

**TWELFTH AMENDMENT
CONSOLIDATED SOLID WASTE COLLECTION
FRANCHISE AGREEMENT FOR THE UNINCORPORATED FORTUNA/FERNDALE,
HOLMES/REDCREST, WEOTT/MYERS FLAT AND GARBERVILLE AREAS OF
HUMBOLDT COUNTY**

This Twelfth Amendment to the Consolidated Solid Waste Collection Franchise Agreement for the Unincorporated Fortuna/Ferndale, Holmes/Redcrest, Weott/Myers Flat and Garberville Areas of Humboldt County dated April 26, 2011, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Recology Humboldt County, a California corporation, hereinafter referred to as "CONTRACTOR," shall be effective as of July 1, 2020.

RECITALS

WHEREAS, on April 26, 2011, COUNTY and CONTRACTOR entered into a Solid Waste Collection Franchise Agreement for the handling and disposal of solid waste and recyclables in the unincorporated Garberville area of Humboldt County ("Franchise Agreement"), for the period of July 1, 2011 to December 31, 2020; and

WHEREAS, COUNTY and CONTRACTOR subsequently amended the Franchise Agreement eleven (11) times, by amendments having effective dates of July 1, 2011, January 1, 2012, July 1, 2012, July 1, 2013, July 1, 2014, July 1, 2015, July 1, 2016, July 1, 2017, July 1, 2018, September 1, 2018, and July 1, 2019; and

WHEREAS, as part of the July 1, 2018 amendment, COUNTY and CONTRACTOR amended the Franchise Agreement to include the Fortuna/Ferndale, Holmes/Redcrest and Weott/Myers Flat franchise areas; and

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

WHEREAS, the parties desire to amend the Franchise Agreement in order to adjust the Maximum Service Rates charged by CONTRACTOR for the handling and disposal of solid waste and recyclables pursuant to the Franchise Agreement.

NOW THEREFORE, the parties mutually agree as follows:

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 version of Exhibit A – Maximum Service Rates, which is 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 Twelfth Amendment.
2. Section 23(D) – Execution in Counterparts of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

D. Counterpart Execution. This Agreement, and any amendments hereto, may be executed in one (1) or more counterparts, each of which shall be deemed to be an original and all of which,

when taken together, shall be deemed to be one (1) and the same agreement. This Agreement, and any amendments hereto, may be signed by manual or electronic signatures in accordance with any and all applicable local, state and federal laws, regulations and standards, and such signatures shall constitute original signatures for all purposes. A signed copy of this Agreement, and any amendments hereto, transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement and any amendments hereto.

- 3. Except as modified herein, the Franchise Agreement dated April 26, 2011, as previously amended, shall remain in full force and effect. In the event of a conflict between the provisions of this Twelfth Amendment and the original Franchise Agreement, or any prior amendments thereto, the provisions of this Twelfth Amendment shall govern. Capitalized terms used, but not defined, herein shall have the meanings given to them in the Franchise Agreement.

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

RECOLOGY HUMBOLDT COUNTY:

By: Michael J. Sangiacomo
MICHAEL J. SANGIACOMO
President and Chief Executive Officer

Date: 7/14/2020 | 5:10 PM PDT

By: Cary Chen
Cary Chen
Corporate Secretary

Date: 7/14/2020 | 9:45 PM PDT

COUNTY OF HUMBOLDT:

By: _____
Estelle Fennel
Chair, Board of Supervisor

Date: _____

INSURANCE CERTIFICATES APPROVED:

By: [Signature]
Risk Management

Date: 8/27/2020

LIST OF EXHIBITS:

Exhibit A – Maximum Service Rates

Exhibit A
Maximum Service Rates
For the Unincorporated Fortuna/Ferndale, Holmes/Redcrest,
Weott/Myers Flat and Garberville Areas of Humboldt County
Effective as of July 1, 2020

(see separate sheet(s) attached)

Exhibit A: South County Franchise Rates

EXHIBIT A: GARBERVILLE, HOLMES, FORTUNA, FERNDALE, WEOTT, MYERS FLAT AREAS FRANCHISE RATES
EFFECTIVE JULY 1, 2020

TABLE 4 CONTAINER RENTAL COSTS

	Previous Rates		New Rates	
	Monthly	Weekly	Monthly	Weekly
1 YARD	\$19.82	\$7.39	\$20.39	\$7.61
2 YARD	\$24.79	\$7.39	\$25.51	\$7.61
3 YARD	\$24.79	\$7.39	\$25.51	\$7.61
4 YARD	\$29.80	\$7.39	\$30.67	\$7.61
6 YARD	\$34.66	\$7.39	\$35.67	\$7.61
15 YARD	\$37.15	\$19.82	\$38.23	\$20.39
20 YARD	\$49.55	\$24.79	\$50.99	\$25.51
40 YARD	\$49.55	\$24.79	\$50.99	\$25.51

TABLE 5 CHARGES FOR SPECIAL SERVICES

PER HOUR FOR ONE (1) MAN AND ONE (1) TRUCK:	\$58.51	WHICHEVER IS GREATER
PER CUBIC YARD PICKUP:	\$32.64 PER YD, \$0.00 BASE, +	\$0.99
REINSTATEMENT OF SERVICE	\$25.00	
SPECIAL COLLECTION AFTER IMPROPER SET-OUT	\$48.34	
SPECIAL SERVICE FOR BULKY ITEMS & APPLIANCES: \$62.33 PER STOP, PLUS "PASS-THROUGH" COST OF DISPOSAL OR RECYCLING		

TABLE 5 RECYCLING SERVICE

\$5.25 per month

Recology Humboldt County
 Annual Rate Adjustment & Rate Application
Cost of Living Indices
 Rates to Become Effective July 1, 2019

Labor Escalating Costs

Employee Cost Indexes - Total Compensation, Private Industry, Union, Svc. Providing Industry

Series ID: CIU201S0000005101

Index: Quarter 4 2019	146.2	
Index: Quarter 4 2018	142.8	
Change in Index:	3.4	
% Change in Index	3.4 / 142.8 =	2.3810%

Factor for Labor Escalating Costs 1.0000 + 0.0238 = **1.0238**

Weighted Average (Based on Base Rate Allocations) 0.3316

Fuel Escalating Costs

U.S. Department of Energy - Energy Information Administration - California On-Highway #2 Diesel Price

Index: December 2019	3.902	
Index: December 2018	3.858	
Change in Index:	0.044	
% Change in Index	0.044 / 3.858 =	1.1405%

Factor for Fuel Escalating Costs 1.0000 + 0.0114 = **1.0114**

Weighted Average (Based on Base Rate Allocations) 0.0493

Other, N.O.S. Escalating Costs

Producer Price Index - Industry Data, Waste Collection

Series ID: PCU5621--5621--

Index: December 2019	146.2	
Index: December 2018	141.5	
Change in Index:	4.7	
% Change in Index	4.7 / 141.5 =	3.3216%

Factor for Other Escalating Costs 1.0000 + 0.0332 = **1.0332**

Weighted Average (Based on Base Rate Allocations) 0.6482

Weighted Average Total - Applied to Base Rate and Processing 2.91%

**GARBERVILLE, HOLMES, FORTUNA, FERNDALE, WEOTT, MYERS FLAT AREAS FRANCHISE RATES
 Recycling Processing Costs & Yard Waste Tip Fee Increase**

Rates Effective 7/1/2020
 Fees Effective 7/1/2020

	<u>2019 Rates</u>	<u>2020 Rates</u>	
2019 Tonnage			
Mid County	2,998	2,382	
South County	928	1,516	From annual report to HWMA
Total County	<u>3,926</u>	<u>3,898</u>	
South County Annual Tonnage	928	1,516	
RCY Processing Fee	\$ 69.56	\$ 73.57	
Annual RCY Processing Fees - South County Franchise Fees 9%	\$ 64,549	\$ 111,540	
Total RCY Processing Fees for South County for FY19	\$ 70,933	\$ 122,572	
Yard Waste Tons			
Mid County	813	813	
South County	-	-	
Total County	<u>813</u>	<u>813</u>	
Yard Waste Disposal	\$ 49.00	\$ 90.00	
South County YW Disposal Costs Amount included in rates	\$ -	\$ -	
Incremental Amount	\$ -	\$ -	
South County Annual Revenue	\$	\$ 2,544,751	
RCY Fees & Increase in YW % of Annual Revenues			4.82%