section where the Green Team is introduced. The emphasis is mostly on Recycling, which could conceptually include Food Scraps but this should be clarified.
- In the Getting Started section the language "Food Waste collection and composting" is used. Does this refer to collecting the food scraps or providing for on-site composting operations (some private schools with gardens do this) or both? It would be good to clarify and standardize the language.
- The cost-sharing commitment needs to be spelled out. Does the Disposal Company fund the Zero Waste coordinator(s)? Is that position in place? What are the school district's costs?

We also noted that the fully developed plan is required to be submitted to the District for approval prior to implementation by October 31, 2011 (Section 5.4.1), but Section 4.9.5 requires full implementation of the outlined school recycling program as set forth

in Exhibit 5 by December 31, 2011. Of course, the plan could be submitted earlier, but this does not leave much time for implementation after District approval.

Exhibit 6: Implementation Schedule.

We appreciate that the definition of the organic waste cart (Section 1.59) includes a requirement for Food Waste program stickers. However, the time frame in the Implementation Schedule allows almost a year (until January 2012) to place food waste diversion stickers on all green carts. We think this is only for single family food waste carts, because implementation for commercial and multi-family food waste collection is later in 2012. This seems like a long time for one of the most significant support steps for implementation.

We suggest the following changes:

- Stickers should be in place within 3 months, but no later than 6 months, after rollout.
- The website should be updated sooner than September 2011 with at least something substantive relating to Zero Waste.
- The overall goal of 80% diversion by December 31, 2025 is much too late. We suggest 80% by December 31, 2020 and 90% by 2025.

For questions, or more information about how the Marin Food Scrap Recycling Task Force can assist the District, please contact:

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**AMENDED AND RESTATED AGREEMENT
BETWEEN
NOVATO SANITARY DISTRICT
AND
NOVATO DISPOSAL SERVICE, INC.
FOR
SOLID WASTE COLLECTION,
PROCESSING, DIVERSION
AND DISPOSAL**

March 21, 2011

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1 **AGREEMENT**

2 This Amended and Restated Franchise Agreement ("Agreement") is entered into this
3 _____ day of _____, 2011, between the Novato Sanitary District ("District") and Novato
4 Disposal Service, Inc. ("Company"), for the collection, transportation, recycling, reduction,
5 composting, and disposal of solid waste and other services related to meeting the goals and
6 requirements of the California Integrated Waste Management Act ("CIWMA").

7 **RECITALS**

8 WHEREAS, Company currently provides solid waste collection, recycling and disposal
9 services within the jurisdictional boundary of District, including the City of Novato ("City") and
10 surrounding areas, and has provided said services for a number of years in a manner which has
11 been consistent with quality service being provided at competitive rates; and

12 WHEREAS, Company provides said solid waste collection, recycling and disposal
13 services pursuant to an existing Franchise Agreement dated January 1, 2001 and such term of the
14 existing agreement provide for termination on December 31, 2015; and

15 WHEREAS, the Legislature of the State of California, by enactment of the CIWMA, has
16 declared that it is within the public interest to authorize and require local agencies to make
17 adequate provisions for solid waste handling, source reduction and recycling within their
18 jurisdictions; and

19 WHEREAS, said CIWMA sets goals for the diversion of solid wastes from landfills, and
20 imposes the responsibility on cities and counties within the State to reduce the amount of solid
21 waste disposed of by 50 percent by the year 2000, and beyond; and

22 WHEREAS, District and City entered into an arrangement under which City will make
23 policy decisions on solid waste programs necessary to meet the goals of the CIWMA and District
24 will, through Company as its franchisee, implement those programs under its jurisdiction; and

25 WHEREAS, pursuant to California Health and Safety Code Sections 6512, 6515, 6518.5,
26 and 6522, the Board of Directors of District has determined that the public health, safety, and
27 well-being may best be obtained by updating the existing exclusive franchise for the collection,
28 transportation, recycling, and disposal of solid waste and other services related to meeting said
29 CIWMA diversion goals and other requirements of the CIWMA; and

30 WHEREAS, the Board of Directors of District declares its intention of maintaining
31 reasonable rates for the collection, transportation, recycling, reducing, composting, and disposal
32 of solid waste and other services related to meeting and maintaining the District's Zero Waste
33 goal of 80 percent landfill diversion by December 31, 2025 and beyond; and,

34 WHEREAS, the Board of Directors of District finds that the service which has been
35 provided by Company has been consistently satisfactory in meeting the direction of District and
36 the cost for such services has been provided at competitive rates as compared to surrounding
37 communities; and

1 WHEREAS, District has determined that in order to continue to provide satisfactory
2 service levels at competitive prices, modifications to the current manner of providing service are
3 required, which include, increased recycling collection services, *and* food waste collection
4 services, ~~and the relocation of the household hazardous waste facility;~~ and

5 WHEREAS, District's current franchise agreement, requires revisions in order to reflect
6 the changes necessary to implement expanded residential recycling programs, residential,
7 commercial, and multi-family food waste collection programs commercial and multi-family
8 recycling programs, ~~and relocation of the drop-off recycling center and household hazardous~~
9 ~~waste facility;~~ and

10 WHEREAS, District continues to conclude that the best interest of the constituents of the
11 District is served by providing an exclusive franchise for the group of interrelated solid waste
12 and Household Hazardous Waste services through a single provider, and further that the
13 provision of these services can be best obtained through an integrated program controlled
14 pursuant to a franchise agreement providing for collection, processing, disposal, marketing, and
15 other related activities; and

16 WHEREAS, the parties hereto desire to enter into an updated franchise agreement with
17 an adequate term to amortize the costs associated with these service changes; and

18 NOW, THEREFORE, the parties agree as follows:

Final Draft Dated 3/11/2011

ARTICLE 1 DEFINITIONS

- 1
- 2 **1.1 AB 32**
- 3 The California Global Warming Solutions Act (Assembly Bill 32)
- 4 **1.2 AB 939 or CIWMA**
- 5 The California Integrated Waste Management Act (Assembly Bill 939, California Public
6 Resources Code Sections 40000 et al.), as amended from time to time.
- 7 **1.3 Agreement or Franchise Agreement**
- 8 The written document and all amendments thereto, between the District and the
9 Company, governing the provision of Collection Services as provided herein.
- 10 **1.4 Agreement Year**
- 11 Each twelve (12) month period from January 1st to December 31st and the last Agreement
12 Year will end on December 31st, 2025 unless otherwise extended by the District
13 according to Article 2.4 of this Agreement.
- 14 **1.5 Alternative Daily Cover (ADC)**
- 15 Disposal Facility cover material, other than Organic Waste and at least six (6) inches of
16 earthen material, placed on the surface of the active face of the disposal fill area at the
17 end of each operating day to control vectors, fires, odor, blowing litter and scavenging, as
18 defined in Section 20164 of the California Code of Regulations.
- 19 **1.6 Biohazardous or Biomedical Waste**
- 20 Any waste which may cause disease or reasonably be suspected of harboring pathogenic
21 organisms; included are waste resulting from the operation of medical clinics, hospitals,
22 and other facilities processing wastes which may consist of, but are not limited to, human
23 and animal parts, contaminated bandages, pathological specimens, hypodermic needles,
24 sharps, contaminated clothing and surgical gloves.
- 25 **1.7 Bulky Waste**
- 26 Those materials including furniture, carpets, mattresses, White Goods, E-Waste, clothing,
27 tires without rims, Green Waste, and Large Green Waste which are attributed to the
28 normal activities of a SFD Service Unit, or a MFD Service Unit. Bulky Waste must be
29 generated by and at the Service Unit wherein the Bulky Waste is collected. Bulky Waste
30 does not include items herein defined as Exempt Waste.
- 31 **1.8 Business Service Unit**
- 32 All retail, professional, office, wholesale and industrial facilities, and other commercial
33 enterprises offering goods or services to the public.
- 34 **1.9 City**
- 35 The City of Novato, California.

- 1 **1.10 Collection Day**
2 The specific Work Day on which Collection Services are scheduled to be conducted by
3 the Company at a Service Unit.
- 4 **1.11 Collection**
5 The process whereby Garbage, Recyclable Materials and Organic Waste are removed and
6 transported to the Disposal Facility, an Organic Waste Processing Facility, or a Materials
7 Recovery Facility, as appropriate.
- 8 **1.12 Collection Services**
9 Single-Family Collection Service (SFD), Multi-family Collection Service (MFD),
10 Commercial Collection Service, and Debris Box Collection Service, and Collection
11 Service For Local Government Agencies Within District Boundaries.
- 12 **1.13 Commercial Collection Service**
13 Commercial Garbage Collection Service, Commercial Recycling Collection Service, and
14 Commercial Organic Waste Collection Service.
- 15 **1.14 Commercial Organic Waste**
16 Green Waste and Food Waste separated at the source of generation for inclusion in the
17 Commercial Organic Waste Collection Service program.
- 18 **1.15 Commercial Organic Waste Collection Service**
19 The Collection of Commercial Organic Waste by the Company from Commercial Service
20 Units in the Service Area, and the delivery of that Commercial Organic Waste to an
21 Organic Waste processing facility.
- 22 **1.16 Commercial Recycling Collection Service**
23 The Collection of Recyclable Materials by the Company from Commercial Service Units
24 in the Service Area, the delivery of those Recyclable Materials to a Materials Recovery
25 Facility and the processing and marketing of those Recyclable Materials.
- 26 **1.17 Commercial Service Unit**
27 Business Service Units, and mixed Commercial and Residential Service Units that utilize
28 a Garbage Cart or Bin for the accumulation and set-out of Garbage.
- 29 **1.18 Commercial Garbage Collection Service**
30 The Collection of Garbage by the Company, from Commercial Service Units in the
31 Service Area, and the delivery of that Garbage to the Disposal Facility.
- 32 **1.19 Compactor**
33 Any Debris Box or Bin, which has a compaction mechanism, whether stationary or
34 mobile.

- 1 **1.20 Company**
2 Novato Disposal Services, Inc.
- 3 **1.21 Composting**
4 The controlled biological decomposition of Organic Waste into a specific mixture of
5 decayed organic matter used for fertilizing or soil conditioning.
- 6 **1.22 Construction and Demolition Debris**
7 Commonly used or discarded materials removed from construction, remodeling, repair,
8 demolition, or renovation operations on any pavement, house, commercial building, or
9 other structure, or from landscaping. Such materials include, but are not limited to, dirt,
10 sand, rock, gravel, bricks, plaster, gypsum wallboard, aluminum, glass, asphalt material,
11 plastics, roofing material, cardboard, carpeting, cinder blocks, concrete, copper, electrical
12 wire, fiberglass, Formica, granite, iron, lead, linoleum, marble, plaster plant debris,
13 pressboard, porcelain, steel, stucco, tile, vinyl, wood, masonry, rocks, trees, remnants of
14 new materials, including paper, plastic, carpet scraps, wood scraps, scrap metal, building
15 materials, packaging and rubble resulting from construction, remodeling, renovation,
16 repair and demolition operations on pavements, houses, commercial buildings and other
17 structures. Construction and Demolition Debris does not include Exempt Waste.
- 18 **1.23 Container or Containers**
19 Means any Cart, Bin, or Debris Box used for the Collection of Garbage, Recyclable
20 Materials, Organic Waste, or Construction and Demolition Debris from a Service
21 Recipient.
- 22 **1.24 County**
23 Marin County, California.
- 24 **1.25 Customer**
25 Means a Service Recipient that receives Collection Services under the terms of this
26 Agreement.
- 27 **1.26 Debris Box Collection Service**
28 Collection utilizing 10 - 40 cubic yard containers, on a temporary or permanent basis, and
29 provided to Service Units for the Collection of Garbage, Recyclable Materials, Organic
30 Waste, and Construction and Demolition Debris and for the delivery of that material to an
31 appropriate facility.
- 32 **1.27 Debris Box**
33 A metal container that is normally tipped loaded onto a motor vehicle and transported to
34 an appropriate facility.
- 35 **1.28 Detailed Rate Review**
36 The process for adjusting the Company's compensation and rates as specified in Exhibit
37 8.

1 **1.29 Disposal Facility**

2 A facility designated by District for the disposal, or processing as appropriate, of Garbage
3 and other materials as appropriate.

4 **1.30 District**

5 Novato Sanitary District.

6 **1.31 District Manager-Engineer**

7 Manager-Engineer of the Novato Sanitary District or his or her designated representative.

8 **1.32 Diversion From Landfill Rate**

9 The Diversion From Landfill Rate will be calculated as the tons of materials collected by
10 Company from providing services as specified in this Agreement that are sold or
11 delivered to a Materials Processing Facility, Organic Waste Processing Facility, recycler
12 or re-user, net of all residue, divided by the total tons of materials collected under this
13 Agreement by Company in each 12-month calendar year (January 1st – December 31st).

14 **1.33 Dwelling Unit**

15 Any individual living unit in a Single Family Dwelling (SFD) or Multi-Family Dwelling
16 (MFD) structure or building intended for, or capable of being utilized for, residential
17 living other than a hotel or motel.

18 **1.34 E-Waste**

19 E-Waste, includes discarded items such as CRT devices including televisions and
20 computer monitors, LCD desktop computers, laptop computers, LCD and plasma
21 televisions, DVD players, cash registers computers and computer peripherals, telephones,
22 cell phones, answering machines, stereo equipment, radios, tape and CD
23 players/recorders, phonographs, video cassette recorders, calculators, Personal Data
24 Assistants (PDAs) small household and kitchen electronic equipment.

25 **1.35 Environmental Laws**

26 All federal and state statutes, city, county, and District ordinances concerning public
27 health, safety, and the environment including, by way of example and not limitation, the
28 Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42
29 U.S.C. Sections 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C.
30 Sections 6901 et seq.; the Federal Clean Water Act, 33 U.S.C. Sections 1251 et seq.; the
31 Toxic Substances Control Act, 15 U.S.C. Sections 1601 et seq.; the Occupational Safety
32 and Health Act, 29 U.S.C. Sections 651 et seq.; the California Hazardous Waste Control
33 Act, California Health and Safety Code Sections 25300 et seq.; the Safe Drinking Water
34 and Toxic Enforcement Act, California Health and Safety Code Sections 5249.5 et seq.;
35 as currently in force or as hereafter amended, and all rules and regulations promulgated
36 thereunder.

1 **1.36 Exempt Waste**

2 Biohazardous or Biomedical Waste (except Sharps), Hazardous Waste, Sludge,
3 automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion
4 engines, and those wastes under the control of the Nuclear Regulatory Commission.

5 **1.37 Fiscal Year**

6 The period commencing January 1st of one year and concluding December 31st of the
7 same year for Company. For District, it means the period commencing July 1st of one
8 year and concluding June 30th of the subsequent year. Nothing herein shall limit the
9 right of Company to change its fiscal year, if Company should so elect.

10 **1.38 Food Waste**

11 Food scraps and trimmings from food preparation, including but not limited to: meat, fish
12 and dairy waste, fruit and vegetable waste, grain waste, and acceptable food packaging
13 such items as pizza boxes, paper towels, waxed cardboard and food contaminated paper
14 products.

15 **1.39 Garbage**

16 All non-recyclable packaging, and putrescible waste attributed to normal activities of a
17 Service Unit. Garbage must be generated by and at the Service Unit wherein the Garbage
18 is collected. Garbage does not include those items defined herein as Recyclable
19 Materials, Organic Waste, Bulky Waste, E-Waste, U-Waste, or Exempt Waste.

20 **1.40 Garbage Bin**

21 A metal or plastic container, with a capacity of at least one (1) cubic yard up to, and
22 including, six (6) cubic yards, designed or intended to be mechanically dumped into a
23 loader packer type collection vehicle that is approved for such purpose by the District.
24 Garbage Bins may also include Compactors that are owned by the MFD or Commercial
25 Service Unit wherein the MFD or Commercial Collection Service occurs.

26 **1.41 Garbage Cart**

27 A heavy plastic receptacle with wheels and a rated capacity of at least twenty (20) gallons
28 and not more than ninety-six (96) gallons, having a hinged tight-fitting lid and wheels,
29 that is approved by the District Manager-Engineer for use by Service Recipients for
30 Collection Services under this Agreement.

31 **1.42 Green Waste**

32 Any vegetative matter resulting from normal yard and landscaping maintenance that is
33 not more than three (3) feet in its longest dimension or six (6) inches in diameter and fits
34 in the Organic Waste Cart utilized by the Service Recipient. Green Waste includes plant
35 debris, such Yucca and Cactus, ivy, grass clippings, leaves, pruning, weeds, branches,
36 brush, holiday trees, and other forms of vegetative waste and must be generated by and at
37 the Service Unit wherein the Green Waste is collected. Green Waste does not include
38 items herein defined as Exempt Waste.

- 1 **1.43 Hazardous Waste**
2 Any material which is defined as a hazardous waste under California or United States law
3 or any regulations promulgated pursuant to such law, as such as local, state or federal law
4 or regulations may be amended from time to time.
- 5 **1.44 Household Hazardous Waste (HHW)**
6 Residential household hazardous is governed by Health and Safety Code 25218 –
7 25218.13. HHW includes dry cell household batteries, cell phones and PDAs; used motor
8 oil; used oil filters when contained in a sealed plastic bag; compact fluorescent light bulbs
9 contained in a sealed plastic bag; cleaning products, pesticides, herbicides, insecticides,
10 painting supplies, automotive products, solvents, stripes, and adhesives, auto batteries;
11 and Universal Waste.
- 12 **1.45 HHW Element**
13 The Household Hazardous Waste Element of the Integrated Solid Waste Plan required to
14 be developed by the City and the County.
- 15 **1.46 Interfamilial Assignments**
16 The sale, exchange, or other transfer of substantially all of Company's assets dedicated to
17 service under this Agreement to a spouse, sibling, child, or grandchild of James Ratto.
- 18 **1.47 Large Green Waste**
19 Oversized Green Waste such as tree trunks and branches with a diameter of not less than
20 six (6) inches and not more than two (2) feet and a length of not more than six (6) feet in
21 its longest dimension, and not weighing more than seventy (70) pounds, which are
22 attributed to the normal activities of a SFD, or MFD. Large Green Waste must be
23 generated by and at the Service Unit wherein the Large Green Waste is collected.
- 24 **1.48 Materials Recovery Facility (MRF)**
25 Any facility, selected by the Company and approved by the District, or specifically
26 designated by the District, designed, operated, and legally permitted for the purpose of
27 receiving, sorting, processing, storing, or preparing Recyclable Materials for sale.
- 28 **1.49 Multi-family Dwelling (MFD Collection Service)**
29 MFD Garbage Collection Service, MFD Recycling Service, MFD Organic Collection
30 Service, and MFD Bulky Waste Collection Service.
- 31 **1.50 MFD Organic Waste**
32 Green Waste and Food Waste separated at the source of generation for inclusion in the
33 MFD Organic Waste Collection Service program.
- 34 **1.51 MFD Organic Waste Collection Service**
35 The Collection of MFD Organic Waste by the Company from MFD Service Units in the
36 Service Area, and the delivery of that MFD Organic Waste to an Organic Waste
37 processing facility.

- 1 **1.52 MFD Recycling Service**
2 The Collection of Recyclable Materials, by the Company, from MFD Service Units in the
3 Service Area, the delivery of those Recyclable Materials to a Materials Recovery Facility
4 and the processing and marketing of those Recyclable Materials.
- 5 **1.53 MFD Service Unit**
6 Any combination of Dwelling Units in the Service Area utilizing a common Garbage Bin
7 for the accumulation and set-out of Garbage.
- 8 **1.54 MFD Garbage Collection Service**
9 The Collection of Garbage, by the Company, from MFD Service Units in the Service
10 Area and the delivery of that Garbage to the Disposal Facility.
- 11 **1.55 Non-Collection Notice**
12 A form developed and used by the Company, as approved by the District, to notify
13 Service Recipients of the reason for non-collection of materials set out by the Service
14 Recipient for Collection by Company pursuant to this Agreement.
- 15 **1.56 Occupied**
16 When a person or persons has taken or is/are holding possession of the Service Unit for
17 temporary or permanent use. For the purpose of determining whether a Service Unit was
18 occupied during periods when Collection Service was available to such Service Unit, the
19 Service Unit shall be presumed to have been so occupied unless evidence is presented
20 that no gas, electric, telephone, or water utility services were consumed on such Service
21 Unit during such periods or such other evidence is presented to the satisfaction of the
22 District Manager-Engineer.
- 23 **1.57 Organic Waste**
24 Includes Food Waste and Green Waste.
- 25 **1.58 Organic Waste Bin**
26 A metal or plastic container, with a capacity of at least one (1) cubic yard up to and
27 including six (6) cubic yards, designed or intended to be mechanically dumped into a
28 loader packer type truck that is approved for such purpose by the District.
- 29 **1.59 Organic Waste Cart**
30 A heavy plastic receptacle with wheels and a rated capacity not exceeding ninety-six (96)
31 gallons, having a hinged tight-fitting lid, and wheels, that is approved for such purpose by
32 the District. If the Organic Waste Cart is used to hold Food Waste the Cart must have a
33 Food Waste program sticker attached in a clearly visible area.
- 34 **1.60 Organic Waste Processing Facility**
35 Any facility selected by the Company that is designed, approved by the District, or
36 specifically designated by the District, operated and legally permitted for the purpose of
37 receiving and processing Organic Waste and Large Green Waste.

1 **1.61 Owner**

2 The person holding the record title to the real property constituting the Service Unit to
3 which Collection Service is to be provided under this Agreement.

4 **1.62 Pass-Through Cost**

5 A cost to which no element of overhead, administrative expense, profit, or other mark-up
6 is added when included in calculations for compensation and rates as part of a Detailed
7 Rate Review as specified in Exhibit 8.

8 **1.63 Recyclable Materials**

9 Those materials which are capable of being recycled and which would otherwise be
10 processed or disposed of as Garbage. Recyclable Materials includes those materials as
11 defined by the District, including, but limited to, newsprint (including inserts); mixed
12 paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, brown
13 bags and paper, paperboard, paper egg cartons, office ledger paper, and telephone books);
14 glass containers; aluminum beverage containers; small scrap and cast aluminum (up to 20
15 pounds); steel including “tin” cans, empty aerosol cans (empty, non-toxic products) and
16 small scrap (up to 20 pounds); bimetal containers; plastic bags, plastic food containers,
17 #1-7 plastics regardless of form or mold (including but not limited to plastic containers,
18 bottles, wide mouth tubs, plastic bags, film plastic, and polystyrene), aluminum foil and
19 pans. The District, in consultation with the Company, may modify the list of Recyclable
20 Materials.

21 **1.64 Recyclable Materials Balancing Account**

22 The process for incorporating changes in the value of Recyclable Materials as specified
23 in Exhibit 7.

24 **1.65 Recycling Bin**

25 A plastic or metal container, with a capacity of at least one (1) cubic yard up to and
26 including six (6) cubic yards, designed or intended to be mechanically dumped into a
27 loader packer type recycling truck that is approved for such purpose by the District and is
28 appropriately labeled as a Recycling Bin.

29 **1.66 Recycling Cart**

30 A heavy plastic receptacle with wheels and a rated capacity of at least sixty-four (64)
31 gallons and not more than ninety-six (96) gallons, having a hinged tight-fitting lid, and
32 wheels that is approved for such purpose by the District and is appropriately labeled as a
33 Recycling Cart.

34 **1.67 Related Party Entity**

35 Any entity that has contractual relationships with Company during the term of this
36 agreement, including extensions, and in which a majority of the ownership interest of the
37 other entity is owned or effectively controlled by the Company, or by one or more of the
38 current, then current or former shareholders, directors, officers, or senior management
39 employees of Company or by their spouses, siblings, or issue.

- 1 **1.68 Service Area**
2 That area within the jurisdictional limits of the Novato Sanitary District, California.
- 3 **1.69 Service Recipient**
4 An individual or company receiving Collection Services.
- 5 **1.70 Service Unit**
6 SFD Service Units, MFD Service Units, and Commercial Service Units.
- 7 **1.71 Single-family Dwelling (SFD) Collection Service**
8 SFD Garbage Collection Service, SFD Recycling Collection Service, SFD Organic Waste
9 Collection Service, and SFD Bulky Waste Collection Service.
- 10 **1.72 SFD Organic Waste**
11 Green Waste and Food Waste comingled for inclusion in the SFD Organic Waste
12 Collection Service program.
- 13 **1.73 SFD Organic Waste Collection Service**
14 The Collection of Organic Waste by the Company from SFD Service Units in the Service
15 Area, the delivery of that Residential Organic Waste to an Organic Waste Processing
16 Facility.
- 17 **1.74 SFD Recycling Collection Service**
18 The Collection of Recyclable Materials by the Company from SFD Service Units in the
19 Service Area, the delivery of those Recyclable Materials to a Materials Recovery Facility
20 and the processing and marketing of those Recyclable Materials.
- 21 **1.75 SFD Garbage Collection Service**
22 The Collection of Garbage, by the Company, from SFD Service Units in the Service Area
23 and the delivery of that Garbage to a Disposal Facility.
- 24 **1.76 SFD Service Unit**
25 Any Dwelling Unit in the Service Area utilizing a Garbage Cart, or any combination of
26 Dwelling Units sharing Garbage Carts, for the accumulation and set out of Garbage.
- 27 **1.77 Sharps**
28 California law defines household sharps as “hypodermic needles, pen needles,
29 intravenous needles, lancets and other devices used to penetrate the skin for the delivery
30 of medications. It also includes broken medical glass, broken capillary tubes and ends of
31 dental wires.
- 32 **1.78 Sludge**
33 The accumulated solids, residues, and precipitates generated as a result of waste
34 treatment or processing, including wastewater treatment, water supply treatment, or

1 operation of an air pollution control facility, and mixed liquids and solids pumped from
2 septic tanks, grease traps, privies, or similar disposal appurtenances or any other such
3 waste having similar characteristics or effects.

4 **1.79 Solid Waste**

5 Garbage, Organic Waste, Recyclable Materials, and Construction and Demolition Debris.

6 **1.80 SRRE Element**

7 The Source Reduction and Recycling Element of the County Integrated Waste
8 Management Plan prepared by the City and the County.

9 **1.81 Universal Waste or U-Waste**

10 Universal wastes are Hazardous Wastes that are widely produced by households and
11 many different types of businesses. Universal wastes include televisions, cathode ray
12 tubes, computers and other electronic devices as well as batteries, fluorescent lamps, non-
13 empty aerosol cans, mercury thermostats, and other mercury containing equipment,
14 among others.

15 **1.82 White Goods**

16 Discarded refrigerators, ranges, water heaters, freezers, and other similar household
17 appliances.

18 **1.83 Work Day**

19 Any day, Monday through Saturday that is not a holiday.

20 **1.84 Zero Waste**

21 The term “Zero Waste” derives from applying the principal of sustainability to redefine
22 the concept of waste in our society. Zero Waste principals promote the highest and best
23 use of materials to eliminate waste and pollution, emphasizing a closed-loop system of
24 production and consumption, moving in logical increments toward the goal of Zero
25 Waste through the core principals of:

- 26 • Improving “downstream” reuse/recycling of end-of-life products and materials
27 to ensure their highest and best use;
- 28 • Pursuing “upstream” redesign strategies to reduce the volume and toxicity of
29 discarded products and materials, and promote low-impact or reduced
30 consumption lifestyles;
- 31 • Fostering and supporting use of discarded products and materials to stimulate
32 and drive local economic and workforce development.

33 **1.85 Zero Waste Minimum Requirements**

34 Those programs and standards as specified in Article 4.9 to be implemented by the
35 Company to meet the *City’s and* District’s Zero Waste Goals.

1 **ARTICLE 2 GRANT AND ACCEPTANCE OF FRANCHISE**

2 **2.1 Grant and Acceptance of Franchise**

3 Subject to Section 2.5, District hereby grants to Company the exclusive franchise, right
4 and privilege to collect, transport, recycle, and dispose of Solid Waste accumulating in
5 the service area that is required to be offered for Collection to Company in accordance
6 with current laws, regulations, and ordinances for the term of and within the scope set
7 forth in this Agreement. Company hereby accepts the franchise on the terms and
8 conditions set forth in this Agreement.

9 **2.2 Effective Date**

10 The "Effective Date" of this Agreement shall be the date entered on the first page of this
11 Agreement.

12 **2.3 Term of Agreement**

13 Except as provided in Section 2.5, the Term of this Agreement shall begin on March 2,
14 15, 2011 and shall expire at midnight on December 31, 2025, subject to extension as may
15 occur pursuant to Section 2.4 herein.

16 **2.4 Option to Extend Term**

17 Provided that the Company has met the Zero Waste Minimum Requirements as specified
18 in Article 4.9, District shall have the option to extend this Agreement for a maximum
19 additional sixty (60) months. If District elects to exercise this option, it shall give written
20 notice not less than one (1) year prior to the initial termination date provided in Section
21 2.3 of this Agreement.

22 Company may request, prior to the time for District to provide written notice of
23 extension, that District consider extending the Agreement as provided herein. Upon
24 request of Company for such extension, District agrees to consider any proposal included
25 with such request in good faith and District agrees not to unreasonably withhold approval
26 of such request, provided that Company has at no time breached this Agreement, service
27 has been provided at least at a satisfactory level, collection rates are competitive by
28 comparison with surrounding communities and the Zero Waste Minimum Requirements
29 as specified in Article 4.9 have been met. Nonetheless, the granting of such extension
30 shall remain in the sole discretion of the District. Furthermore, should the provisions of
31 Section 2.5 cause the term of the Agreement to be reduced, no extension of the term
32 under this provision shall be considered.

33 **2.5 Reduction to Seven Year Term**

34 In the event that Company ceases to be within the effective management control of James
35 Ratto or an assignment occurs pursuant to the terms of Section 11.6 herein at any time
36 during the Term of this Agreement, then the Term shall be reduced to a maximum of
37 seven (7) years from the date of the change of control or assignment; provided such seven
38 (7) year term does not exceed the expiration date as provided in Section 2.3, including
39 any extension previously granted under Section 2.4. Interfamilial Assignments shall not

1 be subjected to the reduction in term; however, any such Interfamilial Assignment shall
2 be subject to all the provisions of Section 11.6.

3 **2.6 Conditions to Effectiveness of Agreement**

4 The obligation of District to permit this Agreement to become effective and to perform its
5 undertakings provided for in this Agreement is subject to the satisfaction of each and all
6 of the conditions set out below, each of which may be waived in whole or in part by
7 District.

8 **2.6.1 Accuracy of Representations.** Representations and warranties made by
9 Company throughout this Agreement are accurate, true, and correct on and as of
10 the effective date of this Agreement.

11 **2.6.2 Absence of Litigation.** There is no litigation pending or threatened in any court
12 challenging the award of this franchise to Company or the execution of this
13 Agreement, or seeking to restrain or enjoin its performance.

14 **2.6.3 Furnishing of Insurance and Bonds.** Company has furnished evidence of the
15 insurance and bonds required by Article 8.

16 **2.6.4 Effectiveness of Board of Directors Action.** The District's Resolution approving
17 this Agreement shall have become effective pursuant to California law prior to the
18 Effective Date of this Agreement.

19 **2.7 Scope of Franchise**

20 Subject to Section 2.8, the franchise granted to Company shall be exclusive for
21 Collection, processing and disposal of Garbage, Recyclable Materials, Organic Waste,
22 and Construction and Demolition Debris, within the Service Area. The franchise shall be
23 for a group of interrelated services, not merely for transportation or hauling, which
24 include the Collection, transportation, processing, recycling and disposal of the Garbage,
25 Recyclable Materials, Organic Waste, and Construction and Demolition Debris within the
26 Service area.

27 **2.8 Limitations to Scope**

28 The franchise for the Collection, removal, and disposal of Solid Waste granted to
29 Company shall be exclusive except as to the following categories of Solid Waste listed in
30 this section. The granting of this franchise shall not preclude the categories of Solid
31 Waste listed below from being delivered to and collected and transported by others:

32 **2.8.1** Recyclable Materials separated from Solid Waste by the Service Recipient and for
33 which the Service Recipient sells or is otherwise compensated by a collector in a
34 manner resulting in a net payment to the Service Recipient;

35 **2.8.2** Recyclable Materials as may be accumulated for donation to youth, civic, and
36 charitable entities;

- 1 **2.8.3** Recyclable Materials that are separated at any premises and are transported
2 personally by the owner or occupant of such premises (or by his or her full-time
3 employees) to a MRF;
- 4 **2.8.4** Containers delivered for recycling under the California Beverage Container
5 Recycling Litter Reduction Act, found at Section 14,500 et seq. of the California
6 Public Resources Code;
- 7 **2.8.5** Organic Waste removed from a Service Unit by a gardening, landscaping, or tree
8 trimming service as an incidental part of a total service offered by that company
9 or person rather than as a hauling service;
- 10 **2.8.6** Construction and Demolition Debris (including excavated soil) removed from a
11 Service Unit by a licensed demolition or construction contractor using its own
12 employees as an incidental part of a total service offered by that company rather
13 than as a hauling service;
- 14 **2.8.7** Animal waste and remains from slaughterhouse or butcher shops for use as
15 tallow;
- 16 **2.8.8** By-products of sewage treatment, water treatment, and industrial facilities,
17 including sludge, grit, chemical wastes, and other by-products that are not similar
18 to Solid Waste generated by household and commercial users;
- 19 **2.8.9** Materials removed by householders or occupants and transported by them to
20 public dumps or recycling centers;
- 21 **2.8.10** Specific varieties of Recyclable Materials separated from Solid Waste by a
22 Service Recipient and for which Company has no recycling program in place for
23 said specific variety of Recyclable Materials; provided that the District has
24 approved the collection of such specific Recyclable Materials by a third party
25 after providing Company with notice of adding additional Recyclable Materials to
26 the District's recycling program and allowing Company an opportunity to propose
27 a program for said variety of Recyclable Materials; and
- 28 **2.8.11** This grant to Company of an exclusive franchise for services, including the right
29 and privilege to collect, transport, process or recycle, and dispose of Solid Waste
30 shall be interpreted to be consistent with state and federal laws, now and during
31 the term of the franchise. The scope of this exclusive franchise shall be limited by
32 current and developing state and federal laws with regard to Solid Waste
33 handling, exclusive franchises, control of Recyclable Materials, Solid Waste flow
34 control, and related matters. In the event that future interpretations of current law,
35 enactments, or developing legal trends limit the ability of District to lawfully
36 provide for the scope of franchise services as specifically set forth herein,
37 Company agrees that the scope of the franchise will, as a matter of law, be limited
38 to those services and materials that may be lawfully provided for under this
39 Agreement. District shall not be responsible for any damages or additional

1 compensation claimed by Company to arise out of a further limitation to the scope
2 of the Agreement as set forth above.

3 **2.9 District's Right to Direct Changes.**

4 District may direct Company to perform additional Solid Waste services or modify the
5 manner in which it performs existing services. Company shall promptly take direction
6 from District in responding.

7 If Company is capable of performing or developing the ability to perform a requested
8 service or modifying an existing service, and an adjustment in Company's revenue
9 requirement has been requested but has not been agreed upon, Company shall commence
10 the new or changed service while the appropriate revenue adjustment is being
11 determined. Pilot programs and innovative services that may entail new collection
12 methods, different kinds of services, and/or new requirements for waste generators are
13 included among the kinds of changes that District may direct. Company acknowledges
14 and agrees that District may permit other persons besides Company to perform additional
15 Solid Waste services, if Company and District cannot agree on terms and conditions of
16 such services one hundred twenty (120) days from the date when District first requests a
17 proposal from Company to perform such services, provided such additional services are
18 new services not subject to the exclusive rights of the franchise as set forth in this
19 Agreement.

20 **2.10 Ownership of Solid Waste.**

21 Once Garbage, Recyclable Materials, Organic Waste, and Construction and Demolition
22 Debris are placed in Containers and properly presented for collection at curbside,
23 ownership and the right to possession shall transfer directly from the Service Recipient to
24 Company by operation of law. The Company is hereby granted the right to retain,
25 recycle, compost, dispose of, and otherwise transport and/or use such Garbage,
26 Recyclable Materials, Organic Waste, and Construction and Demolition Debris, or any
27 part thereof, in any lawful fashion or for any lawful purpose desired by Company.
28 Subject to the provisions of this Agreement, and the following optional ownership rights
29 of District, Company shall have the right to retain any benefit resulting from its right to
30 retain, recycle, compost, dispose of, or use the Garbage, Recyclable Materials, Organic
31 Waste, and Construction and Demolition Debris that it collects. Garbage, Recyclable
32 Materials, Organic Waste, and Construction and Demolition Debris, or any part thereof,
33 that is disposed of at a disposal facility (whether landfill, transformation facility, transfer
34 station, Material Recovery Facility, or Organic Waste Processing Facility) shall become
35 the property of the owner or operator of the disposal facility once deposited there by
36 Company.

37 Notwithstanding the foregoing, District may determine that in order to meet the resource
38 reduction and recycling goals of the CIWMA that apply to District, the City, and/or
39 County, or in order to negotiate or bid for the most favorable transfer, disposal, and/or
40 Recyclable Materials marketing options, District may assert its authority to control the
41 wastestream once the Solid Waste that is to be collected under this Agreement is
42 presented for Collection. In such event, the right to possession and ownership shall
43 transfer directly from the Service Recipient to District by operation of law. District shall
44 assert its right to ownership and control of the wastestream by providing Company with

1 specific written notification of District's intent to assert its authority with regard to
2 ownership and control of the wastestream. Thereafter, District shall have and retain the
3 rights to direct Company to particular facilities, such as resource recovery, transfer, or
4 disposal facility(ies) for purposes of processing of the waste, and District may, as a
5 market participant, enter into contracts in its own name for the disposal, processing,
6 recycling, composting, transfer, transport, and use of a Materials Recovery Facility. In
7 the event that District asserts its right to own and fully control the wastestream, Company
8 shall be viewed as an agent of District with regard to Company's actions in collection,
9 transfer, recycling, and disposal of the Solid Waste subject to this Agreement.

10 Nothing contained in this Section 2.10 is intended to nor shall it affect the exclusive right
11 granted to Company to collect, transport, recycle and dispose of Garbage, Recyclable
12 Materials, Organic Waste, and Construction and Demolition Debris, as set forth in this
13 Agreement, provided that Company remains in compliance with District directives and
14 orders, once the District has elected to assume ownership and control of the wastestream.

Final Draft Dated 3/1/2014

1 **ARTICLE 3 FRANCHISE FEE AND OTHER MISCELLANEOUS FEES**

2 **3.1 Franchise Fee.**

3 **3.1.1 Franchise Fee Amount.** In consideration of the exclusive franchise provided in
4 Section 2.1 of this Agreement Company shall pay to District \$45,000 per year (or
5 another amount as provided in Section 3.1.3). This franchise fee shall be a Pass-
6 Through Cost.

7 **3.1.2 Time and Method of Payment.** On or before the fifteenth (15th) day of July of
8 each year during the term of this Agreement, Company shall remit the franchise
9 fee amount set forth in Section 3.1.1 (or another amount as provided in Section
10 3.1.3).

11 **3.1.3 Adjustment to Franchise Fee.** District may adjust the amount of the franchise
12 fee annually with ninety (90) days' notice to Company. Such adjustment shall be
13 reflected in the rates that Company is allowed to charge and collect from
14 Customers.

15 **3.2 Other Miscellaneous Fees.**

16 District may incur expenses other than as set forth above in its administration of this
17 franchise and as a result of carrying out its individual or shared responsibilities with
18 regard to administration of solid waste and recycling programs within the greater Novato
19 area. These additional costs may include costs associated with membership in joint
20 powers authorities, CIWMA fees, participation in private solid waste programs,
21 undertaking additional public educational efforts with regard to solid waste recycling and
22 HHW, consulting and legal fees arising from District's solid waste activities, and other
23 miscellaneous costs that may be incurred as a result of District's role in solid waste
24 activities. District may from time to time determine that it is appropriate to fix additional
25 fees to reimburse District for the potential costs associated with these miscellaneous solid
26 waste activities. District may from time to time adopt and fix such fees, and thereafter
27 adjust the amount of such fees. Such fees may be included within the franchise fee or
28 may be set forth as an additional segregated fee. Company shall be allowed to charge
29 and collect from Customer such fees, and Company agrees to do so at the direction of
30 District. These fees shall be Pass-Through Costs. The time and method for payment and
31 for adjustment of such fees shall be the same as set forth in Sections 3.1.2 and 3.1.3
32 above.

1 **ARTICLE 4 Zero Waste Collection And Processing Services**

2 **4.1 General Conditions.**

3 **4.1.1 Service Units.** Service Units shall include all the following categories of Service
4 Unit which are in the Service Area as of March 2, 2011, and all such Service Unit
5 which may be added to the Service Area by means of annexation, new
6 construction, or as otherwise set forth in this Agreement during term of this
7 Agreement:

- 8 ▪ SFD Service Units
- 9 ▪ Commercial Service Units
- 10 ▪ MFD Service Units
- 11 ▪ Local Government Agencies Service Units

12 Any question as to whether a Service Unit falls within one of these categories
13 shall be determined by the District Manager-Engineer and the determination
14 of the District Manager-Engineer shall be final.

15 **4.1.2 Service Unit Changes.** The District and Company acknowledge that during the
16 term of this Agreement it may be necessary or desirable to add or delete Service
17 Units for which Company will provide Collection Services.

18 **4.1.3 Additions and Deletions.** Company shall provide services described in this
19 Agreement to new Service Units within five (5) Work Days of receipt of notice
20 from the District or new Service Unit to begin such service.

21 **4.1.4 Route Map Update.** Company shall revise the Service Unit route maps to show
22 the addition of Service Units added due to annexation and/or addition of new
23 service areas and shall provide such revised maps to the District Manager-
24 Engineer as requested.

25 **4.1.5 District Direction of Collected Materials.** The District reserves its right to
26 direct Company to deliver Garbage, Recyclable Materials, Organic Waste, or
27 Construction and Demolition Debris collected by Company under the terms of
28 this Agreement to an appropriately licensed and permitted facility that may
29 provide financial or environment benefits to the District. If such direction by the
30 District results in the Company’s costs to provide services to increase, the
31 Company may request additional compensation.

32 **4.2 SFD Collection Service.**

33 These services shall be governed by the following terms and conditions:

34 **4.2.1 General Conditions of Service.** The Company shall provide SFD Collection
35 Service to all SFD Service Units in the Service Area whose Garbage is properly
36 containerized in Garbage Carts, Recyclable Materials are properly containerized

1 in Recycling Carts; and Organic Waste is properly containerized in Organic
2 Waste Carts. Garbage, Recycling and Organic Waste Carts will be collected at
3 least once a week and on the same day of Collection. SFD Collection Service
4 shall be automated wherever feasible. The method of collection and location for
5 collection of SFD Carts shall at all times be consistent with District's Garbage,
6 Recyclable Materials, and Organic Waste collection, removal, diversion, and
7 disposal regulation. Company shall offer Garbage Carts in minimum 20, 32, 64
8 and 96-gallon Cart sizes, and Recyclable Materials and Organic Waste Carts in 64
9 or 96 gallon Cart sizes. If containers smaller than 20 gallons become available and
10 agree with collection methods, District and Company agree to work together to
11 provide the smaller Garbage Collection Containers. The size of the Containers
12 used to collect Recyclable Materials and Organic Waste shall be determined by
13 the Customer. Customers may request up to one (1) additional recycling and
14 Organic Waste containers which will be supplied at no additional charge. As new
15 programs are developed, Company may provide alternate containers with the
16 approval of the District. The size of the Cart shall be determined between the SFD
17 Service Recipient and the Company.

18 **4.2.2 Ownership of and Replacement of Carts.** Company-furnished Carts will
19 remain property of Company. Company shall be responsible for reasonable
20 maintenance and replacement of Carts. Company may inform Customers that
21 containers are to remain at the residence upon sale or transfer of the property. To
22 the extent that Carts are lost or stolen, Company shall provide new Carts to the
23 Service Recipient at no cost, provided that Company shall not be required to
24 supply more than one replacement Cart to any Service Unit within a one-year
25 period unless circumstances demonstrate that Service Recipient had no
26 responsibility for the loss or damage to the Cart. At the end of the Term of this
27 Agreement, including any extensions provided hereunder, the Carts shall be
28 property of the Company, and Company shall be responsible for removal of the
29 Carts from all Service Units, unless alternative arrangements for disposition of the
30 Carts are agreed to by Company and District.

31 **4.2.3 Curbside Collection Service.** The Company shall service Carts that are used for
32 SFD Service Units that are placed at the curb or roadway edge, so as to be readily
33 accessible to the armature of the automated collection truck. In cases where
34 placement of containers at the curb or roadway edge would present a safety
35 hazard for motorists or pedestrians or represent a physical hardship to Customers,
36 Company shall designate an alternate location for the placement of the Carts. The
37 designated pick-up area, if disputed by the Customer or Company, shall be
38 determined by the District Manager-Engineer. In such cases, Company shall be
39 responsible for service of the Cart, irrespective of whether the automated armature
40 can reach the Cart. However, Company shall not be obligated to provide off-
41 sized Carts or nonstandard Cart. Some SFD Service Unit locations may not be
42 appropriate for standard automated service, due to the topography or road
43 conditions. In such cases, Customers may be required to supply their own Solid
44 Waste containers. Any dispute between the Company and Customer concerning

1 the availability and use of automated Carts shall be determined by the District
2 Manager-Engineer.

3 **4.2.4 On-Premise Collection Service - Subscription.** A SFD Service Recipient may
4 subscribe for On-premise SFD Collection Service where Garbage, Recyclable
5 Materials, and Organic Waste Carts are collected from a side-yard, backyard, or
6 other off-street location agreed on between the Company and the Service
7 Recipient. Company may charge for On-premise Collection Service at the rates as
8 set forth in the SFD Collection Rates in Exhibit 1 unless all of the adults at the
9 SFD are disabled and proof of the disability is provided to the Company. In cases
10 of dispute, the Manager-Engineer will make the determination.

11 **4.2.5 Frequency and Scheduling of Service.** Unless otherwise approved by District,
12 residential Recyclable Materials *and Organic Waste* collection will be on the
13 same day of the week as Garbage Collection Service. Company will notify
14 recycling Customers, as is done for regular service, regarding holiday collection
15 schedules.

16 **4.2.6 Non-Collection.** Company shall not be required to collect any Garbage,
17 Recyclable Materials, or Organic Waste that is not placed in a Cart *except as*
18 *noted in Section 4.2.8(g)*. In the event of non-collection, Company shall affix to
19 the Cart a Non-collection Notice explaining why Collection was not made, or
20 alternatively Company shall telephone the Customer with an explanation on the
21 same day as the intended pick up. Company shall maintain a copy of such notices
22 during the term of this Agreement.

23 **4.2.7 SFD Garbage Collection Service.** This service will be governed by the
24 following additional terms and conditions:

- 25 a) Disposal Facility. All Garbage collected as a result of performing SFD Garbage
26 Collection Services shall be transported to, and disposed of, at the Disposal
27 Facility *meeting the requirements of Section 4.11*.
- 28 b) Additional Garbage Carts. Upon notification to the Company by the District or a
29 Service Recipient that additional Garbage Carts are requested, the Company shall
30 deliver such Garbage Carts to such Service Recipient within five (5) Work Days.
31 Company shall be compensated for the cost of additional Garbage Carts in
32 accordance with the SFD Collection Rates Rate in Exhibit 1 or as may be adjusted
33 under the terms of this Agreement.

34 **4.2.8 SFD Recycling Collection Service.** This service will be governed by the
35 following additional terms and conditions:

- 36 a) Free Service. The Company may not charge for the Collection of Recyclable
37 Materials, and SFD Recycling Collection Service shall be unlimited. However,
38 for a SFD Service Recipient to receive free recycling services, they must be
39 subscribed to receive SFD Garbage Collection Service.

- 1 b) Recyclable Materials. Company shall collect Recyclable Materials as specified in
2 this Agreement and consistent with direction of the District, the District's Zero
3 Waste Goals, AB 32, and the HHW and SRRE Element Plans approved by the
4 City and the County.
- 5 c) Material Recovery Facility. All Recyclable Materials collected as a result of
6 performing SFD Recycling Collection Service shall be delivered to the Materials
7 Recovery Facility *meeting the requirements of Section 4.11*.
- 8 d) Marketing and Sale of Recyclable Materials. All expenses related to Recyclable
9 Materials processing and marketing will be the sole responsibility of Company.
10 Revenues from the sales of these materials shall be applied to the cost of services
11 under the Agreement to reduce Company's revenue requirement. Company shall
12 sell all Recyclable Materials collected pursuant to this Agreement at not less than
13 fair market value.
- 14 e) Records. District shall have the right to request Company to provide to District
15 the Company's records, as to sale of Recyclable Materials, in such form and to the
16 extent as District deems necessary to review Company's marketing methods,
17 primary contingent markets, pricing policy, and assumed salvage value for each
18 collected type of recyclable.
- 19 f) Additional Recycling Carts. Company shall provide additional SFD Recycling
20 Carts to SFD Collection Service Recipients within seven (7) days of request at no
21 additional cost provided that additional carts are used by Service Recipients for
22 the purposes of setting out additional Recyclable Materials for regular weekly
23 SFD Recycling Collection Service.
- 24 g) Overages. Corrugated cardboard or other Recyclable Materials that will not fit
25 inside the Recycling Cart may be flattened, bagged and/or bundled and placed
26 beside the Recycling Cart.
- 27 h) Recycling - Changes to Work. Should changes in law arise that necessitate any
28 additions or deletions to the work described herein including the type of items
29 included as Recyclable Materials, the parties shall negotiate any necessary cost
30 changes and shall enter into an Agreement amendment covering such
31 modifications to the work to be performed and the compensation to be paid before
32 undertaking any changes or revisions to such work.
- 33 i) Recycling - Improper Procedure. Except as set forth in Section 4.2.10 the
34 Company shall not be required to collect Recyclable Materials if the Service
35 Recipient does not segregate the Recyclable Materials from Garbage or Organic
36 Waste. If Recyclable Materials are contaminated through commingling with
37 Garbage or Organic Waste, the Company shall, if practical, separate the Garbage
38 or Organic Waste from the Recyclable Materials. The Recyclable Materials shall
39 then be collected and the Garbage or Organic Waste shall be left in the Recycling
40 Cart along with a Non-collection Notice explaining why the Garbage or Organic

1 Waste is not considered a Recyclable Material. However, in the event the
2 Recyclable Materials and Garbage or Organic Waste are commingled to the
3 extent that they cannot easily be separated by the Company or the nature of the
4 Garbage or Organic Waste renders the entire Recycling Cart contaminated, the
5 Company will leave the Recycling Cart un-emptied along with a Non-collection
6 Notice that contains instructions on the proper procedures for setting out
7 Recyclable Materials.

8 **4.2.9 SFD Organic Waste Collection Service.** This service will be governed by the
9 following terms and conditions:

- 10 a) Free Service For Up to Two (2) Organic Waste Carts. The Company may not
11 charge for the Collection of Organic Waste collected in up to two (2) Organic
12 Waste Carts. Company may charge SFD Service Recipients for three (3) or more
13 Organic Waste carts in accordance with SFD Collection Rates in Exhibit 1.
14 However, Company may not limit the amount of SFD Organic Waste Collection
15 Service provided to a Service Recipient.
- 16 b) Organic Waste Processing Services. Company shall ensure that all Organic
17 Waste collected pursuant to this Agreement are diverted from the landfill *and not*
18 *used for alternative daily cover* in accordance with AB 939 and AB 32 and any
19 subsequent or other applicable legislation and regulations. Company shall ensure
20 that all materials collected under this Organic Waste Collection Service will
21 qualify for CalRecycle diversion credits. If so directed in writing by District,
22 Company agrees to develop, implement, operate, and participate (locally and/or
23 regionally) in mulching, composting, and/or similar such activities to achieve
24 diversion requirements within the jurisdictional boundaries of the District.
25 Company agrees to aggressively pursue new opportunities to divert Organic
26 Waste from disposal at the landfill.
- 27 c) Organic Waste Processing Facility. Company shall deliver all collected Organic
28 Waste to a fully permitted Organic Waste Processing Facility or a fully permitted
29 Organic Waste transfer station. All expenses related to Organic Waste processing
30 and marketing will be the sole responsibility of Company.
- 31 d) Organic Waste Processing. Company shall ensure that the Organic Waste
32 collected pursuant to this Agreement is not disposed of in a landfill, except as a
33 residue resulting from processing, and the degree feasible, that Organic Waste
34 shall be composted and not be used as Alternative Daily Cover.
- 35 e) Additional Organic Waste Carts. Company shall provide one (1) additional SFD
36 Organic Waste Cart to SFD Service Recipients within five (5) days of request at
37 no additional cost provided that additional carts are used by SFD Service
38 Recipients for the purposes of setting out additional Organic Waste Materials for
39 regular weekly Organic Waste Collection Service.

- 1 f) Kitchen Food Waste Pails. Company shall make one kitchen Food waste pail per
2 SFD available for pick up at the Recycling Center for a period of ~~six months~~ *one*
3 *year* after roll out of the food waste available at no additional cost. After the
4 initial ~~six months~~ *one year*, kitchen food waste pails will be available at cost. *The*
5 *Company shall advertise the availability of the pails in their newsletter and*
6 *website and at outreach events.* The District shall approve the specific size and
7 labeling of the kitchen food waste pails to be provided by the Company.
- 8 g) Home Compost Bins. Company shall provide, at direct cost, a Bio-Stack
9 Compost Bin to any SFD Collection Service Recipient that request one.
- 10 h) Curbside Holiday Tree Collection. Company shall operate an annual holiday tree
11 collection program. The program shall include, as a minimum service level,
12 curbside collection of reasonably-sized whole trees during at least a one-week
13 period each January, in addition to the collection of holiday trees placed within
14 the Organic Waste Carts and collected pursuant to ordinary Organic Waste
15 Collection procedures. The holiday tree collection program shall target all
16 properties in the service area.
- 17 i) Contaminated Holiday Trees. Holiday trees that are flocked or contain tinsel or
18 other decorations may be delivered to the Disposal Facility at the discretion of the
19 Company.
- 20 j) Non-collection. Company shall not be required to Collect any Organic Waste that
21 is mixed with either Garbage, or Recyclable Materials. In the event of non-
22 collection, Company shall affix to the Organic Waste Cart a Non-Collection
23 Notice explaining why Collection was not made. Company shall maintain a copy
24 of such notices during the term of this Agreement.

25 **4.2.10 Bulky Waste Collection.** This service will be governed by the following terms
26 and conditions:

- 27 a) Maximum Reuse and Recycling. Company shall dispose of Bulky Waste
28 collected from Service Units pursuant to this Agreement in accordance with the
29 following hierarchy:
- 30 ▪ Reuse
 - 31 ▪ Disassemble for reuse or Recycling
 - 32 ▪ Recycle
 - 33 ▪ Compost
 - 34 ▪ Disposal
- 35 b) Bulky Waste Pick up. Company shall provide Bulky Waste Collection Services to
36 all Single Family Dwelling Units in the District whose Bulky Wastes have been
37 placed within (3) feet of the curb, swale, paved surface of the public roadway,
38 closest accessible roadway, or other such location agreed to by the Company and

1 Customer, that will provide safe and efficient accessibility to the Company's
2 collection crew and vehicle. The Customer shall be limited to three (3) cubic
3 yards or three (3) Bulky waste items per Collection; however, in no event shall
4 the aggregate of Bulky Waste exceed the equivalent of three (3) cubic yards. The
5 Bulky Waste must be contained and does not include Construction and
6 Demolition Debris *unless it is bundled or packaged and meets the other*
7 *requirements for Bulky Waste Collection*. Accordingly, Company shall be
8 compensated for the cost of collecting Bulky Waste in excess of this limitation in
9 accordance with the "Additional Bulky Waste Collection" service rate as set forth
10 in Exhibit 1. Each Single Family Dwelling Unit *with garbage pickup service*
11 *from the Company* in the District shall be entitled to receive Bulky Waste
12 Collection Service up to four (4) times/year *at no extra charge*. Bulky waste
13 pickup shall be scheduled within seventy-two (72) hours of the Customer request
14 excluding Weekends and holidays.

15 c) Bulky Waste Items Containing Freon. Service Recipients may also make an
16 appointment with Company for the Collection of used appliances (*i.e. washers,*
17 *dryers, stoves, refrigerators, freezers, etc.*). In the event Company Collects Bulky
18 Waste that contain Freon, Company shall handle such Bulky Waste in a manner
19 such that the Large Items are not subject to regulation as Hazardous Waste under
20 applicable state and federal laws or regulations. Company may charge for
21 collecting Large Items containing Freon in accordance with the rates in Bulky
22 Waste Collection Rates set forth in Exhibit 1.

23 d) Records. Company shall record by class and weight the Garbage, Recyclable
24 Materials, Organic Waste, E-Waste, U-Waste, used appliances, etc., collected
25 during the cleanup events. Company shall record the kinds and weights of
26 materials diverted during these cleanups from the landfill through recycling,
27 reuse, composting, transformation, or other means of diversion.

28 **4.3 Commercial Collection Service.**

29 These services will be governed by the following terms and conditions:

30 **4.3.1 General Conditions of Service.** The Company shall provide Commercial
31 Garbage Collection Service, Commercial Recycling Collection Service,
32 Commercial Organic Waste Collection Service, and 1 Debris Box Collection
33 Service to all Commercial Service Units in the Service Area whose Garbage,
34 Recyclable Materials, and Organic Waste are properly containerized in Bins,
35 Carts, or Debris Boxes as appropriate where the Bins, Carts are accessible as set
36 forth in Sections 4.03.3 and 4.03.4. The size of the Container and the frequency
37 (above the minimum) of Collection shall be determined between the Service
38 Recipient and the Company. However, the size and frequency shall be sufficient
39 to provide that no Garbage, Recyclable Materials, or Organic Waste Materials
40 need be placed outside the Bin, Cart or Debris Box.

41 a) Required Capacity. Company shall provide Commercial and MFD Recycling
42 Collection Service and Organic Waste Collection Service to all Commercial

1 Service and MFD Units in the Service Area. For each Service Unit, Company
2 shall offer a minimum capacity of Commercial and MFD Recycling Collection
3 and Commercial and MFD Organic Waste Collection Service appropriate to the
4 capacity measured as the total cubic yards collected weekly for Commercial and
5 MFD Garbage Collection Service.

6 b) Accessibility. Company shall collect all Garbage, Recycling, or Organic Waste
7 Bins or Carts that are readily accessible to the Company's crew and vehicles and
8 not blocked.

9 c) Manner of Collection. The Company shall provide Commercial Collection
10 Service with as little disturbance as possible and shall leave any Bin or Cart at the
11 same point it was originally located without obstructing alleys, roadways,
12 driveways, sidewalks or mail boxes. Company shall provide containers and shall
13 collect contents of the containers not less than once per week. The designated
14 pick-up area, if disputed by Customer or Company, shall be determined by
15 District Manager-Engineer. Additionally, if in his/her opinion the location of an
16 existing pick up area is inappropriate, he/she shall cause the Customer or
17 Company to relocate the pick up area.

18 **4.3.2 Commercial Garbage Collection Service.**

19 a) Conditions of Service. The Company shall provide Commercial Garbage
20 Collection Service to all Commercial Service Units in the Service Area whose
21 Commercial Garbage is properly containerized in Garbage Bins or Carts, where
22 the Garbage Bins or Carts are accessible.

23 b) Disposal Facility. All Commercial Garbage collected as a result of performing
24 Commercial Garbage Collection Service shall be transported to, and disposed of,
25 at the Disposal Facility *meeting the requirements of Section 4.11*. Failure to
26 comply with this provision shall result in the levy of an administrative charge as
27 specified in this Agreement and may result in the Company being in default under
28 this Agreement.

29 c) Size and Frequency of Service. This service shall be provided as deemed
30 necessary and as determined between the Company and the Customer, but such
31 service shall be received no less than one (1) time per week with no exception for
32 holiday(s) as set forth herein, except that Collection Service scheduled to fall on a
33 holiday may be rescheduled as determined between the Customer and the
34 Company as long as the minimum frequency requirement is met. Service may be
35 provided by Bin or Cart at the option of the Customer. The size of the Container
36 and the frequency (above the minimum) of Collection shall be determined
37 between the Customer and the Company. However, size and frequency shall be
38 sufficient to provide that no Commercial Garbage need be placed outside the Bin
39 or Cart. The Company shall provide containers as part of the Commercial
40 Collection Service Rates and the MFD Collection Service Rates in Exhibit 1,
41 however, Customers may own their compactor provided that the Customer is

1 completely responsible for its proper maintenance and that such compactor shall
2 be of a type that can be serviced by the Company's equipment.

3 d) Commercial Garbage Overflow. In the case of repeated overflows of Commercial
4 Garbage, Company shall contact the Commercial Service Unit management to
5 arrange for an appropriate change in Garbage Bin or Cart size, Collection
6 frequency or both. In the event, Company cannot successfully contact the
7 Commercial Service Unit management after three attempts, or cannot reach an
8 agreement with such management regarding the change in service, Company shall
9 advise the District Manager-Engineer, either by Fax or e-mail, of the details of the
10 Commercial Garbage overages, and the attempts at communication with the
11 Commercial Service Unit management. The District Manager-Engineer shall
12 respond to Company's report and make a final written determination. Within five
13 (5) Work Days of receipt of the District Manager-Engineer's written
14 determination, Company shall change the Collection Service in accordance with
15 such written determination.

16 e) Non-Collection. Company shall not be required to collect any Commercial
17 Garbage that is not placed in a Garbage Bin or Cart unless such Commercial
18 Garbage is outside the Garbage Bin or Cart as a result of overflow. In the event
19 of Non-collection, Company shall affix to the Garbage Bin or Cart a Non-
20 collection Notice explaining why Collection was not made, or alternatively
21 Company shall telephone the Customer with an explanation on the same day as
22 the intended Collection.

23 **4.3.3 Commercial Recycling Collection Service.** This service will be governed by the
24 following terms and conditions:

25 a) Free Service. The Company may not charge for the Collection of Recyclable
26 Materials, for Commercial and MFD Customers receiving Garbage Collection
27 Service. Commercial and MFD Recycling Collection Service shall be unlimited
28 provided that Recyclable Materials are placed in Carts or Bins.

29 b) Conditions of Service. The Company shall provide Commercial Recycling
30 Collection Service to all Commercial and MFD Service Units in the Service Area
31 whose Recyclable Materials are properly containerized in Recycling Bins, Carts
32 or Debris Boxes, except as set forth below, where the Recycling Bins, Carts, or
33 Debris Boxes are accessible. Any dispute between Company and Customer
34 concerning the availability and use of automated containers shall be determined
35 by the District Manager-Engineer. Materials collected shall be those specified by
36 Company consistent with direction of the District, the District's Zero Waste
37 Goals, AB 32, and the HHW and SRRE Element Plans approved by the City and
38 the County. Commercial Recycling Collection will occur Monday – Friday, and
39 on Saturdays upon request.

40 c) Material Recovery Facility. All Recyclable Materials collected as a result of
41 performing Commercial and MFD Recycling Services shall be delivered to the

1 Material Recovery Facility. Failure to comply with this provision shall result in
2 the levy of liquidated damages as specified in this Agreement. All expenses
3 related to Recyclable Materials processing and marketing will be the sole
4 responsibility of Company.

5 d) Size and Frequency of Service. Commercial and MFD Recycling service shall be
6 provided as deemed necessary and as determined between the Company and the
7 Customer, but such service shall be received no less than one (1) time per week
8 with no exception for holiday(s) as set forth herein, except that Collection Service
9 scheduled to fall on a holiday may be rescheduled as determined between the
10 Customer and the Company as long as the minimum frequency requirement is
11 met. Service may be provided by Bin, Cart or Debris Box at the option of the
12 Customer. The size of the Container and the frequency (above the minimum) of
13 Collection shall be determined between the Customer and the Company.
14 However, size and frequency shall be sufficient to provide that no Recyclable
15 Materials need be placed outside the Bin, Cart or Debris Box. The Company shall
16 provide containers as part of the Commercial Collection Service Rates and the
17 MFD Collection Service Rates in Exhibit 1, however, Customers may own their
18 Compactor provided that the Customer is completely responsible for its proper
19 maintenance and such Compactor shall be of a type that can be serviced by the
20 Company's equipment.

21 e) Additional Recycling Bins or Carts. Company shall provide additional
22 Commercial and MFD Recycling Bins and Carts to Commercial Service
23 Recipients within five (5) days of request at no additional cost provided that
24 additional bins and carts are used by Commercial Service Recipients for the
25 purposes of setting out additional Recyclable Materials for regular weekly
26 Recycling Collection Service.

27 f) Recycling - Improper Procedure. If Recyclable Materials are contaminated
28 through commingling with Commercial Garbage, the Company shall, if practical,
29 separate the Commercial Garbage from the Recyclable Materials. The Recyclable
30 Materials shall then be collected and the Commercial Garbage shall be left in the
31 Recycling Bin, Cart or Debris Box along with a Non-collection Notice of why the
32 Garbage is not considered a Recyclable Materials. However, in the event the
33 Recyclable Materials and Commercial Garbage are commingled to the extent that
34 they cannot easily be separated by the Company or the nature of the Commercial
35 Garbage renders the entire Recycling Bin, Cart or Debris Box contaminated, the
36 Company will leave the Recycling Bin, Cart or Debris Box un-emptied along with
37 a Non-collection Notice which contains instructions on the proper procedures for
38 setting out Recyclable Materials. Upon notification from the District Manager-
39 Engineer, Company shall collect the contaminated Recyclable Materials as part of
40 the next regularly scheduled Commercial Garbage Collection and dispose of it at
41 the Disposal Facility.

42 g) Recycling - Changes to Work. Should changes in law arise that necessitate any
43 additions or deletions to the work described herein including the type of items

1 included as Recyclable Materials, the parties shall negotiate any necessary cost
2 changes and shall enter into an Agreement amendment covering such
3 modifications to the work to be performed and the compensation to be paid before
4 undertaking any changes or revisions to such work.

5 **4.3.4 Commercial Organic Waste Service.** This service will be governed by the
6 following terms and conditions:

- 7 a) **Service Rate.** Company agrees that the provision of Commercial and MFD
8 Organic Waste Collection Service to Commercial and MFD Service Units is
9 critical to Company's ability to meet the Zero Waste Minimum Requirements as
10 set forth in Article 4.9 of this Agreement. The cost of providing Commercial
11 Organic Waste Collection Service is not known at the present. The Company
12 agrees to limit the cost charged for this service to the net cost of Collection, and
13 processing the material as determined through a cost audit prior to the initiation of
14 service. Company further agrees that not all Commercial Service Units will elect
15 to receive Organic Waste Collection Service in Carts, and that Company will
16 provide Organic Waste Collection Bins upon request and as necessary. Further,
17 Company agrees that there are several Commercial Service Units that utilize
18 Compactors for Collection of Organic Waste, and that Company will provide a
19 sufficient number of Carts or Bins and at a Collection frequency to allow for any
20 such Commercial Service Unit to utilize the Collection of Organic Waste.
21 Commercial Organic Waste Collection will occur Monday – Friday, and on
22 Saturdays upon request and as necessary.
- 23 b) **Conditions of Service.** The Company shall provide Commercial Organic Waste
24 Collection Service to all Commercial Service Units in the Service Area whose
25 Organic Waste materials are properly containerized in Organic Waste Bins, Carts,
26 Debris Boxes, or Compactors except as set forth below, where the Organic Waste
27 Bins, Carts, Debris Boxes, or Compactors are accessible. Company shall collect
28 and remove all Organic Waste placed in Collection Containers from commercial
29 and institutional locations where property owners or resident on-site managers
30 perform their own landscaping work and do not contract for a fee for such service.
- 31 c) **Organic Waste Processing Facility.** All Organic Waste collected as a result of
32 performing Commercial Collection Service shall be delivered to an Organic
33 Waste Processing Facility approved by the District *meeting the requirements of*
34 *Section 4.11*. Failure to comply with this provision shall result in the levy of an
35 administrative charge as specified in this Agreement and may result in the
36 Company being in default under this Agreement. All expenses related to Organic
37 Waste processing and marketing will be the sole responsibility of Company.
- 38 d) **Size and Frequency of Service.** This Service shall be provided as deemed
39 necessary and as determined between the Company and the Customer, but such
40 service shall be received no less than one (1) time per week with no exception for
41 holiday(s) as set forth herein, except that Collection Service scheduled to fall on a
42 holiday may be rescheduled as determined between the Customer and the

1 Company as long as the minimum frequency requirement is met. Service may be
2 provided by Bin, Cart or Debris Box at the option of the Customer. The
3 frequency of Collection should be as required in this Article unless generation of
4 Organic Waste does not warrant such service to said commercial and institutional
5 units. The size of the Container and the frequency (above the minimum) of
6 Collection shall be determined between the Customer and the Company.
7 However, size and frequency shall be sufficient to provide that no Organic Waste
8 Materials need be placed outside the Bin, Cart or Debris Box. The Company shall
9 provide containers, however, Customers may own their Compactor provided that
10 the Customer is completely responsible for its proper maintenance and such
11 Compactor shall be of a type that can be serviced by the Company's equipment.

12 e) Additional Organic Waste Bins or Carts. Company shall provide additional
13 Commercial Organic Waste Bins and Carts to Commercial Service Recipients
14 provided that additional bins and carts are used by Commercial Service
15 Recipients for the purposes of setting out additional Organic Waste materials for
16 regular weekly Organic Waste Collection Service.

17 f) Organic Waste - Improper Procedure. If Organic Waste is contaminated through
18 commingling with Commercial Garbage, the Company shall, if practical, separate
19 the Commercial Garbage from the Organic Waste. The Organic Waste shall then
20 be collected and the Commercial Garbage shall be left in the Organic Waste Bin,
21 Cart, or Debris Box along with a Non-collection Notice of why the Organic Waste
22 is not collected. However, in the event the Organic Waste and Commercial
23 Garbage are commingled to the extent that they cannot easily be separated by the
24 Company or the nature of the Commercial Garbage renders the entire Organic
25 Waste Bin, Cart, or Debris Box contaminated, the Company will collect and
26 dispose of the contents as Garbage and charge the Customer based on rates for
27 Commercial Garbage Collection Service. The Company will also notify the
28 Customer of the contamination and provide instructions on the proper procedures
29 for setting out Organic Waste.

30 g) Organic Waste - Changes to Work. Should changes in law arise that necessitate
31 any additions or deletions to the work described herein including the types of
32 items included as Organic Waste, the parties shall negotiate any necessary cost
33 changes and shall enter into an Agreement amendment covering such
34 modifications to the work to be performed and the compensation to be.

35 **4.4 MFD Collection Service**

36 These services will be governed by all conditions of service as specified in Article 4.03 of
37 this Agreement, with the following additional services:

38 **4.4.1 MFD Organic Waste Collection Service.** The Company shall provide Organic
39 Waste Collection Services to all MFD Service Units in a manner consistent with
40 Section 4.2.9 for those Service Units receiving Cart Collection, and Section 4.3.4
41 for those MFD Service Units receiving Bin Collection. The Company shall not
42 charge for MFD Organic Waste Collection Service.

1 **4.4.2 MFD Recycling Tote Bags.** Company shall provide 5,000 recycling tote bags at
2 the Recycling Center for handout to MFD Service Units during the roll-out of the
3 MFD recycling program. The District shall approve the specific size and labeling
4 of the MFD recycling tote bags to be provided by the Company.

5 **4.4.3 Kitchen Food Waste Pails.** Company shall provide one kitchen food waste pail
6 per MFD Service Recipients available for pick up at the Recycling Center at no
7 additional cost for the first ~~six months~~ **one year** after the roll out of the MFD Food
8 Waste program. After the initial ~~six months~~ **one year**, kitchen food waste pails
9 will be available at costs. *The Company shall advertise the availability of the*
10 *food waste pails on their website, newsletters, and at outreach events.* The
11 District shall approve the specific size and labeling of the kitchen food waste pails
12 to be provided by the Company.

13 **4.4.4 MFD Bulky Waste Collection.** Company shall provide Bulky Waste Collection
14 Service to all Multi-family dwelling units at the request of the MFD manager in a
15 manner agreed to between the MFD manager and the Company. MFD units shall
16 be entitled to equivalent complimentary services as a SFD Service Unit (i.e. three
17 (3) cubic yards four (4) times per year.)

18 **4.4.5 Rates.** Charges for MFD Collection Service shall be in accordance with the MFD
19 Collection Service Rates in Exhibit 1 of this Agreement.

20 **4.5 Debris Box Collection Service**

21 Upon twenty-four (24) hours request by a Service Unit for a Debris Box, Company shall
22 provide a Debris Box at the Service Unit. Such Debris Box Service shall be on a
23 temporary basis not to exceed seven (7) days without Collection, emptying, and
24 replacement of the Debris Box.

25 **4.5.1 Processing Required.** Debris Boxes shall be transported by Company to an
26 approved processing facility *meeting the requirements of Section 4.11* to achieve
27 maximum diversion. Debris Boxes may not be taken by the Company to a
28 landfill for disposal.

29 **4.5.2 Rates.** Charges for Debris Boxes shall be in accordance with Debris Box
30 Collection Rates in Exhibit 1 of this Agreement.

31 **4.5.3 Container Placement.** The Company shall provide Debris Box Collection
32 Service with as little disturbance as possible and shall leave any Debris Box in an
33 upright position at the same point it was collected without obstructing alleys,
34 roadways, driveways, sidewalks, or mail boxes. Company shall only place Debris
35 Boxes in strict adherence with the appropriate right-of-way requirements and
36 Municipal Code.

37 **4.5.4 Graffiti Removal.** The Company shall remove any and all graffiti within 24
38 hours of being identified by the Company or District Manager-Engineer.

1 Company shall not deliver a Debris Box without Company information or with
2 any graffiti visible on the Debris Box.

3 **4.6 Collection Service For Local Government Agencies Within District** 4 **Boundaries**

5 State and federal laws require cities, counties, and other units of local government to take
6 effective measures to eliminate pollution from land, streams, creeks, rivers, lakes, and
7 bays. The National Pollutant Discharge Elimination System (NPDES) permits issued to
8 the City, the County, and the District, require that Solid Waste be removed and averted
9 from water bodies. An essential method for achieving this is the maximum collection of
10 Solid Waste in public places that, if not collected, will work its way into drainage
11 systems and water bodies. Costs for these state and federal mandated programs should
12 properly be placed with Solid Waste Customers, and this can best be done by inclusion in
13 the Collection Services costs of Company. Accordingly, Company shall collect, and
14 dispose of, at no charge, all Solid Waste placed in containers for the use of the general
15 public at Novato School District sports fields, City of Novato public parks and streets, and
16 County of Marin public parks and open space within the Service Area.

17 **4.6.1 Included Services.** This service shall include all Garbage and Recyclable
18 Materials that fall within the normal Collection categories of this Agreement. It
19 shall not include Construction and Demolition Debris, or toxic materials requiring
20 special handling, unless such Collections are part of a toxic collection program
21 made available to the general public. The Company shall provide On-call litter
22 pick-up to clean up locations of roadside dumping. These services shall be
23 provided at the direction of the Manager-Engineer. Company shall respond to
24 request for roadside litter clean-up within 72 hours of notice from the Manager-
25 Engineer. Company shall create a monthly log of all roadside clean-ups requested
26 which include the date and time and location of the response and the labor, tools
27 and equipment used to pick-up, and transport waste to the disposal or Materials
28 Recovery Facility.

29 **4.6.2 Public Schools Collection Service.** Company shall provide a School Recycling
30 and Food Waste Program as specified in Exhibit 5. Company's School Recycling
31 and Food Waste Program shall include, at a minimum, on-site classroom visits,
32 worm composting, internships, written and electronic materials, and sponsorship
33 of environmental field trips.

34 **4.7 Household Hazardous Waste Programs**

35 **4.7.1 Household Hazardous Waste (HHW) Collection Facility.** The household and
36 small business hazardous waste collection facility ("HHW Facility"), as required
37 by law, is currently located at the Novato Recycling Center at 7576 Redwood
38 Boulevard, Novato, California. The Novato Recycling Center is presently leased
39 by Company or a Company affiliate. Company agrees to provide District use of a
40 portion of the Company's existing facility for a long-term lease. District shall
41 serve as sponsor and operator of the HHW Facility and may contract with a

1 hazardous waste contractor to provide turnkey or other services. District shall be
2 responsible for permitting and design of the HHW Facility as well as
3 improvements to the current structures as may be required *by law* to operate the
4 HHW Facility. District shall assume such responsibilities as may be set forth in
5 the lease. The Company further agrees to ~~participate in the~~ *cooperate with the*
6 *District and pay for any future* relocation of the HHW Facility to a new *site as*
7 *part of any relocation of* ~~along with the construction of the new~~ *existing* Drop-off
8 Recycling Facility *Center* as described in Article 4.11.7.

9 **4.7.2 E-Waste Events.** Company shall participate in District's semi-annual E-Waste
10 events held at the Recycling Center. Company agrees to supply sufficient labor to
11 collect and sort E-Waste at the events, as well as providing for individuals to
12 assist with surveys and provide for a supervisor. District shall be responsible for
13 contracting with E-Waste recycler, scheduling dates, advertising, paperwork and
14 overall administration of the events.

15 **4.8 Drop-Off *Recycling* Program and Facility**

16 **4.8.1** Company will operate a drop-off program responsive to the District's
17 requirements. A convenient Novato drop-off facility shall be used for the
18 collection of Recyclable Materials, including glass, plastic and metal containers,
19 newspapers, cardboard, waste paper, telephone books, used latex paint, used
20 motor oil, oil filters, antifreeze, used car batteries, household batteries, fluorescent
21 tubes, compact fluorescents, and such additional Recyclable Materials as may be
22 required by District.

23 **4.8.2** In addition to the above facility, Company shall provide at least two (2) beverage
24 container buy-back centers to collect beverage containers eligible for deposit
25 redemption in accordance with the beverage container deposit redemption
26 program of the State of California. One of these buy-back centers shall be located
27 at the main drop-off facility. The locations of the drop-off and buy-back facilities
28 shall be approved by District. Upon the request of the District, Company shall
29 develop and implement a third buy-back and/or drop-off facility at a location
30 determined by the District.

31 **4.8.3** Hours of operation for the main Novato drop-off and buy-back center shall be
32 10:00 am to 4:00 p.m. Tuesday through Sunday. Hours of operation of the other
33 beverage container drop-off and buy-back facilities shall be 10:00 a.m. to 4:00
34 p.m., Tuesday through Saturday.

35 **4.8.4** If a release or spill occurs at the drop-off facility, Company shall provide reports
36 as required by Marin County Division of Environmental Health and any other
37 competent authority with jurisdiction, and shall clean up the release or spill using
38 approved techniques.

39 **4.9 Zero Waste Minimum Requirements**

40 The Company must achieve all of the following Zero Waste Minimum Requirements.

- 1 **4.9.1 Landfill Diversion Requirements.** In 2009 Company reached a 50% Diversion
2 From Landfill Rate. The District requires the Company to achieve a diversion
3 from landfill rate with a minimum diversion rate of 60 percent by December 31,
4 2015; 70 percent by December 31, 2020; and 80 percent by December 31, 2025,
5 and each successive calendar year or such other amount as may be set by the
6 District. The Diversion From Landfill Rate will be calculated as the tons of
7 materials collected by Company from providing services as specified in this
8 Agreement that are sold or delivered to a Materials Recovery Facility or Organic
9 Waste Processing Facility, recycler or re-user, net of all residue, divided by the
10 total tons of materials collected under this Agreement by Company in each 12-
11 month calendar year (January 1st – December 31st).
- 12 **4.9.2 MFD and Commercial Recycling.** Company shall fully implement the MFD
13 and Commercial Recycling Programs as set forth in Section 4.4.3 by July 31,
14 2012.
- 15 **4.9.3 Organic Waste Collection and Processing Requirements.** Company shall fully
16 implement the SFD, MFD, and Commercial Organic Waste programs as set forth
17 in Sections 4.2.9 and 4.3.4 by ~~December 31, 2012~~ **March 31, 2013**.
- 18 **4.9.4 Drop-Off Recycling and Reuse Center.** Company shall *cooperate with the*
19 *District and fully fund the* ~~fully~~ **implementation of any future** the relocation,
20 expansion and operation of a new Recycling and Reuse Center programs as set
21 forth in Section 4.11.7 by ~~December 31, 2015~~.
- 22 **4.9.5 Public School Recycling.** Company shall fully implement the Public School
23 Recycling program as set forth in Exhibit 5 by ~~December 31, 2011~~ **March 31,**
24 **2012**.
- 25 **4.9.6 Community Outreach Program.** Company shall fully implement the
26 Community Outreach Program as set forth in Section 5.4 by December 31, 2011.
- 27 **4.9.7 Wet-Dry Collection.** Company shall work with the District to determine if wet-
28 dry collection is necessary to meet the December 31, 2020 Landfill Diversion
29 Requirements. Such determination shall be made by December 31, 2018, and if it
30 is determined that wet-dry collection is necessary, and the District agrees and
31 approves of implementing wet-dry collection, than the Company shall fully
32 implement wet-dry collection by December 31, 2020.
- 33 **4.9.8 Conversion Technology.** Company shall work with the District to determine if
34 utilizing conversion technology is viable and necessary to meet the December 31,
35 2025 Landfill Diversion Requirements. Such determination shall be made by
36 December 31, 2020, and if it is determined that the use of conversion technology
37 is necessary, and the District agrees and approves of implementing the use of
38 conversion technology, than the Company shall delivery collected Garbage to
39 conversion technology facilities by December 31, 2025.

1 **4.9.9 Failure to Meet Minimum Requirements.** Company’s failure to meet the
2 Minimum Zero Waste Requirements set forth in Sections 4.9.1 through 4.9.8
3 above may result in the denial of an extension to this Agreement as specified in
4 Article 2.4. In determining whether or not to hold the Company in default of this
5 Agreement, or denial of a term extension, the District will consider the good faith
6 efforts put forth by the Company in implementing the required programs to meet
7 the minimum Zero Waste Requirements and the methods and level of effort of the
8 Company to fully implement the services required in this Agreement.

9 **4.10 Future Zero Waste Services**

10 ~~**4.10.1 Technology and Regulatory Changes.**~~ The Company and the District
11 acknowledge that during the term of this Agreement new technologies may be
12 developed to cost effectively divert materials from landfill disposal *that are not*
13 *known at this time*, and that new local, state, or federal laws and regulations may
14 be enacted that change the manner in which Garbage, Recyclable Materials, and
15 Organic Waste are managed. Accordingly, the Company and the District will
16 cooperate to develop and implement additional, or replacement, programs
17 *resulting from any such future technological or regulatory changes* to further
18 the goal of reaching Zero Waste. ~~These changes could include the following:~~

- 19 ~~a) Change in Collection Methods. If District determines that a change in collection~~
20 ~~methods is feasible, including wet/dry route collection, and would lead to~~
21 ~~accomplishing Zero Waste Goals, Company agrees to work with the District to~~
22 ~~implement new collection and processing methods.~~
- 23 ~~b) Conversion Technology Systems. If District determines that conversion~~
24 ~~technology system are feasible, and would lead to accomplishing Zero Waste~~
25 ~~Goals, Company agrees to work with the District to implement new conversion~~
26 ~~technology system(s).~~

27 **4.11 Disposal, Processing, Drop-off, and Reuse Facilities**

28 **4.11.1 Compliance with Regulations.** All materials collected under this Agreement
29 shall be delivered to facilities that comply with the Department of Resources
30 Recycling and Recovery regulations under Title 14, Chapter 3, Minimum
31 Standards for Solid Waste Handling and Disposal (Article 5.9 – Sections 17380-
32 17386). Company, and not the District, must assure that all Disposal, transfer, and
33 processing facilities are properly permitted to receive material collected under this
34 Agreement. Failure to comply with this provision may result in the Company
35 being in default under this Agreement.

36 **4.11.2 Permits and Approvals.** Company must assure that all facilities selected by
37 Company shall possess all existing permits and approvals by local enforcement
38 agencies to be in full compliance with all *laws and* regulatory agency
39 *requirements* to conduct all operations at the approved location. Company
40 shall, upon written request from the District, arrange for the facilities selected by

1 the Company to provide copies of facility permits, notices of violations,
2 inspection areas or concerns, or administrative action to correct deficiencies
3 related to the operation. Failure to provide facility information may result in the
4 Company being in default under this Agreement.

5 **4.11.3 Disposal Facility.** All Garbage collected as a result of performing Collection
6 Services shall be transported to, and disposed of, at the Disposal Facility. Failure
7 to comply with this provision shall result in the levy of an administrative charge
8 as specified in this Agreement and may result in the Company being in default
9 under this Agreement.

10 **4.11.4 Material Recovery Facility.** All Recyclable Materials collected as a result of
11 performing Collection Services shall be delivered to a fully licensed and
12 permitted Material Recovery Facility. Failure to comply with this provision shall
13 result in the levy of liquidated damages as specified in this Agreement. All
14 expenses related to Recyclable Materials processing and marketing will be the
15 sole responsibility of Company.

16 **4.11.5 Organic Waste Processing Facility.** All Organic Waste collected as a result of
17 performing Collection Services shall be delivered to a fully licensed and
18 permitted Organic Waste Processing Facility. Failure to comply with this
19 provision shall result in the levy of an administrative charge as specified in this
20 Agreement and may result in the Company being in default under this Agreement.
21 All expenses related to Organic Waste processing and marketing will be the sole
22 responsibility of Company.

23 **4.11.6 Construction and Demolition Debris Processing Facility.** All Construction and
24 Demolition Debris collected as a result of performing Collection Services shall be
25 delivered to a fully licensed and permitted Construction and Demolition Debris
26 Processing Facility. Failure to comply with this provision shall result in the levy
27 of an administrative charge as specified in this Agreement and may result in the
28 Company being in default under this Agreement. All expenses related to
29 Construction and Demolition Debris processing and marketing will be the sole
30 responsibility of Company.

31 **4.11.7 Recycling and Reuse Center.** The Company will *cooperate with* ~~work with~~ the
32 District on *any future decision by the District* to relocate the current Recycling
33 Center, and to expand, and operate a new Recycling ~~and Reuse~~ Center at a site
34 designated by the District. The specific details of operations and timeframe for
35 implementation will be mutually agreed on between the District and the
36 Company. The Company will be responsible for the cost of building and
37 operating of the Recycling ~~and Reuse~~ Center. *This Agreement does not commit*
38 *the District to relocate the current Recycling Center or expand the current*
39 *Recycling Center. Any such decision shall be made by the District in a future*
40 *action and be subject to compliance with all applicable laws, including*
41 *permitting and regulatory requirements and compliance with any*

1 *environmental review required under the California Environmental Quality Act*
2 *("CEQA").*

3 **4.12 Operations**

4 **4.12.1 Schedules.** To minimize inconvenience to the public, Garbage Recyclable
5 Materials and Organic Waste shall be collected from residential Customers
6 between the hours of 6:00 a.m. and 4:00 p.m. Commercial and multiple
7 residential accounts that are adjacent to residential neighborhoods shall also be
8 serviced between these hours. Otherwise, commercial, governmental, and
9 institutional accounts shall be collected between the hours of 3:00 a.m. and 4:00
10 p.m., Monday through Saturday.

11 Company shall notify District and Customers in writing at least two (2) weeks
12 before an alternate Collection Day is scheduled, when the regularly scheduled
13 Collection Day falls on Christmas Day or New Year's Day.

14 Company may be required to review its operations plan with the District Manager-
15 Engineer upon written request provided not less than thirty (30) days prior to the review.
16 The review may occur once annually and will focus on the collection, routes, intervals of
17 collection and collection times for all materials collected under this Agreement. More
18 frequent reviews may be required if operations are not satisfactory based on documented
19 observations, reports, or complaints. If the plan is determined to be inadequate by the
20 District Manager-Engineer, Company shall revise the plan incorporating any changes into
21 a revised plan and review the revised plan with District Manager-Engineer within thirty
22 (30) calendar days.

23 In the case of a missed pick-up, Company shall collect the Garbage, Recyclable Materials
24 and Organic Waste within one (1) working day (24 hours) of being notified. Company
25 shall not charge a fee in cases of missed pick-ups. However, where the Customer has
26 failed to place Garbage, Recyclable Materials or Organic Waste out for Collection on the
27 Collection Day, Company may charge an extra fee for call-back Collections in
28 accordance with the District's authorized Service Rates as specified in Exhibit 1.

29 **4.12.2 Vehicles**

30 a) **General.** Company shall provide a fleet of collection vehicles sufficient in
31 number and capacity to efficiently perform the work required by the Agreement in
32 strict accordance with its terms. Company shall have available on Work Days
33 sufficient back-up vehicles for each type of collection vehicle (e.g., residential,
34 commercial, and roll-off) used to respond to complaints and emergencies.

35 b) **Specifications.** All vehicles used by Company in providing Collection Services
36 shall be registered with the California Department of Motor Vehicles. All such
37 vehicles shall have watertight bodies designed to prevent leakage, spillage, or
38 overflow.

39 c) **Vehicle Identification.** Company's name, local telephone number, and a unique
40 vehicle identification number designed by Company for each vehicle shall be

1 prominently displayed on all vehicles, in letters and numbers no less than two and
2 one-half (2 1/2) inches high.

3 d) Cleaning and Maintenance

4 (a) Company shall maintain all of its properties, facilities, and equipment used in
5 providing service under this Agreement in a safe, neat, clean, and operable
6 condition at all times.

7 (b) Vehicles used in the Collection of Garbage, Recyclable Materials, and
8 Organic Waste shall be painted, thoroughly washed, and thoroughly steam
9 cleaned on a regular basis so as to present a clean appearance. District may
10 inspect vehicles at any time to determine compliance with this Agreement.
11 Company shall also make vehicles available to the Marin County Division of
12 Environmental Health for inspection, at any frequency it requests.

13 (c) Company shall inspect each vehicle daily to ensure that all equipment is
14 operating properly. Vehicles that are not operating properly shall be taken out
15 of service until they are repaired and do operate properly. Company shall
16 perform all scheduled maintenance functions in accordance with the
17 manufacturer's recommendations, specifications, and schedule.

18 (d) Company shall repair, or arrange for the repair of, all of its vehicles and
19 equipment for which repairs are needed because of accident, breakdown, or
20 any other cause so as to maintain all equipment in a safe and operable
21 condition. If an item of repair is covered by a warranty, Company shall obtain
22 warranty performance. Company shall maintain accurate records of repair,
23 which shall include the date/mileage, nature of repair, and the signature of a
24 maintenance supervisor affirming that the repair has been properly performed.

25 (e) Company shall furnish sufficient equipment to provide all service required
26 under this Agreement, including back-up collection vehicles. Company shall
27 furnish District, upon request, a written inventory of all equipment, including
28 collection vehicles, used in providing service, and shall, upon request, update
29 the inventory annually. The inventory shall list all equipment by
30 manufacturer, ID number, date of acquisition, type, and capacity.

31 (f) Company shall arrange to store all vehicles and other equipment in safe and
32 secure location(s) in accordance with City and County's applicable zoning
33 regulations.
34

35 e) Vehicle Operation and Specifications. Vehicles shall be operated in compliance
36 with the California Vehicle Code and all applicable safety and local ordinances.
37 Company shall not load vehicles in excess of the manufacturer's
38 recommendations or limitations imposed by state or local weight restrictions on

1 vehicles. All vehicles shall have watertight bodies designed to prevent leakage,
2 spillage, or overflow.

3 Company equipment used for providing Collection Services shall be registered
4 with the California Department of Motor Vehicles. Equipment shall comply with
5 U.S. Environmental Protection Agency noise emission regulations and other
6 applicable noise control regulations. Company shall store all equipment in safe
7 and secure locations.

8 Company shall be responsible for any extraordinary damage caused by its trucks
9 and other vehicles to City and County driving surfaces, whether or not paved, and
10 associated curbs, gutters and traffic control devices, which damages shall exclude
11 normal wear and tear resulting from proper use of such vehicles. Nothing herein
12 shall create liability for the District for damages caused to such property by
13 Company; nor shall this Agreement create liability by Company to owners of
14 private property (including private drives) where liability would not otherwise
15 exist at law.

16 As required by law, Company shall convert and/or retrofit its vehicles and/or fuel
17 utilizing the most cost-effective means to reduce air pollutant emissions and at all
18 times be in full compliance with local, state, and federal clean air requirements
19 that were adopted or proposed to be adopted, including the proposed California
20 Air Resources Board Heavy Duty Engine Standards to be contained in CCR Title
21 13, Section 2020 et seq; and the Federal EPA's Highway Diesel Fuel Sulfur
22 regulations. All of Company's costs of compliance with such clean air
23 requirements shall be considered an ordinary cost of business. Such costs shall be
24 capitalized and depreciated and shall not constitute a basis for an Interim Rate
25 Adjustment under Section 6.9 of this Agreement. A reasonable estimate of
26 anticipated costs for modification of the fleet to comply with clean air regulations
27 expected to become effective in 2009, shall be provided during the rate setting
28 process for the 2008 rate year so as to address these anticipated costs.

29 f) BAAQMD Grant Restrictions. Solid Waste collection vehicles retrofitted with
30 diesel emission control systems (DECS) funded in part by a grant from the Bay
31 Area Air Quality Management District (BAAQMD) shall comply with the
32 following special terms and conditions:

33 (a) Display the TFCA logo decal;

34 (b) Use only ultra-low sulfur diesel fuel, in compliance with CARB requirements;

35 (c) Operate only within the boundaries of the BAAQMD;

36 (d) Maintain information as to the operational status of each vehicle and DECS
37 and provide this information to the BAAQMD within 60 calendar days of a
38 request for this information;

39 (e) Provide written notification to BAAQMD of any change in operational status
40 of the vehicles or DECS. For the purposes of this agreement, a change in
41 operational status means that the DECS, or the vehicle has been removed from

1 active service in the BAAQMD, wrecked, scrapped, or sold or transferred to
2 another entity, before it has been in use for at least five full years of service;

- 3 (f) Refund the grant funds to the District, on a pro-rated basis, if any vehicle or
4 DECS is subject to a change in operational status.

5 The Company is liable to reimburse the District for
6 any refunds of grant monies or penalties incurred
7 for failure to comply with the conditions of the
8 grant.

9 **4.12.3 Litter Abatement**

- 10 a) Minimization of Spills. Company shall use due care to prevent Garbage,
11 Recyclable Materials, or Organic Waste from being spilled or scattered during the
12 Collection or transportation process. If any Garbage, Recyclable Materials, or
13 Organic Waste is spilled during Collection, Company shall promptly clean up all
14 spilled materials. Each collection vehicle shall carry a broom and shovel at all
15 times for this purpose.

16 Without prior written approval by the District Manager-Engineer,
17 Company shall not transfer loads from one vehicle to another on
18 any public street, unless it is necessary to do so because of
19 mechanical failure or accidental damage to a vehicle.

- 20 b) Clean Up. During the Collection or transportation process, Company shall clean
21 up litter in the immediate vicinity of any Garbage, Recyclable Materials, or
22 Organic Waste storage area (including the areas where Carts, Bins or Debris
23 Boxes are delivered for Collection) whether or not Company has caused the litter.
24 Company shall discuss instances of repeated spillage not caused by it directly
25 with the waste generator responsible and will report such instances to District.
26 District Manager-Engineer will attempt to rectify such situations with the waste
27 generator if Company has already attempted to do so without success.

- 28 c) Covering of Loads. Company shall cover all open Debris Boxes during transport
29 to the Disposal Facility.

30 **4.12.4 Personnel.** Company shall furnish such qualified drivers, mechanical,
31 supervisory, clerical, management, and other personnel as may be necessary to
32 provide the services required by this Agreement in a satisfactory, safe,
33 economical, and efficient manner. All drivers shall be trained and qualified in the
34 operation of vehicles they operate and must possess a valid license, of the
35 appropriate class, issued by the California Department of Motor Vehicles.
36 Company also agrees to establish and vigorously enforce an educational program
37 that will train Company's employees in the identification of Hazardous Waste.
38 Company's employees shall neither knowingly place such Hazardous Waste in the
39 collection vehicles, nor knowingly dispose of such Hazardous Waste at a transfer
40 station, processing facility, or disposal facility.

1 Company shall train its employees in customer courtesy, shall prohibit the use of
2 loud or profane language, and shall instruct collection crews to perform the work
3 quietly. Company shall use its best efforts to assure that all employees present a
4 neat appearance and conduct themselves in a courteous manner. If any employee
5 is found to be discourteous or not to be performing services in the manner
6 required by this Agreement, Company shall take all necessary corrective
7 measures including, but not limited to, transfer, discipline, or termination. If
8 District has notified Company of a complaint related to a discourteous or
9 improper behavior, Company will consider reassigning the employee to duties not
10 entailing contact with the public while Company is pursuing its investigation and
11 corrective action process.

12 Company shall provide suitable operations, health, and safety training for all its
13 employees who use or operate equipment or who are otherwise directly involved
14 in collection or other related operations.

15 **4.12.5 Identification Required.** Company shall provide its employees and
16 subcontractors with identification for all individuals who may make personal
17 contact with residents or businesses in service area. District may require
18 Company to notify Customers yearly of the form of said identification. Company
19 shall provide a list of current employees, companies, and subcontractors to
20 District upon request.

21 **4.12.6 Fees and Gratuities.** Company shall not itself, or through any agent, employee,
22 or subcontractor employed by it request, solicit, demand, or accept, either directly
23 or indirectly, any compensation or gratuity for the Collection, transportation,
24 recycling, composting, and disposal of Garbage, Recyclable Materials, or Organic
25 Waste and Construction and Demolition Debris otherwise required under this
26 Agreement.

27 **4.12.7 Non-Discrimination.** Company shall not discriminate in the provision of service
28 or the employment of persons engaged in performance of this Agreement on
29 account or race, color, religion, sex, age, physical handicap, or medical condition
30 in violation of any applicable federal or state law.

31 **4.12.8 Change in Collection Schedule.** Company shall provide written notification to
32 District not less than thirty (30) days prior to a proposed change in residential
33 collection operations that results in a change in the day of operation on which
34 Collection of Garbage Recyclable Materials, or Organic Waste occurs. District
35 shall have the right to approve all such changes; however, District's consent will
36 not be unreasonably withheld.

37 **4.12.9** Upon consent by District to a change in the day of Collection Services, the
38 Customer will be given not less than ten (10) days notice and Company will not
39 permit any Customer to go more than seven (7) days without service as a result of
40 the collection schedule change.

1 **4.12.10 Report of Accumulation of Solid Waste; Unauthorized Dumping.**

2 Company shall direct its drivers to note the address or other location description,
3 of any premises at which they observe: (1) Solid Waste accumulating that is not
4 being delivered for Collection; (2) Solid Waste having been dumped in an
5 apparent unauthorized manner; and/or (3) Solid Waste accumulating due to
6 Customer subscribing to an inadequate service level. Company shall deliver the
7 address or description to the District within five (5) working days of such
8 observation.

9 **4.13 Contingency Plan**

10 Company shall submit to District on or before the effective date of the Agreement, a
11 written contingency plan demonstrating Company's arrangements to provide vehicles and
12 personnel and to maintain uninterrupted service during breakdowns, and in case of
13 natural disaster or other emergency, including the events described in Section 10.4.

Final Draft Dated 3/11/2011

1 **ARTICLE 5 OTHER SERVICES**

2 **5.1 Mandatory Company Billing Services**

3 **5.1.1 Billing.** Company shall prepare, mail and collect bills, and issue written receipts
4 for cash payments, for Collection Services provided by Company under this
5 Agreement. Except for Customers receiving Bin Collection, bills for SFD
6 Collection Service shall be mailed to Customers quarterly. Company may mail
7 bills at the beginning of the quarter, and they are due and payable upon
8 mailing, and if not paid, become delinquent thirty (30) days after the end of the
9 billing period. Company shall add an administrative late charge of 10% per
10 month for amounts due and remaining unpaid for a period sixty (60) days after the
11 end of the billing period. In addition, Company shall be allowed to discontinue
12 Collection Service to any Customer whose billing remains unpaid for a period of
13 sixty (60) days after the end of the billing period, provided Company complies
14 with Section 5.3.1.

15 Commercial and MFD Customers shall be billed monthly, for one (1) month in
16 arrears. Such bills are due and payable upon mailing and, if not paid, become
17 delinquent thirty (30) days after the end of the billing period. The service charge
18 for late payment, and service cancellation provisions shall be the same as those
19 for SFD Customers listed above.

20 Company may also provide a payment option for voluntary advance payment for
21 one (1) year of service with the twelfth (12th) month of service provided at no
22 charge in exchange for such advance payment. District shall have the right to
23 stipulate the billing format to itemize certain charges.

24 Company may require full payment for Debris Boxes or other special services
25 prior to delivery of Debris Box or the provision of other special services by
26 Company.

27 **5.1.2 Review of Billings.** The District Manager-Engineer may require that Company
28 review its billings to Customers. The purpose of the review is to determine that
29 the amount Company is billing each Customer is correct in terms of the level of
30 service (i.e. frequency of Collection, size of Container, location of container)
31 being provided to such Customer by Company. Company shall review customer
32 accounts not less than every other year, unless District shall direct Company to do
33 so more frequently, and submit to District a written report of that review
34 annually on the anniversary of the effective day of this Agreement, unless
35 otherwise directed by District Manager-Engineer. The intent of this section is for
36 District to have the right to receive reports that will cover the entire list of
37 Customers every other year. The scope of the review and the reviewer's work
38 plan shall be submitted to District for approval prior to submission of the first
39 report.

1 **5.2 Customer Service**

2 **5.2.1 Company Office.** Company's current office location is in Santa Rosa,
3 approximately thirty miles north of the City. Office hours shall be, at a minimum,
4 from 8:00 a.m. to 4:30 p.m., Monday through Friday, exclusive of holidays. For
5 the convenience of Customers who wish to pay their bills in cash, Company shall
6 maintain at least two (2) convenient locations in the Novato area where payments
7 may be made. Such locations shall be approved by District.

8 A responsible and qualified representative of Company shall be available
9 during office hours for communication with the public. Normal office hour
10 telephone numbers shall either be a local or toll free call. The local and/or toll
11 free number shall be printed on all Company bills or invoices for service and
12 listed in the local telephone book. Company's telephone system shall be
13 adequate to handle the volume the calls typically experienced on the busiest
14 days. Company shall also maintain a local or toll free telephone number for
15 after-hours. Company shall have a representative, or answering
16 machine/message service (voice mail) available at said after-hours telephone
17 number.

18 **5.2.2 Complaints.** All service complaints shall be directed to Company. A
19 representative of the Company shall be available to receive complaints during
20 normal business hours. All service complaints will be handled by the Company in
21 a prompt and efficient manner. In the case of a dispute between the Company and
22 the Customer, the matter will be reviewed and a decision made by the District
23 Manager – Engineer. Company may appeal the decision of the District Manager
24 – Engineer to the District Board within 10 days of the receipt of the decision.
25 Customers will be advised that any unresolved complaint can be forwarded to the
26 District in accordance with Section 5.2.3.

27 All complaints alleging that Company personnel have mixed Recyclable
28 Materials or Organic Waste with Garbage, have missed collections, have
29 failed to pick up litter, have refused to pick up unauthorized wastes, or have
30 engaged in unsafe driving will be logged. Also, all complaints alleging
31 Company failure to maintain vehicles, equipment, or Containers. Such log
32 will be available for review by the District upon request.

33 All customer service records and logs kept by Company shall be available to
34 District upon request and provided at no cost to District. District shall, at any
35 time during regular Company business hours, have access to Company's customer
36 service department for purposes that may include monitoring the quality of
37 customer service or researching Customer complaints.

38 **5.2.3 Resolution of Customer Complaints.** Company shall notify Customers of the
39 complaint procedure at the time Customers apply for or are provided service, and
40 subsequently in the New Customer Brochure provided for in Section 5.4.3 herein.

1 A Customer dissatisfied with Company's response regarding a complaint may ask
2 District to review the complaint. To obtain this review, the Customer must
3 submit a written request within thirty (30) days of the original complaint to
4 Company if Company has failed to respond to the complaint. District may extend
5 the time to request its review for good cause. In reviewing the complaint, the
6 District Manager-Engineer shall seek a response and remedy by Company.

7 The District Manager-Engineer shall determine if the Customer's complaint is
8 justified, and if so, what remedy if any shall be provided. The District Manager-
9 Engineer may delegate these duties to a designee. The decision of the District
10 Manager-Engineer or his/her designee shall be final on any matter under Five
11 Hundred Dollars (\$500). In the event of a decision on a matter involving Five
12 Hundred Dollars (\$500) or more, Company may seek review by the Board of
13 Directors.

14 **5.2.4 Company Liaison.** Company shall designate in writing a "company liaison" who
15 shall be responsible for working with the District Manager-Engineer and/or the
16 District Manager-Engineer's designated representative(s) to resolve customer
17 complaints.

18 **5.3 Discontinuance of Collection Service and/or Refusal to Collect**

19 **5.3.1 Discontinuance of Service.** If Company elects, pursuant to Section 5.1.1 to
20 discontinue Collection Services for failure to pay for said services, the Company
21 shall, prior to discontinuance: (1) provide the Customer with thirty (30) days prior
22 written notice of the intent to discontinue service and (2) provide the District with
23 fifteen (15) days prior written notice of the intent to discontinue service to said
24 Customer. Company shall not, however, discontinue service until resolution of
25 any good faith disputes concerning amounts due Company.

26 **5.3.2 Refusal to Collect.** Company may, at its discretion, refuse to collect Garbage,
27 Recyclable Materials, and/ or Organic Waste from any Customer who uses a non-
28 standard sized container for Collection of Garbage, Recyclable Materials, and/ or
29 Organic Waste.

30 Company may refuse to collect any waste containing Hazardous Waste, medical
31 wastes, or any other such unauthorized wastes. Company shall immediately
32 notify the District and the Marin County Division of Environmental Health of any
33 Hazardous Waste left for Collection by said Customer, to the extent said wastes
34 pose a significant threat to human health or the environment.

35 Company may, at its discretion, refuse to collect any Recyclable Materials carts or
36 bins that contain significant amounts of Garbage that is commingled with
37 Recyclable Materials.

38 If, for any reason, Company refuses to collect Garbage, Materials, and/or Organic
39 Waste containers from a Customer, Company shall promptly provide said

1 Customer with a written explanation or alternatively, Company shall telephone
2 the Customer with an explanation on the same day as the intended pick up.
3 Company shall maintain a log of such events.

4 **5.4 Community Outreach Services**

5 Company agrees to work diligently to promote and expand Zero Waste programs and to
6 meet the goals established to meet the requirements of the City of Novato's and the
7 District's Zero Waste Goals. Company shall develop and distribute promotional
8 materials describing recycling programs and encouraging recycling to all residential,
9 commercial, and industrial accounts at least two times per year, or more often if
10 requested by the District. These materials shall be submitted to the District Manager-
11 Engineer for prior approval. A schedule for preparation and approval of promotional
12 materials shall be submitted for approval of District by November 1 of each subsequent
13 year. The Company's Community Outreach Services shall include, at a minimum, the
14 following:

15 **5.4.1 Community Involvement and School Recycling Programs.** By ~~October 31~~
16 **September 30**, 2011, The Company shall fully develop for implementation the
17 Zero Waste Community Outreach Outline as included in Exhibit 4, and the
18 School Recycling and Food Waste Program Outline as included in Exhibit 5. The
19 District shall review and approve the plans prior to implementation by the
20 Company. Updates of the action plans must be submitted annually for District
21 approval no later than October 31, 2012 and no later than October 31st each
22 Agreement Year thereafter. The program must include specific steps designed to
23 increase diversion and participation, for the District residents, businesses, and
24 Public Schools. Campaigns should target certain diverted materials or "problem"
25 areas of the Company's Service Area where improvements can be maximized.
26 Targets of outreach should be based on local trends and recycling patterns based
27 on information obtained by both the District Manager-Engineer and Company
28 staff. The Company shall provide space in Company's public outreach materials,
29 such as mailers, flyers and newsletters, for the District to include announcements,
30 community information, articles, and photographs. The Public School campaigns
31 shall correspond with the school year and should target student, faculty and staff
32 participation in the diversion of Recyclable Materials and Organic Waste.

33 **5.4.2 Recycling Coordinator.** Company will provide for the equivalent 2/5 full-time
34 Recycling Coordinator dedicated to the District. Company may use an approved
35 sub-contractor as approved by the District to perform some or all the duties
36 normally assigned to the Recycling Coordinator.

37 **5.4.3 Annual Collection Service Notice.** Company shall periodically prepare and
38 distribute at least twice annually, subject to direction from the District Manager-
39 Engineer, separate notices to all SFD Service Units regarding the SFD Collection
40 Service, to all MFD Service Units regarding MFD Collect Service, and to all
41 Commercial Service Units regarding Commercial Collection Service. To the
42 extent appropriate, based on the category of Customer receiving the notice, it shall

1 contain at a minimum: definitions of the materials to be collected, procedures for
2 setting out the materials, Collection and disposal options for unacceptable
3 materials such as Hazardous Waste, maps of the Service Area indicating the day
4 of the week that Collection Service will be provided, and the Company customer
5 service phone number and website address. The notice shall also inform
6 Customers of recycling and waste diversion opportunities and goals, emphasizing
7 Zero Waste as well as AB 32, and explain use of recycling and waste diversion
8 services offered by Company and other specific information that will assist in the
9 efficient Collection of Garbage, Recyclable Materials and Organic Waste. The
10 notice shall be provided in English, and other languages as reasonably directed by
11 the District, and shall be distributed by the Company no later than November 1st
12 each Agreement Year.

13 **5.4.4 Website.** Company shall be responsible for updating and maintaining a website
14 for use by Customers. The website shall emphasize Zero Waste goals as well as
15 AB 32 and shall contain the same information discussed in the Zero Waste
16 Community Outreach Outline included in Exhibit 4.

17 **5.4.5 New Customer Brochure.** Company shall also prepare and update annually a
18 brochure for mailing to all new Customers entitled to service under this
19 Agreement. The brochure shall contain a listing of Company's Collection Service
20 Rates, annual holiday schedule and a general summary of services required to be
21 provided hereunder and optional service that may be furnished by Company. The
22 brochure shall include the same type of information as described in
23 Section 5.04.3. This brochure shall include information appropriate to allow a
24 new Customer to participate fully in the Garbage, Recyclable Materials, and
25 Organic Waste collection programs offered by Company. Company shall include
26 any specific information as may be requested by District.

27 **5.4.6 Additional Programs and Services.** Company shall provide additional services
28 and programs as requested by District at a price to be mutually agreed upon
29 between the Company and the District Manager-Engineer. In the event the
30 Company and the District Manager-Engineer cannot reach a mutually agreed
31 upon price for the requested service or program, District shall have the right to
32 procure the service of other vendors or Companies to provide the requested
33 service.

34 **5.4.7 News Media Relations.** Company shall notify the District Manager-Engineer by
35 e-mail or phone of all requests for news media interviews related to the Collection
36 Services program within twenty-four (24) hours of Company's receipt of the
37 request. Before responding to any inquiries involving controversial issues or any
38 issues likely to affect participation or Service Recipient perception of services,
39 Company will discuss Company's proposed response with the District Manager-
40 Engineer.

41 **5.4.8 News Releases.** Copies of draft news releases or proposed trade journal articles
42 shall be submitted to District for prior review and approval at least five (5) Work

1 Days in advance of release, except where Company is required by any law or
2 regulation to submit materials to any regulatory agency in a shorter period of
3 time, in which case Company shall submit such materials to District
4 simultaneously with Company's submittal to such regulatory agency. Copies of
5 articles resulting from media interviews or news releases shall be provided to the
6 City within five (5) Work Days after publication.

7 **5.4.9 Compost Delivery.** Upon request by the District Manager-Engineer, Company
8 shall provide premium quality compost materials delivered to locations and in
9 amounts as requested by the District Manager-Engineer, provided that the total
10 amount during any single Agreement Year does not exceed three-hundred sixty
11 (360) cubic yards. Such delivery of compost shall be made within seventy-two
12 (72) hours upon request by the District Manager-Engineer. Company shall also
13 deliver premium quality compost to individual Service Unit seventy-two (72)
14 hours upon request of a Service Recipient. The quantity of Company deliveries of
15 premium compost and shall be a minimum of five (5) cubic yards.

16 **5.4.10 Community Reuse E-Network.** The Company will work with the District to
17 develop, implement, and manage a Community Reuse E-Network to promote the
18 reuse of Bulky Waste.

Final Draft Dated 3/11/2014

1 **ARTICLE 6 COMPANY'S COMPENSATION AND RATES**

2 **6.1 General**

3 Company's compensation provided for in this article shall be the full, entire, and
4 complete compensation due to Company for all labor, equipment, materials, and supplies,
5 taxes, insurance, bonds, overhead, disposal, profit, and all other things necessary to
6 perform all the services required by this Agreement in the manner and at the times
7 prescribed.

8 Company will not look to District for payment of any sums under this Agreement.
9 Company will perform the responsibilities and duties described in this Agreement in
10 consideration of the right to charge and collect from Customers for services rendered at
11 rates fixed by District from time to time.

12 **6.2 Refuse Rate Index Adjustments to Service Rates**

13 **6.2.1 Adjustments to Service Using the Refuse Rate Index (RRI).** Beginning on
14 January 1, 2012, and annually thereafter, Company shall, subject to compliance
15 with all provisions of this Article, shall receive an annual adjustment in of the
16 Service Rates as set forth in Exhibit 1 of this Agreement.

17 **6.2.2 RRI Adjustment.** Beginning on January 1, 2012, and annually thereafter during
18 the term of this Agreement, the Service Rates set forth in Article 6.2.1 above shall
19 be adjusted by the RRI adjustment set forth below. In any year that the
20 calculation of the RRI results in a negative number, there shall be no adjustment
21 of the Service Rates. Instead, the negative RRI number shall be added to the result
22 of the subsequent years RRI calculation and the result shall be the RRI adjustment
23 for that subsequent year.

24 **6.2.3 12-Month Annual Average.** The RRI adjustment shall be the sum of the
25 weighted percentage change in the 12-month annual average of each RRI index
26 number between the base year, which shall be the prior preceding fiscal year
27 ending June 30th and the preceding fiscal year ending June 30th as contained in
28 the most recent release of the source documents listed in Exhibit 2, (“REFUSE
29 RATE INDEX”) which is attached to and included in this Agreement. Therefore,
30 the first Service Rate adjustment will be based on the percentage changes between
31 the 12-month Annual Average of the RRI indices for the fiscal year ending June
32 30, 2010 and the Annual Average of the RRI indices for the fiscal year ending
33 June 30, 2011. The RRI shall be calculated using the RRI methodology included
34 in Exhibit 2.

35 **6.3 RRI Financial Information**

36 On or before September 1, 2011, and annually thereafter during the term of this
37 Agreement, Company shall deliver to District financial information for the specific
38 services performed under this Agreement for the preceding Agreement Year. Such
39 financial information shall be in the format as set forth in Exhibit 2, or as may be further
40 revised by District from time to time. If Company fails to submit the financial

1 information in the required format by September 1st, it is agreed that Company shall be
2 deemed to have waived the RRI adjustment for that year. Company's failure to provide
3 the financial information shall not preclude District from applying the RRI using the prior
4 year's financial data, or pro forma data if no prior year financial data is available, if that
5 application would result in a negative RRI.

6 **6.3.1** Annual Adjustments shall be made only in units of one cent (\$0.01). Fractions of
7 less than one cent (\$0.01) shall not be considered in making adjustments. The
8 indices shall be truncated at four (4) decimal places for the adjustment
9 calculations.

10 **6.3.2** If Company's failure to submit the financial information required under Article
11 6.4 is the result of extraordinary or unusual circumstances as demonstrated by
12 Company to the satisfaction of District Manager-Engineer, District at its sole
13 discretion, may consider the request for the annual RRI rate adjustment.

14 **6.3.3** As of November 15, 2011, and annual thereafter during the term of this
15 Agreement, the District Manager-Engineer shall notify Company of the RRI
16 adjustment to the affected service rates to take place on the subsequent January
17 1st.

18 **6.4 Recyclable Materials Balancing Account**

19 Because of the variation of Recyclable Materials commodity prices, the District and
20 Company agree to use the Recyclable Materials Balancing Account as described in
21 Exhibit 7.

22 **6.5 District or Company Requested Detailed Rate Review**

23 The District or the Company may request a Detailed Rate Review to be conducted
24 following the procedures as specified in Exhibit 8. However, a Detailed Rate Review
25 shall not be conducted more than once every three (3) Agreement years. A request for a
26 Detailed Rate Review shall be made in writing at least six months prior to the January 1st
27 rate adjustment period for the year in which the results for the Detailed Rate Review are
28 to be applied. The Company shall pay the cost for the Detailed Compensation Review,
29 and the cost of such a Detailed Rate Review is an allowable pass-through cost.

30

1 **ARTICLE 7 RECORDS, REPORTS, AND INFORMATION REQUIREMENTS**

2 **7.1 General**

3 Company shall maintain such accounting, statistical, and other records related to its
4 performance under this Agreement, as shall be necessary to develop the financial
5 statements and other reports required by this Agreement. Also, Company agrees to
6 conduct data collection, information and record keeping, and reporting activities needed
7 to comply with applicable laws and regulations and to meet the reporting and Solid Waste
8 and Zero Waste program management needs of District. To this extent, such
9 requirements set out in this and other articles of this Agreement shall not be considered
10 limiting or necessarily complete. In particular, this Article is intended to only highlight
11 the general nature of records and reports and is not meant to define exactly what the
12 records and reports are to be and their content.

13 **7.2 Records**

14 **7.2.1 General.** Company shall maintain records required to conduct its operations, to
15 support requests it may make to District, and to respond to requests from District
16 in the conduct of District business. Adequate record security shall be maintained
17 to preserve records from events that can be reasonably anticipated such as a fire,
18 theft, and earthquake. Electronically maintained data/records shall be protected
19 and backed up.

20 Company agrees that upon the request of the District for records of any and all
21 companies conducting operations addressed in this Agreement, including related
22 party entities, reasonably related to the determination of compliance with this
23 Agreement or determination of the Company's compensation or rates, Company
24 shall provide such records or make them available to District and its official
25 representatives during normal business hours. However, for those years when the
26 compensation methodology set forth in Section 6.3.3 (Compensation for Recyclable
27 Materials) remains in use, the Company shall have no obligation to provide records
28 for affiliated recycling companies.

29 **7.2.2 Financial Records.** Financial records shall be maintained and cost and revenue
30 information for the Service Area segregated from other areas served by Company.

31 **7.2.3 Solid Waste Records.** Records shall be maintained for the Service Area relating
32 to:

- 33 a) Customer services and billing;
- 34 b) Character, weight, and volume of Solid Waste, especially as related to reducing
35 and diverting Recyclable Materials, Organic Waste, or Construction and
36 Demolition Debris from disposal. Information will be separated by kind of
37 account;

- 1 c) Routes in a format suitable for preparing reports and coordinating with
2 other agencies;
- 3 d) Facilities, equipment, and personnel used;
- 4 e) Facilities and equipment operations, maintenance, and repair;
- 5 f) Processing and disposal of Solid Waste;
- 6 g) Complaints as detailed in Section 5.2.2; and
- 7 h) Disposal Records. Company shall maintain records of disposal facility and
8 transfer station disposal of all Garbage collected in service area for the period of
9 this Agreement and all extensions to this Agreement or successor agreements. In
10 the event Company discontinues providing Collection Services to District,
11 Company shall provide all records of disposal facility and transfer station disposal
12 of all Garbage collected in service area to District within thirty (30) days of
13 discontinuing service. Records shall be in chronological and organized form and
14 readily and easily interpreted.

15 **7.2.4 Recycling Service Records.** At direction of District, Company shall maintain
16 records for the service area that relate to:

- 17 a) Records described in 7.2.3 above;
- 18 b) Recycling participation -- especially as related to determining participation rates
19 and implementing programs to increase existing participation and to expand
20 diversion;
- 21 c) Weight of each material by type;
- 22 d) Sales -- kind of material, name of buyer/user, date of sales/transactions,
23 processing costs, quantity purchased (in tons) and value per ton, and net sales; and
- 24 e) Inventories.

25 **7.2.5 Other Programs Records.** Records for other programs shall be tailored to
26 specific needs. In general, District may require records which include:

- 27 a) Plans, tasks, and milestones; and
- 28 b) Accomplishments in terms such as dates, activities conducted, quantities of
29 products used, produced or distributed, numbers of participants and responses, as
30 well as tonnages diverted, recycled or composted, etc.

1 **7.3 Reports**

2 **7.3.1 Report Formats and Schedule.** Records shall be maintained in forms and by
3 methods that facilitate flexible use of data contained in them to structure reports,
4 as needed. Reports are intended to compile recorded data into useful forms of
5 information that can be used to, among other things:

- 6 a) Determine and set rates and evaluate the financial efficacy of operations;
- 7 b) Evaluate past and expected progress towards achieving goals and
8 objectives;
- 9 c) Determine needs for adjustment to programs; and
- 10 d) Evaluate customer service and complaints.

11 Company may propose report formats that are responsive to the objectives and
12 audiences for each report. The format of each report shall be approved by the
13 District Manager-Engineer. All reports shall be submitted to:

14 District Manager-Engineer
15 Novato Sanitary District
16 500 Davidson Street
17 Novato, CA 94945

18 **7.3.2 Quarterly Reports.** Quarterly reports shall be submitted within 40 calendar days
19 after the end of the applicable quarter.

- 20 a) **Garbage Collection Services.** Garbage, sorted by kind of generator, collected by
21 Company, in tons, generated by month. Tons will be separately reported for SFD,
22 MFD, and Commercial Customers.
- 23 b) **Recyclable Materials Collection Service.** Tonnage of Recyclable Materials
24 collected by month, by specific material type. Tons will be separately reported
25 for SFD, MFD, and Commercial Customers, and buy-back centers.
- 26 c) **Organic Waste Collection Service.** Tonnage of all Organic Waste collected by
27 month and final disposition of materials. Tons will be separately reported for
28 SFD, MFD, and Commercial Customers.
- 29 d) **Debris Box Collection Service.** Tonnage of all Organic Waste collected by
30 month and final disposition of materials.

31 Number of accounts by service category (i.e. SFD, MFD, Commercial Customers) and
32 receptacle size at the end of each quarter.

33 Bulky Waste. Report by class and weight the Garbage, Recyclable Materials, Organic
34 Waste, E-Waste, U-Waste used appliances, etc., collected as Bulky Waste and the kinds

1 and weights of Bulky Waste diverted during these cleanups from the landfill through
2 recycling, reuse, composting, transformation, or other means of diversion.

3 **7.3.3 Other Reports.** Company shall furnish District with other reports as may be
4 reasonably required by District in order that District may fulfill its obligations
5 under applicable laws or regulations. Such reports may include, but are not
6 limited to, Recyclable Materials sales at or relating to the quantities and sales
7 price of Recyclable Materials including monthly tonnages and sales information
8 and inventories on hand.

9 **7.3.4 Annual Financial Report.** When requested by District, Company's and (to the
10 extent necessary to determine compliance with this Agreement or to determine the
11 Company's compensation or rates) related party entities' financial
12 reports/statements shall be included with the annual report. The annual report
13 shall also include a complete inventory of equipment used to provide all services.

14 Company shall submit, annually, a financial statement to the District.
15 Financial statements shall include a supplemental schedule showing Company's
16 results of operations, including the specific revenues and expenses in connection
17 with the operations provided for in this Agreement, as well as other operations
18 included in such financial statements. The financial statements, supplemental
19 schedule and footnotes shall be prepared in accordance with Generally Accepted
20 Accounting Principles (GAAP) and audited, in accordance with Generally
21 Accepted Auditing Standards (GAAS) by a certified public accountant (CPA)
22 licensed (in good standing) to practice public accounting in the State of California
23 as determined by the State of California Department of Consumer Affairs Board
24 of Accountancy. The CPA opinion on Company's annual financial statements and
25 supplemental schedule shall be unqualified, except as to uncertainties for which
26 the ultimate outcome cannot be determined by the date of the CPA's opinion. The
27 cost for the annual audit shall be borne by Company as a direct cost of service.
28 The annual report shall also include an inventory of equipment used to
29 provide all services.

30 **7.3.5** Company shall, in its Agreement with the CPA performing its annual audit
31 referred to above, when requested by District, have its CPA make available to
32 District (or District's designated representative) such CPA's working papers
33 related to the audit. The cost, if any, incurred by Company's CPA shall be
34 included in the cost of the audit.

35 **7.3.6** Company agrees that all financial transactions with all related party entities shall
36 be subject to approval by the District. Company agrees to provide records of said
37 financial transactions in such form and detail as requested by the District. The
38 District may request that there be an annual independent review of related party
39 transactions, by a third party selected by the District, at Company's expense. In
40 addition, related party transactions shall be disclosed annually (coinciding with
41 Company's annual audited financial statements referred to in this Section) to

1 District in a separate disclosure letter to the District Manager-Engineer. This
2 letter shall include, but not be limited to, the following information:

3 **7.3.7** A general description of the nature of each transaction, or each type of transaction
4 (for similar transactions). Such description shall include for each transaction (or
5 each similar type of transaction), the specific related party entity, the amount,
6 basis of amount (how charge or amount was determined), and description of the
7 allocation methodology used to allocate any costs common to this and other
8 operations. Amounts shall be reconciled to the related party entity disclosures
9 made in Company's annual audited financial statements referred to in this section.

10 **7.3.8** At District's request, Company shall provide District with copies of working
11 papers or other documentation deemed relevant by District relating to information
12 shown in the annual disclosure letter. The annual disclosure letter shall be
13 provided to District within ninety (90) days of Company's fiscal year end.

14 **7.4 Right to Inspect Records**

15 District shall have the right to inspect or review the payroll tax reports, specific
16 documents, or records required, expressly or by inference, pursuant to this Agreement, or
17 any other similar records or reports of Company that District shall deem, in its sole
18 discretion, necessary to evaluate annual reports, compensation applications provided for
19 in this Agreement and Company's performance provided for in this Agreement. The
20 District, or the person selected by the District to conduct the above annual independent
21 review, as described in Section 7.3.4, shall have access to the records described herein
22 annually and similar such records of the related party entities as part of the independent
23 review of related party transactions.

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1 **ARTICLE 8 INDEMNIFICATION, INSURANCE, AND BOND**

2 **8.1 Indemnification**

3 Company shall indemnify and hold harmless District, its officers, directors, employees,
4 and agents from and against any and all loss, liability, penalty, forfeiture, claim, demand,
5 action, proceeding, or suit of any and every kind and description (including, but not
6 limited to, injury to and death of any person and damage to property, *payment of*
7 *attorney's fees*, or for contribution or indemnity claimed by third parties) arising or
8 resulting from or in any way connected with performance *or approval* of this Agreement,
9 including, *but not limited to*, allegations of: (1) negligence or willful misconduct of
10 Company, its officers, employees, agents and/or subcontractors in performing services
11 under this Agreement (whether or not third parties may also be contributorily negligent);
12 (2) failure of Company, its officers, employees, agents, and/or subcontractors to comply
13 in all respects with the provisions of this Agreement, applicable laws (including, without
14 limitation, the environmental laws) and regulations, and/or applicable permits and
15 licenses; (3) acts of Company, its officers, employees, agents, and/or subcontractors in
16 performing services under this Agreement for which strict liability is imposed by law
17 (including, without limitation, the environmental laws); *and (4) the District's approval of*
18 *the Agreement did not comply with the law, including, but not limited to CEQA* . The
19 foregoing indemnity shall apply regardless of whether such loss, liability, penalty,
20 forfeiture, claim, demand, action, proceeding, suit, injury, death, or damage is also caused
21 in part by any of the District's or City's negligence, except that which was caused by the
22 sole negligence or willful misconduct of District, City, its officers, directors, employees,
23 of agents. Company further agrees to and shall, upon demand of District or City, at
24 Company's sole cost and expense, defend (with attorneys acceptable to District and City)
25 District, City, its officers, directors, employees, and agents against any claims, actions,
26 suits, or other proceedings, whether judicial, quasi-judicial or administrative in nature,
27 arising or resulting from any events described in this paragraph. The Company agrees
28 that its duty to indemnify set forth here in this Article 8, including the Hazardous Waste
29 indemnification, shall apply to the lease and operation of the drop-off recycling facility at
30 7576 Redwood Boulevard, in Novato, California, by the Company or a Company
31 affiliate, and its provision of a portion of the Company's existing facility there to the
32 District for a HHW Facility.

33 Company's duty to indemnify and defend shall survive the expiration or early termination
34 of this Agreement as to matters occurring during the term of the Agreement, including
35 any extension thereof.

36 **8.2 8.2 Hazardous Waste Indemnification**

37 Company shall indemnify, defend (with attorneys acceptable to District), protect, and
38 hold harmless District, its officers, Directors, employees, and agents (collectively)
39 indemnitees from and against all claims, damages (including but not limited to special,
40 consequential, natural resources, and punitive damages), injuries, costs, (including
41 without limit any and all response, remediation, and removal costs), losses, demands,
42 debts, liens, liabilities, causes of action, suits, legal or administrative proceedings,
43 interest, fines, charges, penalties, and expenses (including without limit attorneys' and
44 expert witness fees and costs incurred in connection with defending against any of the

1 foregoing or in enforcing this indemnity), (collectively, "damages") of any kind
2 whatsoever paid, incurred, or suffered by, or asserted against indemnitees, arising from or
3 attributable to the acts or omissions of Company, its officers, directors, employees,
4 companies, or agents, whether or not negligent or otherwise culpable, in connection with
5 or related to the performance of this Agreement, including, without limit, damages
6 arising from or attributable to any repair, cleanup, or detoxification, or preparation and
7 implementation of any removal, remedial, response, closure, or other plan (regardless of
8 whether undertaken due to governmental action) concerning any Hazardous Waste,
9 and/or Household Hazardous Waste in the service area at any places where Company
10 transports, processes, stores, or disposes of Solid Waste, and/or Construction and
11 Demolition Debris, other materials. The foregoing indemnity is intended to operate as an
12 agreement pursuant to Sections 107(e) of the Comprehensive Environmental Response,
13 Compensation and Liability Act, CERCLA, 42 USC Sections 9607(e) and California
14 Health and Safety Code Sections 25364, to defend, protect, hold harmless, and indemnify
15 District from liability. This provision is in addition to all other provisions in this
16 Agreement and is intended to survive the end of the term of this Agreement.

17 The above indemnity does not apply to any Solid Waste and Hazardous Waste that
18 Company may have disposed of at Redwood Landfill prior to the effective date of this
19 Agreement. If Company elects to continue use of Redwood Landfill as a disposal facility
20 after the effective date of this Agreement, Company agrees to seek an indemnification
21 agreement with Redwood Landfill, naming the District as an indemnitee. Said
22 indemnification agreement shall be substantially similar to the above provisions set forth
23 herein.

24 If Company selects a disposal facility at any time during the term of this agreement other
25 than Redwood Landfill, Company agrees to obtain an indemnity agreement from said
26 landfill indemnifying the District on terms substantially in the form as set forth
27 hereinabove. If the District, however, directs the wastestream to a different disposal
28 facility, Company will not be required to indemnify the District as set forth herein, unless
29 the District requires that the disposal facility so selected provide a substantially similar
30 indemnity.

31 **8.3 CIWMA Indemnification**

32 Under CIWMA, the California Integrated Waste Management Act, the City and the
33 County have the direct responsibility to meet percentage diversion goals and other
34 requirements of the Act. However, many of the programs developed to comply with the
35 requirements of the CIWMA will be implemented by Company as the provider of
36 Garbage, Recyclable Materials, and Organic Waste Collection Services in the community
37 under this Agreement with District.

38 As of January 1, 2001, Section 41821.2 is added to the Public Resources Code which
39 applies to a sanitary district providing for Solid Waste handling services. Pursuant to this
40 section, the District must comply with the Source Reduction and Recycling Element, and
41 the Household Hazardous Waste Element, of the City and County in which Company
42 provides Solid Waste handling services pursuant to this Agreement. The District may be
43 subject to a portion of a penalty imposed under Public Resources Section 41850 upon the
44 City or County in proportion to the District's responsibility for failure to implement

1 within its jurisdiction a Source Reduction Recycling Element or a Household Hazardous
2 Waste Element.

3 Company agrees to indemnify District for any sums of money District is required to pay
4 City or County in accordance with Section 41821.2, of the Public Resources Code, in the
5 event that the District's failure to implement City or County approved elements is due to
6 the failure of Company to meet its obligations under this Agreement. Company shall, in
7 addition, indemnify the District for any fines and penalties assessed the City or County
8 for delays by Company in providing information that prevents District, the City or the
9 County from submitting reports required by the CIWMA in a timely manner.

10 **8.4 Insurance**

11 **8.4.1 General.** Company shall take out and maintain during the life of the contract
12 such public liability and property damage insurance as shall protect Company and
13 any subcontractor performing work covered by this Agreement from claims for
14 property damages, which may arise because of the nature of the work or from
15 operation under the contract, whether such operations be by Company or by any
16 subcontractor or person directly or indirectly employed by either, even though
17 such damages may not be caused by the negligence of the Company or any
18 subcontractor, or person employed by either. The public liability and property
19 damage insurance shall directly protect the District, its officers, agents, employees
20 and volunteers, as well as the Company and any subcontractors, and all insurance
21 policies issues hereunder shall so state.

22 **8.4.2 Minimum Scope of Insurance.** Coverage shall be at least as broad as:

- 23 a) Insurance Services Office form number GL 0002 covering Comprehensive
24 General Liability and Insurance Services Office form number GL 0404 covering
25 Broad Form Comprehensive General Liability; or Insurance Services Office
26 Commercial General Liability coverage ("occurrence" form CG 0001).
- 27 b) Insurance Services Office form number CA 0001 covering Automobile Liability,
28 code 1 "any auto" and endorsement CA 0025.
- 29 c) Workers' Compensation insurance as required by the Labor Code of the State of
30 California and Employers Liability insurance.

31 **8.4.3 Minimum Limits of Insurance.** Company shall maintain limits no less than:

- 32 a) Comprehensive General Liability: Five Million Dollars (\$5,000,000) combined
33 single limit per occurrence for bodily injury, personal injury and property
34 damage.
- 35 b) Automobile Liability: Five Million Dollars (\$5,000,000) combined single limit
36 per accident for bodily injury and property damage.

- 1 c) Workers' Compensation and Employers Liability: Workers' compensation limits
2 as required by the Labor Code of the State of California and Employers Liability
3 limits of \$1,000,000 per accident.

4 **8.4.4 Deductibles and Self-Insured Retentions.** Any deductibles or self-insured
5 retentions must be declared to and approved by District. At the option of District,
6 either: the insurer shall reduce or eliminate such deductibles or self-insured
7 retentions as respects District, its member agencies, its officials and employees; or
8 Company shall provide a financial guarantee satisfactory to District guaranteeing
9 payment of losses and related investigations, claim administration and defense
10 expenses.

11 **8.4.5 Other Insurance Provisions.** The policies are to contain, or be endorsed to
12 contain, the following provisions:

- 13 a) General Liability and Automobile Liability Coverages -

14 (a) District, its officials, employees and volunteers are to be covered as additional
15 insureds as respects: liability arising out of activities performed by or on
16 behalf of Company; products and completed operations of Company;
17 premises owned, leased or used by Company; or automobiles owned, leased,
18 hired or borrowed by Company. The coverage shall contain no special
19 limitations on the scope of protection afforded to District, its officials,
20 employees or volunteers, unless otherwise approved by the District.

21 (b) Company's insurance coverage shall be an occurrence policy and primary
22 insurance as respects District, its officials, employees and volunteers. Any
23 insurance or self-insurance maintained by District, its officials, employees or
24 volunteers shall be excess of Company's insurance and shall not contribute
25 with it.

26 (c) Any failure to comply with reporting provisions of the policies shall not affect
27 coverage provided to District, its officials, employees or volunteers.

28 (d) Coverage shall state that Company's insurance shall apply separately to each
29 insured against whom claim is made or suit is brought, except with respect to
30 the limits of the insurer's liability and no right of subrogation by Company's
31 insurer against District shall be available.

- 32 b) Workers' Compensation and Employers Liability Coverage - The insurer shall
33 agree to waive all rights of subrogation against District, its officials, employees
34 and volunteers for losses arising from work performed by Company for District.

- 35 c) All Coverages - Each insurance policy required by this clause shall be endorsed to
36 state that coverage shall not be suspended, voided, canceled by either party,
37 reduced in coverage or in limits except after thirty (30) days' prior written notice
38 by certified mail, return receipt requested, has been given to District.

1 **8.4.6 Acceptability of Insurers.** The insurance policies required by this section shall
2 be issued by an insurance company or companies approved by District, which
3 approval shall not be unreasonably withheld.

4 **8.4.7 Verification of Coverage.** Company shall furnish District with certificates of
5 insurance and with original endorsements affecting coverage required by this
6 clause. The certificates and endorsements for each insurance policy are to be
7 signed by a person authorized by that insurer to bind coverage on its behalf. The
8 certificates and endorsements are to be on forms provided by or acceptable to
9 District and are to be received and approved by District before work commences
10 under this Agreement. District reserves the right to require complete, certified
11 copies of all required insurance policies, at any time.

12 **8.4.8 Subcontractor.** Company shall include all subcontractors as insureds under its
13 policies or shall furnish separate certificates and endorsements for each
14 subcontractor. All coverages for subcontractors shall be subject to all of the
15 requirements stated herein. In addition, all such policies shall meet the
16 requirements as set forth in 8.4.4 above.

17 **8.4.9 Required Endorsements**

- 18 a) The Workers' Compensation policy shall contain an endorsement in substantially
19 the following form:

20 Thirty (30) days prior written notice shall be given to District in the
21 event of cancellation, reduction in coverage, or non-renewal of this
22 policy. Such notice shall be sent to:

23 District Manager-Engineer
24 Novato Sanitary District
25 500 Davidson Street
26 Novato, California 94945”

- 27 b) The Comprehensive General Liability and Automobile Liability policies shall
28 contain endorsements in substantially the following form:

- 29 (a) “Thirty (30) days prior written notice shall be given to District in the event of
30 cancellation, reduction in coverage, or non-renewal of this policy. Such
31 notice shall be sent to:

32 District Manager-Engineer
33 500 Davidson Street
34 Novato, California 94945”

- 35 (b) “District, its officers, employees, volunteers and agents are additional
36 insureds on this policy.”

1 (c) "This policy shall be considered primary insurance as respects any other valid
2 and collectible insurance maintained by District, including any self-insured
3 retention or program of self-insurance, and any other such insurance shall be
4 considered excess insurance only."

5 (d) "Inclusion of District as an insured shall not affect District's rights as respects
6 any claim, demand, suit or judgment brought or recovered against Company.
7 This policy shall protect Company and District in the same manner as though
8 a separate policy had been issued to each, but this shall not operate to increase
9 Company's liability as set forth in the policy beyond the amount shown or to
10 which Company would have been liable if only one party had been named as
11 an insured."

12 **8.4.10 Delivery of Proof of Coverage.** Simultaneously with the execution of this
13 Agreement, Company shall furnish District certificates of each policy of
14 insurance required hereunder, in form and substance satisfactory to District. Such
15 certificates shall show the type and amount of coverage, effective dates and dates
16 of expiration of policies and shall have all required endorsements. If District
17 requests, copies of each policy, together with all endorsements, shall also be
18 promptly delivered to District.

19 Renewal certificates will be furnished periodically to District to demonstrate
20 maintenance of the required coverages throughout the term of the Agreement.

21 **8.4.11 Other Insurance Requirements.**

22 a) In the event any services are delegated to a subcontractor, Company shall require
23 such subcontractor to provide statutory workers' compensation insurance and
24 employer's liability insurance for all of the subcontractor's employees engaged in
25 the work in accordance with Section 8.4. The liability insurance required by
26 Section 8.4 shall cover all subcontractors or the subcontractor must furnish
27 evidence of insurance provided by it meeting all of the requirements of this
28 Section 8.4.

29 b) Company shall comply with all requirements of the insurers issuing policies. The
30 carrying of insurance shall not relieve Company from any obligation under this
31 Agreement. If any claim exceeding the amount of any deductibles or self-insured
32 reserves is made by any third person against Company or any subcontractor on
33 account of any occurrence related to this Agreement, Company shall promptly
34 report the facts in writing to the insurance carrier and to District.

35 If Company fails to procure and maintain any insurance required by
36 this Agreement, District may take out and maintain, at Company's
37 expense, such insurance as it may deem proper and deduct the cost
38 thereof from any monies due Company.

1 **8.5 Faithful Performance Bond**

2 Simultaneously with the execution of this Agreement, Company shall file with District a
3 bond, payable to District, securing Company's faithful performance of its obligations
4 under this Agreement. The principal sum of the bond shall be One Hundred Thousand
5 Dollars (\$100,000). The bond shall be executed as surety by a corporation authorized to
6 issue surety bonds in the State of California, with a financial condition and record of
7 service satisfactory to District. The bond shall be in the form attached as Exhibit 3.

Final Draft Dated 3/11/2011

1 **ARTICLE 9 DISTRICT’S RIGHT TO PERFORM SERVICE**

2 **9.1 General**

3 In the event that Company, for any reason whatsoever, fails, refuses, or is unable to
4 collect, transport, or dispose of any or all Solid Waste that it is required by this
5 Agreement to collect and transport, at the time and in the manner provided in this
6 Agreement, for a period of more than forty-eight (48) hours (on working days), and if, as
7 a result thereof, Solid Waste should accumulate in the Service Area to such an extent, in
8 such a manner, or for such a time that the District Manager-Engineer should find that
9 such accumulation endangers or menaces the public health, safety, or welfare, then
10 District shall have the right, but not the obligation, upon twenty-four (24) hour prior
11 written notice to Company during the period of such event as determined by the District
12 Manager-Engineer, (1) to perform, or cause to be performed, such services itself with its
13 own or other personnel or to contract for performance of said services with a third party
14 selected by the District, without liability to Company; and/or (2) to take possession of
15 any or all of Company's land, equipment, and other property to collect and transport any
16 Solid Waste generated within the service area which Company would otherwise be
17 obligated to collect and transport pursuant to this Agreement.

18 Notice of Company's failure, refusal, or neglect to collect and transport Solid Waste may
19 be given orally or by telephone to a responsible Company official, at Company's
20 principal office, and shall be effective immediately. Written confirmation of such oral
21 notification shall be sent to Company within twenty-four (24) hours of the oral
22 notification.

23 Company further agrees that in such event:

24 **9.1.1** It will take direction from District to effect the transfer of possession of property
25 to District for District's use.

26 **9.1.2** It will, if District so requests, keep in good repair and condition all of such
27 property, provide all motor vehicles with fuel, oil and other service, and provide
28 such other service as may be necessary to maintain said property in operational
29 condition.

30 **9.1.3** District may immediately engage all or any personnel necessary or useful for the
31 providing Collection Services, including, if District so desires, employees
32 previously or then employed by Company. Company further agrees, if District so
33 requests, to furnish District the services of any or all management or office
34 personnel employed by Company whose services are necessary or useful for
35 providing Collection Services and for the billing and of fees for these services.

36 District agrees that it assumes complete responsibility for the proper and normal
37 use of such equipment and facilities while in its possession.

38 If the interruption or discontinuance in service is caused by any reasons other than
39 those listed in Section 10.1, District shall pay to Company the reasonable rental
40 value of the equipment and facilities, possession of which is taken by District, for

1 the period of District's possession. Additionally, District shall pay to Company
2 the reasonable value of any goods or services provided by Company (e.g. gas, oil,
3 use of mechanic, etc.). Under circumstances not set forth in Section 10.1, District
4 shall also provide some reasonable return to Company, provided there are
5 revenues available through collection of the established rates to reimburse District
6 for its costs and pay Company for rental and services.

7 **9.2 Temporary Possession for Service Interruption Caused by Other Events**

8 If the interruption or discontinuance of services is caused by any event listed in Section
9 10.1 (including interruptions and discontinuance due to strikes, lockout, and other labor
10 disturbances), District may take possession of and use all of Company's property
11 described above without paying Company or any other person any rental or any other
12 charges or compensation whatsoever for said possession and use. However, District may,
13 in its discretion, pay to Company the reasonable rental value of equipment and facilities,
14 possession of which is taken by District, along with the reasonable value of goods and
15 services provided by Company during temporary possession; provided however, no
16 payment to Company may occur unless the revenues provided through the collection of
17 rates are sufficient to make such payments once all reasonable costs incurred by District
18 due to the temporary takeover are paid.

19 **9.3 Billing and Compensation to District During District's Possession**

20 During such time that District is providing Solid Waste services, as above provided,
21 Company shall bill and collect payment from all users of the above-mentioned services.
22 Company further agrees that, in such event, it shall reimburse District for any and all
23 costs and expenses incurred by District in taking over possession of the above-mentioned
24 property for Solid Waste service in such manner and to an extent as would otherwise be
25 required of Company under the terms of this Agreement. Such reimbursement shall be
26 made from time to time after submission by District to Company of each statement listing
27 such costs and expenses, but in no event later than five (5) working days from and after
28 each such submission.

29 **9.4 District's Right to Relinquish Possession**

30 It is further mutually agreed that District may at any time at its discretion relinquish
31 possession of any or all of the above-mentioned property to Company and thereupon
32 demand that Company resume the Solid Waste services as provided in this Agreement,
33 whereupon Company shall be bound to resume the same.

34 **9.5 District's Possession Not A Taking**

35 District's exercise of its rights under this Article (1) does not constitute a taking of private
36 property for which compensation must be paid, (2) will not create any liability on the part
37 of District to Company, and (3) does not exempt Company from any of the indemnity
38 provisions of this Agreement, which are meant to extend to circumstances arising under
39 this Article, provided that Company is not required to indemnify District against claims
40 and damages arising from the active negligence of District officers, employees, and
41 agents in the operation of such equipment and facilities during the period of District's
42 possession.

1 **9.6 Duration of District's Possession**

2 District's right pursuant to this Article to retain temporary possession of Company's
3 facilities and equipment, and to render Collection Services, shall terminate when the
4 District determines that such services can be resumed by Company, or when the District
5 no longer reasonably requires such facilities or equipment. In any case, the District has
6 no obligation to maintain possession of Company's property and/or continue its use for
7 any period of time and may at any time, in its sole discretion, relinquish possession to
8 Company.

9 **9.7 Possession in Event of Termination**

10 In the event of termination as provided in Article 10, the District shall have the right to
11 take possession of any and all of Company's land, equipment, and other property used or
12 useful in the collection, composting, and/or transportation of Solid Waste and to use such
13 property to collect, recycle, compost, and transport any Solid Waste generated within
14 District. District shall have the right to retain the possession of such property until other
15 suitable arrangements can be made for the provision of Collection Services, which may
16 include the grant of a franchise to another waste hauling company. In the event of
17 termination, Company shall only be entitled to the payments, if at all, as set forth in
18 Section 9.2 above, which payments shall be offset against any damages due District for
19 Company's default. Company shall furnish District with immediate access to all of its
20 business records related to billing of accounts for service and other records necessary for
21 maintaining ongoing service during the period of possession.

Final Draft Date: 03/20/2011

1 **ARTICLE 10 DEFAULT, REMEDIES, AND LIQUIDATED DAMAGES**

2 **10.1 Events of Default**

3 All provisions of the franchise and this Agreement to be performed by Company are
4 considered material. Each of the following shall constitute an event of default:

5 **10.1.1 Fraud or Deceit.** If Company practices, or attempts to practice, any fraud or
6 deceit upon District.

7 **10.1.2 Insolvency or Bankruptcy.** If Company becomes insolvent, unable, or unwilling
8 to pay its debts, or upon listing of an order for relief in favor of Company in a
9 bankruptcy proceeding.

10 **10.1.3 Failure to Maintain Coverage/Indemnification.** If Company fails to provide or
11 maintain in full force and effect the Workers' Compensation and liability
12 coverage, or fails to provide indemnification as required by this Agreement.

13 **10.1.4 Violations of Regulation.** If Company violates any orders or filings of any
14 regulatory body having jurisdiction over Company relative to this Agreement,
15 which violation adversely affects Company's ability to provide service, provided
16 that Company may contest any such orders or filings by appropriate proceedings
17 conducted in good faith, in which case no breach of the franchise shall be deemed
18 to have occurred.

19 **10.1.5 Failure to Perform.** If Company ceases to provide Collection Services as
20 required under this Agreement for a period of forty-eight (48) hours (on working
21 days) or more, for any reason within the control of Company.

22 **10.1.6 Failure to Pay.** If Company fails to make any payments required under this
23 Agreement and/or refuses to provide District with required information, reports,
24 and/or records in a timely manner as provided for in the Agreement.

25 **10.1.7 Acts or Omissions.** Any other act or omission by Company that violates the
26 terms, conditions, or requirements of this Agreement, the California Integrated
27 Waste Management Act of 1989, as it may be amended from time to time, or any
28 order, directive, rule, or regulation issued thereunder and that is not corrected or
29 remedied within the time set in the written notice of the violation, or, if Company
30 cannot reasonably correct or remedy the breach within the time set forth in such
31 notice, or if Company should fail to commence to correct or remedy such
32 violation within the time set forth in such notice and diligently effect such
33 correction or remedy thereafter.

34 **10.1.8 Attachment.** There is a seizure of attachment of, or levy on, the operating
35 equipment of Company, including without limits its equipment, maintenance, or
36 office facilities, or any part thereof, to the extent the partial attachment or levy

1 materially affects the operations of Company with regard to its obligations under
2 this Agreement.

3 **10.1.9 Suspension or Termination of Service.** There is any unexcused termination of
4 service or suspension of the transaction of business by Company.

5 **10.1.10 Failure to Provide Assurance of Performance.** If Company fails to
6 provide reasonable assurances of performance as required under Section 10.6.

7 **10.2 Right to Terminate Upon Default**

8 Upon a default by Company, District shall have the right to terminate this franchise and
9 this Agreement upon ten (10) days' notice, but without the need for any hearing, suit, or
10 legal action. This right of termination is in addition to any other rights of District upon a
11 failure of Company to perform its obligations under this Agreement. If Company is in
12 default as set forth above, the District, in using its discretion as to whether to exercise its
13 right to declare default and terminate the Agreement, shall consider issues such as
14 Company's ability to perform the Agreement and cure the default, and whether a cure of
15 said default is possible within a reasonable time. District's right to terminate this
16 Agreement and to take possession of Company's properties are not exclusive, and
17 District's termination of this Agreement shall not constitute an election of remedies.
18 Instead, they shall be in addition to any and all other legal and equitable rights and
19 remedies that District may have.

20 By virtue of the nature of this Agreement, the urgency of timely continuous and high-
21 quality service, the lead time required to effect alternative service, and the rights granted
22 by District to Company, the remedy of damages for a breach hereof by Company is
23 inadequate and District shall be entitled to injunctive relief.

24 **10.3 Liquidated Damages**

25 **10.3.1 General.** District finds, and Company agrees, that as of the time of the execution
26 of this Agreement, it is impractical, if not impossible, to reasonably ascertain the
27 extent of damages that shall be incurred by District as a result of a breach by
28 Company of its obligations under this Agreement. The factors relating to the
29 impracticability of ascertaining damages include, but are not limited to, the fact
30 that: (i) substantial damage results to members of the public who are denied
31 services or denied quality or reliable service; (ii) such breaches cause
32 inconvenience, anxiety, frustration, and deprivation of the benefits of the
33 Agreement to individual members of the general public for whose benefit this
34 Agreement exists, in subjective ways and in varying degrees of intensity that are
35 incapable of measurement in precise monetary terms; (iii) that services might be
36 available at substantially lower costs than alternative services and the monetary
37 loss resulting from denial of services or denial of quality or reliable services is
38 impossible to calculate in precise monetary terms; and (iv) the termination of this
39 Agreement for such breaches, and other remedies are, at best, a means of future
40 correction and not remedies that make the public whole for past breaches.

1 **10.3.2 Service Performance Standards; Liquidated Damages for Failure to Meet**
2 **Standards.**

3 The parties acknowledge that consistent and reliable Collection
4 Service is of utmost importance to District and that District has considered and
5 relied on Company's representations as to its quality of service commitment in
6 awarding the franchise to it. The parties further recognize that if Company fails
7 to achieve the performance standards, or fails to submit required documents in a
8 timely manner, District and its residents will suffer damages and that it is and will
9 be impractical and extremely difficult to ascertain and determine the exact amount
10 of damages that District will suffer. Therefore, without prejudice to District's
11 right to treat such non-performance as an event of default under this Article 10,
12 the parties agree that the following liquidated damage amounts represent a
13 reasonable estimate of the amount of such damages considering all of the
14 circumstances existing on the date of this Agreement, including the relationship of
15 the sum to the range of harm to District that reasonably could be anticipated and
16 the anticipation that proof of actual damages would be costly or inconvenient. In
17 placing their initials at the places provided, each party specifically confirms the
18 accuracy of the statements made above and the fact that each party has had ample
19 opportunity to consult with legal counsel and obtain an explanation of the
20 liquidated damage provisions at the time that the Agreement was made.

21 Company District
Initial here: _____ Initial here: _____

22 Accordingly, District may, in its discretion, but after complying with notice and
23 hearing procedures set forth below, assess liquidated damages not to exceed Five
24 Hundred Dollars (\$500.00) per day, for each calendar day that Collection Service
25 is not provided by Company in accordance with this Agreement. Failure by
26 Company to provide Collection Service that may give rise to the imposition of
27 liquidated damages include, but are not limited to, failures to comply fully with
28 the terms of this Agreement with regard to collection reliability, collection
29 quality, customer responsiveness, timeliness of submission of reports, and/or
30 violations of federal, state and local law.

31 Company agrees to pay (as liquidated damages and not as a penalty) the amount
32 of Five Hundred Dollars (\$500.00) per day as set forth above. The amount of the
33 liquidated damages shall be subject to an annual CPI adjustment based on the
34 "San Francisco /Oakland/San Jose All Urban Consumer Price Index."

35 District may determine the occurrence of events giving rise to liquidated damages
36 through the observance of its own employees or representatives or through
37 investigation of customer complaints.

38 Prior to assessing liquidated damages, District shall give Company notice of its
39 intention to do so. The notice will include a brief description of the
40 incident(s)/non-performance. Company may review (and make copies at its own
41 expense) all information in the possession of District relating to incident(s)/non-
42 performance. Company may, within ten (10) days after receiving the notice,
43 request a meeting with District. If a meeting is requested, it shall be held by the

1 District Manager-Engineer or his/her designee. Company may present evidence
2 in writing and through testimony of its employees and others relevant to the
3 incident(s)/non-performance. The District Manager-Engineer or designee will
4 provide Company with a written explanation of his or her determination assessing
5 liquidated damages. Company may appeal a determination to assess
6 liquidated damages to the District Board within 10 days of receipt of the
7 determination.

8 **10.3.3 Timing of Payment.** Company shall pay any liquidated damages assessed by
9 District within ten (10) days after they are assessed. If they are not paid within
10 the ten (10) day period, District may proceed against the performance bond
11 required by the Agreement or order the termination of the franchise granted by
12 this Agreement, or both.

13 **10.4 Excuse from Performance**

14 The parties shall be excused from performing their respective obligations hereunder in
15 the event they are prevented from so performing by reason of floods, earthquakes, other
16 "acts of God," war, civil insurrection, riots, labor unrest, acts of any government
17 (including judicial action), and other similar catastrophic events that are beyond the
18 control of and not the fault of the party claiming excuse from performance hereunder.
19 Labor unrest, including but not limited to strike, work stoppage or slowdown, sick-out,
20 picketing, or other concerted job action conducted by Company's employees is not an
21 excuse from performance and Company shall be obligated to continue to provide service
22 notwithstanding the occurrence of any or all of such events.

23 The party claiming excuse from performance shall, within 48 hours (two (2) business
24 days) after such party has notice of such cause, give the other party notice of the facts
25 constituting such cause and asserting its claim to excuse under this Section.

26 The interruption or discontinuance of Company's services caused by one or more of the
27 events excused shall not constitute a default by Company under Section 10.1 of this
28 Agreement. In the event the Company is prevented from providing service, either due to
29 attachment or any other factor set forth above, including judicial action, for a period of
30 thirty (30) days or more, it is understood and agreed that the District will have the right to
31 provide service pursuant to Article 9, either directly or by subcontracting with a third
32 party. Under circumstances where the Company has failed to provide service and the
33 default is excused, as set forth above, the District has the right to perform such services or
34 to subcontract for the same, for up to one (1) year. In the case of excused labor unrest set
35 forth above, however, the District has the right to perform said services or to subcontract
36 for the same, for a period of up to six (6) months. Company agrees to pay the District's
37 cost of providing the service. If, after the time specified herein, Company cannot
38 thereafter provide service as agreed, the District can declare default and terminate the
39 Agreement.

40 **10.5 Notice, Hearing and Appeal of District Breach**

41 Should Company contend that District is in breach of this Agreement, it shall file a
42 written request with the District Manager-Engineer for an administrative hearing on the

1 allegation. The District Manager-Engineer shall notify Company of the time and date
2 said hearing shall be held within thirty (30) days of receipt of Company's request.

3 Company shall present its position and all relevant facts after District staff has made its
4 presentation. Company shall be notified of the District Manager-Engineer's ruling in
5 writing within fourteen (14) days of the administrative hearing.

6 If Company is not in agreement with the ruling issued by the District Manager-Engineer
7 at the administrative hearing, it shall have the right to appeal this ruling to District Board
8 members. This appeal shall be made in writing to the District Manager-Engineer no later
9 than fourteen (14) days after receipt of the administrative hearing ruling. The District
10 Manager-Engineer shall notify Company of the time and date of the hearing before the
11 District Board, which hearing will be within forty-five (45) days of receipt of the request
12 for appeal. Company shall present its position and all relevant facts after staff has made
13 its presentation. Company shall be notified in writing within thirty (30) days of District
14 Board members' ruling, District Board members' ruling shall be final, and Company shall
15 have no further rights of appeal.

16 **10.6 Assurance of Performance**

17 District may, at its option and in addition to all other remedies, in the event of Company
18 default, demand from Company reasonable assurances of future timely and proper
19 performance of this Agreement, in such form and substance as District may deem
20 required. If Company fails or refuses to provide satisfactory assurances of timely and
21 proper performance in the form and by the date required by District, such failure or
22 refusal shall itself constitute an event of default.

1 **ARTICLE 11 OTHER AGREEMENTS OF THE PARTIES**

2 **11.1 Relationship of Parties**

3 The parties intend that Company shall perform the services required by this Agreement as
4 an independent Company engaged by District and not as an officer or employee of
5 District nor as a partner of or joint venture with District. No employee or agent of
6 Company shall be or shall be deemed to be an employee or agent of District. Except as
7 expressly provided herein, Company shall have the exclusive control over the manner
8 and means of conducting the Collection Services performed under this Agreement, and
9 all persons performing such services. Company shall be solely responsible for the acts
10 and omissions of its officers, employees, subcontractors, and agents. Neither Company
11 nor its officers, employees, subcontractors, and agents shall obtain any rights to
12 retirement benefits, workers' compensation benefits, or any other benefits that accrue to
13 District employees.

14 **11.2 Compliance with Law**

15 In providing the services required under this Agreement, Company shall at all times, at its
16 sole cost, comply with all applicable statutes, ordinances and laws of the United States,
17 the State of California, applicable local public agencies (including District); and with all
18 applicable regulations promulgated by federal, state, regional, or local administrative and
19 regulatory agencies, now in force and as they may be enacted, issued, or amended during
20 the term.

21 **11.3 Governing Law**

22 This Agreement shall be governed by, and construed and enforced in accordance with,
23 the laws of the State of California.

24 **11.4 Jurisdiction**

25 Any lawsuits between the parties arising out of this Agreement shall be brought and
26 concluded in the courts of the State of California, County of Marin, or within the U.S.
27 District Court, Northern District of California.

28 With respect to venue, the parties agree that this Agreement is made in and will be
29 performed in Marin County.

30 **11.5 Mediation**

31 The parties agree to consider mediation prior to filing suit, provided, however, that there
32 is no concern as to a statute of limitations issue. If either part files suit with respect to
33 performance of this Agreement, the parties agree to seek mediation services during the
34 first ninety (90) days of the lawsuit.

35 **11.6 Assignment**

36 Except as may be provided for in Article 9 (District's Right to Perform Service), neither
37 party shall assign its rights nor delegate, subcontract, or otherwise transfer its obligations
38 under this Agreement to any other person without the prior written consent of the other
39 party, except as provided for a joint powers authority described below. Any such

1 assignment made without the consent of the other party shall be void and the attempted
2 assignment shall constitute a material breach of this Agreement.

3 For purposes of this section, when used in reference to Company, "assignment" shall
4 include, but not be limited to (i) a sale, exchange, or other transfer of substantially all of
5 Company's assets dedicated to service under this Agreement to a third party; (ii) a sale,
6 exchange, or other transfer of the outstanding common stock of Company to a third party,
7 provided said sale, exchange, or transfer may result in a change of control of Company;
8 (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock
9 issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation,
10 or other transaction to that Company, any of its shareholders, subsidiary, or parent
11 company is a party which results in a change of ownership or control of Company; (iv)
12 any assignment by operation of law, including insolvency or bankruptcy, assignment for
13 the benefit of creditors, writ of attachment for an execution being levied against this
14 Agreement, appointment of a receiver taking possession of Company's property, or
15 transfer occurring in the event of a probate proceeding; (v) transfer of responsible
16 management control of Company from the current Chairman of the Board (James Ratto);
17 and (vi) any combination of the foregoing (whether or not in related or contemporaneous
18 transactions) that has the effect of any such transfer or change of ownership, or change in
19 control of Company. Nothing herein shall be deemed to prevent the current Chairman of
20 the Board of the Company (James Ratto) from buying out other shareholders of
21 Company.

22 Company acknowledges that this Agreement involves rendering a vital service to
23 District's residents and businesses, and that District has selected Company to perform the
24 services specified herein based on (1) Company's experience, skill, and reputation (and
25 that of James Ratto as the responsible managing officer of the Company) for conducting
26 its solid waste management operations in a safe, effective, and responsible fashion, at all
27 times in keeping with applicable waste management laws, regulations and good waste
28 management practices, and (2) Company's financial resources to maintain the required
29 equipment and to support its indemnity obligations to District under this Agreement.
30 District has relied on each of these factors, among others, in choosing Company to
31 perform the services to be rendered by Company under this Agreement.

32 If Company requests District's consideration of, and consent to, an assignment, District
33 may deny or approve such request in its complete discretion. Approval by the District,
34 however, of such requested assignment, shall not be unreasonably withheld. It shall be
35 the responsibility of Company, in requesting an assignment, to comply with the following
36 requirements:

37 **11.6.1** Company shall undertake to pay District its reasonable expenses for attorney's
38 fees and investigation costs necessary to investigate the suitability of any
39 proposed assignee, and to review and finalize any documentation required as a
40 condition for approving any such assignment;

41 **11.6.2** Company shall furnish District with audited financial statements of the proposed
42 assignee's operations for the immediately preceding three (3) operating years;

1 **11.6.3** Company shall furnish District with satisfactory proof: (i) that the proposed
2 assignee has at least ten (10) years of solid waste management experience on a
3 scale equal or to exceeding the sale of operations conducted by Company under
4 this agreement; (ii) that in the last five (5) years, the proposed assignee has not
5 suffered any significant citations or other censure from any federal, state, or local
6 agency having jurisdiction over its waste management operations due to any
7 significant failure to comply with state, federal, or local waste management laws
8 and that the assignee has provided District with a complete list of such citations
9 and censures; (iii) that the proposed assignee has at all times conducted its
10 operations in an environmentally safe and conscientious fashion; (iv) that the
11 proposed assignee conducts its solid waste management practices in accordance
12 with sound waste management practices in full compliance with all federal, state,
13 and local laws regulating the collection and disposal of waste, including
14 hazardous waste; (v) that the proposed assignee has a net worth, liquidity, and
15 debt structure at least as favorable as Company's; (vi) that the proposed managing
16 official of assignee is qualified to supervise assignee's operations in performing
17 the Agreement; (vii) of any other information required by District to ensure the
18 proposed assignee can fulfill the terms of this Agreement in a timely, safe, and
19 effective manner.

20 Company shall have a reasonable period of time in which to seek approval of any
21 assignment occasioned by operation of law.

22 Under no circumstances shall District be obliged to consider any proposed
23 assignment by District if Company is in default at any time during the period of
24 consideration.

25 **11.6.4** Acquisition costs incurred by assignee in purchasing Company, or otherwise
26 securing assignment of the Agreement, shall be excluded from allowable costs in
27 the rate base.

28 Nothing in this Agreement is intended to prevent District from assigning its rights
29 and obligations under this Agreement to a joint powers authority organized for the
30 purpose of dealing with solid waste management matters on a countywide or
31 regional basis. Such an assignment to a joint powers authority, where District is a
32 member agency, may occur without prior written consent of Company.

33 If District requests consideration of and consent to an assignment (other than to a
34 joint powers authority which District is a member), Company may deny or
35 approve such request in its complete discretion. Company may request that the
36 proposed assignee of District provide such documents, resolutions, and
37 ordinances that may be necessary for Company to properly evaluate assignment to
38 proposed assignee.

39 For purposes of this section, the term "proposed assignee" shall refer to the
40 proposed transferee(s) or other successor(s) in interest pursuant to the assignment.

1 **11.7 Other Agreements**

2 Company shall not enter into any agreements subsequent to the within Agreement that
3 materially interferes with Company's ability to perform its obligations contained herein.
4 Any agreements that Company proposes to enter into with entities other than the District,
5 providing for disposal of Garbage, or for long-term (i.e., over three (3) years)
6 commitment of wastestream, including Recyclable Materials and Organic Waste, shall be
7 submitted by Company to the District for review prior to said agreements becoming
8 effective. The District may, at its sole discretion, approve or disapprove said agreements,
9 or approve of said agreements subject to conditions or limitations set by the District.

10 **11.8 Related Party Entities**

11 Company's accounting records shall be maintained on a basis showing the results of
12 Company's operations under this Agreement separately from operations in other
13 locations, as if Company were an independent entity providing service only to District.
14 The costs and revenues associated with providing service to District shall not be
15 combined, consolidated or in any other way incorporated with those of other operations
16 conducted by Company in other locations, or with those of related party entities.
17 If Company is owned or controlled by another corporation, then the financial reports and
18 auditor's opinions required of Company shall also be required of such "parent company."

19 **11.9 Subcontracting**

20 Company shall not engage any subcontractors for Collection or disposal of Garbage
21 without the prior written consent of District. In the event of an emergency or other
22 urgent circumstances (e.g. labor unrest), the District's consent to subcontracting shall not
23 be unreasonably withheld.

24 **11.10 Binding on Assigns**

25 The provisions of this Agreement shall inure to the benefit of and be binding on all
26 permitted assigns of the parties.

27 **11.11 Transition to Next Company**

28 If transition of services to another company occurs through expiration of term, default,
29 termination, or otherwise, Company will cooperate with District and subsequent
30 company(s) to assist in an orderly transition, which will include Company providing
31 route lists and billing information. Company will not be obliged to sell collection
32 vehicles, and Containers to the next company or District. Depending on Company's
33 circumstances at the point of transition, Company at its option may enter into
34 negotiations with District or the next company to sell (in part or all) collection vehicles
35 and Containers.

36 **11.12 Parties in Interest**

37 Nothing in this Agreement, whether express or implied, is intended to confer any rights
38 on any persons other than the parties to it and their representatives and permitted assigns.

1 **11.13 Waiver**

2 The waiver by either party of any breach or violation of any provisions of this Agreement
3 shall not be deemed to be a waiver of any breach or violation of any other provision nor
4 of any subsequent breach or violation of the same or any other provision. The subsequent
5 acceptance by either party of any monies that become due hereunder shall not be deemed
6 to be a waiver of any pre-existing or concurrent breach or violation by the other party of
7 any provision of this Agreement.

8 **11.14 Company's Investigation**

9 Company has made an independent investigation (satisfactory to it) of the conditions and
10 circumstances surrounding the Agreement and the work to be performed by it.

11 **11.15 Notice**

12 All notices, demands, requests, proposals, approvals, consents, and other communications
13 that this Agreement requires, authorizes, or contemplates shall be in writing and shall be
14 personally delivered to a representative of the parties at the address below; be sent by
15 facsimile to the number below; or be deposited in the United States mail, first class
16 postage prepaid, addressed as follows:

17 If to District: District Manager-Engineer
18 Novato Sanitary District
19 500 Davidson Street
20 Novato, CA 94945
21 Fax: 415-898-2279

22
23 If to Company: James Ratto, President
24 Novato Disposal Service, Inc.
25 P.O. Box 3849
26 Santa Rosa, CA 95402-3849
27 Fax: 707-586-2285

28 The address to which communications may be delivered may be changed from time to
29 time by a notice given in accordance with this Section.

30 Notice shall be deemed given on the day it is personally delivered or sent by facsimile. If
31 mailed, notice shall be deemed given three (3) days from the date it is deposited in the
32 mail. Sender shall retain proof of service by facsimile and proof of service by courier, if
33 courier service is utilized.

34 **11.16 Representatives of the Parties**

35 References in this Agreement to the "District" shall mean the Board of Directors and all
36 actions to be taken by District shall be taken by the Board of Directors except as provided
37 below. The Board of Directors may delegate, in writing, authority to District Manager-
38 Engineer, and/or to other District officials or employees and may permit such officials or
39 employees, in turn, to delegate in writing some or all of such authority to subordinate
40 officers. Company may rely upon actions taken by such delegates if they are within the
41 scope of the authority properly delegated to them.

1 Company shall, by the effective date, designate in writing a responsible officer who shall
2 serve as the representative of Company in all matters related to the Agreement and shall
3 inform District in writing of such designation and of any limitations upon his or her
4 authority to bind Company. District may rely upon action taken by such designated
5 representatives as actions of Company unless they are outside the scope of the authority
6 delegated to him/her by Company as communicated to District.

7 **11.17 District Free to Negotiate with Third Parties**

8 District may investigate all options for the collection, processing and disposal of Solid
9 Waste after the expiration of the term. Without limiting the generality of the foregoing,
10 District may solicit proposals from Company and from third parties for the provision of
11 collection services, disposal services, recycling services, organic waste collection and
12 composting, and any combination thereof, and may negotiate and execute agreements for
13 such services that will take effect upon the expiration or earlier termination under Section
14 10.1 of this Agreement. Nothing in this Agreement is intended to give rise to
15 demobilization costs or damages, or other costs or damages associated with winding up
16 the business operations of Company upon expiration or termination.

17 **11.18 Lease of Equipment and Facilities**

18 Company agrees not to enter into leases or the purchase of equipment and facilities
19 without the advance, written approval of District. Prior approval of the District shall be
20 required only for transactions exceeding \$300,000 in value.

21 **11.19 Loans**

22 Company agrees to eliminate use of all related party entity loans and only enter into such
23 future loans upon approval by District.

24 **11.20 Fair Market Value**

25 Company acknowledges the obligation to receive fair market value for all
26 Recyclable Materials sold to any related party.

27 **11.21 Privacy**

28 Company shall strictly observe and protect the rights of privacy of customers.
29 Information identifying individual customers or the composition or contents of a
30 Customer's wastestream shall not be revealed to any person, governmental unit, private
31 agency, or Company, unless upon the authority of a court of law, by statute, or upon valid
32 authorization of the Customer. This provision shall not be construed to preclude
33 Company from preparing, participating in, or assisting in the preparation of waste
34 characterization studies or waste stream analyses that may be required by CIWMA. The
35 District agrees to protect any information supplied by Company, which Company
36 designates as "Proprietary" and "Confidential," from disclosure to the extent allowed by
37 law. If any person files suit or seeks or other legal recourse challenging the District's
38 refusal to disclose proprietary and confidential information, Company agrees to pay all
39 costs incurred with respect to such suit or other legal challenge.

1 **11.22 Savings Clause**

2 If this Agreement is terminated prior to the termination date of the existing franchise
3 Agreement as a result of a challenge of the District's authority to enter into this
4 Agreement or as a result of a challenge based on failure to comply with the relevant
5 provisions of the California Environmental Quality Act (CEQA), or other relevant
6 procedural requirements under California law, then the franchise agreement between
7 District and Company currently in existence at the date of this Agreement shall be
8 reinstated and shall remain in full force and effect during the remaining term expiring on
9 June 30, 2015.

Final Draft Dated 3/11/2011

1 **ARTICLE 12 MISCELLANEOUS AGREEMENTS**

2 **12.1 Entire Agreement**

3 This Agreement, including the exhibits, represents the full and entire agreement between
4 the parties with respect to the matters covered herein.

5 **12.2 Section Headings**

6 The article headings and section headings in this Agreement are for convenience of
7 reference only and are not intended to be used in the construction of this Agreement nor
8 to alter or affect any of its provisions.

9 **12.3 References to Laws**

10 All references in this Agreement to laws shall be understood to include such laws as they
11 may be subsequently amended or recodified, unless otherwise specifically provided.

12 **12.4 Interpretation**

13 This Agreement shall be interpreted and construed reasonably and neither for nor against
14 either party, regardless of the degree to which either party participated in its drafting.

15 **12.5 Agreement**

16 This Agreement may not be modified or amended in any respect except by a writing
17 signed by the parties.

18 **12.6 Severability**

19 If any non-material provision of this Agreement is for any reason deemed to be invalid
20 and unenforceable, the invalidity or unenforceability of such provision shall not affect
21 any of the remaining provisions of this Agreement, which shall be enforced as if such
22 invalid or unenforceable provision had not been contained herein.

23 **12.7 Agreement Supersedes Prior Agreements**

24 This Agreement shall supersede any and all agreements heretofore entered into by the
25 parties.

26 **12.8 Exhibits**

27 Each of Exhibits identified as Exhibit "1", "2", and "3" is attached hereto and
28 incorporated herein and made a part hereof by this reference.

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IN WITNESS WHEREOF, District and Company have executed this Agreement as of the day and year first above written.

NOVATO DISPOSAL SERVICE, INC. NOVATO SANITARY DISTRICT

By: _____
Deana Ratto, Secretary

By: _____
Beverly James,
District Manager-Engineer

By: _____
James Ratto, President

By: _____
William C. Long, President
Board of Directors

By: _____
(SEAL)

By: _____
(SEAL)

APPROVED AS TO FORM:

By: _____
Kenton L. Alm
Attorney for District

Final Draft Dated 11/1/2011

Final Draft Dated 3/11/2011

EXHIBIT 1
Service Rates Effective January 1, 2011

A. SINGLE FAMILY RESIDENTIAL CURBSIDE COLLECTION SERVICE
SFD Garbage, Recycling and Organic Waste Collection Service

Garbage Cart Sizes (gallons)		20	32	68	95
1	MONTHLY CURBSIDE RATE	\$11.12	\$17.79	\$35.57	\$53.36
2	Additional Curbside Garbage Cart (added to line A1)	\$5.46	\$5.46	\$5.46	\$5.46
3	Monthly On-Premise Rate (added to line A1)	\$11.09	\$11.09	\$11.09	\$11.09
4	Additional Walk-in Distance –Each 50 feet (added to line A1)	\$5.13	\$5.13	\$5.13	\$5.13
5	Additional 95 gallon Green Waste Carts (after 2) (added to line A1)				\$16.93
ADDITIONAL BULKY WASTE COLLECTION					
6	Excess Bulky Waste (over 3 CY/pickup)	To be provided prior to program startup			
7	Excess Bulky Waste Items (over 3 large items /pickup)	To be provided prior to program startup			
8	Additional Bulky Waste Collection (Over 4/ yr)	To be provided prior to program startup			

B. MULTI-FAMILY AND MOBILE HOME PARKS
MFD Garbage, Recycling and Organic Waste Collection Service

Container Size	Collection Frequency						Extra Pickups
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week	
32 Gallon	\$19.27	\$41.10	\$62.86			\$128.24	\$5.46
68 Gallon	\$36.98	\$78.84	\$120.57			\$245.98	\$5.46
95 Gallon	\$55.47	\$118.26	\$180.85			\$368.98	\$5.46
2 CY BIN¹	\$183.78	\$322.57	\$461.32	\$600.01	\$738.73	\$877.43	\$50.18
3 CY BIN²	\$231.82	\$403.40	\$575.20	\$746.77	\$918.53	\$1,090.17	\$50.18
4 CY BIN²	\$301.83	\$529.52	\$757.35	\$985.03	\$1,212.83	\$1,440.56	\$60.18
6 CY BIN²	\$441.83	\$781.76	\$1,121.65	\$1,461.52	\$1,801.44	\$2,141.34	\$100.35
15 CY BIN²	\$1,937.87	\$3,880.21	\$5,818.08				\$447.54

¹ The above Debris Box rates for 2-CY containers include an allowance of \$45.08 for container rental.

² The above Debris Box rates for 3-, 4-, 6-, and 15-CY containers include an allowance of \$60.18 for container rental.

EXHIBIT 1
Service Rates Effective January 1, 2011

C. COMMERCIAL/INDUSTRIAL

Commercial Garbage and Recycling Collection Service

Container Size	Collection Frequency						Extra Pickups
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week	
32 Gallon	\$19.27	\$41.10	\$62.86			\$128.24	\$5.46
68 Gallon	\$36.98	\$78.84	\$120.57			\$245.98	\$5.46
95 Gallon	\$55.47	\$118.26	\$180.85			\$368.98	\$5.46
2 CY BIN ¹	\$183.78	\$322.57	\$461.32	\$600.01	\$738.73	\$877.43	\$50.18
3 CY BIN ²	\$231.82	\$403.40	\$575.20	\$746.77	\$918.53	\$1,090.17	\$50.18
4 CY BIN ²	\$301.83	\$529.52	\$757.35	\$985.03	\$1,212.83	\$1,440.56	\$60.18
6 CY BIN ²	\$441.83	\$781.76	\$1,121.65	\$1,461.52	\$1,801.44	\$2,141.34	\$100.35
15 CY BIN ²	\$1,937.87	\$3,880.21	\$5,818.08				\$447.54

Commercial Organic Waste Collection Service

Container Size	Collection Frequency						Extra Pickups
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week	
32 Gallon							
68 Gallon							
95 Gallon							
2 CY BIN ¹							
3 CY BIN ²							
4 CY BIN ²							
6 CY BIN ²							
15 CY BIN ²							

Organic Waste Collection
Service Rates to be updated
as service becomes available

¹ The above Debris Box rates for 2-CY containers include an allowance of \$45.08 for container rental.

² The above Debris Box rates for 3-, 4-, 6-, and 15-CY containers include an allowance of \$60.18 for container rental.

EXHIBIT 1
Service Rates Effective January 1, 2011

D. TEMPORARY CLEANUP BINS/DEBRIS BOXES

Container Size	2-Day Rental Rate	Weekend Rental Rate	
3 CY Bin	\$161.99	\$161.99	
6 CY Bin	\$273.11	\$273.11	
Container Size	Weekly Rental Rate		
15 CY Box	\$447.54	Includes up to 3 Tons	
20 CY Box	\$502.23	Includes up to 3 Tons	
30 CY Box	\$838.04	Includes up to 4 Tons	
Additional Tons for Cleanup Bins/Debris Boxes	\$54.23 Per Ton		
Occasional or irregular collections per 5 cubic feet	\$5.46	Special collections other than debris box (plus regular rate)	\$23.11
Monthly charge for special collection conditions	\$10.89	Special collections for debris boxes (plus regular rate)	\$50.21

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EXHIBIT 2
Refuse Rate Index

The "Refuse Rate Index" adjustment shall be calculated in the following manner:

1. The expenses of providing Collection Services in the Service Area for the designated fiscal period (July to June) shall be prepared in the format set forth in the Operating Cost Statement - Description on the following page of this Exhibit.
2. The expenses of providing Collection Services in the Service Area shall be broken down into one of the following seven cost categories: Labor; Fuel; Vehicle Replacement; Maintenance, Disposal Fee, Organic Waste Processing fee, and All Other. Each cost category is assigned a weighted percentage factor on that cost category's proportionate share of the total of the costs shown for all cost categories.
3. The following indices are used to calculate the adjustment for each cost category of the Service Rates. The change in each index is calculated on a twelve-month fiscal period (July to June). The twelve-month average index from July 2010 to June 2011 will serve as the "First Year Index".

<u>Cost Category</u>	<u>Index</u>
Labor	Series ID: ceu6056210008 Production Workers-Waste Collection
Fuel	California No 2 Diesel Ultra Low Sulfur (0-15 ppm) http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp
Vehicle Replacement	Series ID: pcu336211336211 Truck, bus, car and other vehicles bodies, for sale separately.
Vehicle Maintenance	Series ID: pcu333924333924 Parts and attachments for Industrial work trucks.
Disposal Fee	The per ton tip fee charged at the Disposal Facility.
Organic Waste Processing Fee	The per ton tip fee charged at the approved Organic Waste Processing Facility.
All Other	Consumer Price Index, Series ID: CUURA422SA0 CPI-All Urban Consumers, All Items, San Francisco,

4. The percentage weight for each cost category is multiplied by the change in each appropriate index to calculate a weighted percentage for each cost category. The weighted percentage changes for each cost category are added together to calculate the Refuse Rate Index for the Service Rates in Exhibit 1.

EXHIBIT 2
Refuse Rate Index

Operating Cost Statement - Description	
Operating Costs	
Labor:	List all administrative, officer, operation and maintenance salary accounts. List payroll tax accounts directly related to the above salary accounts.
Fuel:	List all fuel and oil accounts.
Vehicle	
Replacement:	List all Collection and Collection related vehicle depreciation accounts. List all vehicle lease or rental accounts related to Collection or Collection related vehicles.
Vehicle	
Maintenance:	List all Collection or Collection related vehicle parts accounts.
Disposal Fee:	List all Landfill Disposal related accounts.
Organic Waste Processing Fee:	List all Organic Waste Processing related accounts.
All Other:	List all other expense accounts related to the services provided under this Contract. This category includes all insurance including general liability, fire, truck damage, extended coverage and employee group medical and life; rent on property, truck licenses and permits; real and personal property taxes; telephone and other utilities; employee uniforms; safety equipment; general yard repairs and maintenance; office supplies; postage; trade association dues and subscription; advertising; employee retirement or profit sharing contributions; and miscellaneous other expenses.

Final Draft Dated 3/11/2011

EXHIBIT 3
Faithful Performance Bond

KNOW ALL MEN BY THESE PRESENTS:

That _____, a California _____ as PRINCIPAL, and _____, a Corporation organized and doing business by virtue of the laws of the State of California, and duly licensed for the purpose of making, guaranteeing, or becoming sole surety upon bonds or undertakings required or authorized by the laws of the State of California, as SURETY, are held and firmly bound to District, hereinafter called OBLIGEE, in the penal sum of One Hundred Thousand Dollars (\$100,000) lawful money of the United States, for the payment of which, well and truly to be made, we and each of us hereby bind ourselves, and our and each of our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the above bounden PRINCIPAL has entered into a contract, entitled "COLLECTION AND DISPOSAL OF SOLID WASTE" with District, to do and perform the following work, to wit: collect Solid Waste generated within the service area, in accordance with the contract.

NOW, THEREFORE, if the above bounden PRINCIPAL shall well and truly perform, or cause to be performed each and all of the requirements and obligations of said contract to be performed by said PRINCIPAL, as in said contract set forth, then this BOND shall be null and void; otherwise it will remain in full force and effect.

And the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any wise affect its obligations on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

IN WITNESS WHEREOF, said PRINCIPAL and said SURETY have caused these presents to be duly signed and sealed this _____ day of _____, 2011.

a California Corporation

SURETY

By: _____
(PRINCIPAL)
(SEAL)

By: _____
(ATTORNEY IN FACT)
(SEAL)

Final Draft Dated 3/11/2011

Exhibit 4

Zero Waste Community Outreach Outline

- Two newsletters annually
- Newsletter will contain a minimum of one Zero Waste feature (i.e. reuse/repair, EPR, backyard composting, environmentally preferable purchasing, etc.)
- Promote waste reduction and recycling
- Promote small (20 gal) garbage carts
- Offer backyard composting bins at cost
- Two additional outreach campaigns promoting waste reduction, Zero Waste, and/or diversion concepts
- Promote commercial audits to all businesses of 4 cubic yards of garbage service or larger
- New Customer packets will include Zero Waste concept promotions
- Visit all commercial businesses of 4 cubic yards of garbage service or more annually
- Visit all Multi-family complexes of 5 units or more annually
- Participate in 10 events annually (Chamber of Commerce, Earth Day, etc.) promoting Zero Waste, recycling, diversion, and resource conservation
- Conduct annual retraining at NSD schools on recycling and Zero Waste
- Participate in developing Zero Waste curriculum for NSD schools
- Offer Zero Waste and recycling for school assemblies
- Work closely with the City of Novato developing and implementing the City's Zero Waste goals
- Annual waste audits of all City facilities
- Bilingual Zero Waste recycling and diversion guides (Spanish/English)
- Paperless billing
- Interactive website with links to Zero Waste reuse opportunities
- Billing inserts and blurbs on program updates as needed
- Annual selective route audits of residential routes to gauge program success
- Corrective action cart hangers informing Customers of concerns and how to properly participate in recycling and organics programs
- Work with regional Reuse E-network Plan

Exhibit 5 School Recycling And Food Waste Program Outline

1. Stakeholders Meeting

Invite stakeholders (administrators, school board, staff, teachers, and custodians) to a joint meeting to assess waste, recycling, and compost options and develop overall strategy. Determine where the plan should be centralized (i.e. purchasing, kitchens) and decentralized (individual campus recycling and composting efforts).

- a. **Review purchasing policies** to promote Zero Waste goals by minimizing waste at the front end. Shift purchasing to environmentally preferable products: reusable, *compostable* or Recyclable Materials instead of disposables. <http://www.epa.gov/msw/buyrec.htm>
- b. **Policy Decision** promoting Zero Waste goals by address recycling, composting, and waste reduction at a policy level i.e. School Board resolution or mandate from administration.
<http://www.greenschools.net/sampleresolution.html>

2. Identify current service levels.

Assess current Solid Waste, recycling, and composting service levels and identify locations where service levels can be immediately reduced. This evaluation will provide the basis for selecting and prioritizing specific target areas for waste reduction and recycling efforts. Evaluate if “locking bins” are needed to address illegal dumping of Solid Waste.

3. Organize a Green Team on each Campus:

Conduct on-campus meetings at each school with campus stakeholders (principal, secretary, staff, teachers, custodians, parent volunteers and students) to promote Zero Waste goals by developing waste reduction, recycling, and *food waste and green waste* composting strategy for each campus. Explore ways of tying curriculum goals into the program.

- a. **Recycling Advocate(s)**: Preferably an employee with a commitment to recycling *and food scrap composting* who can carry the Zero Waste torch from year to year. This person will be the point of contact for communication with Zero Waste Coordinators and other team members.
 - i. Report problems with participation, contamination, missed pickups, need for additional education or recycling infrastructure
 - ii. Coordinate with Zero Waste Coordinators to conduct student assemblies or classroom presentations
 - iii. Work with Zero Waste Coordinators to conduct trainings, waste

Exhibit 5 School Recycling And Food Waste Program Outline

audits

- iv. Coordinate the promotion of the recycling and *food scrap* composting programs
- b. Recycling Team:** Identify system and individuals responsible for transporting Recyclable Materials to collections bins. This may be custodians and/or older students. Depending on the level of participation at each school, there may be collection of recycling in classrooms, administrative offices and lunch areas.
- c. Promotion Team:** Students and others interested in promoting the school recycling program. Design and produce posters for campus, fliers to take home to parents, painting projects on campus to identify recycling areas, organizing recycling pep rallies, events or other activities to keep kids energized about waste reduction and recycling.
- d. Recycling Monitors:** Older students and teachers/ parents, helping out during lunchtime to educate younger students about proper recycling including which materials are placed where and helping student's empty containers before recycling. This group can be rewarded in some way for working during their lunchtime.
- e. Zero Waste Coordinators:** Zero Waste Coordinators from the Solid Waste, recycling, and composting company are available to attend meetings, conducts presentations or staff trainings, to assist with waste audits and for general support and questions. Zero Waste Coordinators can facilitate identifying programmatic resources.

4. Conduct School Waste Audit:

Work with hauler to Identify what materials are generated and disposed on campus. This information is useful in deciding where to start and what systems to implement. See http://www.recycleworks.org/schools/s_audits.html for waste audit options.

Annually in the Spring, Novato Disposal will conduct waste audits to determine the success of the diversion programs for each site. A report will be supplied by Novato Disposal for each site on the success of each programs and recommendations to increase diversion.

5. Getting Started - Areas identified to target may include:

a. Classroom Recycling

Zero Waste Coordinators can provide internal recycling crates for the

Exhibit 5
School Recycling And Food Waste Program Outline

collection of paper. These crates will need to be emptied into central collection bin for collection by NDS

b. Lunch Area Recycling

Zero Waste Coordinators have a resource sheet with recommended lunch area collection containers. Food waste composting will be provided as an option at each site as the program is expanded.

c. Administration & Office Recycling

Zero Waste Coordinators can provide internal recycling crates for the collection of paper. These crates will need to be emptied into central collection bin for pickup.

d. Compost Program

Zero Waste Coordinators can provide resource information and training for the food waste collection and composting program.

6. Ongoing

a. Education:

Zero Waste Coordinators will work with Green Team to develop a training program for students and staff about the recycle program.

In addition, Zero Waste Coordinators can provide educational presentations or assemblies about the importance of waste reduction, recycling, and composting in relation to resource conservation.

Newsletters will be supplied to the schools for additional Zero Waste outreach.

Novato Disposal will coordinate with a local community-based organization (i.e. North Bay Conservation Corp) to provide additional resources for promoting Zero Waste goals.

b. Promotion:

Work with Green Team to promote recycling program. Zero Waste Coordinators can provide many resources, help locate additional on-line resources or students can develop their own materials. Send home a letter with students letting parents know about the expanded program for additional reinforcement.

Identify locations for recycle stations with painted recycling symbols, logos or messages.

Exhibit 5
School Recycling And Food Waste Program Outline

Conduct a kick-off campaign. Get the whole school involved. Contact the local media. Identify local businesses who will contribute recognition awards to student team leaders. Have campaign promotion contest and award students, classrooms or schools for efforts.

c. Monitor:

Train Monitors regarding Recyclable Materials, Organic Waste and Garbage. Train monitors to effectively communicate with students in a friendly manner.

d. Evaluation & Expansion:

Conduct Green Team meetings each quarter to Identify barriers and obstacles and develop strategies to address them. Maintain close contact with custodial staff and collection drivers to evaluate successes and difficulties. Use this information to identify additional target areas for further waste reduction and recycling efforts and to improve and expand your program.

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TO PROVIDE THE PROPER INCENTIVES FOR BOTH THE SCHOOL DISTRICT AND THE COMPANY, NOVATO DISPOSAL SERVICE WILL COMMIT, AS PART OF THE AGREEMENT, SHARE EQUALLY IN THE COST OF PROVIDING THE SOLID WASTE, RECYCLING, AND COMPOSTING SERVICE WITH THE SCHOOL DISTRICT

Exhibit 6
Zero Waste Program Implementation Schedule

Activity	Implementation Deadline
1. Food/Green Waste Composting <ul style="list-style-type: none"> ▪ Single family residential food/green waste diversion ▪ Place food waste diversion stickers on all green carts ▪ Supermarket food waste diversion ▪ Restaurant food waste diversion ▪ Multi-family food waste diversion 	February 28, 2011 January 2012 October 1, 2011 February 2012 March 2012 July 2012
2. C&D recycling, reports & enforcement <ul style="list-style-type: none"> ▪ Monitor C&D recycling reports & conduct outreach to contractors ▪ Enforce C&D recycling thru Solid Waste ordinance 	Ongoing Ongoing
3. Public Outreach/Education campaign <ul style="list-style-type: none"> ▪ Revise Novato Disposal website to include zero waste messages ▪ Include zero waste messages & programs in newsletter, ads, promotional items 	September 2011 Ongoing
4. AB32 Multi-family and Commercial mandated recycling <ul style="list-style-type: none"> ▪ Identify all multifamily & commercial sites ▪ Make site visits ▪ Develop materials for commercial & multifamily residents ▪ Participate in workshops for multifamily & commercial property managers ▪ Provide recycling containers ▪ Implement mandated multifamily & commercial recycling 	May 2011 September 2011 January 2012 March 2012 May 2012 July 2012
5. Schools campaign	
<ul style="list-style-type: none"> ▪ Institute food waste recycling program 	2010
<ul style="list-style-type: none"> ▪ Monitor food waste & recycling programs; meet with teachers, students 	Ongoing

Exhibit 6
Zero Waste Program Implementation Schedule

Activity	Implementation Deadline
6. Backyard Composting	
<ul style="list-style-type: none"> ▪ Promote backyard composting through compost bin promotion 	Ongoing
7. Recycling Center	
<ul style="list-style-type: none"> ▪ Assist in siting and permitting of new and expanded Recycling Center 	2015
87. Wet/Dry Route Collections	
<ul style="list-style-type: none"> ▪ Discuss feasibility of instituting wet/dry collection system ▪ If feasible, institute system 	2018 2020
98. Discuss feasibility and diversion potential of conversion technology systems	2025
109. Zero Waste Goals	
<ul style="list-style-type: none"> ▪ 60% Diversion ▪ 70% Diversion ▪ 80% Diversion 	December 31, 2015 December 31, 2020 December 31, 2025

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Final Draft Dated 3/1/2011

Final Draft Dated 3/11/2011

Exhibit 7
Recyclable Materials Balancing Account

1. Recyclable Material Per Ton Net Revenue Amount.

Fair Market Value - For purposes of forecasting recyclable material net revenues for 2008, the Company shall use the calculated fair market value of recyclable material revenues for 2006, which shall equal the annual total of the fair market value for such material for each month times the associated monthly tonnage collected or received by the Company for calendar year 2006, times any applicable growth rate (the 2006 Projected Revenues). A similar methodology will be used for purposes of forecasting recyclable material sales revenues for subsequent years. That fair market value shall be calculated as follows:

- a. The fair market value of net revenue paid by related parties to the Company for recyclable materials net of processing costs, and any and all other costs (the Per Ton Net Revenue Amount), shall initially be set at \$44.85 per ton effective July 2005. This initial Per Ton Net Revenue Amount will be adjusted on a monthly basis, as described below.
- b. The prior month Per Ton Net Revenue Amount shall be adjusted for purposes of establishing the Per Ton Net Revenue Amount for the current month based on changes to the Official Board Markets Transacted Paper Stock Prices (OBM Index Prices) as reported for "San Francisco" as follows:
 - i. The starting point for the Per Ton Net Revenue Amount shall be \$44.85 per ton effective July 2005.
 - ii. The Per Ton Net Revenue Amount shall be adjusted monthly based on changes to the OBM Index Prices for Mixed Paper, #8 Newspaper and OCC as reported in the first weekly OBM issue of each month. The OBM Index Prices for each of these commodities shall be set at the average of the high and low prices reported each month, which are \$67.50, \$87.50 and \$87.50 respectively for July 2005.
 - iii. The weighted average percentages for Mixed Paper, #8 Newspaper and OCC for purposes of applying the OBM Index Prices shall be 46%, 46% and 8% respectively.
 - iv. Every month, one hundred percent (100%) of the weighted average O.B.M. index price adjustment (up or down) compared to the previous month shall be added or subtracted from the prior month Per Ton Revenue Amount for purposes of establishing the Per Ton Revenue Amount for each month.
- c. Example: The OBM Index Price adjustments from July 2005 to August 2005 for Mixed Paper, #8 Newspaper and OCC were -\$10/ton, -\$5/ton and -\$10/ton respectively. Applying the above referenced weighted average by material type, the price change July to August is -\$9.00/ton. The Per Ton Net Revenue Amount for July 2005 would decrease from \$44.85 to \$35.85. which is the Per Ton Net

Exhibit 7
Recyclable Materials Balancing Account

Revenue Amount for August 2005. (See Exhibit A for a sample calculation.)

- d. The calculated Per Ton Net Revenue Amount for each month shall be applied to all tonnages collected or received by the Company through the recycling program and delivered to related parties for processing for that month, including any and all processing residue, contaminants, non-processable or other material tonnages.
- e. Notwithstanding any provision of this Agreement to the contrary, at no time shall the Per Ton Net Revenue Amount paid by a related party be less than \$10 per ton (The Floor Price) nor more than \$80 per ton (The Ceiling Price) – The Floor Price and Ceiling Price shall be adjusted for the full impact of any change in the CRV value as provided for below.
- f. In the event of any future changes to the California Redemption Value (CRV) paid by the State of California, the Per Ton Net Revenue Amount shall be adjusted to account for that relative impact on the Per Ton Net Revenue Amount. That impact shall be determined by multiplying the total applicable CRV tons for the prior 12 months times the applicable net change in CRV per ton revenue to project the total additional annual CRV revenue. This total additional annual CRV revenue shall then be divided by the total tonnage collected or received by the Company through the recycling program for the prior 12 months to determine the net additional per ton revenue amount that shall be added to the calculated Per Ton Net Revenue Amount going forward. The parties agree that should the CRV value be adjusted on or after July 1, 2007, as provided for in the California Beverage Container Recycling and Litter Reduction Act, allowances will be made to the rates that are set for 2008 and beyond to fully account for this change, notwithstanding any provision of this Agreement to the contrary.

2. Balancing Account Calculation for Recyclable Materials.

Because of the potential volatility of recyclable material prices, the District and Company agree to establish a Balancing Account for recyclable material sales revenue. The Balancing Account amount will be based on the difference between the projected revenues for each year (as calculated using the above methodology) and the calculated revenues for that year (i.e., the annual total of the actual monthly tonnage times the calculated Per Ton Revenue Amount for each month using the methodology described above).

- a. For purposes of tracking the Balancing Account amount, the Company shall provide the District with an annual report that includes:
 - i. A copy of the OBM Index Prices as reported in the first issue of each month;
 - ii. The total commingled recyclable tonnage delivered to any related party for processing;
 - iii. The calculated current month Per Ton Revenue Amount and the

Exhibit 7
Recyclable Materials Balancing Account

calculation used to determine that amount;

- iv. The total monthly Calculated Revenue equal to the total tonnage collected or received by the Company through the recycling program and delivered to the related parties for processing times the calculated monthly Per Ton Revenue Amount); and
 - v. All prior year to date monthly figures for the calendar year for items (ii) through (iv) above.
- b. The net cumulative Balancing Account amount for 2008 through 2011 shall be accounted for in full in setting the rates for Calendar Year 2013 as follows:
- i. The net cumulative Balancing Account will be divided by five (to account for rates in 2013, 2014, 2015, 2016 and 2017) (the annualized Balancing Account amount);
 - ii. The Company's fiscal year 2011 audited financial statement rate revenue will be divided by the annualized Balancing Account amount to calculate the annualized Balancing Account rate adjustment; and
- c. The calculated RRI rate adjustment for 2013 will be adjusted up (if the Balancing Account amount is due to the Company) or down (if the Balancing Account amount is due to the *District City*) by the annualized Balancing Account rate adjustment, which shall be carried forward through rate year 2016.
- d. The net cumulative Balancing Account amount for 2012 through 2016 shall be accounted for in full in setting the rates for Calendar Year 2018 by dividing that amount by five (to account for rates in 2018, 2019, 2020, 2021 and 2022) and applying the same rate adjustment methodology specified for Calendar Year 2013 in Section 6.6.6.2.2 above.
- e. The net cumulative Balancing Account amount for 2017 through 2021 shall be accounted for in full in setting the rates for Calendar Year 2023 by dividing that amount by three (to account for rates in 2023, 2024 and 2025) and applying the same rate adjustment methodology specified for Calendar Year 2013 in Section 6.6.6.2.2 above.
- f. The cumulative balancing account amount for Calendar Years 2022 through 2025 shall be paid by the applicable party to the other party in no less than equal annual payments over a period of no more than four years starting January 1st 2026, without interest.
- g. In the event that a Detailed Rate Review is conducted the impact of the Balancing Account will be factored into the associated rate adjustment for that year in the same manner specified for Calendar Year 2013 in Section 6.6.6.2.2 above.
- h. Exit Clause – The parties agree that the proposed methodology is intended to provide a reasonable projection of the fair market value of revenues paid by third

Exhibit 7
Recyclable Materials Balancing Account

parties to the Company. Recyclable material commodity prices can, however, be extremely volatile and factors other than those accounted for in the proposed methodology may impact the fair market value of revenues. To provide a contingency for such potential events, each party shall have the right to terminate the use of the methodology for establishing the monthly Per Ton Revenue Amount described in this Section at any time during the term of this Agreement at either party's sole discretion. The notification shall be in writing and shall be effective thirty calendar days after receipt. The exercising of said option shall not remove either party's obligation to the other party for any Balancing Account balance at the time said option is exercised and becomes effective.

- i. In the event that either party exercises its option to terminate the methodology for establishing the Per Ton Revenue Amount, the parties agree to negotiate a new methodology that is acceptable to both parties. In the event that the parties cannot agree on acceptable changes to the methodology, the fair market value will be based on a review of actual related recyclable material sales revenues and related processing expenses.

Final Draft Dated 1/15/2019

Final Draft Dated 3/11/2011

Exhibit 8 Detailed Rate Review Methodology

1. Request for Detailed Rate Review

At least six months prior to a normally scheduled July 1st RRI, the District or the Company may request that a Detailed Rate Review be conducted. In the event that either the District or the Company requests a Detailed Rate Review, the Detailed Rate Review shall be based on the audited financial statements for the preceding complete fiscal year.

Company shall assemble and submit such information as necessary to support assumptions made with regard to forecasts used to develop their Service Rates. Company shall provide all information from related party entities regarding any material transactions between Company and those related party entities. Service Rates shall be adjusted based on the forecasted annual cost of operations, profit, and forecasted pass-through expense reviewed as set forth below.

- a. Forecasted annual cost of operations. The forecasted annual cost of operations shall consist of the sum of:
 - Forecasted labor-related costs
 - Forecasted vehicle-related costs
 - Forecasted other costs
 - Forecasted depreciation expense

Each of these sums shall be reviewed based on the following:

- i. **Determination of actual costs.** Company's financial statement will be reviewed to determine Company's costs for each of the foregoing categories during the fiscal year involved. District will use the audited financial statements to determine that costs have actually been incurred and have been assigned to the appropriate category.

- ii. **Adjustment of actual costs.** District may adjust the actual costs in two ways: (1) to exclude any non-allowable costs, set out below, and (2) to exclude and/or reduce any costs that were not reasonably and necessarily incurred in the performance of the services provided in accordance with this Agreement.

Costs that may be deemed non-allowable include, but are not limited to, the following:

- i. Payments to directors and/or owners of Company unless paid to reasonably compensate for services actually rendered.
- ii. Promotional, entertainment, and travel expenses, unless authorized in advance by District.
- iii. Payments to repair damage to property of District or other parties, including the City or County for which Company is legally liable.
- iv. Fines or penalties of any nature.
- v. Liquidated damages assessed under Section 10.3 of this Agreement.

Exhibit 8 Detailed Rate Review Methodology

- vi. Federal or state income taxes.
- vii. Charitable or political donations.
- viii. Attorney's fees and other expenses incurred by Company in any court proceeding in which District and Company are adverse parties, unless Company is the prevailing party in said proceedings.
- ix. Attorney's fees and other expenses incurred by Company in any court proceeding in which Company's own negligence, violation of law or regulation, or other wrongdoing, are in issue and occasions in part the attorney's fees and expenses claimed, provided, however, such attorney's fees will be allowed to the extent Company can demonstrate they were reasonable and necessary and a cost of doing business, and were not the result of any intentional or willful misconduct by Company or its employees; and attorney's fees and expenses incurred by Company in a court proceeding in which the legal theory or statute providing a basis of liability against Company also provides for separate strict liability for District arising from the action of its citizens or ratepayers (such as in a CERCLA lawsuit).
- x. Payments to related party entities for products or services, in excess of the fair market value for those products or services. For purposes of this Agreement, related party expenses are those resulting from transactions between Company and another company (companies) that has (have) common ownership or management control. Except as otherwise provided below the amount of these transactions shall be based on the actual cost to the related party and shall include no profit. To demonstrate the actual cost to the related company, Company shall provide, at a minimum, the invoice for the good or service, the receiving document, the corresponding canceled check and the basis for the transaction. Whenever possible, materials shall be delivered directly to Company or the related party entity, as appropriate. Because the following types of related party transactions have existed, they have been specifically addressed below:
 - 1. Management Fees: Company pays management fees to North Bay Corporation, a related party. The management fee compensates North Bay Corporation for its management team's time spent in managing the operations and administering the Company (including the time of Mr. James Ratto). For purposes of determining Company's compensation in accordance with this Agreement, a management fee of \$134,400 annually shall be stipulated and the North Bay Corporation management team, including Mr. James Ratto, shall not otherwise be compensated for these same services. This stipulated amount shall not be adjusted during the term of this Agreement or any extension period.
 - 2. Site Rent Expense: Company operates from facilities it leases from Creekwood Investments and North Bay Corporation, related parties. For purposes of determining Company's compensation in accordance with this Agreement, a lease amount of \$54,000 annually shall be stipulated. This stipulated amount shall not be adjusted during the term of this Agreement or any extension period.

Exhibit 8

Detailed Rate Review Methodology

3. Equipment Rental: Company leases equipment from North Bay Corporation, a related party, and is entitled to compensation for depreciation and interest expense related to this equipment. No compensation for the depreciation of the equipment listed in Exhibit 3 shall be provided to Company, pursuant to this Agreement.

For purposes of this Agreement, Company shall be entitled to compensation for equipment depreciation whether leased or purchased by the Company, based on the following useful lives:

5 Years: Computers and software, office equipment.

7 Years: Automated side load collection vehicles.

10 years: Front or rear load collection vehicles, roll-off collection vehicles, Bins, Carts, and Debris Boxes.

Company shall be required to provide to District (or District's representative) documentation of the original cost of the equipment.

For purposes of this Agreement, Company shall be entitled to compensation for interest expense on equipment leases assuming financing of one hundred percent (100%) of the original cost and based on the Prime Rate of the Bank of America NT & SA in effect at the time the equipment was first leased.

4. Employee Health Insurance: Company purchases employee health insurance for both itself and related parties and is entitled to compensation for Company's cost of this insurance. Because the premium is allocated among several companies, Company's compensation shall be calculated by dividing the premium by the total number of employees covered and multiplying the quotient by the number of Company employees. If Company provides ongoing administration of the health insurance program for itself and related parties, the full cost of such administration shall be distributed among the parties and the Company on the basis of the number of employees covered. To determine the amount of compensation due the Company, Company shall submit to District (or District's designated representative) a copy of the insurance broker's invoice, the corresponding canceled check and the calculations described above, including corresponding documentation supporting the values used (e.g., total employees covered).
5. Automotive Liability Insurance: Company purchases automotive liability insurance for both itself and related parties and is entitled to compensation for Company's cost of this insurance. Because the

Exhibit 8 Detailed Rate Review Methodology

premium is allocated among several companies, Company's compensation shall be calculated by prorating the premium among related parties and Company on the basis of the actual total liability premiums paid for vehicles of each company. To determine the amount of compensation due Company, Company shall submit to District (or District's designated representative) a copy of the insurance broker's invoice, the corresponding canceled check and the calculations described above, including corresponding documentation supporting the values used (e.g., total vehicles covered).

6. Fuel Expense: Company purchases fuel for both itself and related parties and is entitled to compensation for Company's cost of fuel. Because fuel is pumped into both Company and other trucks, Company shall maintain a fuel log that will record actual usage by particular truck. To determine the amount of compensation due Company, Company shall submit to District (or District's designated representative) a copy of the fuel invoices, the receiving documents, the corresponding canceled checks and copies of the fuel log, and calculations supporting the amount of fuel expense claimed by Company.
- b. Forecasts of Costs. Allowed Costs of operations for the Company's prior fiscal year will be used to evaluate the forecasted cost for upcoming year. The review will evaluate forecasted labor-related costs, vehicle-related costs, and other costs, including pass-through expenses as outlined below.
- c. Depreciation Expense. Depreciation expense will be calculated by dividing the actual purchase price of the assets by the number of years in the Term of the Agreement. The result is the forecasted depreciation expense for the rate year.
- d. Profit. Profit or return to Company shall be determined by District applying an operating ratio so as to provide for reasonable costs of service and adequate rate of return to Company. The rate of return or profit shall be reasonably sufficient to allow for financial soundness of Company's operations within the service area of this Agreement, when operated under efficient and economical management, and to provide a return to Company over the term of the Agreement commensurate with the level of business risk, the competitive market place and the necessity to provide the public with reasonable rates. For purposes of this Agreement, the District-determined operating ratio shall be 90% as of the date of the execution of this Agreement.

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DATE: January 12, 2011
TO: Boards, Independent Special Districts
FROM: Peter Banning, Executive Officer
Candice Bozzard, Clerk to the Commission
RE: Special District Election Ballots

Regular Member Selection

LAFCO staff has received six nominations for the regular member seat currently held by Dennis Rodoni. This term of office will end in May of this year. A mail ballot election must be held to select or reselect a member for this position, serving a four-year term ending in May 2015. The nominees for regular member are Pedro Femenia of Alto Sanitary District, Dennis Rodoni of North Marin Water District (incumbent), Bruce Abbott of Richardson Bay Sanitary District, Craig Murray of Las Gallinas Valley Sanitary District, Patrick Guasco of Ross Valley Sanitary District and Lew Kious of Almonte Sanitary District.

Alternate Member Selection

A mail ballot election must be held to select or reselect an alternate member to serve a four-year term beginning in May 2011 and ending in May 2015. Two nominations have been received for the Alternate Special District Member seat. The nominees for alternate member are Russ Greenfield of Las Gallinas Valley Sanitary District and Pamela Meigs of Ross Valley Sanitary District.

Voting Procedure

Attached is a copy of the approved policy and guidelines for Special District Member selection. Also enclosed are the ballot and candidate qualification forms for participation in the selection process for both regular and alternate members. Please rank your first, second and third choices on the ballot form to enable an "instant runoff," or ranked choice voting, as described in item 8 of the adopted procedures. Your ranking of second and third choices for use in the instant runoff process is required in elections such as this, where there are more than two nominees. If ballots are received without rankings for first, second and third choices the ballot will be deemed invalid.

Chairperson: Jeffrey Blanchfield
Members: Susan Adams, Einar Asbo, Barbara Heller, Charles McGlashan, Dennis J. Rodoni, Jeffrey Slavitz
Alternates: Judy Arnold, Christopher Burdick, Carla Condon
Executive Officer: Peter V. Banning

Marin Local Agency Formation Commission

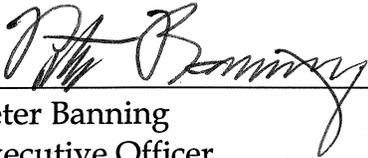
555 Northgate Drive, Suite. 230 • San Rafael, California 94903
Telephone (415) 446-4409 • Facsimile (415) 446-4410 • Email staff@marinlafco.org
Website <http://lafco.marin.org>

Selection Schedule

The Commission will receive ballots through **March 14, 2011**. Ballots are accepted by mail or facsimile at (415) 446-4410. The newly-selected or re-selected candidates will be seated at the May 12, 2011 meeting.

Should you require any assistance, have questions or comments; please contact the Marin LAFCO office at (415) 446-4409.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Peter Banning", written over a horizontal line.

Peter Banning
Executive Officer

BALLOT FORM

MARIN LAFCO AGENCY FORMATION COMMISSION

REGULAR SPECIAL DISTRICT REPRESENTATIVE

Purpose of Election: Selection of **Regular Special District Member** to serve from May 2011 until May 2015. Seat currently held by Dennis Rodoni.

Voting Procedure: Vote shall be one per district. Ballot may be signed by the District Presiding Officer or a designee appointed by the Board of the District.

CHOICE OF CANDIDATES:

(Please indicate first, second and third choice to enable an "instant runoff" if necessary.)

- _____ Pedro Femenia - Alto Sanitary District
- _____ Dennis Rodoni - North Marin Water District
- _____ Bruce Abbott - Richardson Bay Sanitary District
- _____ Craig Murray - Las Gallinas Valley Sanitary District
- _____ Patrick Guasco - Ross Valley Sanitary District
- _____ Lew Kious - Almonte Sanitary District

District

Signature

RETURN FORM TO MARIN LAFCO AFTER THE DISTRICT'S VOTE,

NO LATER THAN March 14, 2011

Ballot may be transmitted by facsimile to (415) 446-4410

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINATION FORM

REGULAR MEMBER SPECIAL DISTRICT MEMBER

Name of District: Alto Sanitary District

1. Board voted to nominate the following current member of its own or another independent special district.

*Name of Nominee: Pedro Femenia

2. Board did not act.

*Attach completed qualification form.

BOARD ACTION:

Ayes: 3

Noes: 0

Absent: 1

Abstain: 1

Tom Roberts for
Stanley Bransgrove
Board President

Attest:

Joyce Miles
Board Secretary

Date: 11/24/10

MUST BE RETURNED TO LAFCO BY January 11, 2011.

Forms may be faxed to (415) 446-4410.

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINEE QUALIFICATIONS

REGULAR SPECIAL DISTRICT MEMBER

Nominated for: Regular Special District Representative

Name: Pedro Femenia

Telephone: (Home) (415) 388-3185 (Work) (415) 302-4961

Email Address: Femenia@aol.com

Home Address:

Employer's Name and Address:

44 Valley Rd

Retired

Mill Valley CA 94941

Present Occupation: Retired

➤ Summary of Qualifications for Position:

Interest in Civic Affairs

➤ Reasons for Applying:

same

➤ Please list any organizations of which you are an officer or an employee:

Director, Alto Sanitary District

Director, SASM

Please return to: Marin LAFCO
555 Northgate Drive, Suite 230
San Rafael, CA 94903

*Additional information may be attached.

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINEE QUALIFICATIONS

REGULAR SPECIAL DISTRICT MEMBER

Nominated for: Regular Special District Representative

Name: Dennis James Rodoni

Telephone: (Home) 415-663-8370

(Work) 415-663-9223

Email Address: djrodoni@gmail.com

Home Address: 10225 State Rte One
PO Box 254
Olema, CA 94950

Employer's Name and Address:
Self
11245 State Route One
Point Reyes Station, CA 94956

Present Occupation: Licensed General Contractor

> **Summary of Qualifications for Position:**

BA degree in Economics, Secondary Teaching, Public Safety and Accident Prevention Credentials, all from California State University at Chico. CA General Contractors License; Former Vice-President and Design Review Chairman of Point Reyes Station Village Association; elected to North Marin Water District Board of Directors in November 1995; elected to Marin County Special Districts Association Board in 1999; elected LAFCO Special District Representative in 2001.

> **Reasons for Applying:**

A second round of Spheres of Influence and Service Reviews will soon start. I would be honored to represent Special Districts for another four years in these discussions. I believe it is important to maintain a geographical balance within LAFCO. Living in West Marin and being a Director of the NMWD (Novato area) will give two areas of the county much needed representation. I will continue to be responsive and a strong advocate for Special Districts to assure that quality and quantity of services are addressed fairly at LAFCO. Challenges like AB 1232 illustrates the importance of a strong representative on this Commission. I hope you agree and will give me your first choice vote on the regular member ballot

> **Please list any organizations of which you are an officer or an employee:**

Director, North Marin Water District; Past President & Director of the Coastal Health Alliance; Former Chair, Assisted Living Planning Group, West Marin Senior Services; Past President & Director Marin County Special Districts Association; Past Commissioner, Golden Gate National Recreation Area; Advisory Commission; Past Chair & Director Point Reyes National Seashore Association; Vice-Chair & Foundation Board member, Tomales Bay Watershed Council; Commissioner for Special Districts, Marin Local Agency Formation Commission since 2001.

Please return to: Marin LAFCO
555 Northgate Drive, Suite 230
San Rafael CA 94903

*Additional information may be attached.

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINEE QUALIFICATIONS

REGULAR SPECIAL DISTRICT MEMBER

Nominated for: Regular Special District Representative

Name: BRUCE D. ABBOTT

Telephone: (Home) 415 383-9133 (Work) _____

Email Address: brucedabbott@comcast.net

Home Address:

Employer's Name and Address:

458 GREENWOOD BEACH RD
TIBURON, CA 94920

Present Occupation: RETIRED

> Summary of Qualifications for Position:

PLEASE SEE ATTACHED

> Reasons for Applying:

I HAVE AN ABIDING INTEREST IN MY COMMUNITY AND THE SERVICES IT PROVIDES TO ITS CITIZENS

> Please list any organizations of which you are an officer or an employee:

MEMBER OF BOARD OF DIRECTORS - RICHARDSON BAY SANITARY DISTRICT

Please return to: Marin LAFCO
555 Northgate Drive, Suite 230
San Rafael, CA 94903

*Additional information may be attached.

Bruce D. Abbott
458 Greenwood Beach Road
Tiburon, CA 94920
415 383-9133

January 3, 2011
Marin Local Agency Formation Commission
555 Northgate Drive, Suite 230
San Rafael, CA 94903

Dear Members of the Commission:

In support of my application for selection as a Regular Member of the Commission, I offer this supplemental information in support of my candidacy, and request that you please distribute it to your membership.

J.D. Degree, University of Georgia
U.S. Navy Flight School, Pensacola, FL
Member of the Bar (now inactive), States of California and Georgia
Resident of Marin County since 1974

Six years active duty, U.S. Navy
Captain, Pan American World Airways, 26 years
Five years active practice of law
Chairman, Air Line Pilots Association, Berlin Chapter

Former member of the Marin Civil Grand Jury
Former President, Greenwood Beach Homeowners Association
Board member, Tiburon "Get Ready" program

I extend my appreciation for the consideration of the Members of the Marin Local Agency Formation Commission.

Sincerely,



Bruce D. Abbott

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINEE QUALIFICATIONS

REGULAR SPECIAL DISTRICT MEMBER

Nominated for: Regular Special District Representative

Name: Craig K. Murray *CKM*

Telephone: (Home) 499-9899 (Work) 510-307-8188

Email Address: District: cmurray@lgvsd.org ; Work: Craig Murray@ci.richmond.ca.us

Home Address:

Employer's Name and Address:

443 Montecillo Road

City of Richmond, Redevelopment Agency

San Rafael, CA 94903

440 Civic Center Plaza, Richmond, CA 94804

Present Occupation: Development Project Manager II

- Summary of Qualifications for Position:
- BA, UC Berkeley; Master Public Administration, CSULB; Certf. in Econ.Dev.,UCR
- Senior Right of Way, SR/WA Designation, Intl. Right of Way Association
- Local Government Real Property Experience, 1985 to present
- Experience with a variety of intergovernmental administration matters
- Marin County Emergency Operations Center, Plg/Intel Section Volunteer
- City of Long Beach Real Estate Technician managed property matters including Annexation interests under Cortese-Knox
- Managed 1,783 Acre Redevelopment Project Area Amendment for Richmond
- Reviewed, as community member & now as a LGVSD Director, LAFCO related Sanitary District Sphere of Influence matters

- Reasons for Applying:
- LGVSD Board Representative Candidate
- Interest in effective use of property, limits on Urban Sprawl and development of reliable local government agencies
- Raised in Central Marin as a member of a 4th Generation Marin Family based in community service

- Please list any organizations of which you are an officer or an employee:
- Director/President, Las Gallinas Valley Sanitary District
- Secretary, Terra Linda Homeowners Association
- Scoutmaster, San Rafael Boy Scout Troop 101

MARIN LOCAL AGENCY FORMATION COMMISSION**NOMINEE QUALIFICATIONS****REGULAR SPECIAL DISTRICT MEMBER**

Nominated for: Regular Special District Representative

Name: Patrick GuascoTelephone: (Home) (415) 987-1476 (Work) (415) 289-4192Email Address: guasco@pacbell.net

Home Address:

Employer's Name and Address:

348 San Francisco Blvd.City of SausalitoSan Anselmo, CA 94960420 Litho Street, Sausalito, CA 94965Present Occupation: City of Sausalito Sewer System Coordinator➤ **Summary of Qualifications for Position:**

21 Years as a sewer system wastewater collection system professional; 2 year B&M Septic Contractors in Bolinas, CA; 16 years collection system maintenance professional with Ross Valley Sanitary District; 4 years City of Sausalito Sewer System Coordinator; elected Board Member for Sanitary District No. 1 of Marin County.

➤ **Reasons for Applying:**

Ross Valley Sanitary District needs a representative on the LAFCo commission, as it would be served well with a representative with extensive knowledge of the Ross Valley Sanitary District infrastructure and appurtenances and the RVSD sphere of influence as a local statutory authority.

➤ **Please list any organizations of which you are an officer or an employee:**

Active City of Sausalito Sewer System Coordinator

Active California Water Environment Collection System Maintenance, Grade IV

Active City of Sausalito Agency Staff Committee member of Marin Stormwater Pollution Program

Active Alpha Sigma Lambda Society member for "First in Scholarship, First in Leadership" Dominican Univ.

Please return to: **Marin LAFCO**
555 Northgate Drive, Suite 230
San Rafael, CA 94903

*Additional information may be attached. Please see attachments following

Patrick A. Guasco
348 San Francisco Boulevard
San Anselmo, CA. 94960
Home phone (415) 453-1020
Fax (415) 453-3492
Cell (415) 987-1476
Email Guasco@pacbell.net

Areas of Experience:

- ❖ Management of public agency personnel
- ❖ Troubleshooting of public agency system items
- ❖ Construction Inspection
- ❖ Public Facilities Management.
- ❖ Repair and upgrading of system infrastructure not limited to and including:
 - Pipe line replacement
 - Manhole installation
 - Curb and gutter replacement
 - Road way repair
 - Asphalt work
 - Backhoe operator
- ❖ Sewer/Storm System cleaning.
- ❖ Sewer/Storm System marking and locating.
- ❖ Rodent Control applications
- ❖ Televising of pipeline interiors.
- ❖ Arranging all USA needs.
- ❖ Created an open line of communication to all local utilities, public officials and city engineers.
- ❖ Oxy/Acetylene, electric arc, and MIG welding.
- ❖ Most pneumatic, gasoline, and electrically operated hand tools.
- ❖ Vendor Management.
- ❖ Compilation of Database Information.
- ❖ Project Scheduling.
- ❖ Project Planning.
- ❖ Project Prioritization.
- ❖ Field Staff Management.
- ❖ Development of Policies and Procedures.
- ❖ Inventory Management.
- ❖ Staff Training and Supervision.
- ❖ Sewer Overflow Response.

Special Skills:

- ✓ Strong organizational skills.
- ✓ Ability to acquire and apply knowledge rapidly.
- ✓ Independent; works with minimal supervision/ contributes to a team.
- ✓ Effectively handles multiple tasks.
- ✓ CPR/ Advanced First Aid certified.
- ✓ SCBA training and facilitator.
- ✓ FIT testing.
- ✓ Excellent public relations skills.
- ✓ Touch typing skills 40+ wpm.
- ✓ Superior Safety Skills. Including but not limited to:
 - ❖ California shoring procedure.
 - ❖ California Confined space entry procedures.
 - ❖ Vehicle terminal pre-trip and terminal return procedures.
 - ❖ Vehicle BIT program facilitator.
 - ❖ Vehicle SMOKE testing facilitator.
 - ❖ Vehicle SMIT testing facilitator.
 - ❖ Control Panel Lock out and Tag out procedures.

Training and Certificates:

- ✓ CWEA 2010 Northern Safety Training Day 10/27/10
- ✓ Certificate of Completion Employment Risk Management Authority for Completion of Maximizing the Workplace Training 04/08/10
- ✓ Certificate of Completion CWEA One Day Specialty Conference—Technical Writing Workshop 3/9/10
- ✓ Certificate of Completion SF Bay Regional Water Quality Control Board Construction Site Compliance for Water Quality Protection Workshop 12/2010
- ✓ Emergency Management Institute FEMA EOC Management and Operations 11/2009
- ✓ Certificate of Completion 2009 NPDES General Permit Seminar 8/29/2009
- ✓ Special District and Local Government Institute Certificate of Completion Special District Leadership & Management 10/2009
- ✓ California Water Environment Association (CWEA) Member Certificate Holder Grade IV Collection System Maintenance 3/2009—to present
- ✓ California Association of Sanitary Agencies (CASA) Member 2006/present
- ✓ Bay Area Automated Mapping Association (BAAMA) Member 2007/present
- ✓ Best Management Practices (BMP) /Ethics Training 2006 and 2008
- ✓ Operator Certification Training (OCT) Wastewater Mathematics 2008
- ✓ ESRI Arcview 9.2 Completed December 2007
- ✓ State of California Contractors State License Board C-8 Concrete Contractors License. Date of Issue; October 15, 2007
- ✓ CWEA 2007 SSO-WDR Compliance Workshop SSMP Training
- ✓ Lorman Educational Services "What You Need to Know about Public Records, Open Meetings And Conflicts of Interest In California" seminar June 2006
- ✓ Class C Drivers License
- ✓ Completed B.A. in May 2006 while attending Dominican University of California
- ✓ 3.60 GPA while attending Dominican University of California

- ✓ April 2005 inducted into Alpha Sigma Lambda Society while attending DUC (equivalent of Phi Beta Kappa for adult learners) for my consistently high GPA and leadership qualities
- ✓ CWEA "Safety Above and Beyond Training Day 2002"
- ✓ Fred Pryor Courses: How to Supervise People, Criticism and Discipline Skills for Managers, How to Supervise People with Tact and Skill 1994, 2002, 2000
- ✓ Arasmith Consulting Services; Pumps and Pumping, Basic Electricity. 1992, 1991
- ✓ MME, Inc; Vac-Con VIP Service and Operation Training School. 2000
- ✓ CWPCA-MSA-AWWA Safety Academy for Tractor Loader Backhoe Seminar. 1997.
- ✓ Plank Company; Competent Person Awareness Trench Safety Awareness Seminar. 1993, 1997, 1999.
- ✓ Rockhurst College of Continuing Education; Microsoft Windows Seminar. 1993.
- ✓ AA degree, Siskiyou Junior College 1991.

Computer Knowledge:

- ✓ Microsoft Windows XP, Excel, Word Perfect, Quicken Deluxe, SPSS 12.0-13.0, Dell, IBM, Microsoft Vista Software and ESRI Arcview 9.2 (GIS), Springbrook Accounting Software, ICOM 3 Infrastructure Data/Asset Management Software, Marin Map GIS Applications.

Education:

- ✓ I am well-educated; I understand the deliberate process of representing the public's needs.
 - ❖ A.A. degree—Business Management. College of the Siskiyou, Weed California, 1991.
 - ❖ B.A. degree—Strategic Management. Dominican University of California, San Rafael California, 2006.

Professional Experience:

- ✓ Area Advisory Committee member representing The City of Sausalito—Marin Storm Water Pollution Prevention Program.
- ✓ Director/Treasurer—Ross Valley Sanitary District No.1 of Marin County Re-elected June 2010—term 2014.
- ✓ Commissioner—Central Marin Sanitation District. Re-appointed July 2010—term 2014.
- ✓ The City of Sausalito
420 Litho Street
Sausalito, CA. 94965
 - ❖ Sewer System Coordinator. Executive staff member of The City of Sausalito Department of Public Works. Oversee all applications that apply to sewer and storm water systems.
 - ❖ Manage Sewer and Storm System Forced Work Projects.

- ❖ Manage and update all data in the City Infrastructure Data/Asset Management Software ICOM 3.
 - ❖ Inspection of all Sewer Video Inspections
 - ❖ Inspection of all Private Side Sewer Lateral and Publicly Owned Sanitary Sewer Construction
 - ❖ Manage Sewer and Storm System Budget.
 - ❖ Manage Sewer / Storm Tax Role Assessment.
 - ❖ Designated City of Sausalito Sewer System CIWQS/RWQC LRO.
 - ❖ Manage the Sewer System Management Plan.
 - ❖ Assist Department of Public Works Director manage the Storm Water System Management Plan
 - ❖ Agency Staff Committee (ASC) member representing the City of Sausalito at all Marin Storm Water Pollution Prevention Program (MCSTOPPP) monthly meetings
 - ❖ Manage all correspondence as it relates to sewers, storm water and the public.
 - ❖ Inspect and manage sewer and storm water related construction.
 - ❖ Prepare and propose Capital Improvement Projects to City Engineer.
 - ❖ Assist Department of Public Works Director with all County, Regional, State and Federal Agency correspondence.
- April 2007 - Present

✓ The Home Depot
1105 Shoreline
San Rafael, CA. 94901

- ❖ Professional Account Sales Associate. Contractors Services Pro-Desk—
January 2006 to April 2007.

✓ Patrick Guasco Foods
348 San Francisco Boulevard
San Anselmo, CA. 94960

- ❖ I worked for myself as an entrepreneur specializing in gourmet food—
home delivery from August 2005 January 2006.

✓ Ghillotti Brothers Contractors
525 Jacoby Street
San Rafael, CA. 94901

- ❖ I had been with Ghilotti Brothers Contractors from January 31, 2005
until August 2005 as a working foreman.

✓ Ross Valley Sanitary District No. 1 of Marin County, 2000 Larkspur Landing,
Larkspur CA. 94939-1828. 1989- 2005.

I had served the district within the capacity of:

- ❖ Acting Superintendent - set out to create a spill response program that all could understand by qualitatively and quantitatively researching what the local, state and federal governments require

- ❖ Line Repair Supervisor - continually increased line repair production.
 - ❖ Line Repair Crew Leader - continually increased line repair production.
 - ❖ Line Trouble Crew Leader - continually added to district database, the most problematic system items. First response to SSO's. Applied my public relations skills regularly and received many thanks from the public for doing so.
 - ❖ Facilitator/Co-Founder of RVSD#1 safety committee and safety policies.
- ✓ Crystal Treasures, 10 Tulip Road, Bolinas, CA. February 1988 – February 1989.
- ❖ Sales manager. Over saw all sales that were in-house and what was generated by sales representation firms.
 - ❖ Facilitated all west coast shows in Los Angeles, San Francisco and Seattle Washington. These shows happened twice a year.
 - ❖ Participated in the west coast shows as booth sales manager.
 - ❖ Shipping Manager. Oversaw all shipping prior to being the sales manager.
- ✓ B and M Contractors-1595 Imperial Drive, Redding CA.
February 1987 – February 1988
- ❖ Skilled Laborer. Sewer Service Company. Installation and maintenance of septic systems in Bolinas, Sea Drift and Stinson Beach, California.
 - ❖ Installation of triple-filtered Orenco septic systems, mound systems, and gravity flow systems.
 - ❖ Operation of all tools necessary to perform job, including: pump trucks, heavy equipment, gas operated hand tools, pneumatic hand operated tools, electric operated hand tools and sewer cleaning equipment.

References and documentation available upon request

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINEE QUALIFICATIONS

REGULAR SPECIAL DISTRICT MEMBER

Nominated for: Regular Special District Representative

Name: Low Klous

Telephone: (Home) 1-415-383-8750 (Work) 1-415-389-6112

Email Address: ldklous@sbcglobal.net

Home Address:
233 Princeton Ave.

Employer's Name and Address:
Princeton Associates

Mill Valley, CA 94941

233 Princeton Ave., Mill Valley, CA 94941

Manager, Computer Sales

Present Occupation: _____

➤ Summary of Qualifications for Position:

- I am a proven business manager in private and public companies.
- I am a Technology professional who can provide high-tech perspective to local issues.
- I am a life-long Bay Area resident, and resident of Marin for 28 years.

➤ Reasons for Applying:

- I am a strong supporter of appropriate local, community government
- I believe that LAFCO needs continued local perspective on issues affecting Marin County government.

➤ Please list any organizations of which you are an officer or an employee:

Almonte Sanitary- Secretary/Treasurer
Sewerage Agency of Southern Marin (SASM)- Secretary

Please return to: Marin LAFCO
555 Northgate Drive, Suite 230
San Rafael, CA 94903

*Additional information may be attached.

Additional information on Lew Kious' nomination to Marin LAFCO

1. Summary of Qualifications:

- I have spent 30+ years working in a variety of high-tech companies, and have always focused on developing solutions, resolving conflicts, and getting positive results.
- I was born in the Bay Area and moved to Mill Valley in 1983. I made the choice to live in Marin because I appreciate and respect the "Marin lifestyle". To me, the "Marin lifestyle" means respecting your neighbors, protecting the physical environment in which we live, and ensuring that this community is protected for future generations.
- As Secretary/Treasurer of Almonte Sanitary District I have implemented available technology solutions to meet the district's needs. I implemented a computer-based mapping system for Almonte's sewer lines. I pushed forward the acquisition of a dedicated computer system to support mapping and other functions. And I re-designed and implemented a new website for Almonte Sanitary, thereby improving communication to Almonte's constituents.
- As a member, and now Secretary, of Sewerage Agency of Southern Marin (SASM), I have consistently voted for fiscal responsibility. I lead the sub-committee that analyzed and is now improving the working agreement between SASM and the City of Mill Valley.

2. Reasons for applying:

- I am committed to local government whenever appropriate, and I believe that this perspective is needed on Marin LAFCO.
- I have learned about the way LAFCO can operate as a result of my involvement with LAFCO's efforts to consolidate the sanitary districts of Southern Marin.
- I would like to make use of my experience with SASM and Almonte Sanitary. I believe this experience will help me to be effective as a member of Marin LAFCO.

BALLOT FORM

MARIN LAFCO AGENCY FORMATION COMMISSION

SPECIAL DISTRICT REPRESENTATIVE - ALTERNATE MEMBER

Purpose of Election: Selection of **Alternate Special District Member** to serve from May 2011 to May 2015.

Voting Procedure: Vote shall be one per district. Ballot may be signed by the District Presiding Officer or a designee appointed by the Board of the District.

CHOICE OF CANDIDATES:

_____ Russ Greenfield - Las Gallinas Valley Sanitary District

_____ Pamela Meigs - Ross Valley Sanitary District

District

Signature

RETURN FORM TO MARIN LAFCO AFTER THE DISTRICT'S VOTE,
NO LATER THAN March 14, 2011

Ballot may be transmitted by facsimile to (415) 446-4410

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINEE QUALIFICATIONS

ALTERNATE SPECIAL DISTRICT MEMBER

Nominated for: Alternate Special District Representative

Name: Pamela Meigs

Telephone: (Home) (415) 258-2882 (Work) (415) 925-7663

Email Address: pamelameigs@sbcglobal.net

Home Address: 310 Cypress Drive Fairfax, CA 94930

Employer's Name and Address: Marin General Hospital 350 Bon Air Road, Greenbrae

Present Occupation: Registered Nurse

Summary of Qualifications for Position:

Director for Ross Valley Sanitary District No. 1; Fairfax General Plan Advisory Committee; Native Bay Area Resident (born in Berkeley); Ross Valley Resident for over 20 years; Advocate of Community Health, the Environment, and Fiscal Responsibility. Over 15 year of Community Leadership experience in the Ross Valley; Past Chair and current member of the Fairfax Planning Commission for over 7 years; Past member of the General Advisory Committee for the Town of Fairfax; Worked on Safety, Land Use, Open Space, Circulation, Housing, Conservation, and the Downtown elements for the General Plan for the Town of Fairfax; Initiated a major revision for the Tree Ordinance for the Town of Fairfax; Worked on the Mixed Use Overlay Zone Draft for the Town of Fairfax; Initiator and Past Co-chair of the Fairfax Open Space Committee; Completed the Environmental Forum Community Leadership Program; Member of the Sierra Club, Sustainable Fairfax, Daughters of the Golden West, and Nursing Honor Society

Reasons for Applying:

My goal is to promote and provide assistance to other government agencies of the County and the Public concerning changes in local government boundaries and organization and to encourage the preservation of open space and agricultural lands

Please list any organizations of which you are an officer or an employee:

Please return to: Marin LAFCO 555 Northgate Drive, Suite 230 San Rafael, CA 94903

*Additional information may be attached.

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINEE QUALIFICATIONSALTERNATE SPECIAL DISTRICT MEMBER

Nominated for: Alternate Special District Representative

Name: Russell R GreenfieldTelephone: (Home) 415 578 2580 (Work) _____Email Address: rgmxman@gmail.com

Home Address:

Employer's Name and Address:

104 MABRY WAYSAN RAFAELPresent Occupation: retired - current BOARD MEMBER LGVSD

▶ Summary of Qualifications for Position:

34 YEARS AS employee of RVSD - (maintenance supervisor
 LAND USE - AS it applies to Santa Venetia ^{construction} Inspector
 experience in developing community plan.

▶ Reasons for Applying:

to serve the community. - I have a non threatening
 approach to work with others and use common sense

▶ Please list any organizations of which you are an officer or an employee:

president - Gallinas Watershed Council
 BOARD member Santa Venetia Neighborhood Association
 member of group working to create community plan for SV

Please return to:

Marin LAFCO
 555 Northgate Drive, Suite 230
 San Rafael, CA 94903

*Additional information may be attached.

Russ Greenfield

Married 40 years -Pamela - two children 39 & 35

Hove lived in Marin County since 1956

Novato High graduate - 1967

Attended College of Marin and Sonoma State 1968 -71

Worked 34 years @ Ross Valley Sanitary District

As maintenance supervisor, construction inspector

12 years on Las Gallinas Valley Sanitary District Board 3 terms as president

4 years serving on Santa Venetia Neighborhood Association Board

President Gallinas Watershed Council

I hope to serve as LAFCO alternate and focus on community minded goals and objectives.

Enjoy playing baseball, off road motorcycles and spoiling my grandson

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Pump Station Rehabilitation Project; Project Unit 3, Western Oaks, Hamilton 2 & 3 Pump Stations; Project No. 72403	MEETING DATE: March 14, 2011 AGENDA ITEM NO.:
RECOMMENDED ACTION: Review bids received, authorize contract award to the lowest responsive bidder, Anderson Pacific, and authorize Manager-Engineer to execute contract.	
SUMMARY AND DISCUSSION: At its February 14, 2011 meeting the District Board made CEQA findings and authorized staff to advertise for bids for the project. On March 9, 2011, 3 bids were received as follows: <ol style="list-style-type: none">1. Anderson Pacific: \$1,265,000.002. Maggiora & Ghilotti: \$1,272,273.003. W.R. Forde & Associates: \$1,344,000.00 Anderson Pacific of Santa Clara submitted the lowest responsive bid of \$1,265,000.00 or \$115,000.00 (10%) above the estimate of probable construction cost in the amount of \$1,150,000.00 for this work and \$8,273.00 (<1%) below the next highest bidder. Anderson Pacific's bid documents have been reviewed and they are in order. Anderson Pacific's references have also been contacted and they have all provided positive feedback. The FY10-11 budget includes \$3,700,000 for the Pump Station Rehabilitation Projects. To date, \$483,938.84 has been expended. Accordingly, at this time, it is recommended that the Board award the Unit 3 – Western Oaks, Hamilton 2 & 3 Pump Stations of the Pump Stations Rehabilitation Project to Anderson Pacific with a bid of \$1,265,000.00, and authorize the Manager-Engineer to execute the contract.	
ALTERNATIVES: None.	
BUDGET INFORMATION: This work will be funded from the budget for Pump Station Rehabilitation Projects, Project 72403, which has a current FY10-11 budget balance of \$3,216,061.16.	
DEPT.MGR.:	MANAGER:

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Staff Report: North Bay Watershed Association Meeting	MEETING DATE: March 14, 2011
AGENDA ITEM NO.:	
RECOMMENDED ACTION: Information only.	
SUMMARY AND DISCUSSION:	
<p>The North Bay Watershed Association met on March 4, 2011, at the Novato Sanitary District.</p> <p>2011-12 Budget Harry Seraydarian used a PowerPoint presentation to provide background information to the Board on the 2011-2012 Budget. He summarized projects funded since the organization's founding in 2000. Harry then presented the budget decisions that had been made in 2009-2010 and 2010-2011 and the use of carryover funds. He concluded with the budget proposal for 2011-2012 and noted that members would be paying approximately 3% less due to the addition of Napa Flood Control and Water Conservation District as a member and that Petaluma would be returning as a voting member in 2011-2012.</p> <p>Harry offered potential projects identified to date: Aquatic Invasive Species Workshop – \$2k; Sea Level Rise-Pilot – \$44k (Marin Shoreline – 7 miles from Petaluma to China Camp); STRAW – three counties – \$35k; SSCRCDD, MCSTOPPP, Napa RCD for follow up on Slow it, Spread it, Sink it (more printing and demonstration projects with Garden Challenge) – ~ \$43k; Repeat-Education/Restoration – Marin, Napa, Sonoma – \$45k; and Stormwater – 1) Early Monitoring Plan for all three counties to meet Phase II Permit – \$30k minimum, 2) LID workshops in each county possibly using Bay Friendly, 3) Green Gardener workshops (in Spanish).</p> <p>The Board unanimously approved the \$178,304 budget (with \$85k from carryover for projects) as a <u>maximum</u> which can be revisited in April. Harry asked Board members to send any comments or suggestions to him and he will present a summary at the April meeting.</p> <p><u>San Pablo Bay Watershed Management Plan.</u> Daria Mazey, U.S. Army Corps of Engineers (USACE), provided an overview of the plan. Daria noted that the State Coastal Conservancy has been a partner on the San Pablo Bay Restoration Program since 1999 and then stated the Watershed Study Goals. Daria reported a list of efforts by USACE to support and promote watershed restoration and then described what the program does and what is included in the plan (plan available on NBWA website). She also related the problems identified in the plan and highlighted USACE guidance on valuing ecosystems. Daria displayed a summary of section 5053 and highlighted the areas included: A) The tidal areas of the Petaluma River, Napa-Sonoma Marsh, B) The shoreline of West Contra Costa County, C) Novato Creek, D) Suisun Marsh, and E) Gallinas-Miller Creek. Daria observed that funding was authorized for planning, design, and construction up to a limit of \$40 million but that no funds had been provided to date.</p>	
ALTERNATIVES: NA	
BUDGET INFORMATION: NA	
DEPT.MGR.:	MANAGER: