

**SIXTH AMENDMENT  
SOLID WASTE COLLECTION FRANCHISE AGREEMENT FOR THE WILLOW CREEK  
AREA OF HUMBOLDT COUNTY**

This Sixth Amendment to the Solid Waste Collection Franchise Agreement for the Willow Creek Area of Humboldt County dated June 13, 2014, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Recology Eel River, formerly known as Eel River Disposal Company, Inc., a California corporation, hereinafter referred to as "CONTRACTOR," shall be effective as of September 1, 2018.

**RECITALS**

WHEREAS, on June 13, 2014, COUNTY and CONTRACTOR entered into a Solid Waste Collection Franchise Agreement ("Franchise Agreement") for the handling and disposal of solid waste and recyclables in the unincorporated Willow Creek area of Humboldt County ("Franchise Area") for the period of May 27, 2014 to June 30, 2024; and

WHEREAS, on October 14, 2014, COUNTY and CONTRACTOR agreed to amend the Franchise Agreement to allow for the provision of additional services within the Franchise Area and change the processing facility to which all targeted recyclables collected by CONTRACTOR will be delivered; and

WHEREAS, on October 14, 2014, CONTRACTOR assigned to Tom's Trash Company all of CONTRACTOR's rights and interest in the Franchise Agreement, and any and all amendments thereto, other than the rights, obligations and duties associated with the collection and disposal of debris box franchise solid waste within the Franchise Area; and

WHEREAS, the COUNTY is a party to a Memorandum of Understanding Between the Humboldt Waste Management Authority ("HWMA") and its Member Agencies to Participate in a Recycling Processing and Marketing of Curbside Collected Recyclable Material Proposal dated February 8, 2018 (the "MOU"); and

WHEREAS, pursuant to the MOU, HWMA entered into an Agreement for Recyclable Materials Processing and Marketing Services dated August 7, 2018 with Recology Eel River (the "Processing Agreement"), for the processing of Recyclable Materials collected within the HWMA Member Agencies' franchised areas at the Recology Eel River Samoa Resource Recovery Center (the "MRF"); and

WHEREAS, the Franchise Agreement and State law allow for the adjustment of the Maximum Service Rates which may be charged by CONTRACTOR for the provision of services pursuant to the Franchise Agreement, such as annual index-based adjustments, changes in the franchise fee, or changes in disposal and/or processing costs; and

WHEREAS, consistent with the MOU, the Processing Agreement and the Franchise Agreement, COUNTY and CONTRACTOR wish to amend the Franchise Agreement to designate the MRF as the Designated Recycling Facility, adjust the Maximum Service Rates charged by CONTRACTOR for the handling and disposal of recyclables to reflect the initial cost of processing at the MRF, as set forth in the Processing Agreement, and provide a mechanism to adjust the Maximum Service Rates charged by CONTRACTOR for the handling and disposal of recyclables on an annual basis to reflect changes in the processing cost under the Processing Agreement.

NOW, THEREFORE, IT IS AGREED as follows:

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1. The Maximum Service Rates which may be charged by CONTRACTOR pursuant to Section 14 of the Franchise Agreement shall be as shown in the modified versions of Exhibit B – Willow Creek Area Franchise Collection Rates and Exhibit C – Willow Creek Area Disposal Rates, which are attached hereto and incorporated herein by reference. Such Maximum Service Rates shall supersede and replace all prior Maximum Service Rates set forth in the Franchise Agreement, and all previous amendments thereto, as of the effective date of this Sixth Amendment. If, at the time this Sixth Amendment is entered into, CONTRACTOR has already billed customers under the previous Maximum Service Rates for the period beginning September 1, 2018, then, in a subsequent billing, CONTRACTOR may bill customers for the difference between such rates and the new Maximum Service Rates, with respect to services provided from and after September 1, 2018.

2. The second paragraph of Section 11(A) – Disposal Facility of the Franchise Agreement is hereby amended to read in its entirety as follows:

“All Targeted Recyclables collected by CONTRACTOR pursuant to this Agreement shall be transported for processing to a facility designated by COUNTY (the “Designated Recycling Facility”), as may be changed from time to time. As of September 1, 2018, the Designated Recycling Facility is the Recology Eel River Samoa Resource Recovery Center located at 55 Vance Avenue, Samoa, California. All construction and demolition debris collected by CONTRACTOR pursuant to this Agreement shall be transported for processing to a facility designated by COUNTY, as may be changed from time to time. As of September 1, 2018, such facility is the Humboldt Waste Management Authority transfer station located at 1059 West Hawthorne Street, Eureka, California.”

3. Section 14(B)(iv) – Pass-Throughs of the Franchise Agreement is hereby amended to read in its entirety as follows:

“(iv) **Pass-Throughs.** In the event of an increase in the franchise fee, solid waste tipping fee, Processing Costs (as defined below) for Targeted Recyclables, or processing fee for construction and demolition debris, an amendment to adjust the rates in Exhibit B will be executed, such that the increased cost is a pass-through to CONTRACTOR. Should the rates increase exceed the percentage specified in Section 521-8(b), Chapter 1 of Division 2 of Title V of the Humboldt County Code, a public hearing is required. The rates will require the approval of the COUNTY Board of Supervisors. The change in Processing Costs will be calculated by comparing Processing Costs in the Rate Year and the Current Year. “Rate Year” means the twelve (12) month period commencing on the July 1 Maximum Service Rate adjustment date. “Current Year” means the immediately preceding twelve (12) month period. “Processing Costs” means (i) CONTRACTOR’s reasonable good faith projection of the number of tons of Targeted Recyclables to be delivered by CONTRACTOR to the Designated Recycling Facility under this Agreement for the period in question, multiplied by (ii) the per-ton fee payable by CONTRACTOR for processing at the Designated Recycling Facility for the period in question, as determined pursuant to the Agreement for Recyclable Materials Processing and Marketing Services dated August 7, 2018 between the Humboldt Waste Management Authority and Recology Eel River, as amended. CONTRACTOR’s projection of Targeted Recyclables tonnage for the Current Year shall use actual data for the months of the Current Year for which actual data are available.”


4. Except as modified herein, the Franchise Agreement dated June 13, 2014, as previously amended, shall remain in full force and effect. In the event of a conflict between the provisions of this Sixth Amendment and the original Franchise Agreement, or any prior amendments thereto, the provisions of this Sixth Amendment shall govern. Capitalized terms used, but not defined, herein shall have the meanings given to them in the Franchise Agreement. Unless otherwise expressly indicated, all references herein to sections refer to sections of the Franchise Agreement, as amended.

IN WITNESS WHEREOF, the parties hereto have entered into this Sixth Amendment as of the last date indicated below.

**RECOLOGY EEL RIVER:**

By:   
Michael J. Sangiacomo  
President and Chief Executive Officer

Date: 9/7/18

By:   
Cary Chen  
Corporate Secretary

Date: 9/7/18

**Recology.**

Reviewed by:

BS

Legal

**COUNTY OF HUMBOLDT:**

By:   
*Rex Bohn*  
Vice Chair, Humboldt County Board of Supervisors

Date: 9/25/18

**INSURANCE CERTIFICATES APPROVED:**

By:   
Risk Management

Date: 9/21/18

*Acknowledged and Agreed:*

**JOSHUA & LISA MCKNIGHT DBA TOM'S TRASH COMPANY**

By: \_\_\_\_\_  
Joshua McKnight

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Lisa McKnight

Date: \_\_\_\_\_

**LIST OF EXHIBITS:**

- Exhibit B – Willow Creek Area Franchise Collection Rates
- Exhibit C – Willow Creek Area Disposal Rates

Exhibit B  
Willow Creek Area Franchise Collection Rates  
Effective as of September 1, 2018

*(see separate sheet(s) attached)*

Exhibit C  
Willow Creek Area Disposal Rates  
Effective as of September 1, 2018

*(see separate sheet(s) attached)*

**EXHIBIT B: TOM'S TRASH RATE SCHEDULE**  
EFFECTIVE Sept 1, 2018

A Type of Service	B Prior Yr Base Rate		D CPI Adjustment 2.3206458%	E Current Yr Base Rate		G Disposal \$ 190.00	H Sub-Total		J Franchise Fee		Recycling 1.09%	L Total Rate		M Addl Container	N
	One Container	Addl Container		One Container	Addl Container		One Container	Addl Container	One Container 9%	Addl Container 9%		One Container	Addl Container		
<b>Residential/Senior/Commercial</b>															
30 Gallon Can - 1x/week	\$ 12.21	\$ 5.50		\$ 12.49	\$ 5.63	\$ 12.35	\$ 24.84	\$ 17.98	\$ 2.46	\$ 1.78	\$ 0.30	\$ 27.60	\$ 19.76	Weekly	
2x/week	24.43	10.99		25.00	11.25	24.70	49.70	35.95	4.92	3.56	0.60	55.21	39.50	2 Cans/ Twice Weekly	
<b>40-GALLON CAN</b>															
40 Gallon Can - 1x/week	\$ 11.78	\$ 5.08		\$ 12.05	\$ 5.20	\$ 16.47	\$ 28.52	\$ 21.66	\$ 2.82	\$ 2.14	\$ 0.34	\$ 31.68	\$ 23.81	Weekly	
2x/week	23.57	10.16		24.12	10.40	32.93	57.05	43.33	5.64	4.29	0.69	63.38	47.61	2 Cans/ Twice Weekly	
<b>LARGE CONTAINERS</b>															
1.5 CY - 1x/week	\$ 94.96	\$ 79.95		\$ 97.16	\$ 81.81	\$ 124.74	\$ 221.90	\$ 206.54	\$ 21.95	\$ 20.43	\$ 2.67	\$ 246.51	\$ 226.97	1x per Week	
2x/week	132.19	111.29		135.26	113.87	124.74	259.99	238.61	25.71	23.60	3.13	288.83	262.21	2x per Week	
3x/week	168.85	142.09		172.77	145.39	124.74	297.50	270.12	29.42	26.72	3.58	330.50	296.84	3x per Week	
2.0 CY - 1x/week	90.18	76.44		92.27	78.21	166.31	258.59	244.53	25.57	24.18	3.11	287.27	268.71	1x per Week	
2x/week	123.88	104.26		126.75	106.68	166.31	293.07	272.99	28.98	27.00	3.52	325.58	299.99	2x per Week	
3x/week	156.37	131.60		160.00	134.65	166.31	326.31	300.97	32.27	29.77	3.92	362.51	330.73	3x per Week	
3.0 CY - 1x/week	82.50	69.41		84.41	71.02	249.47	333.88	320.49	33.02	31.70	4.02	370.92	352.19	1x per Week	
2x/week	107.26	90.26		109.75	92.35	249.47	359.22	341.82	35.53	33.81	4.32	399.07	375.63	2x per Week	
3x/week	131.42	110.57		134.47	113.14	249.47	383.94	362.61	37.97	35.86	4.62	426.53	398.47	3x per Week	
<b>Special Services:</b>															
Blue Bag	\$ 5.09			\$ 5.21		\$ 2.85	\$ 8.06		\$ 0.80		\$ 0.10	\$ 8.95		per pick up	
Curbside Recycling	9.94			10.17			10.17				0.11	10.28			
Side yard Service	9.94			10.17			10.17		1.01		0.12	11.30			

**EXHIBIT C: RECOLOGY RATE SCHEDULE**

EFFECTIVE Sept 1, 2018

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Type of Service	Prior Yr Base Rate One Container		CPI Adjustment 2.3206%	Current Yr Base Rate One Container		Disposal \$ 190.00	Sub-Total One Container		Franchise Fee One Container 9%		Recycling 1.09%	Total Rate One Container	
<b>LARGE CONTAINERS</b>													
15 Yard	\$ 740.46			\$ 757.64		\$ 380.00	\$ 1,137.64		\$ 112.51		\$ 13.68	\$ 1,263.84	Each container includes
20 Yard	740.46			757.64		380.00	1,137.64		112.51		13.68	1,263.84	2 tons disposal. >2
30 Yard	740.46			757.64		380.00	1,137.64		112.51		13.68	1,263.84	tons at \$209 per ton.

**RCY Processing Fee Rate Increase****Tom's Trash Revenues**

	<u>August</u>
Commercial	\$ 17,714.00
Residential	\$ 11,129.00
<b>Total Monthly Revenues</b>	<b>\$ 28,843.00</b>

**Tom's Trash RCY tons**

1/1/2018 - 8/31/2018	36.30
Annualized	54.45
Monthly Average	4.54

RCY Processing Fee	\$ 69.56
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Estimated RCY Processing Fees/Mo.	\$ 315.63
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<b>% of Total Revenues-Rate Increase</b>	<b>1.09%</b>
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