

**SERVICE AGREEMENT**

**BETWEEN**

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**

**AND**

**MT. DIABLO PAPER STOCK, INC.**

**FOR**

**RECYCLABLE MATERIALS PROCESSING SERVICES**

**OCTOBER 24, 2024**

*This page intentionally left blank.*

# TABLE OF CONTENTS

<b>RECITALS .....</b>	<b>1</b>
<b>ARTICLE 1 DEFINITIONS .....</b>	<b>3</b>
<b>ARTICLE 2 GRANT AND ACCEPTANCE OF EXCLUSIVE SERVICE RIGHTS .....</b>	<b>3</b>
2.1 Scope of Agreement .....	3
2.2 Scope Limitations and Exclusions .....	4
2.3 Change in Marketability of Materials.....	7
2.4 Change in Scope .....	8
2.5 Payment of Procurement Expenses .....	9
2.6 Obligation to Provide Service .....	9
2.7 No Guarantees of Materials Volume or Composition.....	11
2.8 References to Defined Terms .....	11
2.9 Subcontractors and Affiliates .....	12
<b>ARTICLE 3 REPRESENTATIONS AND WARRANTIES .....</b>	<b>12</b>
3.1 Of Contractor .....	12
3.2 Of the Authority.....	14
3.3 Of the Parties .....	14
<b>ARTICLE 4 TERM OF AGREEMENT .....</b>	<b>15</b>
4.1 Term and Option to Extend.....	15
<b>ARTICLE 5 MATERIAL ACCEPTANCE AND PROCESSING SCOPE OF SERVICES 15</b>	
5.1 Overview of Scope of Services.....	15
5.2 Material Acceptance and Rejection .....	16
5.3 Reserved .....	18
5.4 Recyclables Processing .....	18
5.5 Reserved .....	20
5.6 Reserved .....	20
5.7 Reserved .....	20
5.8 Reserved .....	20
5.9 Facility Operations.....	20
<b>ARTICLE 6 RESIDUE DISPOSAL SCOPE OF SERVICES .....</b>	<b>21</b>
6.1 Reserved.....	21
6.2 Residue Disposal.....	21
<b>ARTICLE 7 OTHER RELATED SERVICES.....</b>	<b>21</b>
7.1 Public Education and Outreach .....	21
7.2 Facility Tours.....	22
7.3 Billing.....	22

7.4	Provision of Emergency Services .....	24
7.5	Extended Producer Responsibility Programs .....	25
7.6	Generation, Characterization, and Pilot Studies .....	27
7.7	Reserved .....	28
7.8	Reserved .....	28
7.9	Annual Recyclable Materials Characterization .....	28
7.10	Reserved .....	30
<b>ARTICLE 8 STANDARD OF PERFORMANCE .....</b>		<b>30</b>
8.1	General.....	30
8.2	Disposal of Recyclable Materials.....	30
8.3	Working Days and Hours of Operation .....	30
8.4	Alternate Approved Facilities .....	30
8.5	Rejection of Unpermitted Waste and Excluded Waste .....	32
8.6	Permits .....	32
8.7	Traffic Control and Direction .....	33
8.8	Vehicle Turnaround Guarantee.....	33
8.9	Scale Operation.....	34
8.10	Reserved .....	36
8.11	Personnel .....	36
8.12	Equipment and Supplies.....	37
8.13	Compliance with Facility Rules.....	38
8.14	Marketing.....	38
8.15	Diversion and Material Recovery Standards .....	42
<b>ARTICLE 9 PAYMENTS TO THE AUTHORITY AND DESIGNATED FACILITIES.....</b>		<b>42</b>
9.1	Payments to the Authority.....	42
9.2	Adjustment of Payments.....	43
9.3	Method of Payments.....	43
9.4	Timing of Payments and Penalties for Late Payments .....	43
9.5	Billing and Payment Audit.....	43
9.6	Reserved .....	44
9.7	Payment of Recovered Recyclable Materials Revenue.....	44
<b>ARTICLE 10 CONTRACTOR’S COMPENSATION .....</b>		<b>44</b>
10.1	Overview .....	44
10.2	Process for Setting and Adjusting Tipping Fees .....	45
10.3	Tipping Fee Application Process .....	45
10.4	Special Tipping Fee Review .....	47
10.5	Adjustment to Tipping Fees for Changes in Scope.....	49
10.6	Coordination with Other Authority Contractors .....	50



**ARTICLE 11 REVIEW OF SERVICES AND PERFORMANCE ..... 50**

    11.1 Right to Enter Facility and Observe Operations ..... 50

    11.2 Performance Review ..... 51

**ARTICLE 12 RECORD KEEPING AND RECORDING ..... 51**

    12.1 General Record Keeping Provisions..... 51

    12.2 Review and Inspection ..... 52

    12.3 Retention of Records..... 52

    12.4 Other Information Requirements ..... 52

    12.5 Reporting..... 52

    12.6 Recycling and Disposal Reporting System Reporting ..... 53

    12.7 CERCLA Reporting..... 54

**ARTICLE 13 INDEMNIFICATION, INSURANCE, AND PERFORMANCE BOND ..... 55**

    13.1 General Indemnification..... 55

    13.2 Hazardous Substance Indemnification ..... 55

    13.3 CalRecycle Indemnification ..... 55

    13.4 Environmental Indemnity ..... 56

    13.5 Insurance..... 56

    13.6 Performance Bond..... 59

**ARTICLE 14 BREACH, DEFAULT, REMEDIES, AND TERMINATION ..... 59**

    14.1 Events of Breach ..... 59

    14.2 Contractor’s Right to Remedy Breach ..... 60

    14.3 Acts Necessary to Perform Service ..... 61

    14.4 Event of Default..... 61

    14.5 Event of Default Not Curable..... 62

    14.6 Authority’s Remedies in the Event of Default ..... 62

    14.7 Specific Performance ..... 63

    14.8 Authority’s Remedies Cumulative..... 63

    14.9 Liquidated Damages..... 63

    14.10 Excuse from Performance ..... 64

    14.11 Right to Demand Assurances of Performance..... 64

    14.12 Waiver of Defenses ..... 65

**ARTICLE 15 RESOLUTION OF DISPUTES ..... 65**

    15.1 Cooperation and Disputes Between Contractors..... 65

    15.2 Informal Resolution..... 66

    15.3 Mediation..... 66

    15.4 Pendency of Dispute ..... 66

**ARTICLE 16 OTHER AGREEMENTS OF PARTIES ..... 66**

    16.1 Relationship of Parties..... 66

16.2	No Third Party Beneficiaries .....	66
16.3	Compliance with Law.....	67
16.4	Governing Law .....	67
16.5	Jurisdiction .....	67
16.6	Notice to Parties .....	67
16.7	Assignment and Transfer of Agreement .....	67
16.8	Transition to Next Contractor.....	70
16.9	Compliance Audit.....	70
16.10	Binding on Successors .....	70
16.11	Non-Waiver.....	70
<b>ARTICLE 17 MISCELLANEOUS PROVISIONS .....</b>		<b>71</b>
17.1	Entire Agreement.....	71
17.2	Amendment .....	71
17.3	Section Headings .....	71
17.4	References to Laws.....	71
17.5	Interpretation .....	71
17.6	Severability .....	71
17.7	Further Assurance .....	71
17.8	Counterparts.....	71
17.9	Exhibits.....	71
17.10	The Authority's Right to Make Administrative Changes .....	72
17.11	Electronic Signatures.....	72
17.12	Actions of the Authority in its Governmental Capacity .....	72

## **LIST OF EXHIBITS**

Exhibit A: Defined Terms

Exhibit B: Service Area

Exhibit C: List of Allowable Recyclable Materials, Commingled Organics, AND  
Commercial Food Scraps

Exhibit D: Reporting Requirements

Exhibit E: Tipping Fee Adjustment Methodology

Exhibit E-1: Contractor's Initial Tipping Fees

Exhibit E-2: Multi-Index Tipping Fee Adjustment Methodology

Exhibit E-3: Cost-Based Tipping Fee Adjustment Methodology

Exhibit E-4: Contractor's Final Costs

Exhibit F: Liquidated Damages

Exhibit G: Contractor's Proposal

Exhibit H: Approved Affiliates and Subcontractors

Exhibit I: Labor Agreements

Exhibit I-1: Safety Training

Exhibit J: Iran Contracting Certification

Exhibit K: Performance Bond

Exhibit L: Reserved

Exhibit M: Capital Requirements and Specifications

Exhibit N: Recyclable Materials Characterization Study Methodology

Exhibit N-1: Recyclable Materials Characterization Protocol

Exhibit N-2: Recyclable Materials Composition and Recovery Rate Calculation

Exhibit N-3: Recyclable Materials Revenue Sharing Calculation

Exhibit N-4: Effective Recovery Rate Calculation

Exhibit O: Marketed Recovered Materials Standards

Exhibit P: Load Classification

Exhibit Q: Allocation Methodology

Exhibit R: Disaster Response Plan

*This page intentionally left blank.*

**SERVICE AGREEMENT  
BETWEEN  
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
AND  
MT. DIABLO PAPER STOCK, INC.  
FOR  
RECYCLABLE MATERIALS PROCESSING SERVICES**

This Service Agreement for Recyclable Materials Processing Services (“Agreement”) is entered into on the 24th Day of October, 2024, by and between the Central Contra Costa Solid Waste Authority, a Joint Powers Authority (hereinafter, “Authority”), and Mt. Diablo Paper Stock, Inc., a California corporation, dba Mt. Diablo Recycling (hereinafter, “Contractor”) (collectively, the “Parties”).

**RECITALS**

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (“AB 939”) and subsequent modifications thereto, established a solid waste management process that requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices;

WHEREAS, the Authority has the authority to assume municipal solid waste and materials Diversion management responsibilities such as acquiring services, entering agreements, negotiating contracts, granting franchises, planning facilities, reviewing rates and Tipping Fees, and other related matters on behalf of the constituents of the Cities and Towns of Danville, Lafayette, Moraga, Orinda, and Walnut Creek, and the County of Contra Costa (“Member Agencies”);

WHEREAS, only certain unincorporated areas of Contra Costa County are included in the jurisdictional boundaries of the Service Area;

WHEREAS, the Authority has the authority to enter into exclusive service agreements for handling Recyclable Materials, Organic Materials, and Solid Waste, and to prescribe the terms and conditions of such agreements;

WHEREAS, the Authority Board of Directors has found that Collection, Transfer, Transport, Processing, Diversion, and Disposal programs can most cost-effectively be carried out on a multi-jurisdictional basis;

WHEREAS, pursuant to California Public Resources Code Section 40059(a), the Board of Directors of the Authority has determined that the public health, safety, and well-being of the Authority, its Member Agencies, and their constituents requires the highest quality Collection, Transfer, Transport, Processing, Composting, Diversion, and Disposal services from thorough, competent, and qualified companies;

WHEREAS, agencies like the Authority have generally been held liable under Federal superfund laws for the costs of cleaning up of Hazardous Waste sites that accepted solid waste generated within

municipalities' jurisdictions; therefore, the Authority is prudent to provide for terms and conditions of its solid waste Disposal in accordance with this Agreement;

WHEREAS, obtaining a long-term commitment for Recyclable Materials Processing generated in the Service Area in accordance with this Agreement is in the best interests of the public health, safety, and well-being of the Authority, its Member Agencies, and their constituents and is fiscally prudent;

WHEREAS, through enactment of AB 939, the State of California also recognizes the important health and safety consideration to long-term planning for local governments' adequate disposal needs. The State requires local governments to make adequate provision for at least fifteen (15) years of solid waste disposal capacity to preserve the health, safety, and well-being of the public;

WHEREAS, the Authority Board of Directors has found and determined, based on the Contractor's Proposal, qualifications, demonstrated experience, reputation, and reasonable cost to the Member Agencies, that the Contractor is best able to provide such services to protect the public health, safety, and well-being of the Authority, its Member Agencies, and their constituents;

WHEREAS, the Contractor has represented and warranted to the Authority that it has the experience, responsibility, qualifications, and ability to implement safe, thorough, and competent Processing and Diversion services in compliance with Applicable Law and the provisions of this Agreement;

WHEREAS, pursuant to California Public Resources Code Section 40191, "solid waste" does not include hazardous waste as defined in California Public Resources Code Section 40141, radioactive waste, or untreated medical waste;

WHEREAS, this Agreement expressly limits the types and categories of Franchised Materials that Contractor is authorized to Process, and Divert;

WHEREAS, the State of California has found and declared that the amount of refuse generated in California, coupled with diminishing disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, has created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program. The State has, through enactment of AB 939 and subsequent related legislation including, but not limited to: AB 341, AB 2176, SB 1016, AB 1826, SB 1383, the California Green Building Standards Code (CALGreen), AB 1594, AB 1201, SB 343, and SB 54, directed the responsible State agency, and all local agencies, to promote diversion and to maximize the use of feasible waste reduction, re-use, recycling, and composting options in order to reduce the amount of refuse that must be disposed;

WHEREAS, in response to the Governor of the State of California signing Executive Order N-79-20, the California Air Resources Board has established regulations, including, but not limited, the Advanced Clean Fleets Regulation, as part of a strategy to transition fleets to zero emissions vehicles (ZEVs), and provisions of such regulations apply to the Contractor's vehicle fleet under this Agreement;

WHEREAS, neither the Authority nor the Contractor can anticipate all of the possible needs, considerations, or eventualities that may arise during the Term of this Agreement, and the Parties agree that they will work together in a spirit of mutual cooperation to resolve any such issues as and when they arise; and,

WHEREAS, neither the Authority nor the Contractor can anticipate any changes in the industry as to the future means or methods of Collection, Transfer, Transport, Processing, Diversion, and/or Disposal services, and will work together in a spirit of mutual cooperation to address such opportunities and/or issues as and when they arise.

NOW THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, and for other good and valuable consideration, the Parties do hereby agree as follows:

## **ARTICLE 1 DEFINITIONS**

Defined terms are incorporated in Exhibit A of this Agreement.

## **ARTICLE 2 GRANT AND ACCEPTANCE OF EXCLUSIVE SERVICE RIGHTS**

### **2.1 Scope of Agreement**

Through this Agreement, the Authority grants to the Contractor an exclusive right, privilege, and obligation to perform the following activities related to Franchised Materials generated within the Service Area to Process Recyclable Materials and to Transport and Dispose of Processing Residue. Subject to the limitations in Section 2.2 and 5.9, and except where otherwise prohibited by Federal, State, and local laws and regulations, the Contractor shall exclusively be responsible for each of the following:

- A. Reserved.
- B. Reserved.
- C. Reserved.
- D. Transporting and Disposing of Processing Residue at a Permitted Disposal Site.
- E. Reserved.
- F. Reserved.
- G. Processing Recyclable Materials.
- H. Maintaining accurate records and providing timely reporting of all materials Accepted and transactions conducted under this Agreement.
- I. Billing and collecting payment from the Authority for Contractor's compensation under this Agreement.
- J. Furnishing all labor, supervision, vehicles and fueling/charging infrastructure, Containers, other equipment, materials, supplies, and all other items and services necessary to perform Contractor's obligations under this Agreement.
- K. Paying all expenses related to provision of services required by this Agreement including, but not limited to, taxes, regulatory fees, and payments to Member Agencies or the Authority.

- L. Performing all services in substantial accordance with the Contractor's Proposal and in full accordance with this Agreement at all times using best industry practice for comparable operations. If the Contractor's Proposal and Agreement conflict, the terms and provision of the Agreement shall prevail.
- M. Complying with all law at all times.
- N. Providing complete and accurate reports in a timely manner.
- O. Providing all services required by this Agreement in a thorough and professional manner at all times so that residents, businesses, and the Member Agencies are provided timely, reliable, courteous, and high-quality service.
- P. Performing or providing all other services necessary to fulfill the Contractor's obligations under this Agreement.

## 2.2 Scope Limitations and Exclusions

- A. **Non-Exclusive Materials.** Except as otherwise provided, and in accordance with Section 2.8, this Agreement shall not preclude the materials listed below from being collected or otherwise lawfully handled or managed by others provided they are not placed in a Collection Container intended for Collection by the Franchised Collector or otherwise placed out in accordance with programmatic set-out guidelines established by the Franchised Collector, the Authority, or the Authority's contractors. Nothing in this Agreement is intended to or shall be construed to excuse any Person from obtaining any authorization from the Authority that is otherwise required by law:
  - 1. Recyclable and Organic Materials. Recyclable and organic materials may be collected and otherwise legally handled, managed, and diverted by other Persons, but only if such Persons: (a) do not, directly or indirectly, charge the Generator a monetary sum or other consideration for provision of such service if the material being collected for Diversion is otherwise Accepted by the Franchised Collector and being Diverted by the Recyclables Contractor; (b) pay the Generator a net payment for the receipt of such recyclable or organic materials or accept such materials as a donation; and/or (c) accept reusable or salvageable materials that are donated or sold by other Persons for the purpose of reuse. Such Persons shall also be required to provide written documentation to the Authority, upon the Authority's request, that such Persons meet the foregoing requirements.
  - 2. Construction and Demolition Debris. C&D may be collected and otherwise legally handled, managed, diverted, and/or disposed by other Persons providing construction and demolition services to the Premises and/or in accordance with the Authority's C&D transporter registration program.
  - 3. Dirt. Loose soil or earth from the ground may be collected and otherwise legally handled, managed, diverted, and/or disposed by other Persons.
  - 4. Self-Hauled Materials. For the purposes of delivery to a Transfer Facility, Processing Facility, or Disposal Site, Generators may transport materials generated solely in or on their own Premises, using their own equipment and employees, and such Self-Hauled material is not required to be Delivered by such Self-Haulers to Contractor or any of the Approved or Designated Facilities.



5. Donated Materials. Any items that are donated by a Generator to youth, civic, or other charitable organizations, may be collected and otherwise legally handled, managed, diverted, and/or disposed by other Persons, provided that the Generator is not charged, directly or indirectly, a monetary sum or other consideration for such services.
6. Beverage Containers. Beverage containers with redemption value delivered for Recycling under the California Beverage Container Recycling Litter Reduction Act, California Public Resources Code Sections 14500 et seq. may be collected and otherwise legally handled, managed, and diverted by other Persons.
7. Materials Removed as Incidental Part of Services. Solid waste, recyclable materials, and/or organic materials may be collected and otherwise legally handled, managed, diverted, and/or disposed by other Persons (e.g., gardener, landscaper, tree-trimming service, construction contractor, on-property clean-out service) as an incidental part of a service being performed.
8. Specialty Recyclable Materials and Extended Producer Responsibility Programs. Specialty Recyclable Materials and/or materials covered by Extended Producer Responsibility Programs may be collected and otherwise legally handled, managed, diverted, and/or disposed of by other Persons.
9. Materials Collected during Reuse and Cleanup Days Program Events. Franchised Materials that are set out for Curbside Collection by Generators consistent with the Authority's contract with the Reuse Contractor and associated requirements for the Reuse and Cleanup Days Program, may be Collected, Accepted, Transported, Transferred, Processed, Diverted, and/or Disposed by the Reuse Contractor.
10. Manure, Grease Waste, and Used Cooking Oil. Manure and remains from slaughterhouse or butcher shops, grease, or used cooking oil may be collected and otherwise legally handled, managed, diverted, and/or disposed by other Persons.
11. Sewage Treatment By-Product. By-products of sewage treatment, including biosolids, ash, grit, and screenings may be collected and otherwise legally handled, managed, diverted, and/or disposed by other Persons.
12. Hazardous Waste, Untreated Medical Materials, and Designated Waste. Hazardous Waste, untreated Medical Materials, and Designated Waste (as defined in California Water Code Section 13173 as may be amended or renumbered from time to time), regardless of its source, may be collected and otherwise legally handled, managed, diverted, and/or disposed by other Persons.
13. Source Separated E-Materials and Source Separated U-Materials. Source Separated E-Materials and Source Separated U-Materials regardless of its source, may be collected and otherwise legally handled, managed, diverted, and/or disposed by other Persons.
14. Discarded Materials Generated by Public Schools, State, County, and Federal Facilities. Discarded Materials generated by public schools, State, county, and Federal facilities located in the Service Area may be collected and otherwise legally handled, managed, diverted, and/or disposed by other Persons, or by the Contractor through a separate agreement. Such public facilities located within the Authority's Service Area may participate in the services provided by the Authority under this Agreement but are under no obligation to do so.

15. Edible Food. Edible Food that is collected from a Generator, Occupant, Owner, or manager of a Premises by other Person(s), such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is Self-Hauled by the Generator, Occupant, Owner, or manager of the Premises to another Person(s), such as a Person from a Food Recovery Organization, for the purposes of Food Recovery, regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to Collect or receive the Edible Food.
16. Food Scraps for Animal Feed. Food Scraps that are separated by the Generator, Owner, Occupant, or manager of a Premises, and used by the Generator, Owner, Occupant, or manager of the Premises or distributed to other Person(s) for lawful use as animal feed, in accordance with 14 CCR Section 18983.1(b)(7). Food Scraps intended for animal feed may be Self-Hauled by Generator or hauled by another party.
17. On-site or Community Composting. Organic materials composted or otherwise legally managed at the Premises where it was generated (e.g., backyard composting, or on-site anaerobic digestion) or at a community composting site.

The Contractor acknowledges and agrees that the Authority may permit other Persons, in addition to the Contractor, to collect and lawfully handle, manage, divert, and/or dispose of any and all types of materials excluded from the scope of this Agreement as well as those materials as set forth above without seeking or obtaining approval of the Contractor. If the Contractor can produce evidence that other Persons are performing any services within the scope of this Agreement (as identified in Section 2.1) that are not limited or otherwise excluded from such scope (as identified under Section 2.2), the Contractor shall report the location, name, and phone number of the Person or company to the Authority along with the Contractor's evidence of the violation of the exclusive nature of this Agreement. Notwithstanding the foregoing, the Contractor may not enforce or seek to have the Authority enforce any of its exclusive rights under this Agreement in a manner that would prevent the diversion of source separated material that Contractor is unable or unwilling to Divert.

**B. Excluded Services.** Except as otherwise provided in this Agreement, the Contractor acknowledges that the services described below are being managed under separate agreements between the Authority and other service providers. The Contractor is expressly prohibited from providing services, performing any activities, or operating in any capacity that could be construed as violating the exclusivity provisions provided by the Authority to other service providers related to the Authority's Franchised Materials (except to the extent that Contractor, exclusive of any Approved Affiliates and/or Subcontractors, enters into a separate agreement with the Authority as the exclusive provider of one of the services below, and only for the duration of that agreement and any extensions thereto) as follows:

1. Collecting Franchised Materials. The Contractor shall not engage in the Collection of any Franchised Materials from any Generator in the Service Area. The Contractor acknowledges that this service is managed under a separate agreement between the Authority and the Franchised Collector.
2. Collecting and Processing Reuse and Clean-up Day Program Materials. The Contractor shall not engage in the Collection of any Franchised Materials that are set out in accordance with the Reuse and Clean-up Day Program. The Contractor acknowledges that this service is managed under a separate agreement between the Authority and the Reuse Contractor.

3. Transferring Recyclable Material, Commingled Organics, Commercial Food Scraps, Solid Waste, or Mixed Materials. The Contractor shall not engage in the Transfer of any Recyclable Material, Commingled Organics, Commercial Food Scraps, Solid Waste, or Mixed Materials. The Contractor acknowledges that this service(s) is managed under a separate agreement(s) between the Authority and other Contractor(s).
4. Composting Commingled Organics, Yard Trimmings, and Composting and/or Anaerobically Digesting Commercial Food Scraps. The Contractor shall not engage in the Composting of Commingled Organics, Yard Trimmings, or Commercial Food Scraps. The Contractor acknowledges that these services are managed under a separate agreement(s) between the Authority and the Organics Contractor and/or the operator of the Designated Anaerobic Digestion Facility.
5. Reserved.
6. Composting Commercial Food Scraps. The Contractor shall not engage in the Composting of Commercial Food Scraps except as otherwise provided in Section 2.2.B.8. The Contractor acknowledges that this service is managed under a separate agreement between the Authority and the Commercial Food Scraps Contractor.
7. Anaerobic Digestion. The Contractor shall not engage in Anaerobic Digestion of Organic Materials. The Contractor acknowledges that this service is managed under a separate agreement between the Authority and the operator of the Designated Anaerobic Digestion Facility.
8. Pre-Processing Commercial Food Scraps. The Contractor shall not engage in the Pre-Processing of Commercial Food Scraps. The Contractor acknowledges that this service is managed under a separate agreement between the Authority and the Commercial Food Scraps Pre-Processing Contractor.
9. Processing Mixed Materials. The Contractor shall not engage in the Processing of Mixed Materials. The Contractor acknowledges that this service may be managed under a separate agreement between the Authority and the Mixed Waste Contractor if Mixed Waste Processing is implemented during the Term.
10. Disposal of Solid Waste. The Contractor shall not engage in the Disposal of Solid Waste, or Mixed Waste Processing Residue if Mixed Waste Processing is implemented during the Term. The Contractor acknowledges that this service is managed under a separate agreement between the Authority and the Disposal Contractor.
11. C&D Collection. The Contractor shall not engage in the Collection of C&D unless otherwise permitted in accordance with the Authority's C&D transporter registration program.

For the avoidance of doubt, the restrictions set forth in items 1 through 11 above shall not be interpreted to restrict the Contractor's activities with respect to any other solid waste that is not collected within the Service Area.

### **2.3 Change in Marketability of Materials**

Should any materials, by-products, or components of such materials listed in Section 2.1 or Exhibit C or any other materials not currently designated as Franchised Materials, develop economic value over time,

the Authority reserves the right to add such materials to this exclusive Agreement and may have Contractor Process such materials under this Agreement.

## 2.4 Change in Scope

The Authority may, by written notice, direct the Contractor to perform additional services or modify existing services under this Agreement, but no change in scope shall be constructed so as to materially impair the exclusive rights of the Contractor granted hereunder.

- A. For example, and without limitation, the Authority may request the following changes in scope:
  - 1. Change in marketability of materials, as provided above in Section 2.3.
  - 2. Inclusion of new Diversion programs and/or Mixed Waste Processing Services.
  - 3. Research, development, and implementation of innovative services, which may entail different Collection and/or Processing methods, targeted routing, different kinds of services, different types of Collection vehicles or Containers, and/or new requirements for Generators.
  - 4. Expansion of public education and/or outreach activities.
  - 5. Elimination of programs.
  - 6. Research, development, and/or performance of pilot programs.
  - 7. Modification of the manner in which Contractor performs existing services.
  - 8. Implementation of other program and/or service adjustments as may be determined.
  - 9. Any change in services mandated by the Authority pursuant to the disaster waiver provision in Section 7.4.F.
  - 10. Existing and new Extended Producer Responsibility programs, as provided in Section 7.5.
  - 11. Revisions to any Contamination threshold standards as may be determined and imposed by the Authority or another Person with the authority to impose such revisions.
- B. Within sixty (60) Days after the Authority's written request under this Section, or longer is the Contractor requests additional time that is approved by the Authority and not unreasonably withheld, the Contractor shall present a written proposal to perform the additional or modified services. The proposal shall include all operational, financial, equipment, personnel, promotional, or other information requested by the Executive Director and reasonably necessary to evaluate the cost-effectiveness of Contractor's proposal.
- C. The Authority shall review the Contractor's proposal for the change in scope of services. The Authority may accept the proposal, negotiate the terms of the proposal with the Contractor, or reject the proposal. The Parties will cooperate in good faith to amend the Agreement, as needed, to reflect the outcome of the Authority's review of the proposal.
- D. The Contractor shall not be compensated for the proposal preparation costs or costs incurred during the negotiation of its proposal for the change in scope. However, if the Authority

approves the change in scope, the Contractor shall be entitled to any increased Tipping Fee Adjustment pursuant to a Special Tipping Fee Review as provided in Section 10.4 and 10.5.

- E. If the Authority and the Contractor cannot agree on the terms and conditions of the change in scope, including compensation and/or Tipping Fee adjustments, within one hundred twenty (120) Days (or otherwise mutually extended in writing by the Parties) from the date when the Authority receives a proposal from the Contractor to perform such services or if such request is not otherwise a requirement under Section 7.5 and Contractor does not timely submit a proposal in response to the Authority's request, the Contractor shall not be obligated to implement such a change in scope and the Contractor acknowledges and agrees that the Authority may permit other Persons besides the Contractor to provide such services. Nothing in this Section 2.4 shall be constructed to allow the Authority to unilaterally impair the exclusive rights of the Contractor granted hereunder. Nothing herein shall prevent the Authority from also soliciting cost and operating information from other Persons in order to inform the Authority's evaluation of the Contractor provided proposal.

## 2.5 Payment of Procurement Expenses

In exchange for the grant of this Agreement, Contractor agrees to pay Fifty-Eight Thousand Dollars (\$58,000) to the Authority to reimburse the Authority for its procurement costs and expenses. The Contractor shall make payment to Authority by check within fifteen (15) Days after the Effective Date of this Agreement. This payment shall not be recovered by Contractor through Tipping Fees charged under this Agreement.

## 2.6 Obligation to Provide Service

The Authority and the Contractor agree, as more fully set forth in the Recitals to this Agreement, that proper Processing and Diversion of Franchised Materials is fundamental to the protection of the public health, safety and the well-being of the Authority, its Member Agencies, and their constituents. The Authority's responsibility for ensuring the adequacy of these services in part provides the justification for the granting of an exclusive Agreement to the Contractor. Except as otherwise provided in Section 14.10, this exclusive Agreement creates an obligation that such services continue to be provided even under difficult or adverse circumstances, such as but not limited to, natural disaster, pandemic, labor unrest, and any period where legal actions, future judicial interpretations of current law, or new laws or regulations impact the effectiveness of portions of this Agreement. In such an event, it shall be the responsibility of the Contractor to mitigate any potential damages to other services being provided as much as possible. For example:

- A. **Court or Regulatory Agency Mandate.** Should a court of competent jurisdiction or other regulatory agency set aside, invalidate, or stay all or a portion of the Tipping Fees approved by the Authority under this Agreement or the portion of the Maximum Rates charged by the Franchised Collector related to the Tipping Fees, the Contractor agrees to continue to perform its obligations as otherwise set forth herein, and the Authority and/or the Contractor shall take urgent actions as necessary to facilitate the Contractor's continuation of service and compensation to the Contractor therefor. Among other things, the Parties shall meet and confer within thirty (30) Days after such set aside, invalidation, or stay is final. Nothing herein is intended to modify the Authority's obligations related to any portion of the Tipping Fees that is not subject to set aside, invalidation, or stay.

- B. **Change in Law.** Should there be a Change in Law, the Contractor agrees to meet and confer with the Authority to discuss the impact of such Change in Law on either Party's ability to perform under this Agreement.
- C. **Legal Action.** If, as a result of a legal action, the Franchised Collector is unable to include any portion of the Contractor's per-Ton Tipping Fees payment(s) (provided for in Section 9.1 of this Agreement) in the Maximum Rates the Franchised Collector charges for its services, then the Contractor agrees, upon direction from the Authority, to reduce its per-Ton Tipping Fee in an amount corresponding to the disallowed portion of the Maximum Rates, or any components thereof, and Franchised Collector shall thereafter not be required to remit the amount of the disallowed portion of Contractor's per-Ton Tipping Fee payment(s) to the Authority and the Authority shall not thereafter be required to remit the same to Contractor.
1. Nothing herein is intended to imply that California Constitution Articles XIII(C) or (D) apply to the Maximum Rates charged by the Franchised Collector. The foregoing paragraphs are merely intended as a contractual allocation of risks between the Parties.
  2. This Section shall survive the expiration or earlier termination of this Agreement and shall not be construed as a waiver of rights by the Authority to contribution or indemnity from third parties.
  3. This provision is intended to be consistent with, and limited by, California Public Resources Code Section 40059.2.
- D. **Allocation of Risk.** Neither the Authority nor the Contractor shall have the right to obtain payment from the other Party for losses either may sustain due to a court of competent jurisdiction or other regulatory agency invalidating, setting aside, or staying the collection of all or a portion of the Tipping Fees approved by the Authority under this Agreement or the Maximum Rates charged by the Franchised Collector. The Contractor shall bear the risk of any lost profits or losses associated with the cost of providing continued service as a result of such a legal action or ruling, and similarly the Authority shall bear the loss of payments to the Authority or its Member Agencies during any period where the Contractor cannot lawfully collect those payment amounts from Subscribers.
- E. **Labor Unrest.** In the event of labor unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted job action conducted by the Contractor's employees or directed at the Contractor, or an Affiliate, contractor, or supplier of Contractor, the Contractor shall not be excused from performance. In such case, the Contractor shall continue to provide service in accordance with this Agreement, including use of Alternate Facilities as necessary, in accordance with Section 8.4. Any labor action initiated by the Contractor, including but not limited to a lock-out, shall not be grounds for any excuse from performance and the Contractor shall perform all obligations under this Agreement during the pendency of such Contractor-initiated labor action. The Authority retains the right to demand assurances of performance related to labor unrest, in accordance with Section 14.11. Failure to perform as a result of labor unrest shall be considered an Event of Breach in accordance with Section 14.4.
- F. **Capacity Restriction(s) and/or Facility Closure Not Due to Uncontrollable Circumstance.** In the event of a temporary, sustained, or permanent capacity restriction or closure of an Approved Facility under this Agreement, the Contractor shall not be excused from performance (other than due to Uncontrollable Circumstance). In such case, the Contractor

shall continue to provide service in accordance with this Agreement, including use of Alternate Facilities as necessary, in accordance with Section 8.4, and shall prioritize the Authority’s materials if capacity limitations are imposed on the Contractor as a result of any regulatory violations or other instances where the Contractor’s capacity is limited by a regulatory body, whether initiated by or imposed on the Contractor. Any limitations on capacity, including but not limited to a change in any permitted capacity limitations by material type, shall not be grounds for any excuse from performance and the Contractor shall perform all obligations under this Agreement. The Authority retains the right to demand assurances of performance related to any temporary, sustained, or permanent capacity restriction or closure of an Approved Facility under this Agreement, in accordance with Section 14.11.

**2.7 No Guarantees of Materials Volume or Composition**

The Authority does not guarantee the quantity or composition of Recyclable Materials Delivered to the Contractor during the Term of the Agreement. The Parties acknowledge that the quantity and composition of Recyclable Materials will be impacted during the Term of the Agreement based on a number of unpredictable factors such as, but not limited to, those factors listed below.

- A. The state of the economy.
- B. The number of residents and the number and type of businesses.
- C. Participation level of residents and businesses in various Source Reduction and Diversion programs.
- D. Rate setting practices for Collection services.
- E. Changes in packaging, products, technology, and other external factors.
- F. Diversion programs or policies of the State, County, the Authority, Member Agencies, and others.
- G. Private efforts by residents and businesses to reduce waste and increase Diversion.
- H. Impact of existing, pending, or future Applicable Law, including but not limited to, AB 939, AB 341, AB 2176, SB 1016, AB 1826, SB 1383, AB 1594, AB 1201, SB 343, SB 54, CALGreen, and the Advanced Clean Fleets Regulation.
- I. Impact of current or future bans or policies on the Disposal of materials, such as, without limitation, polystyrene, single-use plastics, mattresses, carpet, C&D, Hazardous Waste, or materials that are difficult to Process, as established by the Authority, one or more of its Member Agencies, Contra Costa County, the State, or other applicable regulatory bodies.
- J. Impact of current or future Extended Producer Responsibility Programs established by the Authority, one or more of its Member Agencies, Contra Costa County, the State, or other applicable regulatory bodies.

**2.8 References to Defined Terms**

Throughout this Agreement, references to defined terms that are not capitalized shall have the same meaning as their capitalized counterparts unless the use of such terms indicates they are not the subject to the exclusivity provisions of this Agreement or the other separate agreements between the Authority and other parties for services directly or indirectly related to this Agreement. Where types of materials

are used in their lowercase form, such materials are assumed to have not entered the franchised system by virtue of not having been placed in Collection Containers or otherwise set-out by Generators in accordance with the Franchised Collector(s) set-out instructions. Where actions or activities are used in their lowercase form, such activities are assumed to have not been performed by any Person in privity of contract with the Authority for services directly or indirectly related to this Agreement.

## 2.9 Subcontractors and Affiliates

The Contractor shall not engage a Subcontractor(s) for Processing Services without the prior written consent of the Executive Director, which may be granted or withheld in their sole discretion. For any Subcontractor(s) pre-approved by the Authority as part of this Agreement that are listed in Exhibit H, Contractor shall demonstrate compliance with the requirements of this Section on or before the Commencement Date of this Agreement. Following the Effective Date, if the Contractor desires to engage any Affiliate as a Subcontractor in the provision of services required in under this Agreement, the Contractor shall request approval from the Authority by providing the Executive Director with thirty (30) Days' written notification of its plans and provide an explanation of any potential impacts related to the quality, timeliness, or cost of providing services under this Agreement. The Authority may grant or withhold approval in their sole discretion, provided that if the Authority fails to respond within thirty (30) Days of receipt of written notification, the Contractor may initiate a meet and confer with the Authority. In no case shall the Authority's failure to respond be deemed an approval thereof.

The Contractor shall be solely responsible for management and oversight of the activities of all approved Subcontractor(s) and shall require that all Subcontractor(s) comply with all material terms of this Agreement, including the Indemnification provisions in Article 13 of this Agreement. The Contractor shall require that all Subcontractors file an insurance certificate with the Authority describing such Subcontractor's insurance coverage and name the Authority as an additional insured. The Executive Director may waive or excuse these insurance requirements in its sole discretion. The Contractor shall be considered to be in breach or default of this Agreement should the activities of any Subcontractor(s) constitute an Event of Breach or Event of Default under this Agreement.

# ARTICLE 3 REPRESENTATIONS AND WARRANTIES

## 3.1 Of Contractor

By acceptance of this Agreement, the Contractor represents and warrants that, in addition to the other representations and warranties specified herein:

- A. **Existence and Powers.** The Contractor is a corporation duly organized, validly existing, and in good standing under the laws of the State of California and is qualified to transact business in the State and has full legal right, power, and authority to enter into and perform its obligations under this Agreement.
- B. **Due Authorization and Binding Obligation.** The Contractor has the authority to enter into and perform its obligations under this Agreement. The Contractor has taken all actions required by law or otherwise to authorize the execution of this Agreement. The Person(s) signing this Agreement on behalf of the Contractor has the authority to do so, and this



Agreement constitutes the legal, valid, and binding obligation of the Contractor enforceable against the Contractor under its terms.

- C. **Truth and Accuracy of Information.** The information supplied by the Contractor in all written submittals made in connection with the Contractor's services, including the Contractor's Proposal (including the Non-Collusion Affidavit submitted with the Proposal) and any other supplementary information submitted to the Authority, which the Authority has relied on in awarding and entering this Agreement, is true, accurate, and complete, and does not contain material omissions or misleading statements to the best of Contractor's actual knowledge after exercising reasonable care and diligence. The Contractor will inform the Authority of any change in that information within one week of discovering any untruth or inaccuracy.
- D. **Contractor's Due Diligence.** The Contractor has made an independent investigation and examination (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder. Relying solely upon its own investigation, advice, and counsel, the Contractor has taken such matters into consideration in entering this Agreement to provide services in exchange for the Contractor Revenue provided for under the terms of this Agreement.
- E. **Ability to Perform.** The Contractor possesses the business, professional, and technical expertise to manage, and the Contractor possesses the equipment, facilities, and employee resources required to perform all obligations of this Agreement.
- F. **Voluntary Use of Approved Facilities and Designated Facilities.** The Contractor, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the Approved Facilities, Designated Facilities, or other location(s) approved by the Authority, for the purposes of Processing or Diverting all Recyclable Materials Delivered. Such decision by the Contractor in no way constitutes a restraint of trade notwithstanding any Change in Law regarding flow control limitations or any definition thereof.
- G. **No Warranty Regarding Volumes or Material Types.** The Contractor recognizes that the Authority expressly disclaims any warranties, either express or implied, as to the volume, type, merchantability, or fitness for any particular purpose of the various materials delivered to the Contractor.
- H. **Covenant Not to Sue.** For the Term of this Agreement, the Contractor agrees that neither the Contractor, its officers, employees, agents, Subcontractors, nor its Affiliates, shall initiate, commence, or participate in (or directly or indirectly encourage or fund others to undertake) any administrative appeal or lawsuit against the Authority, its Member Agencies, or any of the Authority's selected contractors including the Authority's Franchised Collector, Transfer Contractor, Disposal Contractor, Organics Contractor, Reuse Contractor, or Mixed Waste Contractor that alleges any claims related to, arising out of, or in connection with the Authority's Request for Proposals (RFP) process for the Contractor's services or the Authority's selected contractors' services, including the award of any agreement or contract thereunder.
- I. **Iran Contracting Act Certification.** The Contractor shall submit a certification under the Iran Contracting Act (Public Contract Code Sections 2200 et seq.), in the form included as Exhibit J of this Agreement.

### 3.2 Of the Authority

By acceptance of this Agreement, the Authority represents and warrants that:

- A. **Existence and Powers.** The Authority is a Joint Powers Authority duly organized and validly existing under the laws of the State of California, with full legal right, power, and authority to enter into and perform its obligations under this Agreement.
- B. **Due Authorization and Binding Obligation.** The Authority has the authority to enter into and perform its obligations under this Agreement. The Authority has taken all actions required by law or otherwise to authorize the execution of this Agreement. The Person(s) signing this Agreement on behalf of the Authority have authority to do so, and this Agreement constitutes the legal, valid, and binding obligation of the Authority enforceable against the Authority under its terms.
- C. **No Warranty Regarding Volumes or Material Types.** Consistent with the terms of Section 2.7, the Authority expressly disclaims any warranties, either express or implied, as to the volume, type, merchantability, or fitness for any particular purpose the various materials Delivered to the Contractor.

### 3.3 Of the Parties

By acceptance of this Agreement, the Parties represent and warrant that:

- A. **No Conflicts.** To the best of the Parties' knowledge, after reasonable investigation, the execution or delivery of this Agreement, as well as the performance by the Parties of their obligations hereunder, does not conflict with, violate, or result in breach of:
  - 1. Any law.
  - 2. Any term or condition of any judgment, order, or decree of any court, administrative agency, or other governmental authority.
  - 3. Any agreement or instrument to which the Contractor or any of its Affiliates is a party or by which the Contractor or any of its Affiliates' properties or assets are bound, or which constitutes a breach thereunder.
- B. **No Litigation.** There is no administrative filing, action, suit, or other proceeding as of the Effective Date, at law or in equity, before or by any court or governmental authority, commission, board, agency, or instrumentality decided, pending, or to the Parties' best knowledge, threatened by or against either Party wherein an unfavorable decision, ruling, or finding in any single case or in the aggregate, would:
  - 1. Materially adversely affect the performance by either Party of its respective obligations hereunder or the transactions contemplated by this Agreement.
  - 2. Adversely affect the validity or enforceability of this Agreement.
  - 3. Have a material adverse effect on the financial condition of the Contractor, or any surety or entity guaranteeing the Contractor's performance under this Agreement.
- C. **No Legal Prohibition.** The Parties have no knowledge of any adverse judicial decision or any law in effect on the Effective Date that either affects the validity of this Agreement or would prohibit the performance by either Party of its respective obligations hereunder or the transactions contemplated by this Agreement.

## ARTICLE 4 TERM OF AGREEMENT

### 4.1 Term and Option to Extend

The Term of this Agreement shall commence March 1, 2027 and continue in full force for a period of fifteen (15) and four (4) months, through and including June 30, 2042, unless the Agreement is extended in accordance with this Section or terminated pursuant to Article 14. During the Implementation Period, the Contractor shall perform all activities necessary to prepare itself to start providing the services required by this Agreement on the Commencement Date.

The Authority shall have sole discretion to extend the Term of this Agreement for up to twelve (12) months without need of written amendment; to exercise this option, the Authority's Executive Director shall give written notice of its election to the Contractor no less than one hundred eighty (180) Days prior to the expiration date then-existing under this Agreement. Following the Authority's exercise of the first option to extend (if it so elects), the Parties may mutually agree to extend the Term of this Agreement for up to four (4) additional years in twelve (12) month installments, or more, if mutually agreed upon between the Parties in accordance with this Section. If either Party desires to exercise this option, it shall give written notice of its offer to the other Party no less than one hundred eight (180) Days prior to the expiration date then-existing under this Agreement; the other Party shall respond within thirty (30) Days. If the other Party declines the offer to extend the Term or does not timely respond to the offer, the offer to extend the Term shall be deemed withdrawn.

## ARTICLE 5 MATERIAL ACCEPTANCE AND PROCESSING SCOPE OF SERVICES

This Article 5 describes the general requirements for the Contractor's obligation to Accept and Process specified materials under this Agreement. The Authority shall enter into an agreement with the Franchised Collector that requires the Delivery of all materials specified herein to the Facilities specified herein for that material.

### 5.1 Overview of Scope of Services

- A. **Reserved.**
- B. **Load Classification.** Prior to the Commencement Date, the Contractor shall work with the Authority and its Franchised Collector and Designated Facilities to develop a mutually agreed upon Load classification plan that will be attached to this Agreement as Exhibit P. The Contractor shall, at all times, follow the Load classification procedures for all Franchised Materials Delivered to the Approved Recyclable Materials Processing Facility and shall ensure the Load classification procedures are followed for any Approved Alternate Facilities in accordance with Exhibit P. The Contractor further acknowledges the Load classification procedures of the Designated Facilities may change from time to time as directed by the Authority.

The Contractor shall notify the Authority and Franchised Collector upon receipt of any Recyclable Materials Load which appears to include excessive moisture and/or exceed twenty-five percent (25%) physical Contamination with the date and time materials were

Delivered by the Franchised Collector and the truck number they were Delivered by. In the event that the Contractor Accepts material with Contamination that exceeds the Facility limits established by the Contractor, Contractor shall photograph the offending Load to evidence the Contamination level and shall Process or Dispose of such Loads of Contaminated Recyclable Materials in accordance with Section 5.2.D.

In the event that the Franchised Collector repeatedly Delivers Recyclable Materials in excess of the Contamination threshold percentages set forth above, the Contractor may request to meet and confer with the Franchised Collector and the Authority to discuss the issue and identify a plan and corresponding obligation for the Franchised Collector to minimize Contamination and/or discuss modifications to the Contamination thresholds and/or corresponding implications to Contractor's performance obligations under this Section, Section 8.15, and Exhibit P. This paragraph is subject to the requirements set forth in Article 15.

- C. **Reserved.**
- D. **Capacity.** The Contractor warrants that, as of the Commencement Date, it has sufficient Processing Facility capacity at the Approved Recyclable Materials Processing Facility to receive the Authority's Recyclable Materials through the Term and that it shall maintain that Processing Facility capacity through the Term (including any extension).
- E. **Responsibility for Materials.** Once the Franchised Collector Delivers Recyclable Materials to the Approved Facility(ies) and such materials are Accepted by the Contractor, ownership and the right to possession of the Recyclable Materials will transfer directly to the Contractor, with the exception of Unpermitted Waste and Excluded Waste if the Contractor can identify the Unpermitted Waste and/or Excluded Waste pursuant to Section 8.5. All benefits and liabilities resulting from ownership and possession will accrue to the Contractor until such time as such materials are Delivered to and Accepted by the operator of an Approved or Designated Facility as required by this Agreement.
- F. **Facility Permits.** The Contractor shall keep all existing Permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance, or confirm that the owner or operator of such Facility does so. The Contractor shall, upon request, provide copies of Permits and/or notices of violation of Permits to the Authority.

## 5.2 Material Acceptance and Rejection

- A. **Inspection.** In accordance with Section 8.5 of this Agreement, the Contractor shall use Standard Industry Practice to detect and reject Unpermitted Waste and/or Excluded Waste in a uniform manner and shall not knowingly Accept Unpermitted Waste and/or Excluded Waste at the Approved Recyclable Materials Processing Facility. The Contractor shall comply with the inspection procedure contained in its Permit requirements. The Contractor shall promptly modify that procedure to reflect any changes in Permits or Applicable Law.
- B. **Unpermitted Waste and/or Excluded Waste Handling and Costs.** Except for cases where it can be attributed to the Franchised Collector and/or a specific Generator or permitted hauler, the Contractor shall arrange for or provide handling, Transportation, and delivery to a Recycling facility, incinerator, or landfill Permitted in accordance with Applicable Law of all Unpermitted Waste and/or Excluded Waste detected at the Approved Recyclable Materials Processing Facility. The Contractor is solely responsible for making those arrangements or

provisions and paying for all costs thereof, subject to the remedies available under Section 5.2.C below.

- C. **Remedies for Rejected Materials.** If Unpermitted Waste and/or Excluded Waste is delivered to the Approved Recyclable Materials Processing Facility, the Contractor shall be entitled to pursue whatever remedies, if any, the Contractor may have against Person(s) bringing that Unpermitted Waste and/or Excluded Waste to the Approved Facility. The Franchised Collector shall have the same corresponding obligations to the Contractor under the terms of the Franchise Agreement.

If the Contractor identifies Unpermitted Waste or Excluded Waste Delivered to the Approved Recyclable Materials Processing Facility by the Franchised Collector from the Service Area, Contractor shall notify the Franchised Collector and the Authority. To the extent that the Franchised Collector vehicle that Delivered the identified Unpermitted Waste or Excluded Waste has not left the Approved Recyclable Materials Processing Facility, and/or it is otherwise feasible, appropriate, and legal to do so, the Franchised Collector shall have the primary responsibility to Collect, Transport, and Recycle or Dispose of that Unpermitted Waste and/or Excluded Waste, and/or remediate any resulting Contamination, at the Franchised Collector's sole expense. Upon notification by Contractor that the Franchised Collector has failed to remedy the issue following Contractor's notice to the Franchised Collector, the Authority shall have the option to require Contractor to Recycle or Dispose of the Unpermitted Waste and/or Excluded Waste and/or remediate any Contamination resulting there from and, in such case, Contractor may invoice the Franchised Collector for the actual costs associated with such clean-up and the Authority shall support Contractor in obtaining payment from the Franchised Collector.

In the event that the Franchised Collector repeatedly Delivers Unpermitted Waste and/or Excluded Waste, the Contractor may request to meet and confer with the Franchised Collector and the Authority to discuss the issue and identify a mutually agreeable plan and corresponding obligation for the Franchised Collector to improve identification of Unpermitted Waste and/or Excluded Waste at the point of Collection and reduce Delivery of Unpermitted Waste and/or Excluded Waste to the Contractor's Approved Transfer Facility.

- D. **Contamination of Recyclable Materials.** The Contractor shall be responsible for minimizing Contamination of Recyclable Materials Delivered to the to the Approved Recyclable Materials Facility and Accepted by Contractor through its own operational practices. In the event that the Contractor Accepts material with Contamination that exceeds the Facility limits established by the Contractor, Contractor shall photograph the offending Load to evidence the Contamination level and:

1. If the Contractor Accepts a Recyclable Materials Load that is in excess of the twenty-five percent (25%) physical Contamination limit and is equal to or less than a fifty percent (50%) physical Contamination limit, the Contractor shall, in addition to the documentation procedures described above, Process the Contaminated Recyclable Materials Load and invoice the Franchised Collector in accordance with Section 7.3.A.2, to compensate the Contractor for the additional Processing Residue.
2. If the Contractor Accepts a Recyclable Materials Load that is in excess of fifty percent (50%) physical Contamination, in addition to the documentation procedures described above, the Contractor may either:

- a. Process the Contaminated Recyclable Materials Load and invoice the Franchised Collector in accordance with Section 7.3.A.2, to compensate the Contractor for the additional Processing Residue, or
- b. Re-classify the Contaminated Recyclable Materials Load as Solid Waste by changing the inbound scale ticket from Recyclable Materials to Solid Waste and move the Load into the Solid Waste tipping area provided by the Transfer Contractor for the Transfer Contractor to Transfer, Transport, and Dispose in accordance with the Transfer Contractor's agreement with the Authority.

The Contractor shall report on such Loads of Contaminated Recyclable Materials in accordance with Exhibit D.

E. **Reserved.**

### 5.3 **Reserved**

### 5.4 **Recyclables Processing**

- A. **Allowable Recyclable Materials.** The Authority shall direct the Franchised Collector to Deliver all Recyclable Materials Collected by the Franchised Collector to Contractor's Approved Recyclable Materials Processing Facility. Contractor shall Accept all the Authority's Recyclable Materials Delivered by the Franchised Collector, as defined in Exhibit C, and shall Process all Recyclable Materials Delivered to maximize Recovery, Recycling, and Diversion. The Contractor shall also Recover from the Authority's Recyclable Materials, additional types of Recovered Materials described in Exhibit C for no additional charge, unless otherwise agreed to by the Authority. Except as otherwise expressly provided in Section 8.14.F.2, Section 8.14.F.3, and Section 10.4.A.5, the Contractor shall be expressly precluded from requesting any Special Tipping Fee Review, as described in Section 10.4 or 10.5 (except as otherwise provided in Section 10.4.A.5), for any materials Contractor was previously Recovering and Diverting as described in Contractor's Proposal, even if the addition of the subject material is covered under what might otherwise be considered an eligible item under Section 10.4.A.

If existing Extended Producer Responsibility Programs (including but not limited to, AB 1201, SB 1383, SB 54, and SB 343) or new Extended Producer Responsibility Programs, as further described in Section 7.5, require additional materials be Diverted that are not otherwise identified in Exhibit C, the Authority may incorporate such materials into the Authority's Collection program for Recyclable Materials and update Exhibit C, as appropriate, and the Contractor shall Accept, Process, Recover, and Divert those materials. The Authority may also request the Contractor participate in another type of program to receive the subject material for Processing, Recovery, and Diversion that would constitute a change in scope, as described in Section 2.4, although the Authority is under no obligation to do so. Notwithstanding the provisions of Section 10.4.A.4, any and all such changes described in this paragraph related to Extended Producer Responsibility Programs shall be treated as a change in scope pursuant to Sections 2.4, 10.4.A.1, and 10.5 and shall not be considered a Change in Law.

Further, the Contractor shall also be expressly precluded from requesting a Special Tipping Fee Review, as described in Section 10.4, to the extent any such item is covered under a mandatory Extended Producer Responsibility Program that compensates the Contractor for the Processing, Recovery, and/or Diversion of such materials, in whole or in part. The

Authority reserves the right to trigger a Special Tipping Fee Review or direct the Contractor to otherwise remit compensation attributable to the services under this Agreement, as provided in Section 7.5.E, if the Contractor receives compensation for the Processing, Composting, Recovery, and/or Diversion of any such item from the Authority's Service Area under an Extended Producer Responsibility Program.

Additionally, to the extent that either Party becomes aware that Exhibit C may need to be modified as a result of any mandatory Extended Producer Responsibility Program, as further described in Section 7.5, that Party shall notify the other Party within five (5) Days of being made aware of such change. Upon the Authority's request, and to the extent the Authority desires to incorporate any new materials into the Authority's Collection program, the Parties shall promptly meet and confer to discuss the timeline and process for the authority to implement such changes to the Collection program and for Contractor to make necessary adaptations to its Processing method to ensure Recovery and Diversion of the subject materials. The Authority's Executive Director shall update Exhibit C, as appropriate and the Contractor shall implement any required changes to its Processing method on a timeline as mutually agreed to by the Contractor and the Authority or before any required deadlines identified in the mandatory Extended Producer Responsibility Program, whichever is sooner. Contractor shall maintain records in accordance with Article 12 and Exhibit D. Pursuant to Section 14.3, Contractor shall bear full responsibility for complying with all Applicable Law and the provisions of this Agreement.

- B. **Processing Method.** The Contractor shall Accept all Recyclable Materials at the Approved Recyclable Materials Processing Facility and shall Process such material in accordance with Contractor's Proposal as detailed in Exhibit G. Contractor shall operate the Approved Recyclable Materials Processing Facility in accordance with Applicable Law and all standards of performance described in Article 8. The Contractor shall operate the Recyclable Materials Processing Facility in a manner that meets or exceeds the minimum operational standards established under the Recyclable Materials Characterization Study, in accordance with Section 7.9 and Exhibit N. If the Contractor proposes a material deviation from any of the operational standards set forth under Section 7.9 and Exhibit N, such as, without limitation, modifying staffing levels, changing sorting practices, or retiring, rearranging, or changing equipment, the Contractor shall request written approval from the Authority prior to making any changes, but only to the extent that such deviation would have a material negative impact on the Contractor's performance under this Agreement. Upon the Authority's request, the Contractor shall provide additional documentation to support its proposed revisions prior to the Authority's determination and written approval.
- C. **Residue Allocation and Disposal.** Prior to the Commencement Date, the Contractor shall prepare an Allocation Methodology plan for the Authority's review and approval that shall be consistent with and allow the Contractor to use the method described in Section 12.6 for tracking and allocating Recyclable Materials Residue and as further described in the Contractor's Proposal, adjusted or modified by mutual agreement between the Contractor and the Authority. The approved Allocation Methodology shall be included as Exhibit Q. Contractor's Residue allocation methodology shall be used throughout the Term to accurately allocate the Authority's share of the total Residue generated from the Processing of Recyclable Materials at the Approved Recyclable Materials Processing Facility. Contractor shall report Residue from Recyclable Materials Processing to the Authority monthly in

accordance with Section 12.6 and Exhibit D. The Contractor shall not change the Residue level calculation method without prior written approval from the Authority.

Residue from the Contractor's Processing of Recyclable Materials shall be Transported and Disposed at a Permitted Disposal facility by Contractor at Contractor's sole expense. Contractor shall be fully responsible for the safe Disposal of all such Residue in accordance with Applicable Law. Residue delivered for Disposal shall not contain any Unpermitted Waste or Excluded Waste. Contractor shall maintain records and submit reports related to the Permitted Disposal facility, in accordance with Exhibit D.

- D. **Marketed Recovered Materials.** Contractor shall market Recovered Materials in the categories listed in Exhibit O.

**5.5 Reserved**

**5.6 Reserved**

**5.7 Reserved**

**5.8 Reserved**

**5.9 Facility Operations**

The Contractor shall provide Processing services at the Approved Recyclable Materials Processing Facility in accordance with Applicable Law, Standard Industry Practice, due diligence and specification, and other requirements of this Agreement. In addition, Contractor shall comply with the following service specifications:

- A. Operating, managing, and maintaining the Approved Processing Facility including all buildings, scales, roads, utilities, equipment, and other Facility requirements.
- B. Providing, operating, and maintaining all equipment, rolling stock, and supplies necessary for operations and maintenance.
- C. Operating and maintaining the scale house and scale system and weighing all inbound Recyclable Materials and outbound Residue and Recovered Recyclables in accordance with Section 8.9.
- D. Directing on-site traffic to appropriate unloading areas in accordance with Section 8.7 and providing a safe working environment for Approved Processing Facility users, visitors, and employees.
- E. Accepting Recyclable Materials Delivered by Franchised Collector from the Service Area.
- F. Safely managing the Recyclable Materials Accepted at the Approved Recyclable Materials Processing Facility, including, but not limited to, meeting requirements of Section 5.2.
- G. Reserved.
- H. Managing Recovered Materials in a manner compliant with AB 939, SB 1383, and other



Applicable Law to ensure that the Authority shall benefit from full programmatic compliance and Diversion credit for that material.

- I. Reserved.
- J. Reserved.
- K. Reserved.
- L. Reserved.
- M. Reserved.
- N. Reserved.
- O. Reserved.

## **ARTICLE 6 RESIDUE DISPOSAL SCOPE OF SERVICES**

### **6.1 Reserved**

### **6.2 Residue Disposal**

- A. The Contractor shall be solely responsible for the Transport of all Recyclable Material Processing Residue from the Approved Recyclable Material Processing Facility and shall safely and lawfully Dispose of Residue at a Permitted Disposal Site, which the Franchised Collector shall be obligated to pay the Contractor for upon receipt of an invoice relating thereto pursuant to the terms of a separate written agreement between the Franchised Collector and the Authority. Residue Transportation and Disposal Site Tipping Fees are at the sole expense of the Contractor, subject to the payment obligations of the Franchised Collector, as stated above, and Section 7.3.

## **ARTICLE 7 OTHER RELATED SERVICES**

### **7.1 Public Education and Outreach**

The Authority places the utmost importance on effective and accurate public education and outreach in helping residents, businesses, and visitors fully understand options for, and benefits of, Source Reduction, reuse, repair, Recycling, and Composting. The Contractor acknowledges that the services they provide are a portion of a multi-party system that impacts every Generator within the Service Area and diligent coordination in the provision of accurate public education is critical in such a multi-party system. The Authority and/or the Franchised Collector shall be responsible for the design, development, content, printing, and/or distribution of public education materials. The Contractor shall, within twenty (20) Business Days after a request from Authority staff:

- A. Provide non-proprietary descriptions, schematics, (digital) photographs, operational data, identification of problem materials/practices, or other information related to the Contractor's general operations under this Agreement that may be useful for public education.
- B. Review and provide constructive, factual, and/or corrective comments on public education materials that relate to the services provided by the Contractor under this Agreement.
- C. Participate in and contribute content to meetings related to the design and development of public education and outreach materials that involve the services provided by the Contractor under this Agreement.

In the event that the Contractor elects to design, develop, and distribute its own public education or advertising materials related in any way to or referencing the Contractor's services under this Agreement, the Contractor shall provide the Authority's Executive Director the opportunity to review, request modifications to, and approve all public education materials including, but not limited to: print, radio, television, or internet materials/media before publication, distribution, and/or release. Following publication, distribution and/or release, the Contractor shall provide copies or documentation of all final materials to the Authority's Executive Director. The Contractor, and its Subcontractors, shall cooperate and coordinate with Authority staff on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns. The Authority shall have the right to review and approve when the Contractor includes the Authority's name, other form of identification, and contact information on public education materials. The Authority may request inclusion of the Authority and/or Member Agency information on public education materials (subject to the Authority's review and approval) and such request shall not be unreasonably withheld.

## 7.2 Facility Tours

The Contractor shall host unlimited scheduled facility tours per calendar year of this Agreement of each Approved Facility used by the Contractor in the performance of its obligations under this Agreement. Each tour and group shall be determined by the Authority's Executive Director and shall be scheduled on the date selected by the Executive Director, provided that at least twenty (20) Business Day's advance notice of the tour has been provided to the Contractor. The Contractor may review the list of participants and participant's affiliate organization(s) and Contractor may provide written feedback to the Executive Director if the Contractor has a legitimate protectable interest in precluding a participant's participation. The Executive Director shall have the discretion to hold the tour during a time of active facility operations or during a time when the facility is idle. The Contractor shall be responsible for providing: i) a facility representative who can knowledgeably lead the tour and describe the operations of the facility to participants; ii) adequate personal protective equipment, including but not limited to high visibility vests, eye protection, ear protection, and hard hats for tour participants; and, iii) a parking location for tour participants. The Contractor may, but is not required to, provide a van or bus for the tour participants to be transported through the facility. The Contractor may limit the size of the tour group to no more than thirty (30) participants. In addition to Facility Tours, Authority staff may visit and inspect each facility per Section 11.1.

## 7.3 Billing

- A. **General Requirements.** The Contractor shall bill the Authority at Tipping Fees established under this Agreement for Recyclable Material. Billing shall be performed on the basis of services rendered under this Agreement. The Contractor shall not invoice the Authority for any amount in excess of the number of Tons of Recyclable Materials from the Service Area

Accepted by the Contractor multiplied by the Tipping Fee for that Recyclable Material in the subject calendar month. Tipping Fees for Processing shall be based on the weight of inbound materials.

1. In accordance with Section 5.2.C, the Contractor shall also be permitted to bill the Franchised Collector for any costs associated with the Contractor's actual costs to Recycle or Dispose of any Unpermitted Waste and/or Excluded Waste and/or remediate any resulting Contamination that was not remedied by the Franchised Collector following notice to the Franchise Collector.
  2. In accordance with Section 5.2.D.1 and 5.2.D.2.a, the Contractor shall also be permitted to bill the Franchised Collector for any Loads of Contaminated Recyclable Materials Delivered to and Accepted by the Contractor that are Processed in an amount not to exceed twenty-five percent (25%) of the Authority's then-current Disposal Tipping Fee with the Disposal Contractor, multiplied by the inbound Tons of Contaminated Recyclable Materials Processed by the Contractor in the subject calendar month to compensate the Contractor for the additional Processing Residue.
  3. In accordance with Section 5.2.D.2.b, the Contractor shall not bill the Authority or the Franchised Collector for Contaminated Recyclable Materials re-classified as Solid Waste for Disposal under this Agreement.
- B. **Billing Frequency.** The Contractor shall invoice the Authority, and the Franchised Collector as applicable, pursuant to Section 7.3.A, no later than the tenth (10th) Business Day of each month for the prior month's services. The Authority, and the Franchised Collector as applicable, shall remit payment of all undisputed Tipping Fees to the Contractor no later than sixty (60) Days following their receipt of such invoice from the Contractor.
- C. **Bill Format.** The format of the itemized Billing statements shall be reviewed and approved by the Authority before the Commencement Date of this Agreement. At a minimum, the Billing statements shall include the number of Loads and Tons of Recyclable Materials from the Service Area Accepted by the Contractor subject to the Tipping Fee and a monthly invoice total.
- D. **Payment Options.** The Contractor shall cooperate with the Authority to implement reasonable payment options that may include, but are not necessarily limited to check, electronic check, or wire transfer.
- E. **Administrative Charges.** In the event that the Authority, or the Franchised Collector as applicable, fails to pay any invoice within sixty (60) Days after receipt of the Contractor's invoice, the Contractor may attach an administrative charge each month thereafter until the Authority resolves any and all delinquent amounts. The interest rate shall be calculated monthly and may not exceed the median Secured Overnight Financing Rate published by the New York Federal Reserve Bank (SOFR) plus two (2). For example, if the November 2023 SOFR Median is 5.33, the maximum administrative charge applied may not exceed 7.33 percent annual percentage rate.
- F. **Billing Disputes and Errors.** In the event of a dispute between the Parties with respect to a Billing matter, the provisions of Article 15 shall apply. The Contractor shall refund any amounts overpaid by the Authority within thirty (30) Days after either Party determines such an overpayment has been made. The Contractor shall invoice the Authority within thirty (30) Days after determining that the Authority was previously under-Billed. In the event of a

Billing error, the Contractor may require the Authority to pay any undisputed amounts in the normal timeline but shall not assess any finance charges related to unpaid portions that are in dispute. The Contractor may not withhold provision of services, payments, or other obligations of this Agreement during the pendency of or resulting from any dispute related to payment.

## 7.4 Provision of Emergency Services

- A. **Disaster Response Planning.** No less than ninety (90) Days prior to the Commencement Date, the Parties shall meet to discuss development of a Plan to address the role of the Contractor in addressing Authority needs related to wartime, natural, physical, or other disaster in, or proximate to the Service Area resulting in the declaration of an emergency by the Governor, County Board of Supervisors, County Health Office, County Sheriff, or any Member Agencies, or other responsible government official as well as any measures that may be necessary for the Contractor to take over time to address climate change (“Disaster Response Plan”).
- B. **Disaster Response Plan.** The Parties shall develop and finalize a Disaster Response Plan prior to the Commencement Date that identifies specific communication and logistical actions, and such other coordination between the Parties and internal to each Party such that Contractor assistance can occur immediately following a declaration of an emergency. The plan shall be developed by the Parties as provided in this Section and incorporated into this Agreement as part of Exhibit R. The Parties shall review the plan no less than annually and revise as warranted.

As part of the Disaster Response Plan, the Contractor shall provide a contingency plan to the Authority demonstrating how services will be provided during the period impacted by a declaration of an emergency. The contingency plan is subject to Authority approval (which shall not be unreasonably withheld) and the Contractor shall amend the plan until it meets Authority requirements, including reasonably demonstrating how the Authority’s basic Transfer and Disposal and sanitary needs will be met to the Authority’s satisfaction. This provision shall not, however, release the Contractor from using its best efforts to avoid or remove such cause and continue performance hereunder whenever such causes are removed.

- C. **Essential Service.** The Contractor acknowledges that it provides an essential service, and that while provision of Processing service during or following a disaster may be affected by impacts to facilities, equipment, and/or public infrastructure, the Contractor is obligated to take all measures reasonably necessary to provide such service in a timely and effective manner in compliance with this Agreement., Section 14.10 notwithstanding. Such measures may include but are not limited to a change in Approved Facility(ies) and/or Designated Facility(ies).
- D. **Availability of Contractor’s Personnel and Equipment.** In the event of a declaration of an emergency, the Contractor shall provide, upon Authority request, all equipment, vehicles, and/or personnel normally performing services under this Agreement, for use by the Contractor in conducting emergency operations; provided, however, that Contractor shall not be required to provide any equipment, vehicles, or personnel under this Subsection that would expressly violate the provisions of any collective bargaining agreement related to the services provided under this Agreement or any written agreement that was executed prior to the Effective Date of this Agreement or otherwise prohibited by law, and the burden of

demonstrating the Contractor's asserted limitations to the sufficiency of the Authority, shall be on the Contractor. These emergency services shall be performed in consultation with the Authority's Executive Director to ensure appropriate prioritization of services. The Authority shall not be required to compensate the Contractor for the Contractor's provision of equipment, vehicles, or personnel normally performing services under this Agreement when made available during a declaration of an emergency for the Contractor's use in excess of what is otherwise payable to the Contractor pursuant to this Agreement.

- E. **Contractor Reimbursement for Use of Additional Resources.** In the event of a declaration of an emergency, should the Contractor provide, upon Authority's request, additional equipment, vehicles, and/or personnel beyond that normally performing services under this Agreement, for use by the Contractor in conducting emergency operations under the Authority's direction, the Contractor shall be entitled to additional compensation and shall submit to the Authority detailed records of specific, additional, and reasonable costs and expenses borne by the Contractor in providing such additional resources. The Authority shall reimburse the Contractor for such documented, reasonable expenses within ninety (90) Days after the Authority receives State and/or Federal emergency agency reimbursement specific to these expenses. Should such State and/or Federal reimbursement not occur within three hundred sixty (360) Days after the Contractor's complete submission as verified by the Authority, Contractor shall be entitled to compensation directly from the Authority under the terms of this Agreement. The Contractor shall promptly cooperate with the Authority, State and/or Federal reporting and documentation requirements related to a request for reimbursement. The Contractor shall further comply with all applicable Federal, State, or local funding and accounting requirements that may apply to expenses that will be reimbursed upon notice of the same from the Authority.
- F. **Disaster Waivers.** In the event of a disaster, the Authority may grant the Contractor a waiver of some or all Processing requirements under this Agreement and 14 CCR, Division 7, Chapter 12, Article 3 in the disaster-affected areas for the duration of the waiver, provided that such waiver has been approved by CalRecycle. Any resulting changes in Processing requirements shall be addressed as a change in scope in accordance with Section 2.4.

## 7.5 Extended Producer Responsibility Programs

- A. **General.** The Authority and the Contractor acknowledge that the requirements under the existing Extended Producer Responsibility Programs (including, but not limited to, AB 1201, SB 1383, SB 54, and SB 343) may be applicable to the services provided by the Contractor under this Agreement, and that additional or amended Extended Producer Responsibility Programs may be established in the future. The Contractor acknowledges and agrees that to the extent that such Extended Producer Responsibility Programs impose requirements on the Authority's Source Separated Collection programs that impact the services provided by the Contractor under this Agreement, those Extended Producer Responsibility Programs shall be considered "mandatory" for the Contractor and Contractor shall be required to participate. The Contractor further acknowledges that, because the Approved Recyclable Materials Processing Facility accepts materials from the public that may be regulated by an Extended Producer Responsibility Program, the Contractor may be uniquely positioned to operate or participate in such programs in a "voluntary" capacity.
- B. **Change in Scope.** The Authority may require Contractor's compliance with, and participation in, existing and/or new mandatory Extended Producer Responsibility Programs that may

include a modification to Exhibit C or may request Contractors compliance with, and participation in, existing and/or new Extended Producer Responsibility Programs that may include Contractor implementation of a drop-off program(s) at the Approved Processing Facility, to the extent that doing so is reasonably appropriate and does not violate the Permits of the subject Facility.

Notwithstanding Section 10.4.A.4, any and all Authority Extended Producer Responsibility Program requests related to any mandatory or voluntary Extended Producer Responsibility Program shall be treated as a change in scope in accordance with Sections 2.4, 10.4.A.1, and 10.5 and shall not be treated as a Change in Law pursuant to Section 10.4.A.4; provided, however, that the Contractor shall be expressly precluded from requesting a Special Tipping Fee Review for a change in scope if the Contractor's is compensated in whole for Processing, Recovery, and/or Diversion costs associated with such participation. Additionally, the Contractor shall be expressly precluded from requesting any Special Tipping Fee Review, as described in this Section, for any materials Contractor represented as already being Recovered and or Diverted, as described in Exhibit C, even if the subject material is covered under what might otherwise be considered an eligible item under Section 10.4.A.1 and Section 10.4.A.

- C. **Authority Rights to Solicit Proposals.** The Authority may, from time-to-time, request that the Contractor initiate or participate in a voluntary Extended Producer Responsibility Program; provided, however, that the Contractor acknowledges and agrees that the Authority is under no obligation to request any such proposal from the Contractor. Furthermore, the Contractor acknowledges and agrees that, at any time during the Term of this Agreement, the Authority may solicit proposals from other Persons related to Extended Producer Responsibility Programs and may permit other Persons besides Contractor to provide such services, as provided for in Section 2.2.A.8. and that nothing herein shall prevent the Authority from also soliciting cost and operating information from other Persons in order to inform the Authority's evaluation of any Contractor-provided proposal.
- D. **Authority Requested Proposal.** If the Authority requests an Extended Producer Responsibility Program proposal from Contractor under this Section, the Contractor shall be required seek out and coordinate with the applicable Stewardship Organization(s) designated for the applicable program and shall describe such partnership in its proposal or provide information about an alternative program that Contractor wishes to participate in to divert such material(s) that meets the requirements of the voluntary Extended Producer Responsibility Program; these requirements are in addition to the requirements provided in Section 2.4. The Authority's written request for a proposal may also require additional and/or specific information relating to the Extended Producer Responsibility Program, including such information determined by the Executive Director (at the Executive Director's sole discretion) to be reasonably necessary. The Authority shall review the proposal and may request additional supporting documentation, calculations, or other information necessary to evaluate the Contractor's proposal for reasonableness and to evaluate Contractor's ability to comply with the requirements of the Extended Producer Responsibility Program.

As such, Contractor shall consider in good faith the Authority's request to enact the voluntary Extended Producer Responsibility program, unless the Contractor can demonstrate significant barriers that would make providing such services impracticable and/or that Contractor is already diverting the applicable material(s) at the time of the Authority's request. The Contractor shall express any objections or concerns during the meet-and-confer

period and Contractor shall provide evidence of such barriers and/or current Diversion operations in Contractor's proposal. Such information will be further reviewed by the Authority. In the event that Contractor and the Authority mutually agree for Contractor to participate in a voluntary Extended Producer Responsibility Program, the Parties agree that Contractor shall be entitled to request a Special Tip Fee Adjustment as set forth in Article 10 and if such request is not approved by the Authority Board, then Contractor shall not be required to implement the voluntary Extended Producer Responsibility Program under this Agreement.

- E. **Record Keeping and Reporting.** The Contractor acknowledges that, as part of the services provided under this Agreement, the Contractor's participation in any mandatory or voluntary Extended Producer Responsibility Program may impact the Authority and/or its Member Agencies, Subscribers to Franchised Collection services, and the Authority's other service providers. As such, regardless of whether the Contractor is specifically contracted under this Agreement to provide any such Extended Producer Responsibility Programs under this Agreement, the Contractor acknowledges and agrees it has obligations to the Authority, nonetheless.

Throughout the Term of this Agreement, the Contractor shall maintain records of all funding or other resources the Contractor receives directly or indirectly through an Extended Producer Responsibility Program related to Contractor's performance of services under this Agreement. The Contractor shall inform and report to the Authority as part of Contractor's obligations under Exhibit D and shall calculate and demonstrate the dollar amount that can be attributed to services provided under this Agreement. Any cost savings identified shall be remitted to the Authority as either a direct payment sent to the Authority within thirty (30) Days after Contractor's receipt of funds or as a reduction to the Contractor's Tipping Fee in accordance with Article 10, at the Executive Director's sole discretion. The Contractor shall include copies of invoices or receipts with the applicable Stewardship Organization with its payment or Tipping Fee Application, as appropriate, regardless of whether the Authority is aware such funding or other resources have been received by the Contractor.

The Contractor shall also maintain all operational and financial records related to Extended Producer Responsibility Programs as provided in Article 12 and report such information to the Authority in accordance with Exhibit D or as otherwise requested by the Executive Director.

## 7.6 Generation, Characterization, and Pilot Studies

The Contractor acknowledges that the Authority, CalRecycle, or other governmental agencies may wish to perform and/or participate in periodic material generation or characterization studies or pilot programs related to materials covered under this Agreement. The Contractor agrees to participate and cooperate with the Authority and its agents and to perform studies and data collection exercises, as needed, to determine weights, volumes and composition of materials generated, Disposed, Diverted or otherwise Processed or Composted, including the resultant Residue. If the Authority requires Contractor to participate in such a study or program, Contractor and the Authority shall mutually agree on the scope of services to be provided by Contractor and compensation, if any, that the Authority will pay to Contractor specifically for such participation, in accordance with Section 2.4.A.6. In any event, Contractor shall reasonably permit and not unreasonably interfere with the handling of the subject materials by other Persons for such purposes. The Contractor's annual Recyclable Materials Characterization Study, specified



in Section 7.9, is not subject to this Section and shall be conducted in accordance with Section 7.9 and Exhibit N.

**7.7 Reserved**

**7.8 Reserved**

**7.9 Annual Recyclable Materials Characterization**

- A. **General.** The Contractor shall conduct at least one (1) characterization study of Recyclable Materials and Recyclable Materials Processing Residue (collectively “Characterization Study”) on an annual basis, in accordance with this Section and Exhibit N.
- B. **Methodology and Schedule.** The Contractor shall conduct the first Characterization Study after the Effective Date and prior to the Commencement Date during a period of dry weather, where rain is not in the forecast, between September 1, 2026 and October 31, 2026, unless otherwise agreed upon between the Parties. The Contractor shall conduct the second Characterization Study within the four (4) month period following the Commencement Date during a period of dry weather, where rain is not in the forecast, between March 1, 2027 and June 30, 2027, unless otherwise mutually agreed upon between the Parties. The Contractor shall conduct the third Characterization Study between July 1, 2027 and October 1, 2028, unless otherwise agreed upon between the Parties. Thereafter, the Contractor shall conduct each annual Characterization Study thereafter on a schedule that is mutually agreed upon between the Parties during a period of dry weather, where rain is not in the forecast. The Contractor shall complete each Characterization Study in accordance with the methodology outlined in Exhibit N, unless otherwise directed or approved by the Authority in writing.

No later than January 1 of each calendar year, the Contractor shall submit its proposed schedule for the performance of the annual Characterization Study for that calendar year and any other pre-study documentation required under Exhibit N. The Authority shall review and approve, in its sole discretion, the proposed schedule and documentation.

- C. **Recordkeeping and Results.** The Contractor shall submit its annual results, any additional results, as applicable, and cumulative aggregated results within thirty (30) Days of completion of each Characterization Study, inclusive of copies of its daily Characterization Study documentation specified in Exhibit N, as applicable. Additionally, and as part of its annual Tipping Fee application described in Sections 10.2 and 10.3, the Contractor shall prepare and submit complete results from the Characterization Study that shows its Revenue Sharing Calculation and final annual summary in accordance with Exhibit N.

Contractor shall submit the final results of each annual and additional, as applicable, Characterization Study in the format specified in Exhibit N, unless otherwise directed by the Authority. The Authority shall review the Contractor-provided annual and additional, as applicable, Characterization Study results within thirty (30) Business Days of Contractor’s submission of complete and accurate results and shall review such results, verify accuracy and/or request changes, and shall provide the Contractor with written confirmation of acceptance once such determination as to accuracy is verified by the Executive Director. Such results will be used to evaluate the Contractor’s compliance with the performance standards for Effective Recovery Rate of Recyclable Materials as set forth in Section 8.15, the Revenue Sharing Calculation as set forth in Section 9.7, and the annual adjustment of Tipping Fees as



set forth in Section 10.2. The Contractor shall maintain complete and accurate records of all aspects of each Characterization Study in accordance with Article 12.

Notwithstanding the foregoing, the initial Revenue Sharing Calculation during the first twenty-two (22) months following the Commencement Date shall be as follows:

1. The Revenue Sharing Calculation applicable for the four (4) month period ending June 30, 2027 shall be based solely on the first Characterization Study;
2. The Revenue Sharing Calculation applicable for the six (6) month period ending December 31, 2027 shall be based on the aggregated results of the first and second Characterization Studies, unless the first Characterization Study is excluded in at the Contractor's option in accordance with 7.9.D;
3. The Revenue Sharing Calculation applicable for the six (6) month period ending June 30, 2028 shall be based on the aggregated results of the first, second, and third Characterization Studies, unless the first Characterization Study is excluded in at the Contractor's option in accordance with 7.9.D;
4. The Revenue Sharing Calculation applicable for the six (6) month period ending December 30, 2028 shall be based on the aggregated results of the first, second, third, and fourth Characterization Studies, unless the first Characterization Study is excluded in at the Contractor's option in accordance with 7.9.D;
5. The Revenue Sharing Calculation applicable for each twelve (12) month period thereafter shall be based on the aggregated results of the most recently completed four Characterization Studies.

- D. **Characterization Study Costs.** The Contractor and the Authority shall share equally in the costs of one (1) Characterization Study annually, where the Authority shall remit payment to the Contractor in an amount not to exceed fifty percent (50%) of the per Characterization Study cost identified in Exhibit E-1, that shall be adjusted annually pursuant to Exhibit E. For any additional Characterization Studies requested by either Party, the requesting Party shall be wholly responsible for the costs of the additional Characterization Study; if the Contractor is the requesting Party, the Contractor shall be responsible for all costs associated with the additional Characterization Study and if the Authority is the requesting Party, the Authority shall remit payment to the Contractor in an amount not to exceed one hundred percent (100%) of the per Characterization Study cost identified in Exhibit E-1, that shall be adjusted annually pursuant to Exhibit E.

Notwithstanding the foregoing, the Contractor has agreed to perform the first Characterization Study after the Effective Date and prior to the Commencement Date during a period of dry weather, where rain is not in the forecast, between September 1, 2026 and October 31, 2026, unless otherwise agreed upon between the Parties. In consideration of the Contractor incurring all costs associated with the first Characterization Study performed prior to the Commencement Date, the Authority agrees the Contractor shall be allowed the sole option to exclude the results of the first Characterization Study from the aggregated results described in Section 7.9.C.2 through Section 7.9.C.5; provided, however, that the Contractor must notify the Authority in writing of its intent to exclude the results of the first Characterization Study prior to the completion of the second Characterization Study and the results of the first Characterization Study would only be utilized in the Revenue Sharing

Calculation for the four (4) month period ending June 30, 2027 and would thereafter be excluded from the aggregated results.

**7.10 Reserved**

**ARTICLE 8  
STANDARD OF PERFORMANCE**

**8.1 General**

The Contractor shall at all times comply with all law and regulation and provide services in a manner that is safe to the public, the Franchised Collector’s employees, the Contractor’s employees, employees of the Designated Facilities, and employees of any subsequent downstream facilities managing any of the Authority’s Franchised Material. Except to the extent that a higher performance standard is specified in this Agreement, Contractor shall perform services in accordance with Solid Waste, Recyclable Materials, and Organic Materials management practices common to Northern California.

**8.2 Disposal of Recyclable Materials**

Recyclable Materials may not be Disposed in lieu of Processing except as otherwise provided in 8.15.F.

**8.3 Working Days and Hours of Operation**

- A. **Reserved.**
- B. **Reserved.**
- C. **Approved Recyclable Materials Processing Facility.** The Contractor shall operate the Approved Recyclable Materials Processing Facility for the receipt of the Authority’s Recyclable Materials, in accordance with the Days and hours of operation set forth below. At a minimum, the Contractor shall Accept Recyclable Materials 24 hours per Day, 7 Days per week from the Franchised Collector (with the exception of Christmas Day and New Year’s Day) and 7 Days per week from 7 a.m. to 6 p.m. for the general public. The Contractor may not change the specific times or reduce the total number of hours during which the Contractor Accepts the Authority’s Recyclable Materials without prior written approval of the Authority. The Contractor shall provide the Authority with a minimum of sixty (60) Days written notice of such an anticipated modification.
- D. **Holiday Schedule.** The Contractor may request approval from the Authority to not Accept, or Process on a Holiday. The Contractor shall not change its designation of Holidays or Holiday-related closures of Approved Facility(ies) without prior written approval by the Authority and no less than six (6) months’ advance notice to the Franchised Collector.

**8.4 Alternate Approved Facilities**

- A. **Purpose.** Pursuant to Section 2.6.F of this Agreement, the Contractor is obligated to provide service and shall (no later than one hundred eighty (180) Days prior to the Commencement Date) identify arrangements with Approved Alternate Facilities, whether an Affiliate or owned by a third-party, which shall be subject to review by the Authority, upon Authority

request, in order to ensure uninterrupted service should Contractor for any reason be unable to provide services at the Approved Facility.

- B. **Alternate Facility Arrangements.** The Contractor’s arrangements with Approved Alternate Facilities must ensure that Contractor can Accept and Process Recyclable Materials at an Approved Alternate Facility within two (2) Business Days after the Contractor or the Authority provide notice of need to use such Alternate Facility. The Contractor shall ensure that Alternate Facility(ies) are able to Accept Recyclable Materials on a continuous basis for no less than thirty (30) Days. Should Contractor’s use of the Approved Alternate Facility exceed thirty (30) Days, the Authority may require the Contractor to provide additional reasonable assurances of the Approved Alternate Facility’s ability to Accept Recyclable Materials on an ongoing basis under the terms of this Agreement. The Contractor may request, and Authority may at its discretion grant a change in, an Alternate Facility owned and operated by Contractor or an Affiliate, or owned and/or operated by a third party with the third party’s prior written consent.
  
- C. **Alternate Facilities for Reasons within Contractor’s Control.** If Contractor does not Accept the Authority’s Recyclable Materials for reasons other than Uncontrollable Circumstances, following Authority approval given in the Authority’s sole discretion, Contractor shall:
  - 1. Perform services at another Processing Facility owned by it or an Affiliate at a price not to exceed the Tipping Fee established pursuant to Article 10 and Exhibit E. Contractor shall be solely responsible for any additional Transportation costs incurred by the Franchised Collector in Delivering the Authority’s Recyclable Materials, to the other Processing Facility.
  - 2. Arrange for the Authority’s Recyclable Materials to be Processed at another Processing Facility not owned by it or an Affiliate, in which case Contractor shall pay any difference in the fees charged at that Processing Facility plus any additional Transportation costs incurred by the Franchised Collector in Delivering materials to the other facility, and the charges thereat.
  
- D. **Alternate Facilities Related to Uncontrollable Circumstances.** If Contractor does not Accept the Authority’s Recyclable Materials at the Approved Recyclable Materials Processing Facility due to Uncontrollable Circumstances, then promptly upon Authority direction, Contractor shall, to the extent it is legally able to do so in accordance with Applicable Law, Accept the materials at Contractor’s Approved Alternate Facility, pursuant to Section 8.4 of this Agreement, at a price not to exceed the respective Tipping Fees in effect under this Agreement, less additional Transport costs if the distance to the Approved Alternate Facility is greater than the distance to the Approved Recyclable Materials Processing Facility. Should no Approved Alternate Facility owned by Contractor or an Affiliate be available or should another available facility identified by the Contractor not be acceptable to the Authority or not be within a cost-effective distance, at the Executive Director’s sole discretion, the Authority may direct Delivery of materials to another facility, unrelated to Contractor, for the performance of similar services during the pendency of the service disruption resulting from the Uncontrollable Circumstances.
  
- E. **Termination for Continued Disruption.** If the Franchised Collector is unable to use an Approved Recyclable Materials Processing Facility under this Agreement for more than thirty (30) Days in a consecutive twelve- (12-) month period, the Authority may, in its sole discretion, exercise its remedies as provided in accordance with Section 14.6.

## 8.5 Rejection of Unpermitted Waste and Excluded Waste

- A. **Inspection Program and Training.** The Contractor shall develop a Load inspection program at Approved Facilities that includes the following components: (i) personnel and training; (ii) Load checking activities; (iii) management of materials; and, (iv) record keeping and emergency procedures.

Contractor's Load checking personnel, including personnel at Approved Facilities, shall be trained in: (i) the effects of Hazardous Substances on human health and the environment; (ii) identification of Unpermitted Waste and Excluded Waste; and, (iii) emergency notification and response procedures.

- . Response to Unpermitted Waste and Excluded Waste Identified at Approved Processing Facility. In the event that Load checkers and/or equipment operators at such Approved Facility(ies) identify Unpermitted Waste and/or Excluded Waste in the Loads Delivered by Franchised Collector, in accordance with Section 5.2.A of this Agreement, such personnel shall remove these materials for storage in approved, on-site, Unpermitted Waste and/or Excluded Waste storage Container(s). Except for cases where it can be attributed to the Franchised Collector and/or a specific Generator or Permitted hauler, the Contractor shall arrange for removal of the Unpermitted Wastes and Excluded Wastes, at its sole cost, in accordance with Applicable Law. The Contractor may, at its sole expense, attempt to identify and recover the cost of removal from the Franchised Collector, in accordance with Section 5.2.C of this Agreement, or other Persons.

## 8.6 Permits

- A. **Securing, Maintaining, and Modifying Permits.** The Contractor shall obtain and maintain, at the Contractor's sole cost, all Permits required under all laws and regulations to perform services required by this Agreement. The Contractor shall provide the Authority with copies of Permits for the Approved Facilities and Approved Alternate Facilities and shall demonstrate compliance with the terms and conditions of Permits, within ten (10) Days after Authority request. In its monthly report or more frequently, as necessary, the Contractor shall inform the Authority of the Contractor's status of securing the issuance, revision, modification, extension, or renewal of Permits, including those at its or an Approved Affiliate's Approved Facilities. The Contractor shall inform the Authority, at least fifteen (15) Days prior to application, of the Contractor's intent to apply for any Permit authorized or required under Applicable Law regarding services performed under this Agreement. Within ten (10) Days following the Authority's request, the Contractor shall provide the Authority with copies of any applications or other correspondence that the Contractor submits in connection with securing Permits.
- B. **Compliance with Permits.** The Contractor shall comply with all Permits or environmental documents, including any mitigation measures related to the operation and maintenance of the Approved Facility at no additional cost to the Authority (except, however, for any increase in Tipping Fee that Contractor may otherwise be entitled to under Sections 2.4 and 10.4). The Contractor shall provide the Authority with all documentation verifying compliance with Permit conditions that is provided to the Permitting authority at the same time such documentation is provided to the Permitting authority. The Contractor is solely responsible for paying any fines or penalties imposed for noncompliance with or violation of Permits or failure to obtain Permits.

## 8.7 Traffic Control and Direction

Contractor shall construct and maintain all roads at the Approved Recyclable Materials Processing Facility required for vehicles Delivering the Authority's Recyclable Materials to safely and efficiently access and use the Approved Recyclable Materials Processing Facility. The Contractor shall direct on-site traffic to appropriate unloading areas and provide a safe working environment for Facility Users, visitors, and employees. The Contractor shall provide necessary signs and personnel to assist drivers to proper unloading areas. The Contractor shall maintain all signs at the Approved Recyclable Materials Processing Facility in a clean and readable condition. The Contractor shall provide and maintain signs for the convenience of Persons using the Approved Recyclable Materials Processing Facility and to facilitate safe and efficient traffic flow at the Approved Recyclable Materials Processing Facility.

## 8.8 Vehicle Turnaround Guarantee

- A. **General.** The Contractor shall maintain a maximum vehicle turnaround time for Franchised Collector Delivery of Recyclable Materials to the Approved Recyclable Materials Processing Facility.
- B. **Guaranteed Collection Vehicle Turnaround Time.** The maximum vehicle turnaround time shall be no more than twenty-five (25) minutes for any Franchised Collector vehicle, excluding instances where a Franchised Collector driver exits the vehicle for purposes other than operational necessities or instances where the vehicle turnaround was impacted by Uncontrollable Circumstances. The vehicle turnaround time shall be measured as the elapsed time from the vehicle entering the Approved Recyclable Materials Processing Facility property to the vehicle leaving the Approved Recyclable Materials Processing Facility property. The Contractor shall operate the Approved Recyclable Materials Processing Facility so that all Franchised Collector) vehicles are processed, unloaded, and exited from the Approved Recyclable Materials Processing Facility property within the maximum vehicle turnaround time.
- C. **Supporting Documentation.** The Franchised Collector shall be required to provide written notice to the Contractor of any allegations that Contractor has failed to meet the guaranteed vehicle turnaround time within three (3) Working Days of the allegation to provide Contractor with sufficient notice to timely investigate and preserve digital documentation related to the incident. Such notice by the Franchised Collector shall include the date and time of the incident, identification of the vehicle in question, a statement that indicates the Franchised Collector did not otherwise materially contribute to the delay, and any other information requested by the Authority or Contractor such that Contractor can appropriately evaluate the complaint and respond pursuant to this Subsection.

Upon Authority request, Contractor shall provide the Authority reports or access to electronic scale house system records and/or on-site camera recordings that provide the Authority information to determine actual vehicle turnaround times. The Contractor acknowledges that the Authority and/or the Franchised Collector may conduct on-site surveys to verify compliance with the guaranteed vehicle turnaround times for Franchised Collector vehicles. The Contractor acknowledges that the Authority may also use records provided by Franchised Collector for Franchised Collector vehicles to calculate actual vehicle turnaround times. At the Contractor's option, the Contractor may, at its own cost, implement and maintain a technology-based vehicle tracking system of recording inbound and outbound Franchised Collector vehicle times (such as a system that uses RFID vehicle tags

and RFID readers). Such system shall not inconvenience the Franchised Collector or the Authority nor delay Franchised Collector vehicles from arriving at and departing from the Approved Recyclable Materials Processing Facility.

- D. **Contractor Dispute of Complaints.** The Contractor may provide evidence disputing any complaint received from the Franchised Collector regarding vehicle turnaround times, including, but not limited to, camera recordings of Franchised Collector vehicle(s), scale house records, or other documented timestamp of the Franchised Collector arrival and departure times from the Approved Recyclable Materials Processing Facility; provided, however, that the complaint must be submitted in writing by the Franchised Collector to the Authority and Contractor within fourteen (14) Days of the alleged vehicle turnaround time breach and the Franchised Collector shall have the burden to provide all relevant information relating to the alleged breach, including without limitation, the date and time of the incident, identification of the vehicle in question, and any other information requested by the Authority or Contractor such that Contractor can appropriately evaluate the complaint and respond pursuant to this Subsection. The Contractor's evidence shall be presented no later than ten (10) Business Days after receipt of Franchised Collector or the Authority's written notice of complaint(s). The Authority shall review both Contractor and Franchised Collector evidence and provide written notice of the Authority's determination that the complaint was valid or invalid.

## 8.9 Scale Operation

- A. **Maintenance and Operation.** This Section applies to motor vehicle scales at the Approved Recyclable Materials Processing Facility. The Contractor shall maintain at least two State-certified motor vehicle scales at each Approved Recyclable Materials Processing Facility in accordance with Applicable Law. The Contractor shall provide documentary evidence of such certification within ninety (90) Days after the Commencement Date and within ten (10) Business Days after Authority's request during the Term. The Contractor shall link all scales to a centralized computer recording and billing system that shall be compatible with the Contractor's systems. Such computerized system shall track pertinent data on all incoming and outgoing vehicles and materials, as further described in Section 8.9.G. The Contractor shall employ licensed weigh master(s) to operate those scales during Approved Facility open hours and during other hours as determined by the Contractor as needed to weigh all inbound and outbound Collection vehicles Delivering Recyclable Materials. The Contractor shall provide the Authority with access to any weighing information maintained by the Contractor at all times, and copies thereof shall be provided on the next Business Day following the Authority's request.
- B. **Vehicle Tare Weights.** Upon request of the Authority, the Contractor shall promptly weigh Franchised Collector vehicles and determine the unloaded ("tare") weight(s) of the vehicle(s). The Contractor shall record the tare weight and vehicle identification number. Within ten (10) Business Days after weighing, the Contractor shall provide the Authority with a report listing vehicle tare weight information. The Contractor shall have the right to request re-determination of tare weights of Franchised Collector vehicles two (2) times each calendar year. If there is reasonable suspicion or evidence that tare weights are not accurate, the Authority may, at any time and without limitation, request re-determination of tare weights, in which case Contractor shall promptly re-determine tare weights for requested vehicles.

The Contractor shall update tare weights, at the Contractor's own initiative or, at the request of the Authority, more frequently.

- C. **Substitute Scales.** If any scale at the Approved Recyclable Materials Processing Facility is inoperable, being tested, or otherwise unavailable, the Contractor shall use reasonable business efforts to weigh vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, the Contractor shall substitute portable scales until the permanent scales are replaced or repaired. The Contractor shall arrange for any inoperable scale to be repaired as soon as possible and, in any event, within seventy-two (72) hours (excluding Holidays) of the failure of the permanent scale. If repairs to the permanent scale are projected to take more than twelve (12) hours, the Contractor shall immediately obtain a temporary substitute scale(s).
- D. **Estimates.** Pending substitution of portable scales or during power outages, the Contractor shall estimate the Tonnage of the Recyclable Materials Delivered to and Accepted at the Approved Recyclable Materials Processing Facility by utilizing the arithmetic average of each vehicle's recorded Tons of that specific type of Recyclable Materials Delivered on its preceding three (3) Deliveries, on the same Day of the week, to the Approved Recyclable Materials Processing Facility.  
  
During any period that the scales are out of service, Contractor shall continue to record all information required by Section 8.9.G for each Delivery of Recyclable Materials to the Approved Recyclable Materials Processing Facility.
- E. **Testing.** The Contractor shall test and calibrate all scales in accordance with Applicable Law, but at least every twelve (12) months or upon Authority request.
- F. **Weighing Standards and Procedures.** At the Approved Recyclable Materials Processing Facility, the Contractor shall weigh and record inbound weights of all Franchised Collector vehicles Delivering Recyclable Materials when the vehicles arrive at the Approved Recyclable Materials Processing Facility, and weigh and record outbound weights of Franchised Collector vehicles for which the Contractor does not maintain tare weight information. The Contractor shall provide each driver a receipt showing the date, time, and quantity of materials that the vehicle Delivered to the Approved Facility.
- G. **Records.** The Contractor shall maintain computerized scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights of vehicles, vehicle identification number, jurisdiction of origin of materials Delivered, type of material, company/hauler identification, and classification, type, weight, and destination of material (where the destination of materials shall be the market location to where materials are Transported from the Approved Facilities).
- H. **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Contractor shall make those videos available for Authority review during the Facility's operating hours, upon request of the Authority, and shall provide the name of the driver of any particular Load if available.

## 8.10 Reserved

## 8.11 Personnel

- A. **General.** The Contractor shall furnish such qualified personnel as may be necessary to provide the services required by this Agreement in a safe and efficient manner. The Contractor shall designate at least one (1) qualified employee as the Authority's primary point of contact with the Contractor who is principally responsible for operations and resolution of service requests and complaints in performing the services under this Agreement.

The Contractor shall use its best efforts to ensure that all employees present a neat appearance and conduct themselves in a courteous manner. The Contractor shall not permit its employees to accept, demand, or solicit, directly or indirectly, any additional compensation or gratuity from members of the public.

- B. **Driver Qualifications.** All drivers must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles. The Contractor shall, at a minimum, use the Class II California Department of Motor Vehicles employer "Pull Notice Program" to monitor its drivers for safety.
- C. **Safety Training.** The Contractor shall provide suitable operational and safety training for all its employees who operate Processing Facility vehicles or equipment and shall provide a Safety Plan prior to the Commencement Date for the Authority's review and approval. The Contractor shall train its employees involved in Processing to identify, and not to Collect, Unpermitted Waste or Excluded Waste. The plan shall be developed by the Contractor as provided in this Section and, once approved by the Authority, shall be incorporated into this Agreement as part of Exhibit I-1. Upon the Authority's request, the Contractor shall provide the Authority with a copy of its safety policy and safety training program, the name of its safety officer, and the frequency of its trainings.
- D. **Reserved.**
- E. **Uniforms and Identification.** All employees of the Contractor performing field service under this Agreement shall be dressed in clean uniforms with employee's name or numbered badge that also shows the Contractor's name thereon at all times while engaged in the work. No portion of this uniform may be removed while working.
- F. **Employee Behavior.** If any Contractor manager, supervisor, or employee is found to be discourteous or not to be performing services in the manner required by this Agreement, the Contractor shall take all necessary and legal corrective measures, including, but not limited to, transfer, discipline, or termination. If the Authority has notified the Contractor of a Complaint related to discourteous or improper behavior, the Contractor will consider reassigning the employee to duties not entailing contact with the public within the Service Area while the Contractor is pursuing its investigation and corrective action process.
- G. **Hiring Displaced Employees.** The Contractor shall offer employment to existing employees working under the Authority's current agreements that include the services being provided under this Agreement who become unemployed by reason of the change in Contractors up until six (6) months after the Commencement Date; provided, however, that:
1. This requirement shall not be applicable to management or supervisory personnel.



2. The Contractor shall not be obligated to offer employment to more existing employees than the Contractor needs to perform the services required under this Agreement.
  3. The Contractor shall not be obligated to offer employment to existing employees that are not working prior to the Commencement Date due to a leave of absence related to disability or workers' compensation claim.
  4. The Contractor shall not be obligated to displace any of its current employees or modify its current job performance requirements or employee selection standards.
  5. Additional employees, if needed by the Contractor, shall be obtained pursuant to procedures currently in effect under the collective bargaining agreement for covered employees.
  6. Wages and benefits applicable to employees performing work under this Agreement shall be commensurate with current compensation or in accordance with existing agreements with represented labor groups.
  7. Unless prohibited by law or denied by the affected bargaining unit, the Contractor shall honor the existing seniority of any displaced workers for all applicable purposes under the bargaining agreement.
  8. The Contractor may enter into agreement(s) with Subcontractors to provide services covered during the Implementation Period, subject to the prior written consent of the Authority and Subcontractors shall be required to comply with the obligations stated in Sections 8.11.G.1 through 8.11.G.7, above.
  9. The Contractor shall provide monthly reports during the Implementation Period in each of the three (3) months prior to the Commencement Date documenting the status of their offers to displaced employees, acceptance by those employees, and all applicable dates for training and start of work under this Agreement. Following the Commencement Date, the Contractor shall provide monthly reports documenting their retention status (still employed, resigned, terminated, on leave, etc.) of each employee that was hired described herein and as further described in Exhibit D.
- H. **Labor Peace.** The Contractor acknowledges and agrees the health and safety considerations involved in a possible interruption in the services under this Agreement emphasizes the importance of labor peace during the term of the Agreement. The Contractor shall remain entirely neutral in the event that a question of employee representation arises during the Term of the Agreement.
- I. **Subcontractor and Approved Affiliates' Obligations.** Subcontractors and Approved Affiliates shall be required to comply with the obligations of this Agreement, in accordance with Section 2.9 and Section 8.11.
- J. **Labor Agreements.** Labor agreements shall be included as Exhibit I and any future modification shall be provided to the Authority as they occur. The Contractor shall provide full copies of the labor agreements, including any and all amendments, extensions, renewals, or other forms of modification.

## 8.12 Equipment and Supplies

The Contractor shall provide all rolling stock, stationary equipment, material storage containers, spare parts, maintenance supplies, and other consumables as appropriate and necessary to operate the

Approved Recyclable Materials Processing Facility and provide all services required by this Agreement. The Contractor shall place the equipment in the charge of competent operators. The Contractor shall repair and maintain all equipment at its own cost and expense.

### 8.13 Compliance with Facility Rules

The Contractor shall observe and comply with all regulations in effect at the Approved Facilities and Designated Facilities and shall cooperate with the operators thereof with respect to Acceptance of Recyclable Materials, including directions to unload vehicles in designated areas, accommodating operations and maintenance activities, and complying with Unpermitted Waste and Excluded Waste exclusion programs.

### 8.14 Marketing

- A. **Market Arrangements.** The Contractor shall maintain long-term relationships with materials brokers, develop relationships with new materials brokers, continually monitor market conditions, and have the ability to anticipate and react to severe market demand and fluctuations in materials' quantity, composition, and pricing. The Contractor shall use both domestic and foreign / local and regional markets to maintain continued material movement and obtain the highest and best use, as described in Subsection C below, for the market value.
- B. **Recovered Materials Marketed.** The Contractor shall market Recovered Materials in the categories and grades listed in Exhibit O. If the Contractor desires any modifications to the Recovered Material categories or grades in Exhibit O during the Term of the Agreement, the Contractor shall request approval from the Authority and such approval shall be obtained from the Authority before changes are implemented.
- C. **Highest and Best Use.** The Contractor's marketing strategy shall include the promotion of the highest and best use of materials for waste reduction, prevention, reuse, refill, repair, Recovery, and Recycling, as established by Applicable Law and Extended Producer Responsibility Programs. Where commercially reasonable, the marketing strategy should include the use of local, regional, domestic, and international markets, in this preferential order for Recovered Materials for Recycling.
- D. **Responsible End Markets.** The Contractor shall ensure the Authority's Recovered Materials are Delivered to, and Recycled and/or further Processed at, Responsible End Markets and shall maintain all records necessary to demonstrate compliance with this Section and Applicable Law. The Contractor shall provide records to the Authority demonstrating compliance with this Section in accordance with Article 12 and Exhibit D.
- E. **Recordkeeping.** The Contractor shall maintain complete and accurate marketing records in accordance with Article 12 including, but not limited to, Tonnage of material marketed, price, revenue received, purchaser name, physical address of the final destination of marketed Recovered Materials, and the specified end-use of marketed Recovered Materials.
- F. **Marketability of Recovered Materials.**
  - 1. General. The Authority acknowledges that the Contractor is required to: i) engage in marketing Recovered Materials on the open market, which may include participating in complex global markets that the Contractor has little influence over; ii) store such Recovered Materials prior to marketing in accordance with its Facility Permits; and,

iii) ensure public health and safety. Except as otherwise provided in Section 8.14.F.2, the Contractor shall market such Recovered Materials under most market conditions, including periods of severe depression and even negative value, to ensure that Recovered Materials are Recycled into the productive economy.

In addition to the circumstances that might arise as described in Sections 8.14.F.2 and 8.14.F.3, if the Contractor encounters general market challenges including, but not limited to, significant changes in pricing, market availability, or quality standards for any Recovered Materials marketed under this Agreement, Contractor shall notify the Authority in writing within five (5) Business Days of the nature of the market challenge and the Contractor's plans for addressing the challenge. Contractor shall provide the Authority with updates on the market challenges at least every twenty (20) Business Days thereafter until the Contractor determines, and the Authority agrees, that the concern has been resolved. However, in the event of a significant change in price or lack of market demand as specified in Section 8.14.F.2 and 8.14.F.3, the Contractor shall follow the noticing procedures set forth in 8.14.F.4.

2. Lack of Market Demand. In the event the market challenge results in a sustained lack of market demand for any Recovered Materials marketed under this Agreement, and subject to the notice requirements described in Section 8.14.F.4 Contractor may request permission from the Authority to use alternative marketing arrangements or temporarily Dispose of specific Recovered Material(s) impacted, as set forth below. A lack of market demand shall mean that the Contractor cannot reasonably find a market for the productive use of the subject Recovered Material(s) that ensures the Recovered Material is Recycled and Diverted at any value, positive or negative.
3. Significant Change in Price. If the market challenge results in a significant change in pricing for any materials Recovered under this Agreement, the Contractor may request temporary relief from the Authority as set forth below. A significant change in pricing shall mean a reduction in market value such that the market cost, on a per Ton basis, to send the subject Recovered Materials to a non-Disposal market, including Transportation costs, exceeds one hundred fifty percent (150%) of the Contractor's then-current costs for Transportation and Disposal of Franchised Materials under this Agreement or the sum of the Authority's then-current Transfer and Disposal costs under the Authority's other related Agreements, whichever is more. Processing costs, which are described in and subject to the adjustment provisions of Article 10, shall be excluded from this calculation (except for Transportation costs as set forth in the preceding sentence).
4. Duty to Provide Notice. Within ten (10) Business Days of Contractor's first knowledge of a significant change in pricing in accordance with Section 8.14.F.3, the Contractor shall notify the Authority via email with a formal signed written notice from the Contractor to the Authority to follow. Such notice shall include the Contractor's best estimate of the time when its remaining capacity to store the specific Recovered Material(s) impacted under the terms of its Facility Permits (the "Storage Capacity") will expire. The Contractor and the Authority shall meet and confer at the earliest, mutually convenient opportunity to discuss the market conditions and the Contractor's assertion of a lack of market demand for the specific Recovered Material(s) impacted. The Contractor shall be required to provide the Authority with additional information on Contractor's Storage Capacity including the proportion of

occupied by the specific Recovered Material(s) impacted relative to Contractor’s other material storage, and Contractor’s projected remaining capacity for the specific Recovered Material(s) impacted.

The Contractor shall have the burden of proving its good faith efforts to identify highest value markets for the specific Recovered Material(s) impacted and shall present to the Authority any information available to the Contractor related to the status of primary and alternative markets for the impacted Recovered Material(s), material pricing histories, and any other information, reasonably required by the Executive Director, that may help the Authority make a finding about the Contractor’s need for relief. The Contractor shall also provide the Authority with written notice when the Storage Capacity for the material in question has declined to thirty percent (30%) of normal, setting forth the estimated number of Days when no Storage Capacity for the specific Recovered Material(s) impacted will remain.

5. Authority Determination. The Executive Director shall make a reasonable finding that a market demand either does or does not exist or that a significant change in pricing has or has not occurred for the impacted Recovered Material(s), based on the good faith evaluation of information presented and any other information available, within twenty (20) Business Days after the Parties meet and confer in accordance with Section 8.14.F.4 or before the date when no Storage Capacity remains, whichever comes first.

If the Authority reasonably determines that a market demand does exist or that a significant change in pricing has not occurred, Contractor shall be required to continue to market all Recovered Materials as required under this Agreement. If the Authority determines that a market demand does not exist or that a significant change in price has occurred, the following provisions shall apply:

- a. **Determination of Lack of Market Demand.** If the Authority reasonably determines that a market demand does not exist, the Authority may, but is under no obligation to, attempt to identify a productive, non-Disposal outlet for the subject Recovered Material(s). If the Authority identifies such an outlet, and such outlet does not exceed the pricing limitation described in Section 8.14.F.3, the Contractor shall deliver the subject Recovered Material(s) to that outlet. If the Authority is unable to identify such an outlet, the Authority may authorize the Contractor to temporarily Dispose of the subject Recovered Material(s) in accordance with Section 8.14.F.6.

Additionally, in the event that the Authority reasonably determines that a market demand does not exist, the Authority shall have the right, but not the obligation, to take physical possession of some or all of the subject Recovered Materials from Contractor’s Facility in order to market or otherwise handle or Dispose of such materials through channels or processes the Authority deems appropriate, in its discretion.

- b. **Determination of Significant Price Change.** If the Authority reasonably determines that a significant change in pricing has occurred, the Authority may either: 1) authorize the Contractor to send the specific impacted Recovered Material(s) to market at the reduced value and agree to compensate the Contractor for the amount, including Transportation costs, that exceeds one

hundred and fifty percent (150%) of the greater of the two (2) options identified in 8.14.F.3.; or 2) attempt to identify an alternate, productive, non-Disposal outlet for the specific Recovered Material(s) at a value, including Transportation costs, less than one hundred and fifty percent (150%) of the Disposal Tipping Fee. The Contractor shall follow the Authority's direction if either of those options is selected by the Authority.

If the Authority is unable to so identify an outlet and is unwilling to compensate Contractor for the significant change in price, the Authority shall authorize the Contractor to temporarily Dispose of the subject Recovered Material(s) in accordance with Section 8.14.F.6.

6. **Disposal Approval.** Subject to the determination and conditions specified in Sections 8.14.F.5.a and 8.14.F.5.b, the Authority may authorize the Contractor to temporarily Dispose of specified Recovered Material(s) impacted by the lack of market demand or significant change in price. In such case, Contractor and the Authority shall review the status of the markets at a frequency established by the Authority until such time as the acceptable pricing and market demand return or the Authority reasonably determines that the review process may be discontinued. Notwithstanding any other provision of this Section, Contractor shall not Dispose of any Recovered Materials prior to receiving written authorization from the Authority to do so and, as necessary and appropriate under the circumstances, the Authority may also require the Contractor to secure authorization from CalRecycle and/or other relevant regulatory entities.

In the event that the Authority authorizes Disposal of materials under this Agreement related to the provisions of this Section, the Contractor may only Dispose of materials originating from the Authority in the same proportion as it Disposes of materials from other jurisdictions using the same facility. For example, if the Authority's materials represent thirty-three percent (33%) of the materials processed at the facility, Contractor may only Dispose of one (1) Ton of Authority materials for every two (2) tons of other users' materials that Contractor Disposes. This provision is intended to ensure that the Authority is treated the same as all other users of the facility in this regard.

- G. **Marketing Plan.** Upon the Executive Director's request, the Contractor shall provide a summary of Contractor's marketing plan for each Recovered Material, and recent average commodity values for Recovered Materials end markets within thirty (30) Days. If requested by the Executive Director, the Contractor shall allow the Executive Director on site to review a list provided by the Contractor of brokers/buyers used by the Contractor during the preceding twelve (12) months. If the Contractor becomes aware that a broker or buyer has illegally handled or Disposed of Recovered Material originating from the Authority's Service Area or elsewhere, the Contractor shall immediately inform the Executive Director and terminate its contract or working relationship with such party. Contractor shall maintain complete, accurate, and detailed marketing records, including Tonnage of Recovered Materials marketed, price, and revenue received in accordance with Article 12.

## 8.15 Diversion and Material Recovery Standards

### A. Recyclable Materials Diversion

1. General. The Contractor shall Process all Recyclable Materials Accepted in a manner that maximizes reuse, Recycling, and Diversion. After Processing, the Contractor may Dispose as Residue, or repurpose for Beneficial Reuse, any materials that do not have a higher or better use, to the extent allowed by State and local law, in accordance with Contractor’s obligations under Section 8.14 and Section 8.15.A.2 unless otherwise expressly provided in Section 8.14.F.6.

In accordance with the Contractor’s obligations to market Recovered Material consistent with the preferential order described in Section 8.14.C, the Contractor shall Process all Recyclable Materials such that all Recovered Material is of sufficient quality to attract the highest domestic market prices similar to market prices for Recovered Material produced by similar local Processing Facilities that Process single-stream Recyclable Materials. The Contractor’s operation of the Approved Recyclable Material Processing Facility must consistently produce Recovered Materials that achieve Residue and Contamination standards that meet or exceed the domestic market requirements and attract the highest current domestic market price for the specified Recovered Materials. Exhibit O presents the Recovered Materials quality standards to be achieved by the Contractor.

2. Effective Recovery Rate of Recyclable Materials. The Authority acknowledges that the Recyclable Materials Delivered to the Approved Recyclable Materials Processing Facility for Processing may have varying levels of Contamination. The Contractor shall Process Recyclable Materials in a manner that: maximizes the Recovery for each Recyclable Material type, as listed in Exhibit N-2; minimizes the amount of each Recyclable Material type in the resultant Residue; and, minimizes the amount of non-target Recyclable Material types in each type of Recovered Material (“Effective Recovery Rate”). Throughout the Term of the Agreement, the Contractor shall meet or exceed the Contractor’s guaranteed Effective Recovery Rate of Recyclable Materials, for each Recyclable Material type, as listed in Exhibit N-42 The Contractor’s Processing performance and compliance with the minimum Effective Recovery Rate of Recyclable Materials shall be verified through the Recyclable Materials Characterization Study process conducted in accordance with Exhibit N.

## ARTICLE 9 PAYMENTS TO THE AUTHORITY AND DESIGNATED FACILITIES

### 9.1 Payments to the Authority

The Parties understand and agree that the primary source of funds for the Authority to administer State law requirements, manage programs and services, administer the rights, privileges, and services under the agreements, and pay the Organics Contractor, Commercial Food Scraps Contractor, Reuse Contractor, Transfer Contractor, Disposal Contractor, Mixed Waste Contractor and/or other related Authority contractors for services is the Maximum Rates charged to Subscribers by the Franchised Collector and/or other reimbursements incorporated into Per Ton Tipping Fees.

As of the Effective Date, the Authority Reimbursement under this Agreement is Zero Dollars (\$0.00) per year, Zero Dollars (\$0.00) per Ton, 0.0% of Per Ton Tipping Fees, and 0.0% of annual Contractor Revenue.

The Authority Board reserves the right to establish or modify Authority Reimbursements at any time during the Term of this Agreement. Such a decision by the Authority shall be treated as a Pass-Through pursuant to Section 10.2 and shall become effective at the beginning of the Rate Year following such decision, unless otherwise mutually agreed upon between the Parties. The Contractor shall submit all payments to the Authority at the frequency approved by the Authority Board and, as appropriate, the Authority shall distribute the payments to the Member Agencies. The Contractor is prohibited from withholding or offsetting payments to the Authority and/or any Designated Facility(ies) as a remedy for any dispute under this Agreement.

## **9.2 Adjustment of Payments**

All payments described in Section 9.1 shall be included in the calculation of Tipping Fees as provided in Article 10. In its sole discretion, the Authority may adjust the amount of any payment required by Section 9.1, as necessary. Such adjustment shall be reflected in the adjustment of Tipping Fees as provided in Article 10.

## **9.3 Method of Payments**

The Contractor shall remit all required payments to the Authority on a monthly basis, or as otherwise specifically provided in this Article 9 by check or other payment method approved by the Executive Director.

## **9.4 Timing of Payments and Penalties for Late Payments**

Contractor shall remit all payments required under Section 9.1 within thirty (30) Days after the date the Contractor receives payment of Tipping Fees from the Authority. All payments shall be paid by check or electronic payment method accepted by the Authority. If any of the payments specified in this Article 9 are not paid to the Authority within thirty (30) Days as described above, Contractor shall be liable for administrative charges to the Authority, not to exceed the median Secured Overnight Financing Rate published by the New York Federal Reserve Bank (SOFR) plus two (2). For example, if the November 2023 SOFR Median is 5.33, the maximum administrative charge applied may not exceed 7.33 percent annual percentage rate.

The late payment penalty amounts are not intended as Interest on debt, but rather are intended as a predetermined penalty for failure to meet an obligation under this Agreement.

## **9.5 Billing and Payment Audit**

The Authority may, at any time during the Term or within three (3) years following the expiration or early termination of this Agreement, perform an audit of Contractor's Tonnage records, Billings, and payment of monies due to the Authority under Section 9.1; provided however, that the Authority has up to three (3) years to provide such notice to the Contractor that such an audit is being required if the request follows the expiration or early termination of the Agreement. The Contractor shall fully cooperate with the Authority in any such audit by providing a thorough, complete, and accurate response to any requests for information within ten (10) Business Days after the Authority's request. Should the Authority or its agent perform this review and identify Billing errors or other errors in payments due to the Authority valued at one percent (1%) or more of Contractor's prior year annual revenues under this Agreement, in addition to

compensating the Authority for lost payments and applicable delinquency penalties, Contractor shall reimburse the Authority’s cost of the review.

**9.6 Reserved**

**9.7 Payment of Recovered Recyclable Materials Revenue**

In addition to any payments due to the Authority, as described in Section 9.1, and in further consideration of the exclusive rights provided to Contractor in Section 2.1, the Contractor shall remit to the Authority seventy-five percent (75%) of the projected value associated with Contractor’s Recovery of Authority’s Recyclable Materials Delivered under this Agreement. The projected value shall be calculated in accordance with Exhibit N-3 (“Revenue Sharing Calculation”), established annually and divided into twelve (12) equal installments.

Contractor shall remit to the Authority seventy-five percent (75%) of the Revenue Sharing Calculation. The Contractor shall be entitled to retain the twenty-five percent (25%) of the Revenue Sharing Calculation and all remaining monies, including any additional value received from the sale of Contractor’s Recovered Recyclable Materials.

The Contractor shall submit all payments to the Authority monthly, or at the frequency approved by the Authority Board and, as appropriate, the Authority may distribute payments to Member Agencies. The Contractor is prohibited from withholding or offsetting payments to the Authority and/or any Designated Facility(ies) as a remedy for any dispute under this Agreement.

**ARTICLE 10  
CONTRACTOR’S COMPENSATION**

**10.1 Overview**

The Contractor’s compensation for performance of its obligations under this Agreement shall be the Tipping Fees paid by the Authority and any other amounts and compensation expressly provided for in this Agreement, including Sections 2.4, 5.2, 7.4, and 7.5. Pursuant to this Agreement, Tipping Fees paid to the Contractor by the Authority shall be the full, entire, and complete compensation due to Contractor to cover Contractor’s costs for all labor, equipment, materials and supplies, Facility fees, taxes, insurance, bonds, overhead, operations, profit, and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed, except as expressly provided otherwise herein, net of any payments and fees due to Authority.

Except as otherwise provided in Exhibit E and Section 10.4, if the Contractor’s actual costs, including fees due to Authority, are more than Contractor’s Revenue for services rendered by Contractor under this Agreement, Contractor shall not be compensated for the difference between actual costs and actual Contractor Revenue for services rendered by Contractor under this Agreement. If Contractor’s actual costs are less than the actual Contractor Revenue services rendered by Contractor under this Agreement, Contractor shall retain the difference provided that Contractor has made all payments required in Article 9.

Under this Agreement, Contractor shall have the right and obligation to charge and collect from the Authority Tipping Fees established and adjusted under this Agreement for provision of Contractor’s



services to the Authority as well as any payments due from the Franchised Collector in accordance with Section 5.2.

The Tipping Fees for Rate Year One are based on Contractor's Proposal (Exhibit G), the final negotiated Tipping Fees and other unit fees that are included in Exhibit E-1, including certain per unit cost components as identified in Exhibit E-4, and adjustments made in accordance with Table 1 of Exhibit E-2 prior to the Commencement Date. Tipping Fees for subsequent Rate Years shall be adjusted annually in accordance with Table 1 of Exhibit E-2 prior to the Commencement Date and in each Rate Year where the Cost-Based Rate Adjustment (CBRA) method described in Exhibit E-3 is not used, the Multi-Index Rate Adjustment (MIRA) method described in Exhibit E-2 shall apply.

The annual adjustment to Tipping Fees involves adjusting Contractor's compensation and integrates Governmental Fees and Authority Reimbursements (collectively "Pass-Through" components) paid by Contractor.

## 10.2 Process for Setting and Adjusting Tipping Fees

- A. **General.** The Executive Director shall be responsible for receiving, reviewing, and validating the accuracy of the Contractor's application for adjustment of Tipping Fees as described in this Article and determining the completeness of the Contractor's application based on the Contractor's mathematical accuracy and logical adherence to the calculation methodologies as expressly set forth in this Agreement and described in Exhibit E.

## 10.3 Tipping Fee Application Process

A. **Application Date and Content.**

1. Application Submittal Date. On the schedule provided in Exhibit E, prior to the commencement of the Rate Year for which Tipping Fees are to be determined (coming Rate Year), the Contractor shall submit to the Executive Director its application requesting the adjustment of Tipping Fees for the coming Rate Year via email with confirmation receipt. All Tipping Fee applications shall be submitted in Microsoft Excel format with all formulas and calculations preserved.

Notwithstanding any other provision of this Agreement, if the amount of any Pass-Through expense that Contractor is required to pay changes on a date that does not coincide with the beginning of a new Rate Year, the Contractor may request a one-time payment or compensation adjustment, to be determined by the Authority, for costs incurred and/or projected to be incurred during the interim period that shall be paid by the Authority.

2. Content of Application for Adjustment. The application submitted to support an adjustment of Tipping Fees shall be submitted in Microsoft Excel format with all formulas and calculations preserved. Such application shall present the underlying data and calculations of the Annual Percentage Change in various cost indices as separate tabs or tables in the submittal. The application shall include all supporting documentation for the calculations including copies of any relevant correspondence or evidence related to Governmental Fees.

The application shall also present a summary table with the Tipping Fees for the then-current Rate Year (e.g., Rate Year Three) and the proposed Tipping Fees for the coming Rate Year (e.g., Rate Year Four).

If the Authority requests additional information beyond that provided by the Contractor in its application, the Contractor shall provide all information requested by the Authority during its review of the application, including, but not limited to, all information from Approved Affiliates requested by the Authority regarding any transactions between Contractor and any Approved Affiliates pertaining to Contractor's performance under this Agreement.

- B. Authority Review of Application.** The Executive Director shall review Contractor's application for an adjustment of Tipping Fee and, upon completion of review, Executive Director shall deem the application complete, or deem the application incomplete with requirement for correction in accordance with Section 10.2.A. The Executive Director shall act in good faith and secure Authority Board approval to adjust to Tipping Fees by July 1 of the Rate Year. In the event that the Executive Director directs that a change(s) will be required relating to such adjustments to Tipping Fees, the Executive Director shall notify the Contractor in writing thereof within forty-five (45) Days of the date the Contractor's complete application is submitted, whereupon Contractor shall provide a response in an effort to resolve the matters raised by the Executive Director within ten (10) Days after receipt of written notice from the Executive Director. Thereafter, the Executive Director shall review and approve the proposed adjustment of Tipping Fees by March 1 of the Rate Year. The adjusted Tipping Fees shall not take effect until the Authority Board has approved of such Tipping Fees; provided, however, that Contractor shall be entitled to compensation pursuant to Section 10.3.C as described below.
- C. Failure to Adjust Tipping Fees.** If the Contractor submits its application for adjustment of Tipping Fees in a correct and compliant format and with all required content on or before the application date identified in Exhibit E and, if applicable, timely responds to the Executive Director's direction for changes to an application after submission under Section 10.3.B, and the Authority Board does not approve adjusted Tipping Fees under this Agreement as part of the Authority Board's approval of Maximum Rates under the Franchise Collector's contract to be effective on the date specified in Exhibit E of a Rate Year, the Authority shall provide a payment(s), adjustment(s), or surcharge(s) such that Contractor receives payment for any shortfall in Contractor's compensation resulting from the delay in approval of appropriate adjustments to Tipping Fees. To determine the amount of a shortfall the Authority and Contractor shall meet and confer to determine the effect the delayed approval of appropriate adjustments in Tipping Fees has on the Contractor's compensation.

If the Contractor does not submit the application in a correct and compliant format and with all required content on or before the application date identified in Exhibit E, the Authority shall notify Contractor in writing within forty-five (45) Days of the date the Contractor's complete application is submitted if the Authority determines that the application is incomplete and requires correction. Thereafter, Contractor shall respond within ten (10) Days of receipt of the written notice from the Authority and in an effort to satisfy the application requirements of this Section. In the event that Contractor fails to timely respond, the adjusted Tipping Fees may not be approved by the date specified in Exhibit E of a Rate Year and therefore, may not become effective by the effective date specified in Exhibit E of a Rate Year.

In such case, appropriate adjustments of Tipping Fees shall be approved and made effective as soon as practical thereafter, with both the Authority and Contractor using best efforts to expedite the adjustment, but Authority shall not be required to provide retroactive payment(s), adjustment(s), or surcharges(s) to allow the Contractor to recover compensation that Contractor would have collected had the application and/or response to the Executive Director as set forth above been timely submitted and the Tipping Fee adjustment been implemented in accordance with the prescribed schedule.

#### 10.4 Special Tipping Fee Review

- A. **Eligible Items.** The Contractor is entitled to apply to the Authority for consideration of a Special Tipping Fee Review, which the Authority may also initiate, should one (1) or more of the following events occur:
1. Change in Scope. Authority-approved change in scope, as provided for under Section 2.4, 5.4, 7.5 and 10.5.
  2. Emergency Services. Provision of emergency services pursuant to Section 7.4.
  3. Uncontrollable Circumstance. Occurrence of Uncontrollable Circumstances (other than Change in Law).
  4. Change in Law. Change in Law after the date of submission of Contractor's Proposal that were not reasonably known to the Contractor before the date of submission of Contractor's Proposal.
  5. Change in Responsible End Markets. The change in the definition of "Responsible End Market," relative to the proposed SB 54 regulation text dated March 8, 2024, which materially increases the Contractor's cost of providing the services and/or performing its obligations under this Agreement relative to the Responsible End Market ; provided, however, that if the Contractor has otherwise has an opportunity for relief through another provision of this Agreement (e.g. Section 8.14.F) , such a change would remain ineligible. By way of illustration only, the definition of Responsible End Market is revised such that it changes the way an existing material must be Recovered and/or processed which materially increases the Contractor's cost to ensure that material can continue to be Recovered due to a change in market requirements and/or standards.
  6. Reserved.
  7. Reserved.
- B. **Ineligible Items.** A Special Tipping Fee Review may not be initiated for the following items and the Contractor shall not be compensated for such items over the Term of the Agreement.
1. Cost Increases. Increases in the cost of providing all services and performing all obligations under this Agreement which are in excess of the increases provided through the annual adjustment mechanism described in Exhibit E unless cost increases are related to eligible items listed in Section 10.4.A above and/or relate to the adjustment methodology described in Exhibit E-3.
  2. Change in Facility Conditions. Increases in the cost of providing all services and performing all obligations under this Agreement that may be impacted by change in operating conditions of an Approved or Designated Facility unless such change is: (i)

initiated by, resulting from a contract modification with, or at the direction of the Authority, (ii) the result of any new or modified applicable Permit requirements, (iii) the result of any new or modified requirement or obligation from the local enforcement agency or other applicable governmental authority having jurisdiction over the Approved Facility, or (iv) the result of cost increases related to eligible items listed in Section 10.4.A and/or the adjustment methodology described in Exhibit E-3; provided, however, that the change in operating conditions at the Approved Recyclable Materials Processing Facility cannot have been caused by the negligence or a voluntary, discretionary change in operating conditions by Contractor that does not meet the requirements of (i)-(iv) above.

3. Change in General Economic Conditions. Changes in general economic conditions including but not limited to: inflation, deflation, recession, depression, supply chains, default on the debts of any government agency, commodity markets (except as expressly provided in Section 8.14), stock markets, pension systems, automation, labor availability, or other factors broadly impacting businesses that are not explicitly contemplated in the Agreement, including Section 10.4.A above.
4. Decreases in Revenues from Sale of Materials. In the event that the Contractor relies upon sales of materials that the Contractor is entitled to under this Agreement and the value of those materials change over time. Except as otherwise expressly provided in Section 8.14, nothing in this Agreement shall entitle the Contractor to retain, market, sell, or otherwise make use of any material that the Authority has contracted to a Designated Facility or that the Contractor is required to Deliver to a Designated Facility.

- C. **Review of Costs.** If the Contractor or the Authority requests a Special Tipping Fee Review, the Authority shall have the right to review any relevant financial and operating records of Contractor and Affiliates that relate to the performance of this Agreement or the basis of the Special Tipping Fee Review.
- D. **Submittal of Application.** If the Contractor is requesting a Special Tipping Fee Review, the Contractor must submit its application along with cost and operational data, in a form and manner reasonably specified by the Authority, at least six (6) months before the proposed effective date of any Tipping Fee adjustment. The Authority may waive the six- (6-) month submittal requirement if the reason for the special review is a Change in Law or Change in Scope that will become effective in less than six (6) months, as described below.

If the Authority is requesting a Special Tipping Fee Review, the Authority shall notify the Contractor at least seven (7) months before the proposed effective date of any Tipping Fee adjustment. Upon such notification, the Contractor shall, within thirty (30) Days, submit reasonable cost and operational data as requested by the Authority, in a form and manner specified by the Authority.

A Special Tipping Fee Review application shall include a proposal on whether the Tipping Fee adjustment resulting from the special review shall be an adjustment in addition to or in lieu of the annual adjustment to Tipping Fees performed in accordance with Exhibit E.

If one (1) or more of the eligible events in Section 10.4.A have an effect totaling two percent (2%) or more of Contractor's total annual compensation under this Agreement for the then-current Rate Year, such cost impact may be considered eligible for retroactive compensation

under this Agreement between the time that the occurrence created a material effect on Contractor's total compensation and when Tipping Fees are adjusted during the next annual adjustment process in accordance with Exhibit E and if approved by the Authority pursuant to the methodology contained herein, a special one-time adjustment may be made to the Tipping Fee for the next Rate Year that would be removed in the subsequent Rate Year. If one (1) or more of the eligible events have an effect totaling less than two percent (2%) of Contractor's total annual compensation under this Agreement for the then-current Rate Year, such cost impact shall be incorporated at the time the next annual adjustment process for Tipping Fees is performed in accordance with Exhibit E, and Contractor shall not be compensated retroactively for such cost between the time that the occurrence created a material effect on Contractor's total compensation and the effective date of the next Rate Year.

- E. **Burden of Justification.** The Contractor shall bear the burden of justifying to the Authority by substantial evidence any entitlement to increased Tipping Fees under this Section 10.4. Records required to be maintained pursuant to Article 12 shall be subject to review, in accordance with appropriate professional standards, and inspection for the primary purpose of reviewing Contractor's change in costs attributable to the circumstances that triggered the Special Tipping Fee Review, at any reasonable time by the Executive Director or a third party selected by the Authority. The Contractor shall not interfere with, or have any right to object to, the selection of the third party nor the scope of work provided by the Authority's chosen third party reviewer. The independent reviewer shall provide a final draft of its review to the Authority and the Contractor. The Party requesting the Special Tipping Fee Review shall bear the cost of the review.

If the Authority determines that the Contractor has not met its burden, the Contractor may request a meeting with the Authority to produce additional evidence. Upon such request, the Authority shall permit said additional hearing. Any resulting disputes shall be managed pursuant to Article 15.

- F. **Grant of Application.** Notwithstanding Section 10.5.A below and based on evidence submitted by the Contractor, the Authority Board may grant some, all, or none of Contractor's application for an adjustment to Tipping Fees, exercising reasonable discretion.
- G. **Compensation.** If Contractor requests a Special Tipping Fee Review, Contractor shall pay all of Authority's reasonable costs for participating in such review up to a maximum of Fifty Thousand Dollars (\$50,000), that shall be adjusted annually by the Annual Percentage Change in CPI-U, and such costs shall not be reimbursed through Tipping Fees. If a Special Tipping Fee Review occurs in response to an Authority-directed change in scope (pursuant to Section 10.4.A.1), the Authority shall be considered the Party requesting the Special Tipping Fee Review and the Authority's costs of the review may be reimbursed through the Tipping Fees.

## 10.5 Adjustment to Tipping Fees for Changes in Scope

- A. **Changes in Scope.** As part of Contractor's written proposal under Section 2.4.B of this Agreement, the Contractor shall furnish the Authority with projected operational and cost data for the change in scope to support any requested Special Tipping Fee Review. For the purpose of analyzing cost impacts resulting from changes in scope, the Contractor's profit shall be calculated using an operating ratio of eighty-five percent (85%) of actual reasonable

and necessary costs. The Authority reserves the right to require that the Contractor supply any additional cost data or other information the Authority may reasonably need to ascertain the appropriate adjustment to Tipping Fees, if any, for the change in scope. If the Authority approves the Contractor's proposal (as may be negotiated), the Authority shall review this operational and cost data, and the Authority Board shall approve Tipping Fees for the change in scope pursuant to the terms of the Agreement.

The granting of any change in scope shall be contingent upon the Authority's written approval and establishment of new Tipping Fees, if appropriate. The Authority Board, with input from Member Agencies, shall approve Tipping Fee adjustments in good faith, coincident with any adjustment made pursuant to this Section so that the change in scope and the corresponding Tipping Fees become effective on the same date. In the event that such alignment is not practical for reasons including, but not limited to, the involvement of other Authority contracts, the Authority shall be entitled to compensate Contractor over time or through alternative methods as described above in Section 10.3.C.

**B. Reserved.**

## **10.6 Coordination with Other Authority Contractors**

The Contractor acknowledges that it is one of several contractors to the Authority whose compensation adjustments impact the Maximum Rates that may be charged by the Franchised Collector to Subscribers. The Contractor shall provide an advisory copy of its original and any revised Tipping Fee application to the Franchised Collector at the same time it is provided to the Executive Director. The Contractor shall provide timely notice to the Authority and the Franchised Collector of any anticipated delays in Contractor's schedule for obtaining data related to or submitting applications required for the coming Rate Year. The Contractor shall timely incorporate and resubmit its application based on revised or updated data from the Authority and/or the Franchised Collector.

# **ARTICLE 11 REVIEW OF SERVICES AND PERFORMANCE**

## **11.1 Right to Enter Facility and Observe Operations**

The Authority and its designated representative(s) reserve the right to: (i) enter, observe, and inspect the Approved Facilities during Facility operations at any time and without notice; ii) to conduct studies or surveys of the Approved Facilities that do not interfere with or impede Contractors' operations without at least forty-eight (48) hours advance notice; and iii) to meet with the Approved Facility manager(s) or their representatives at any time, provided that the Authority and/or its representative(s) confirm twenty-four (24) hours in advance that one of Contractor's designated managers will be present and available to accompany the Authority and its representative(s) while at the Approved Recyclable Materials Processing Facility, comply with Contractor's reasonable safety and security rules and do not interfere with the work of the Contractor or its Subcontractors. If Authority exercises its right to enter the Approved Facilities, Contractor is obligated to allow entry to the Approved Facilities and allow for representatives to conduct reasonable observations, inspections, studies, or surveys. However, if the Contractor representative or Approved Facility manager is not at the Approved Facility when the Authority or its designated representative(s) visit without prior announcement, Contractor may limit the visit of the Authority or its designated representative to a portion of the Facility including, but not limited to, offices, container and

vehicle storage areas, or Maintenance Yard. In that event, Contractor shall arrange for Authority or its designated representative(s) to return for a visit of the complete Facility within forty-eight (48) hours of the Authority's visit. Upon Authority direction, Contractor shall make personnel available to accompany Authority employees or representatives on inspections. The Contractor shall ensure that its employees cooperate with the Authority and respond to the Authority's reasonable inquiries.

## **11.2 Performance Review**

The Authority reserves the right to conduct a performance review to verify Contractor has fulfilled its obligations under the Agreement, to review complaints, to review billings to the Franchised Collector, to review payments to Authority and/or Designated Facilities, and to determine if Contractor has met performance standards. The Contractor shall cooperate with the review including by providing a thorough, complete, and accurate response to any requests for information within ten (10) Business Days after Authority's request. The Contractor shall not request a confidentiality agreement from Authority or its agents in order to conduct the performance review and audit, nor shall it claim privilege over any record or documents that the Executive Director is entitled to under this Agreement unless this Agreement already specifically acknowledges some privilege related to that record.

If any partial compliance or noncompliance with the Agreement is found, Authority may elect any remedy available under the Agreement including, but not limited to, assessing Liquidated Damages, determining that a breach or default has occurred, and/or directing the Contractor to correct the inadequacies in accordance with Article 14 of this Agreement.

If any partial compliance or noncompliance with: i) the performance standards of this Agreement; or, ii) billing or payment terms of this Agreement which exceed one percent (1%) of Contractor's prior year annual revenue under this Agreement, is found through a Authority-initiated performance review, Contractor shall be responsible for correcting the billing or payment issue and for reimbursing Authority's actual costs of performing the performance review up to Fifty Thousand Dollars (\$50,000), that shall be adjusted annually by the Annual Percentage Change in CPI-U, in any calendar year.

## **ARTICLE 12 RECORD KEEPING AND RECORDING**

### **12.1 General Record Keeping Provisions**

Contractor shall maintain, in its principal office in the County, such accounting, statistical, and other records required to conduct its operations, to support requests it may make to Authority, to respond to requests from Authority, and as shall be necessary to develop the financial statements and other reports required by this Agreement. Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated such as a fire, theft, and earthquake. Electronically-maintained data/records shall be protected and a second copy of data/records shall be saved to a protected source, such as a combination of off-site and cloud-based backup with the ability to restore complete functionality within twenty-four (24) hours, or a hot fail-over database configuration.

Contractor shall account for revenues received and expenses incurred as a result of this Agreement separately from the accounting for other operations performed by Contractor or its Affiliates.



## 12.2 Review and Inspection

Contractor and its Affiliates agree to provide or make available its records relating to this Agreement to the Authority and its official representatives for review during normal business hours. During the Term of this Agreement, upon providing at least five (5) business Days written notice to the Contractor, the Authority, its auditors, and other agents, shall have the right, during normal business hours, to conduct unannounced on-site inspections of the records and accounting systems of Contractor and to make copies of any documents it deems relevant to this Agreement; provided, however, that Contractor shall be entitled to redact and/or refrain from producing or making available any documents and/or information with sensitive personnel information or Customer financial information to safeguard protected privacy rights and to remain in full and complete compliance with Applicable Law. In the event the custodian of such records and systems is not on the Premises at the time of inspection, Contractor shall not be in breach of this Agreement, the Authority shall then give notice to Contractor requesting access to the records, and Contractor shall make arrangements to allow for inspection within five (5) Business Days of such notice. The Authority's right to inspection of records under this paragraph shall continue for five (5) years after the expiration or early termination of this Agreement. However, after expiration or early termination of this Agreement, the Authority shall provide Contractor with a written request to inspect records and Contractor shall make records available for inspection within two (2) weeks of such request.

## 12.3 Retention of Records

Unless otherwise herein required, Contractor shall retain all records and data required by this Agreement for five (5) years after the expiration or early termination of this Agreement.

## 12.4 Other Information Requirements

Contractor agrees to conduct data collection and other reporting activities as needed to comply with Federal, State, and local laws and regulations, and the requirements of this Agreement. To the extent such requirements are set out in this and other Articles of this Agreement, they shall not be considered limiting or necessarily complete.

## 12.5 Reporting

- A. **General.** The Contractor shall submit monthly reports within fourteen (14) Days after the end of the calendar month and annual reports no later than thirty (30) Days after the end of each calendar year. Monthly and annual reports shall include at a minimum, all data and information described in Exhibit D, unless otherwise specified under this Agreement.
- B. **Report Format.** The Contractor may propose report formats that are responsive to the objectives and audiences for each report. The format of each report shall be approved by the Executive Director, in their sole discretion. The Executive Director may, from time to time during the Term, review, and request changes to the Contractor's report formats and content and Contractor shall not unreasonably deny such requests.

The Contractor shall submit all reports to the Executive Director electronically via e-mail using software acceptable to the Authority. The Authority reserves the right to require the Contractor to maintain records and submit the reports required herein through use of an Authority-selected web-based software platform, at the Contractor's expense.

- C. **No Claim of Confidentiality, Proprietary, or Trade Secret.** The Contractor shall not claim confidentiality, proprietary, trade secret or similar status, unless Contractor determines it



necessary to comply with law, as an excuse from providing any records or data required to be maintained or required to evidence data that is required to be maintained under this Agreement. The Contractor further acknowledges that such information may be subject to the California Consumer Privacy Act. The California Consumer Privacy Act requires Contractor to notify any party from which they are gathering sensitive information to disclose that such information may be shared with the Authority. The Contractor may mark certain records provided to Authority as confidential, proprietary, trade secret, or otherwise exempt from disclosure by stamping each page of such records with the appropriate designation under the law. Notwithstanding such marking, the Authority may disclose such records without any prior notice to the Contractor if the records are required to be reported to any regulatory agency or to demonstrate the Contractor's compliance with this Agreement or Franchised Collector's or Designated Facility's compliance with their contracts with the Authority. In the event that the Authority believes that records marked by the Contractor are required to be disclosed under the California Public Records Act, Authority shall provide timely notice to Contractor so that Contractor can pursue, if it desires and at its sole cost, a judicial determination that the records are exempt from disclosure.

## **12.6 Recycling and Disposal Reporting System Reporting**

The Contractor acknowledges that the Authority's Franchise Collector may route its Collection vehicles in a manner that will result in the commingling of Franchise Materials from multiple Member Agencies during Collection and Franchise Materials prior to arriving at the Approved Recyclable Materials Processing Facility. The Contractor further acknowledges that its Approved Recyclable Materials Processing Facility manages materials from multiple jurisdictions of origin. The Parties acknowledge the interdependent nature of the Authority's Franchise Collector and the Authority's various post-Collection contractors and that each is part of a larger integrated system that requires the diligent and accurate tracking and sharing of data where Franchise Material is handled by multiple parties.

The Authority has a fiduciary duty to ensure the appropriate allocation of costs to Subscribers between Member Agencies when setting Maximum Rates charged by the Franchised Collector. As such, the Authority and its Member Agencies place the utmost importance on accurate reporting and transparency, especially with regard to information required to make those allocations of costs. Further, the Authority is a regional agency under AB 939 with a single jurisdictional origin under AB 901 and the County is not included under the regional agency for AB 901. The Authority finds it critically important to maintain jurisdiction of origin to the Member Agency level rather than the regional agency level. The Authority is therefore interested in ensuring regional agency and Member Agency compliance with AB 901, precise allocations to the Member Agency level, and accurate completion and timely submittal of reports into the CalRecycle Recycling and Disposal Reporting System (RDRS).

The Parties acknowledge that in order for the Authority to comply with its fiduciary duty to its constituents and obligations to each of its contractors within its interdependent system from Collection through Delivery to Designated Facility(ies), including Processing Residue Disposal, the Authority must have sufficient access to each facilities' data related to inbound and outbound tons by jurisdiction of origin and delivering entity. Further, as the owner/operator of a Permitted Processor Facility in California, the Contractor is a regulated entity under AB 901, and in accordance with Section 13.3 of this Agreement, the Authority relies in part on the Contractor to ensure under AB 901 accurate allocation and data entry into the RDRS system for the Authority and its Member Agencies. As such, the Parties hereby agree that certain data that may otherwise not be publicly available related to the allocations of Tonnage at Contractor's Facilities used in the performance of any and all services under this Agreement, including to agencies other

than the Authority and its Member Agencies and allocation of Processing Residue Disposal Tonnage among Contractor's operations at the Approved Recyclable Materials Processing Facility, will be provided by the Contractor to the Authority.

The Contractor acknowledges its affirmative obligation under this Agreement and Applicable Law to timely, accurately, and completely track and report on the Tonnages Processed at its Approved Recyclable Materials Processing Facility for the purposes of the Authority setting Maximum Rates charged by the Franchised Collector to Subscribers, as well as Contractor's allocation of Processing Residue Disposal Tonnage among Contractor's operations at the Approved Recyclable Materials Processing Facility and reporting in RDRS. The Authority understands the Contractor is reliant on the Franchised Collector to provide the jurisdiction of origin data for all Franchised Materials Delivered by the Franchised Collector and Accepted by Contractor at the Contractor's Approved Recyclable Materials Processing Facility and requires the following from its Franchised Collector:

- The Franchised Collector, as part of their Franchise agreement, must accurately track and timely report to the Authority, all Recyclable Materials Tonnage data by jurisdiction of origin Delivered to the Contractor's Approved Recyclable Materials Processing Facility. The data provided by the Franchised Collector must reconcile to inbound weight data, by material type, provided by the Contractor. The Authority reserves the right at any time to review the Franchised Collector's and Contractor's data for accuracy and consistency and make any necessary adjustments, and the Contractor shall update its data accordingly.

The Contractor shall track and report to the Authority the jurisdiction of origin for Residue Disposed at Contractor's Disposal Site attributed to each Member Agency; however, it may report regional agency data to the RDRS provided that County data is reported separately. The Contractor shall track and use the jurisdiction of origin Tonnage allocation data provided by the Franchised Collector for each Load of Recyclable Materials Delivered to the Contractor and shall use any revised jurisdiction of origin inbound Tonnage allocations and/or data provided by the Authority to the Contractor in its AB 901 reporting. The Contractor shall use the inbound jurisdiction of origin allocations to track and allocate outbound Tons of Recyclable Materials by jurisdiction of origin in its reports to the Authority and its quarterly RDRS submittals. The Contractor shall provide the Authority with any and all reports and data that the Executive Director reasonably requires to validate the accuracy of RDRS submittals attributable to the Authority and/or relative other Tons received by the Contractor at the Approved Recyclable Materials Processing Facility, where Loads of Recyclable Materials Delivered by the Franchise Collector may or may not have been commingled with Tons attributable to other jurisdictions. Additional information on the Contractor's reporting obligations relative to AB 901 are further described in Exhibit D.

## **12.7 CERCLA Reporting**

The Authority views its ability to defend itself against CERCLA, and related litigation as a matter of great importance. For this reason, the Authority regards its ability to prove where Collected Franchised Solid Waste is taken for Transfer or Disposal as essential. The Contractor shall maintain records that can establish the Disposal location of Collected Franchised Solid Waste. This provision shall survive the expiration or earlier termination of this Agreement. The Contractor shall maintain these records for a minimum of ten (10) years beyond expiration or earlier termination of the Agreement. The Contractor shall provide these records to the Authority (upon request or at the end of the record retention period) in an organized and indexed manner rather than destroying or disposing of them.

## **ARTICLE 13**

### **INDEMNIFICATION, INSURANCE, AND PERFORMANCE BOND**

#### **13.1 General Indemnification**

The Contractor shall Indemnify, defend with counsel acceptable to Authority (provided that such acceptance shall not be unreasonably withheld), and hold harmless the Authority and its Member Agencies, their officers, directors, employees, volunteers, and agents (collectively, "Indemnitees") from and against any and all claims (including challenges to the Authority's authority to enter into this Agreement or to contract for the services required under this Agreement, regardless of the legal theory advanced), liability, loss, injuries, damages, expense, penalties, and costs (including, without limitation, litigation costs and fees, including attorneys' and expert witness fees incurred in connection with defending against any of the foregoing or in enforcing this Indemnity) but only relating to the Contractor's performance or non-performance (including the Contractor's officers, employees, agents and/or Subcontractors' performance) of this Agreement. The foregoing shall not apply to the extent any of the above loss or damage was caused by the active gross negligence or willful misconduct of Indemnitees. The Contractor's duty to Indemnify and defend shall survive the expiration or earlier termination of this Agreement.

The Authority reserves the right to retain co-counsel at its sole expense, and the Contractor shall direct the Contractor's counsel to assist and cooperate with such co-counsel with respect to the Authority's defense, provided that such assistance and cooperation does not conflict with Contractor's counsel's defense strategy.

#### **13.2 Hazardous Substance Indemnification**

To the extent allowed by law, Contractor shall Indemnify, defend with counsel acceptable to Authority (provided that such acceptance shall not be unreasonably withheld), and hold harmless "Indemnitees" from and against any and all claims, damages, injuries, costs (including but not limited to all response, remediation, and removal costs), losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, and expenses (including attorneys' and expert witness' fees incurred in connection with defending against any of the foregoing or in enforcing this Indemnity (collectively, "damages")) paid, incurred, suffered by, or asserted against Indemnitees, but only arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure, or other plan concerning any Hazardous Substances or Hazardous Waste released, spilled, or disposed of by Contractor pursuant to this Agreement. Notwithstanding the foregoing, however, the Contractor is not required to Indemnify the Indemnitees against claims arising from Contractor's handling and/or Delivery of Franchised Materials to a Processing Facility, Disposal Site, or Transfer Facility owned or operated by a third party, unless such claims are a direct result of Contractor's negligence or willful misconduct. The foregoing Indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA, 42 U.S.C. Section 9607(e), California Health and Safety Code Section 25364, and the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. to defend, protect, hold harmless, and Indemnify Indemnitees from liability, and shall survive the expiration or earlier termination of this Agreement.

#### **13.3 CalRecycle Indemnification**

In addition to any other Indemnity obligations set forth herein, Contractor agrees to Indemnify, defend, and hold harmless Indemnitees from and against any and all fines and/or penalties imposed by CalRecycle

or the Local Enforcement Agency (“LEA”), but only in proportion to its fault, and subject to other restrictions set forth in California Public Resources Code Section 40059.1, if the requirements of AB 939, SB 1016, AB 341, AB 1826, and/or SB 1383, are not met with respect to the Recyclable Materials Accepted by Contractor under this Agreement, and such failure is due to the failure of Contractor to meet its obligations under this Agreement or due to Contractor delays in providing information that prevents Contractor or Authority from submitting accurate reports required by CalRecycle in a timely manner. The Contractor’s duty to Indemnify and defend shall survive the expiration or earlier termination of this Agreement.

### 13.4 Environmental Indemnity

Contractor shall defend, Indemnify, and hold harmless Indemnitees against and from any and all claims, suits, losses, penalties, damages, and liability for damages of every name, kind, and description including attorneys’ fees and costs incurred, but only attributable to and to the extent of the negligence or willful misconduct of Contractor in handling Unpermitted Waste and/or Excluded Waste. For purposes of clarity, Franchised Collector is prohibited from Delivering Unpermitted Waste and/or Excluded Waste to Contractor under this Agreement.

### 13.5 Insurance

Contractor shall, at its sole cost and expense, maintain in effect at all times during the Term of this Agreement not less than the following coverage and limits of insurance:

- A. **Minimum Scope of Insurance.** Coverage shall be at least as broad as:
1. The most recent editions of Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001 0413).
  2. The most recent editions of Insurance Services Office form number CA 0001 covering Automobile Liability, symbol 1 “any auto” and endorsement CA 0025.
  3. Workers’ compensation Employers Liability insurance as required by California Labor Code Sections 3700 et seq.
- B. **Minimum Limits of Insurance.** The Contractor shall maintain limits no less than:
1. Commercial General Liability: Ten Million Dollars (\$10,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage, which may be satisfied in conjunction with excess limits.
  2. Automobile Liability: Ten Million Dollars (\$10,000,000) combined single limit per accident for bodily injury and property damage, which may be satisfied in conjunction with excess limits.
  3. Workers’ Compensation and Employers Liability: Workers’ compensation limits as required by the Labor Code of the State of California and Employers Liability limits of One Million Dollars (\$1,000,000) per accident/occurrence.
  4. Pollution Legal Liability: Ten Million Dollars (\$10,000,000) covering liability arising from the release of pollution at the Approved Recyclable Materials Processing Facility. The Pollution Legal Liability policy shall contain the same endorsements as required for Commercial General Liability.

- C. **Deductibles and Retentions.** Regardless of the existence or amount of any deductibles or self-insured retentions that may exist under Contractor's insurance policies, Contractor shall provide to the Authority the benefits of policy coverages, so that the policy coverage shall apply starting with the first dollar of any covered defense cost or Indemnity obligation.
- D. **Other Insurance Provisions.** The policies are to contain, or be endorsed to contain, the following provisions:
1. **General Liability and Automobile Liability Coverage.**
    - a. The Authority, its Member Agencies, their officials, directors, employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; Premises owned, leased or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Authority, its Member Agencies, their officials, directors, employees, or volunteers.
    - b. Contractor's insurance coverage shall be primary insurance as respects Authority, its Member Agencies, its officials, employees, and volunteers. Any insurance or self-insurance maintained by Authority, its Member Agencies, its officials, employees, or volunteers shall be excess of Contractor's insurance and shall not contribute with it.
    - c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to Authority, its Member Agencies, its officials, employees, or volunteers.
    - d. Coverage shall state that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurers' liability.
    - e. Contractor's insurers shall agree to waive all rights of subrogation against Authority, its Member Agencies, its officials, employees, and volunteers for losses arising from work performed by Contractor under this Agreement.
  2. **Workers' Compensation and Employers Liability Coverage.** The insurer shall agree to waive all rights of subrogation against the Authority, its Member Agencies, its officials, employees, and volunteers for losses arising from work performed by Contractor under this Agreement.
- E. **Acceptability of Insurers.** The insurance policies required by this Section shall be issued by an insurance company or companies approved to do business in the State of California and with a rating in the most recent edition of Best's Insurance Reports of size category VII or larger and a rating classification of A or better, unless Authority agrees in writing to alternative ratings. To the extent permitted by law, all or any part of the required insurance may be provided under a plan of self-insurance, only if, in the sole discretion of Authority, Contractor can provide adequate assurances that the self-insured coverage provides commercially equivalent protection to Authority and its Member Agencies, their officials, employees, volunteers, and agents.

- F. **Verification of Coverage.** The Contractor shall furnish the Authority with certificates of insurance and with original endorsements affecting coverage required by this clause. The certificates of insurance and endorsements for each insurance policy are to be signed by a Person authorized by the insurer(s) to bind coverage on its behalf. The certificates and endorsements are to be on forms provided by or acceptable to Authority and are to be received and approved by Authority on or before the Effective Date.
- G. **Approved Affiliates and Subcontractors.** The Contractor shall require all Approved Affiliates and Subcontractors performing work in connection with this Agreement to maintain minimum insurance consistent with coverage type, limits, and other requirements specified here, except as otherwise provided in Exhibit H, or otherwise approved in writing in advance by the Executive Director. Alternatively, the Contractor may satisfy this insurance obligation by naming Approved Affiliates and/or Subcontractors as additional insureds under the Contractor's policies specified herein (except Workers' Compensation and Employer's Liability).
- H. **Required Endorsements.** The Commercial General Liability policy shall contain the following blanket endorsement in substantially the following form:
1. "Thirty (30) Days prior written notice shall be given to Authority in the event of cancellation of this policy. Such notice shall be emailed from the insurer(s) authorized representative to [Authority@recyclesmart.org](mailto:Authority@recyclesmart.org), and upon written request by the Executive Director, such notice shall also be submitted in hard copy to:  
  
Executive Director  
Central Contra Costa Solid Waste Authority  
1850 Mt. Diablo Blvd, Suite 320  
Walnut Creek, CA 94596"
  2. "Inclusion of Authority and Member Agencies as an additional insured shall not affect Authority's or its Member Agencies' rights as respects any claim, demand, suit, or judgement brought or recovered against Contractor. This policy shall protect Contractor and Authority and Member Agencies in the same manner as though a separate policy had been issued to each, but this shall not operate to increase Contractor's liability as set forth in the policy beyond the amount shown or to which Contractor would have been liable if only one Party had been named as an insured. The thirty (30) Day notice of cancellation shall be emailed from the insurer(s) authorized representative to [Authority@recyclesmart.org](mailto:Authority@recyclesmart.org), and upon written request by the Executive Director, such notice shall also be submitted in hard copy to:  
  
Executive Director  
Central Contra Costa Solid Waste Authority  
1850 Mt. Diablo Blvd, Suite 320  
Walnut Creek, CA 94596"
- I. **Delivery of Proof of Coverage.** Within fifteen (15) Days of the Effective Date, Contractor shall furnish the Authority certificate(s) of insurance evidencing each policy of insurance required hereunder, in form and substance satisfactory to Authority. Such certificates shall show the type and amount of coverage, effective dates, and dates of expiration of policies and shall have all required endorsements. Renewal certificates will be furnished periodically to Authority to demonstrate maintenance of the required coverages throughout the Term.

Furthermore, in the event of a coverage dispute between the Authority and an insurance carrier of Contractor that names the Authority as an additional insured under this Agreement, the Contractor shall, at the Authority's request, provide the Authority's counsel with the copy of the policy in question.

J. **Other Insurance Requirements.**

1. Contractor shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Contractor from any obligation under this Agreement. If any claim exceeding the amount of any deductibles or self-insured reserves is made by any third Person against Contractor on account of any occurrence related to this Agreement, Contractor shall promptly report the facts in writing to the insurance carrier and to Authority.
2. If Contractor fails to procure and maintain any insurance required by this Agreement, Authority may take out and maintain, at Contractor's expense, such insurance as it may deem proper and deduct the cost thereof from any monies due Contractor.

### 13.6 Performance Bond

Within seven (7) Days after the Authority's notification to the Contractor that the Authority has executed this Agreement, the Contractor shall file with the Authority a bond, payable to the Authority, in the form presented in Exhibit K, securing Contractor's performance of its obligations under this Agreement. Such bond shall be approved by the Authority and renewed annually if necessary so that the performance bond is maintained at all times during the Term. The principal sum of the bond shall be One Million One Hundred Thousand Dollars (\$1,100,000) and shall be adjusted every three (3) years, commencing with Rate Year Three, to equal one and half (1.5) months of the prior Rate Year's annual Gross Receipts. The bond shall be executed as a surety by a corporation authorized to issue surety bonds in the State of California that has a rating of A or better in the most recent edition of Best's Key Rating Guide, and that has a record of service and financial condition satisfactory to Authority.

## ARTICLE 14 BREACH, DEFAULT, REMEDIES, AND TERMINATION

### 14.1 Events of Breach

Contractor's failure to perform any provision of this Agreement shall constitute an Event of Breach. Each of the following shall constitute an Event of Breach that is material ("Material Event of Breach"):

- A. **Failure to Maintain Coverage.** The Contractor fails to provide or maintain in full force and affect the Workers' Compensation, liability, or Indemnification coverage as required by this Agreement.
- B. **Violations of Applicable Law.** The Contractor violates Applicable Law relative to this Agreement, provided that Contractor may contest any such orders or filings in good faith, in which case no breach or default of this Agreement shall be deemed to have occurred upon final resolution of the contest or appeal in favor of Contractor.
- C. **Failure to Pay or Report.** The Contractor fails to make any payments to the Authority or its Member Agencies required under this Agreement, and/or refuses to provide Authority with



required information, reports, and/or records in a timely manner as provided for in this Agreement.

- D. **Seizure or Attachment.** There is a seizure or attachment of, or levy on, some or all of Contractor's operating equipment, including, without limitation, its maintenance or office facilities, or any part thereof.
- E. **Default of Other Authority Agreement.** If the Contractor or its Affiliate has entered into an agreement with the Authority in addition to this Agreement and is in default under the terms and conditions of such other agreement.
- F. **Failure to Achieve Processing Standards.** The Contractor materially contributes to a failure or fails to achieve the Processing standards specified in Article 5 and/or Article 8, which are essential for the Authority to achieve compliance with Applicable Law including but not limited to SB 1383.
- G. **Failure to Provide Capacity.** The Contractor fails to provide adequate capacity in accordance with Section 5.1.D.
- H. **Labor Unrest.** Pursuant to Section 2.6, Contractor fails to perform services as required under this Agreement for any period of time due to labor unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted job action conducted by the Contractor's employees or directed at the Contractor or an Affiliate; or any labor action initiated by Contractor including, but not limited to, a lock-out.
- I. **Failure to Meet Turnaround Guarantee.** Pursuant to Section 8.8 and following initial notice by the Franchised Collector or the Authority to the Contractor of an instance of Contractor's failure to meet the turnaround guarantee, Contractor subsequently fails to meet the turnaround guarantee for any one (1) Franchised Collector vehicle for more than five (5) consecutive Working Days following the initial notice or more than ten (10) Working Days in any sixty Day (60) period.

## 14.2 Contractor's Right to Remedy Breach

For any Material Event of Breach, except for labor unrest and Contractor's turnaround guarantee, the Authority shall promptly, or as soon as practicable, provide Contractor written notice of a Material Event of Breach. Upon written notice, Contractor shall have ten (10) Days to cure the breach. However, if Contractor demonstrates that: (a) the breach is curable; and, (b) ten (10) Days is insufficient to cure the breach, then Contractor shall receive an adequate extension of time to cure the breach giving due consideration to the nature of the Material Event of Breach and time required to cure.

A Material Event of Breach caused by labor unrest shall not require any written notice by the Authority. Beginning on the first Day of labor unrest, Contractor shall have ten (10) Days to cure the breach. Labor unrest shall not be allowed any extension of time beyond this initial ten (10) Day cure period.

For all other Events of Breach, the Authority shall promptly, or as soon as practicable, provide Contractor written notice of an Event of Breach. Upon written notice, Contractor shall have thirty (30) Days to cure the breach. However, if Contractor demonstrates that: (a) the breach is curable; and, (b) thirty (30) Days is insufficient to cure the breach, then Contractor may receive an adequate extension of time to cure the breach giving consideration to the nature of the Event of Breach and time required to cure.



An Event of Breach following Contractor's failure to meet the turnaround guarantee shall require written notice by the Authority following the Event of Breach, and Contractor shall have twenty-four (24) hours to cure the breach.

### 14.3 Acts Necessary to Perform Service

The Authority's failure to specifically require an act necessary to perform any of the services required under this Agreement and/or comply with law does not relieve Contractor of its obligation to perform such act, or the service(s) dependent on such act, or comply with all Federal, State, and local law and regulation at all times throughout the Term of this Agreement. To the extent that the Contractor engages or fails to engage in performing an act or service in violation of this Agreement or any law and fails to obtain explicit written permission from the Authority in advance, the Contractor shall be solely liable and the Authority shall not be responsible for any payment, compensation adjustments, or administrative support arising from the Contractor's actions or inactions.

In the event of any ambiguity as to the interpretation of the Agreement or the requirements of the Contractor under this Agreement, the Contractor shall be responsible for seeking written clarification and approval from the Authority prior to engaging in actions to resolve ambiguities or not otherwise explicitly stated in the Agreement.

The Contractor assumes all liability and responsibility for actions and inactions to perform services under this Agreement in accordance with all laws and expressly waives any claims against the Authority or use of the Authority's actions or inactions as a legal defense for the Contractor's failure to perform or comply with Applicable Law in the performance of this Agreement. To the extent the Contractor's non-compliance results in increased costs to the Authority, the Authority shall notify the Contractor, but only after first providing written notice to the Contractor specifying the grounds of the alleged non-compliance, participating in a prompt meet and confer session with Contractor, providing Contractor a reasonable opportunity to cure such non-compliance prior to the Authority incurring any costs hereunder, and identifying the dollar value of such cost impacts. The Contractor shall, within thirty (30) Days after written notice from the Authority, remit such costs to the Authority in the form of a direct payment sent or delivered to the Authority or paid to the Authority via an electronic payment method unless Contractor elects to pursue any available legal or equitable remedy provided hereunder or pursuant to law to appeal the determination made by the Authority. Such election must be pursued within thirty (30) Days after written notice from the Authority. The Authority retains the right to pursue any remedies specified in this Article in the event of non-compliance, at the Executive Director's sole discretion.

### 14.4 Event of Default

Each of the following shall constitute an Event of Default, upon which Authority shall promptly or as soon as practicable provide Contractor written notice of the default:

- A. **Failure to Cure Breach.** The Contractor fails to cure an Event of Breach as provided above in Section 14.2.
- B. **Repeated Pattern of Breach.** A pattern of breaches of this Agreement over time such that the combination of breaches constitutes a material failure by Contractor to perform its obligations, even if the Contractor cures each individual breach.
- C. **Fraud or Deceit.** The Contractor practices, or attempts to practice, any fraud or deceit upon the Authority.

- D. **False or Misleading Statements.** Any representation or disclosure made to the Authority by Contractor in connection with or as an inducement to entering into this Agreement, or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time such representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement. In addition, any Contractor-provided report containing a misstatement, misrepresentation, data manipulation, or an omission of fact or content explicitly defined by the Agreement, excepting typographical and grammatical errors, and any error or omission that was inadvertent and/or made in good faith by the Contractor notwithstanding the exercise of reasonable care and diligence.
- E. **Failure to Perform.**
  - 1. General. Except as provided under Section 14.10, Contractor fails to provide Processing services as required under this Agreement for a minimum of either two (2) consecutive Business Days or three (3) non-consecutive Business Days within one (1) week. The Authority may give notice of the Contractor’s failure to perform verbally by telephone to Contractor at its principal office and shall be effective immediately. Written confirmation of such verbal notification shall be sent to the Contractor within twenty-four (24) hours of the verbal notification.
  - 2. Facility Disruption. The Franchised Collector is unable to use an Approved Facility(ies) under this Agreement for more than thirty (30) Days in a consecutive twelve (12) month period.
- F. **Criminal Activity.** The Contractor, its officer, managers, or employees are found guilty of criminal activity related directly or indirectly to performance of this Agreement.
- G. **Assignment without Approval.** The Contractor transfers or assigns this Agreement without express written approval of the Authority, unless a Permitted Transfer and/or the assignment is otherwise permitted without Authority approval pursuant to Section 16.7.
- H. **Insolvency or Bankruptcy.** The Contractor becomes insolvent, unable, or unwilling to pay its debts, a receiver is appointed or Contractor’s assets are involuntarily assigned, or upon listing of an order for relief in favor of Contractor in a bankruptcy proceeding.
- I. **Failure to Pay Liquidated Damages.** The Contractor fails to pay Liquidated Damages within the ten (10) Day period.
- J. **Failure to Provide Adequate Assurances.** The Contractor fails or refuses to provide the Authority with adequate information to establish its ability to perform within thirty (30) Days.

#### 14.5 Event of Default Not Curable

Contractor shall have no right to cure an Event of Default.

#### 14.6 Authority’s Remedies in the Event of Default

Upon a determination by Authority that an Event of Default has occurred, Authority has the following remedies:

- A. **Waiver of Default.** The Authority may waive any Event of Default if Authority determines that such waiver would be in the best interest of the Member Agencies. The Authority’s

waiver of an Event of Default is not a waiver of future events of default that may have the same or similar conditions.

- B. **Right to Terminate.** The Authority Board may terminate this Agreement. The Authority Board shall conduct a hearing upon ten (10) Days written notice to the Contractor to determine if termination is in the best interests of the public health, safety, and welfare of the Authority, its Member Agencies, and their constituents. Contractor shall be allowed to participate in any such hearing and provide evidence in support thereof. In the event the Authority Board decides to terminate this Agreement, termination shall be effective thirty (30) Days, or such other period determined by the Authority Board, after Authority has given written notice to Contractor.
- C. **Right to Suspend.** The Authority Board may suspend this Agreement, in whole or in part, if Contractor fails to cure within the time frame specified in Section 14.2, until Contractor can provide assurance of performance in accordance with Section 14.11.
- D. **Other Available Remedies.** The Authority's election of one or more remedies described herein shall not limit Authority from any and all other remedies at law and in equity, such as a right to immediately contract with another service provider.

## 14.7 Specific Performance

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

## 14.8 Authority's Remedies Cumulative

Authority's rights to suspend or terminate this Agreement, to obtain specific performance, and to perform under this Article are not exclusive, and Authority's exercise of one (1) such right shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies that the Authority may have, including a legal action for damages or imposition of Liquidated Damages under Section 14.9 and Exhibit F.

## 14.9 Liquidated Damages

The Parties agree that, as of the time of execution of this Agreement, it is impractical and extremely difficult to reasonably ascertain the extent of damages that Authority and its Member Agencies will suffer as a result of a breach by Contractor of its obligations under this Agreement. The Parties acknowledge that consistent and reliable Processing and Diversion services are of utmost importance to Authority, its Member Agencies, and their constituents. The Parties further recognize that some quantifiable standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. Therefore, without prejudice to Authority's right to treat such non-performance as an Event of Breach or Event of Default, and in addition to any other remedies provided for in this Agreement, except as otherwise provided in Section 14.10, Authority may assess Liquidated Damages for Contractor's failure to meet specific performance standards, and Contractor agrees to pay the Liquidated Damages amounts specified in Exhibit F. Liquidated Damages are paid as damages, and not as a penalty. The Parties agree that the amounts set forth in Exhibit F represent a reasonable estimate of the amount of the damages that Authority and its Member Agencies will suffer for the specified breaches, considering all of the circumstances existing on the date of this Agreement.

- A. Prior to assessing Liquidated Damages, the Authority shall give Contractor written notice of its intention to do so and, as applicable, a reasonable opportunity to cure the alleged violation. The notice shall include a brief description of the incident(s)/non-performance giving rise to the damages. Within three (3) Days after receiving the notice of intent, Contractor shall have the right to request that the Authority meet and confer regarding the notice of intent; the Parties should promptly meet and confer in good faith.
- B. Authority may assess Liquidated Damages and provide Contractor with a written explanation of its determination for each incident(s)/non-performance. The Authority may assess Liquidated Damages for each Day or incident of non-performance with the Agreement. The decision of the Executive Director or designee shall be final, and subject only to the right to appeal the imposition of the Liquidated Damages to the Authority Board when the amount imposed exceeds Ten Thousand Dollars (\$10,000) over any three (3) month period in total. Thereafter, it is deemed the Contractor has exhausted all required administrative remedies and may pursue any legal or equitable remedy available hereunder or pursuant to Applicable Law relating thereto.
- C. Contractor shall pay any Liquidated Damages assessed by Authority within ten (10) Days after they are assessed unless Contractor files an appeal relating to the Liquidated Damages assessment within such ten (10) Day period. If they are not paid within the ten (10) Day period (unless Contractor has timely filed an appeal), Authority may proceed against the performance bond required by the Agreement (but only after providing seven (7) Days written notice to Contractor of its intention to do so), and treat such failure as an Event of Default subject to the remedies in this Article.

**14.10 Excuse from Performance**

In the event that a Party is prevented from performing all or some of its obligations under this Agreement by an Uncontrollable Circumstance, it shall not constitute an Event of Breach or Event of Default of, or otherwise form the basis to assess Liquidated Damages under, this Agreement, so long as the Party in good faith has used its best efforts to perform its respective obligations. The Party claiming excuse from performance shall, within five (5) Days after such Party has notice of the effect of such cause, give the other Party notice of the facts constituting such cause and asserting its claim to excuse under this Section. Specifically, such information shall include the following:

- A. The Uncontrollable Circumstance and the cause thereof (to the extent known).
- B. The date the Uncontrollable Circumstance began, its estimated duration, and the estimated time during which the Party’s performance of its obligations hereunder will be delayed.
- C. Potential mitigating actions that might be taken by either Party and any areas where costs might be reduced and the approximate amount of such cost reductions.

In the event that either Party validly exercises its rights under this Section, the Parties hereby waive any claim against each other for any damages sustained thereby.

In no event shall Contractor be excused from performance of a payment obligation under this Agreement.

**14.11 Right to Demand Assurances of Performance**

If the Authority believes in good faith that the Contractor’s ability to perform under this Agreement has been placed in substantial jeopardy, the Authority may require that the Contractor provide reasonable

assurances that none of the events listed below will prevent the Contractor from timely and proper performance of its obligations under this Agreement. Such events include, but are not limited to:

- A. The Contractor or an Affiliate is the subject of any labor unrest including work stoppages or slowdown, sick-out, picketing, or other concerted job action affecting this Agreement.
- B. Contractor or an Affiliate appears, in Authority's reasonable judgment, unable to regularly pay its bills as they become due.
- C. Contractor or an Affiliate is the subject of a civil or criminal judgment or order entered by a Federal, State, regional, or local agency for violation of a law that may affect performance under this Agreement, including but not limited to environmental laws, or laws related to fraud and malfeasance of public contracts.

If the Contractor fails or refuses to provide the Authority with adequate information to establish its ability to perform within thirty (30) Days, such failure or refusal shall be an Event of Default for the purposes of Section 14.4.

### **14.12 Waiver of Defenses**

In order to ensure the non-interruption of a vital public service, except as provided in Section 14.10, the Contractor acknowledges that it is solely responsible for providing the services described herein, and hereby irrevocably waives the following defenses to the payment and performance of its obligations under this Agreement: any defense based upon failure of consideration, contract of adhesion, impossibility or impracticability of performance, commercial frustration of purpose, or the existence, non-existence, occurrence or non-occurrence of any foreseen or unforeseen fact, event, or contingency that may be a basic assumption of the Contractor with regard to any provision of this Agreement.

## **ARTICLE 15 RESOLUTION OF DISPUTES**

### **15.1 Cooperation and Disputes Between Contractors**

The Contractor shall fully comply with its obligations to provide services under this Agreement including Acceptance of Franchised Materials Delivered by the Franchised Collector in a manner that meets the requirements of this Agreement and Applicable Law. The Contractor shall also fully comply with its obligations to deliver Franchised Materials to Approved and Designated Facilities. In the event of disputes between the Franchised Collector and the Contractor or between Contractor and the Approved/Designated Facility(ies), either party may provide written notice of the dispute to the Authority and the other that includes a summary of the dispute, the section(s) of the Agreement or agreements the asserted dispute arises from, an estimate of the financial implications to Contractor asserted, and a proposed resolution. Contractor agrees to timely meet and confer directly with the Franchised Collector or Approved/Designated Facility(ies) in good faith to resolve the dispute for thirty (30) Days following the initial notice to the Authority and the other party, or a longer period may be established if mutually agreed upon between the parties. If, at the end of this meet and confer period, Contractor and Franchised Collector or Contractor and Approved/Designated Facility(ies) have met and conferred in good faith but have not resolved the dispute, either party to the dispute may notify the Authority and the Authority shall follow the dispute resolution procedures provided in Section 15.2, 15.3, and 15.4 of this Agreement as well as any applicable provisions of the other party's contract with Authority. In the event of a dispute,

Contractor shall continue performance of Contractor's obligations under this Agreement and shall attempt to continue to resolve that dispute in a cooperative manner including, but not limited to, negotiating in good faith.

## **15.2 Informal Resolution**

Should a dispute arise with respect to the performance and obligations of the Parties hereunder at any time during the Term of this Agreement, the provisions of this Article shall apply. Either Party shall give the other written notice of such dispute. Such notice shall specify a date and location for the Parties to meet and confer in good faith to resolve any dispute that may arise in a cooperative and mutually-satisfactory manner. The Parties shall attempt to resolve their disputes informally to the maximum extent possible.

## **15.3 Mediation**

In the event the Parties cannot resolve such dispute within thirty (30) Days after such notice, either Party may propose the appointment of a mediator for advice and non-binding mediation, and the other Party shall attend such mediation. If the mediator is unable, within thirty (30) Days thereafter, to reach a determination as to the matter in dispute in a manner acceptable to the Parties hereto, then either Party may refer the matter to a Court of competent jurisdiction.

## **15.4 Pendency of Dispute**

During the pendency of any dispute under this Article, all applicable time periods directly related to the dispute shall not be tolled. In addition, the pendency of any dispute shall not stay or affect the Authority's remedies under this Agreement including, but not limited to, the Authority's rights to terminate, suspend, or take possession of Contractor's property.

# **ARTICLE 16 OTHER AGREEMENTS OF PARTIES**

## **16.1 Relationship of Parties**

The Parties intend that Contractor shall perform the services required by this Agreement as an independent contractor engaged by Authority and nothing in this Agreement shall be deemed to constitute either Party an employee, partner, joint venturer, officer, agent, or legal representative of the other Party or to create any fiduciary relationship between the Parties. Neither Contractor nor its officers, employees, Subcontractors, Affiliates, or agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits that accrue to Authority employees by virtue of the Contractor's Agreement with the Authority.

## **16.2 No Third Party Beneficiaries**

This Agreement is not intended to, and will not be construed to, create any right on the part of any third party to bring an action to enforce any of its terms.

### **16.3 Compliance with Law**

In providing the services required under this Agreement, the Contractor shall at all times comply with all Federal, State, and Local laws and regulations now in force and as may be enacted, issued, or amended during the Term.

### **16.4 Governing Law**

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

### **16.5 Jurisdiction**

Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of Contra Costa County in the State of California, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the Parties agree that this Agreement is made in and will be performed in Contra Costa County. Nothing in this Agreement shall be construed to limit the rights of either Party to seek judicial review of or remedies for any alleged breach of this Agreement by either Party.

### **16.6 Notice to Parties**

All notices required or provided for in this Agreement shall be provided to the Parties at the following addresses, by personal delivery or deposit in the U.S. Mail, postage prepaid, registered or certified mail, addressed as specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received five (5) Days after deposit. A Party may change the address to which notice is given by giving notice as provided herein.

To Authority:

Executive Director  
Central Contra Costa Solid Waste Authority  
1850 Mt. Diablo Blvd, Suite 320  
Walnut Creek, CA 94596

To Contractor:

Chief Executive Officer  
Mt. Diablo Paper Stock, Inc.  
4080 Mallard Drive  
Concord, CA 94520

### **16.7 Assignment and Transfer of Agreement**

Neither Party shall assign its rights or delegate, subcontract, or otherwise transfer its obligations under this Agreement to any other Person without the prior written consent of the other Party. Any such assignment made without the consent of the other Party shall be void and the attempted assignment shall constitute a material breach of this Agreement.

- A. For purposes of this Section when used in reference to Contractor, "assignment" shall include, but not be limited to (1) a sale, exchange or other transfer of any greater than fifty percent (50%) all of Contractor's assets dedicated to service under this Agreement to a third



party; (2) a sale, exchange or other transfer of outstanding common stock of Contractor to a third party provided said sale, exchange or transfer may result in a change of control of Contractor; (3) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation, subcontracting or lease-back arrangement, or other transaction that results in a change of ownership or control of Contractor; (4) any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; and, (5) any combination of the foregoing (whether or not in related or contemporaneous transactions) that has the effect of any such transfer or change of ownership, or change of control of Contractor. Notwithstanding the foregoing, if ownership of Contractor or any Affiliate is proposed to be transferred to either individuals in consanguinity with Mary C. Garaventa (herein after "Garaventa Family"), or trusts or other entities owned or controlled by a member or members of the Garaventa Family, any such assignment, sale, transfer, or change in control under this Agreement ("Familial Transfer") shall be subject to more limited conditions and obligations as further described in Section 16.7.C, Section 16.7.D, and Section 16.7.F.

- B. Contractor acknowledges that this Agreement involves rendering a vital service to the Member Agencies' residents and businesses, and that the Authority has selected the Contractor to perform the services specified herein based on (1) the Contractor's experience, skill and reputation for conducting its materials management operations in a safe, effective and responsible fashion, at all times in keeping with law, regulations and good materials management practices, and (2) the Contractor's financial resources to maintain the required equipment and to support its Indemnity obligations to the Authority under this Agreement. The Authority has relied on each of these factors, among others, in choosing the Contractor to perform the services to be rendered by the Contractor under this Agreement.
- C. If the Contractor requests the Authority's consideration of and written consent to an assignment, the Authority may deny or approve such request in its complete discretion. Under no circumstances shall any proposed assignment be considered by the Authority if the Contractor is in default at any time during the period of consideration. Notwithstanding the foregoing, any Contractor request for the Authority's consent to a Familial Transfer that results from unplanned events resulting from death or legal incapacity shall only require the Authority's consent to the proposed assignee.
- D. No request by the Contractor for consent to an assignment need be considered by the Authority unless and until the Contractor has met the following requirements. However, the Authority may, in its sole discretion, waive one or more of these requirements:
  - 1. The Contractor shall pay a good faith deposit in the amount specified below to the Authority and shall pay for the Authority's actual expenses for attorneys, consultants', and accountants' fees, staff time, and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any document required as a condition for approving any such assignment, including the performance of a Compliance Audit, as provided in Section 16.9 of this Agreement. Such payment shall be required regardless of the ultimate determination of the Authority regarding the approval or denial of the assignment. Upon submittal of the Contractor's request for assignment to the Authority, the Contractor shall submit an initial non-refundable



deposit of Seventy-Five Thousand Dollars (\$75,000) for this purpose, that shall be adjusted annually by the Annual Percentage Change in CPI-U; provided, however, the initial non-refundable deposit for Contractor's request for assignment that is a Familial Transfer shall be reduced to Twenty-Five Thousand Dollars (\$25,000), that shall be adjusted annually by the Annual Percentage Change in CPI-U, to conduct a more focused Compliance Audit, as provided in Section 16.9 of this Agreement and a more limited review as to any potential financial implications to the Authority and the suitability of the proposed assignee(s), including evaluation that the proposed assignee(s) has the necessary skill, acumen, and relevant experience to ensure the Day-to-Day management of Contractor shall remain satisfactory to the Authority.

2. The Contractor shall furnish the Authority with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years.
  3. The Contractor shall furnish the Authority with satisfactory proof that: (1) the proposed assignee has at least ten (10) years of Recyclable Materials, management experience on a scale equal to or exceeding the scale of operations conducted by the Contractor under this Agreement; (2) in the last five (5) years, the proposed assignee has not suffered any citations or other censure from any Federal, State, or local agency having jurisdiction over its materials management operations due to, in the Authority's sole and reasonable discretion, any material or significant failure to comply with State, Federal or local waste management laws and that the assignee has provided the Authority with a complete list such citations and censures; (3) the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (4) the proposed assignee conducts materials management practices in full compliance with all Federal, State, and local laws regulating the Processing, of all Solid Waste, including Hazardous Waste; and, (5) any other information required by the Authority to ensure the proposed assignee can fulfill the Terms of this Agreement in a timely, safe, and effective manner.
- E. The Contractor shall provide the Authority with any and all additional records or documentation which, in the Authority's sole determination, would facilitate the review of the proposed assignment.
- F. Except in the case of a Familial Transfer as described in Section 16.7.A, on the date the Authority provides notice to the Contractor that the Authority intends to approve the Contractor's written request for an assignment, the Contractor shall pay the Authority a transfer fee in the amount of One Hundred Twenty Five Thousand Dollars (\$125,000). The Authority's approval of such an assignment shall be conditioned on the receipt of the transfer fee.
- G. Any assignment by the Authority may only be made to a different or successor joint powers agency, a Member Agency or Agencies, or similar public corporation. While nothing in this Agreement is intended to prevent the Authority from assigning its rights and obligations under this Agreement to a different or successor joint powers authority organized for the purpose of dealing with materials management matters on a county-wide or regional basis, such an assignment may occur without prior written consent of the Contractor only where the Authority or all of its Member Agencies become members of that successor or new authority or agency. If the Authority requests consideration of and consent to an assignment (other than to a different or successor county-wide or regional joint powers agency as

described above), the Contractor may deny or approve such request. The Contractor may request that the proposed assignee of the Authority provide such documents, resolutions, and ordinances that may be necessary for the Contractor to properly evaluate assignment to the proposed assignee. Nothing in this Section is intended to limit the Authority's discretion in allowing for new Member Agencies or altering the present composition of the Authority, however, such changes in composition or membership shall not affect the Service Area or mode of operation to which this Agreement applies.

- H. In the event a Member Agency seeks to withdraw from the Authority before the end of the Agreement's Term, the Member Agency's withdrawal is conditioned upon its consent to Assignment of this Agreement as well as the respective obligations of the Authority as it pertains to the Member Agency's jurisdictional area. The act of withdrawal shall also operate as the Authority's consent to Assignment of its respective rights and obligations under this Agreement to the withdrawing Member Agency. Any additional terms and conditions of withdrawal as well as the details of assuming the specific obligations of this Agreement shall be governed by the provisions of the Authority's Joint Powers Agreement as amended, and the decisions of the Authority Board.

## **16.8 Transition to Next Contractor**

If the transition of services to another contractor occurs through expiration of the Term, default and termination, or otherwise, then Contractor will cooperate with Authority and subsequent contractor(s) to assist in an orderly transition. The Contractor may, but is not obligated to, sell its vehicles, or equipment to the next contractor.

## **16.9 Compliance Audit**

In the event the Contractor has requested the Authority's consideration of an Assignment, as provided in Section 16.7 of this Agreement or, if, in Authority's sole determination, there is any doubt regarding the compliance of Contractor with this Agreement, in addition to the Performance Review described in Section 11.2 of this Agreement, the Authority may require an audit of Contractor's compliance and the costs of such an audit, which shall not exceed Seventy-Five Thousand Dollars (\$75,000.00), that shall be adjusted annually by the Annual Percentage Change in CPI-U, shall be paid by Contractor in advance of the performance of said audit.

## **16.10 Binding on Successors**

The provisions of this Agreement shall inure to the benefit of and be binding on the successors and permitted assigns of the Parties.

## **16.11 Non-Waiver**

Failure of either Party to exercise any of the remedies set forth herein within the time periods provided for shall not constitute a waiver of any rights of that Party with regard to that failure to perform or subsequent failures to perform, whether determined to be a breach, excused performance, or unexcused defaults, by the other Party.

## **ARTICLE 17**

### **MISCELLANEOUS PROVISIONS**

#### **17.1 Entire Agreement**

This Agreement, including the Exhibits and any attachments or appendices, represents the full and entire Agreement between the Parties with respect to the matters covered herein.

#### **17.2 Amendment**

Except as provided in Section 17.10, neither this Agreement nor any provision hereof may be changed, modified, amended, or waived except in written agreement duly executed by and between the Authority and Contractor.

#### **17.3 Section Headings**

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

#### **17.4 References to Laws**

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

#### **17.5 Interpretation**

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

#### **17.6 Severability**

If any clause, provision, subsection, section, or article of this Agreement is for any reason deemed to be invalid and unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such portion shall not affect any of the remaining parts of this Agreement, which shall be enforced as if such invalid or unenforceable portion had not been contained herein.

#### **17.7 Further Assurance**

Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Agreement.

#### **17.8 Counterparts**

This Agreement may be executed in counterparts, each of which shall be considered an original.

#### **17.9 Exhibits**

Each of the Exhibits identified as Exhibits A through R are attached hereto and incorporated herein and made a part hereof by this reference.

### **17.10 The Authority's Right to Make Administrative Changes**

The Parties acknowledge that the Franchised Collector will, and the Organics Contractor, Commercial Food Scraps Contractor, Reuse Contractor, Transfer Contractor, Disposal Contractor, and Mixed Waste Contractor may, be selected by the Authority after the execution of this Agreement. The Contractor acknowledges that the Authority drafted and negotiated this Agreement with the aim of maintaining uniformity and consistency across all its service agreements with its contractors and ensuring interdependent and/or interrelated provisions among or across the service agreements do not conflict. The Contractor hereby grants the Authority the unilateral right to make administrative and/or non-material changes to this Agreement (e.g., to align the use of defined terms, to reflect the names and addresses of facilities, to correct inadvertent ambiguity) after it is executed by the Contractor through the date the Authority executes the last in the series of agreements with the Franchised Collector. Such changes will not require mutual consideration and are not intended to uniquely benefit or disadvantage any one (1) contractor or the Authority. The Authority shall provide written notice of any changes made to this Agreement by the Authority pursuant to this Section within thirty (30) Days after the date the Franchised Collection Agreement is executed. The Authority's changes will be made in the form of a restated Agreement that will be limited to the administrative changes mentioned in this Section. The Authority and the Contractor shall each promptly execute such restated Agreement; the Contractor shall not interfere with, frustrate, or otherwise delay execution of such restated Agreement made in accordance with this Section.

### **17.11 Electronic Signatures**

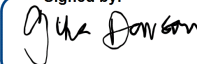
The Parties hereby agree that this Agreement and any other documents to be delivered in connection herewith may be electronically signed, and that any electronic signatures appearing on this Agreement, or such other documents, are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

### **17.12 Actions of the Authority in its Governmental Capacity**

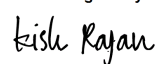
Nothing herein shall be interpreted as limiting the right of the Contractor to bring any legal action against the Authority arising out of any act or omission of the Authority in its governmental or regulatory capacity.

IN WITNESS WHEREOF, Authority and Contractor have executed this Agreement as of the Day and year first above written.

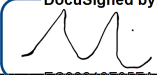
**Authority**

Signed by:  
By:   
CA10A6ABA80E4F4...  
Board Chairperson  
Gina Dawson  
Printed name

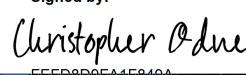
**CONTRACTOR**

DocuSigned by:  
By:   
A79204DD9E054F2...  
Chief Executive Officer  
Kish Rajan  
Printed name

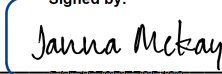
**Approved as to Form:**

DocuSigned by:  
By:   
EC98216F03FA4DB...  
Authority Legal Counsel  
Deborah L. Miller  
Printed name

**Approved as to Form:**

Signed by:  
By:   
FEFD8D9FA1F849A...  
Contractor Legal Counsel  
Christopher Odne  
Printed name

**Attest:**

Signed by:  
By:   
5AE1579DF735493...  
Board Secretary

*This page intentionally left blank.*

**EXHIBIT A:  
DEFINED TERMS**

---

*This page intentionally left blank.*



## **EXHIBIT A: DEFINED TERMS**

---

*For the purposes of this Agreement, there may be defined terms that are used only used in this Agreement to provide context to the Contractor on the Authority's separate agreements with other contractors and operators of facilities used under those agreements.*

**"AB 341"** means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as "AB 341," as amended, supplemented, superseded, and replaced from time to time.

**"AB 901"** means Assembly Bill 901, approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of; amended, renumbered, and added Section 41821.6 of; and, added Sections 41821.6 to, the California Public Resources Code, relating to solid waste, as amended, supplemented, superseded, and replaced from time to time.

**"AB 939"** means the California Integrated Waste Management Act of 1989 (California Public Resources Code Sections 40000 et seq.), as amended, supplemented, superseded, and replaced from time to time.

**"AB 1201"** means Assembly Bill 1201, approved by the Governor of the State of California on October 5, 2021, which amended Sections 42356, 42356.1, and 42357 of, and amended the heading of Chapter 5.7 (commencing with Section 42355) of Part 3 of Division 30 of, the California Public Resources Code, relating to solid waste, as amended, supplemented, superseded, and replaced from time to time.

**"AB 1594"** means Assembly Bill 1594 approved by the Governor of the State of California on September 28, 2014, which amended Sections 40507 and 41781.3 of the California Public Resources Code, relating to solid waste, as amended, supplemented, superseded, and replaced from time to time.

**"AB 1669"** means Assembly Bill 1669 approved by the Governor of the State of California on September 30, 2016, which amends California Labor Code Sections 1070 through 1076 with respect to the hiring of displaced employees under service contracts for the collection and transportation of solid waste.

**"AB 1826"** means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as "AB 1826," as amended, supplemented, superseded, and replaced from time to time.

**"AB 2176"** means the Large Venue Recycling Act (an act to amend Section 42911 of, and to add Chapter 12.7 (commencing with Section 42648) to Part 3 of Division 30 of, the California Public Resources Code, relating to Recycling), also commonly referred to as "AB 2176," as amended, supplemented, superseded, and replaced from time to time.

**"Accept"** or **"Acceptance"** (or other variations thereof) means the receipt and acceptance of Delivered Franchised Material by an Approved or Designated Facility that results in a transfer of ownership of any Franchised Material: i) from the Franchised Collector to the Contractor; or, ii) from the Contractor to an Approved or Designated Facility.

**"Advanced Clean Fleets Regulation"** means 13 CCR Sections 2013, 2013.1, 2013.2, 2013.3, 2013.4, 2014, 2014.1, 2014.2, 2014.3, 2015, 2015.1, 2015.2, 2015.3, 2015.4, 2015.5, 2015.6, and 2016, as amended, supplemented, superseded, and replaced from time to time.

## EXHIBIT A: DEFINED TERMS

---

**“Affiliate”** means any Person, corporation, or other entity directly or indirectly controlling or controlled by another Person, corporation, or other entity, or under direct common management or control with such Person, corporation, or entity. As between any two (2) or more Persons or entities, when ten percent (10%) of one is owned, managed, or controlled by another, they are hereunder Affiliates of one another. In a joint venture, each party to the joint venture may have their own Affiliate.

**“Agreement”** means this Agreement for Recyclables Processing services between the Authority and the Contractor, including all exhibits, attachments, and any future amendments hereto.

**“Allowable” or “Allowed”** (or other variations thereof) means the type of materials that are permitted to be placed in each of the different Source Separated Containers by Generators to maximize Acceptance by the Approved and Designated Facilities and may include limited materials that are considered Contaminants, as specified in Exhibit C, in order to facilitate ease of set-out and containment of materials by Generators.

**“Anaerobic Digestion”** means a method of treatment in which Organic Materials are biologically decomposed in an enclosed chamber using microorganisms to break down biodegradable material, normally in the absence of oxygen, and converted into renewable energy by producing biogas and digestate.

**“Annual Percentage Change”** means the annual percentage change in any of the indices defined in this Agreement, calculated as described in the following paragraph.

The Annual Percentage Change for a cost index shall be calculated as the Average Index Value for the most recently available twelve- (12-) month period of the then-current Rate Year minus the Average Index Value for the corresponding twelve- (12-) month period of the most-recently-completed Rate Year and the result of which shall be divided by the Average Index Value for the same twelve- (12-) month period of the most recently completed Rate Year. The Annual Percentage Change shall be rounded (up or down) to the nearest thousandth (1,000<sup>th</sup>).

For example, if the Contractor is preparing its Rate application in January of 2028 for Rates to be effective for Rate Year Two using the CPI-U, the Annual Percentage Change in CPI-U shall be calculated as follows: [(Average Index Value CPI-U for January 2027 through December 2027) – (Average Index Value CPI-U for January 2026 through December 2026)] / (Average Index Value CPI-U for January 2026 through December 2026)].

**“Applicable Law”** means all Federal, State, and local laws, regulations, rules, orders, judgments, permits, approvals, or other requirements of any governmental body having jurisdiction over the Collection, Transfer, Transport, Processing, Diversion, and Disposal of Solid Waste, Recyclable Materials, Organic Materials, C&D, Unpermitted Waste, and/or Excluded Waste that are in force on the Effective Date and as they may be enacted, issued, or amended during the Term of this Agreement.

**“Approved Affiliate”** means the Affiliates listed in Exhibit H that provide services, property, or other support related directly to this Agreement.

**“Approved Alternate Facility(ies)”** means the \_\_\_\_\_, which is owned and operated by \_\_\_\_\_ and that shall serve as a back-up facility for the Approved Recyclable Material Processing

## EXHIBIT A: DEFINED TERMS

---

Facility in the event the Approved Recyclable Material Processing Facility is unavailable. The Approved Alternate Facility may be selected by the Contractor and approved by the Authority after the Effective Date and not less than one-hundred eighty (180) Days prior to the Commencement Date.

**“Approved Facility(ies)”** means those facilities owned and/or operated by the Contractor that are the subject of this Agreement and approved by the Authority for use by the Contractor in the performance of services under this Agreement.

**“Approved Recyclable Material Processing Facility”** means the Mt. Diablo Recycling Facility at 1300 Loveridge Road, Pittsburg, California, which is owned and operated by Mt. Diablo Paper Stock, Inc., a California corporation. The Approved Recyclable Materials Processing Facility shall serve as the primary Processing Facility for Recyclable Materials under this Agreement. For the purposes of this Agreement, the Approved Recyclable Materials Facility shall also include the Approved Alternate Facility(ies) where the collective reference to the facilities is most appropriate.

**“Authority”** or **“The Authority”** means the Central Contra Costa Solid Waste Authority or its Executive Director.

**“Authority Board”** or **“Board”** means the duly elected representatives from each Member Agency’s governing body, or its successor municipal governing body of the Authority.

**“Authority Reimbursements”** means fixed and/or per-Ton amounts or percentages the Authority may require Contractor to pay the Authority in consideration of the exclusive rights provided in Section 2.1, the costs of administering the Source Reduction and Recycling Elements and Non-Disposal Facility Elements of AB 939, the costs associated with managing the programs and services, and administering the rights, privileges, and services provided under this Agreement the other service agreements , including amounts the Authority may require Franchised Collector and/or Contractor to pay the Authority so the Authority can pay the Organics Contractor, Commercial Food Scraps Contractor, Reuse Contractor, Transfer Contractor, Disposal Contractor, Mixed Waste Contractor and/or other related Authority contractors for services provided under those agreements.

**“Average Index Value”** means the sum of the monthly index values during the most recently available twelve- (12-) month period divided by twelve (12) (in the case of indices published monthly) or the sum of the bi-monthly index values divided by six (6) (in the case of indices published bi-monthly).

**“Billings”** means any and all statements of charges for services rendered, howsoever made, described, or designated by the Contractor, or made by the Authority or others for the Contractor, pursuant to the terms and conditions of this Agreement.

**“Bin(s)”** means a Container with a capacity of one (1) to eight (8) cubic yards and a hinged lid. Bins may or may not have wheels.

**“Business Days”** means Days during which the Authority offices are open to do business with the public.

**“CALGreen”** means the California Green Building Standards Code, Part 11, Title 24, of the CCR, as amended, supplemented, superseded, and replaced from time to time, and including, but not limited to,

## **EXHIBIT A: DEFINED TERMS**

---

any implementing local regulations related to CALGreen that are included in any Member Agency Municipal Code.

**“California Code of Regulations (CCR)”** means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR” refers to Title 14 of CCR).

**“CalRecycle”** means California's Department of Resources Recycling and Recovery.

**“CARB”** means the California Air Resources Board.

**“Cart(s)”** means a plastic Container with a hinged lid and wheels with varying capacities ranging from twenty (20) to ninety-six (96) gallons.

**“CERCLA”** means the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9600 et seq.).

**“Change in Law”** means any of the following events or conditions:

- A. The enactment, adoption, promulgation, issuance, modification, elimination, or written change in administrative or judicial interpretation of any Applicable Law on or after the Effective Date.
- B. The order or judgment of any Federal, State, or local governmental body having jurisdiction over the Collection, Transfer, Transport, Processing, Diversion, or Disposal of Solid Waste, Recyclable Materials, Organic Materials, C&D, Unpermitted Waste, and/or Excluded Waste, on or after the Effective Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission, or lack of reasonable diligence of the Authority or the Contractor, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission, or lack of reasonable diligence.

**“Collect”** or **“Collection”** (or other variations thereof) means the act of removing Franchised Materials from the place of generation within the Service Area and Delivering such materials to an Approved or Designated Facility.

**“Commencement Date”** means March 1, 2027, or the date when the Contractor shall begin to provide all services set forth in this Agreement.

**“Commercial”** means of, from, or pertaining to non-Residential Premises where business activity is conducted, including, but not limited to, retail sales, services, wholesale operations, institutions, manufacturing and industrial operations, and including hotels, motels, and other similar Premises and any and all facilities operated by governmental entities within the Service Area, but excluding businesses conducted upon Residential Premises that are Permitted under applicable zoning regulations and are not the primary use of the property.

## **EXHIBIT A: DEFINED TERMS**

---

**“Commercial Edible Food Generator”** includes Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 18982(a)(7). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators, or as otherwise specified by 14 CCR Section 18982(a)(7).

**“Commercial Food Scraps”** means, when used together, Food Scraps and Allowable Food-Soiled Paper that are separated from Solid Waste by Commercial Generators and set out in accordance with the Authority’s Collection program. Commercial Food Scraps does not include Unpermitted Waste, Excluded Waste, or other Franchised Materials. Allowable Commercial Food Scraps includes, at a minimum, the materials listed in Exhibit C of this Agreement that may be replaced by a list posted by the Authority’s Executive Director at their sole discretion from time to time and provided to the Contractor.

**“Commercial Food Scraps Contractor”** means the contractor to the Authority at any given time during the Term of this Agreement that is responsible for Pre-Processing of Commercial Food Scraps at the Designated Commercial Food Scraps Pre-Processing Facility. In the event of a change in the Commercial Food Scraps Contractor during the Term of this Agreement, the Authority shall notify the Contractor of the new Commercial Food Scraps Contractor(s) within thirty (30) Days after the effectiveness of the contract with the new Commercial Food Scraps Contractor(s).

**“Commingled Organics”** means Food Scraps, Food-Soiled Paper, and Yard Trimmings that are separated from Solid Waste by Generators and set out in accordance with the Authority’s Collection program. Commingled Organics does not include Commercial Food Scraps, Unpermitted Waste, Excluded Waste, or other Franchised Materials. Commingled Organics includes, the materials listed in Exhibit C that may be revised from time to time upon mutual agreement between the Contractor and the Authority.

**“Commodity Revenue”** means any and all compensation, in any form, earned by Contractor from the sale or other transfer of Recyclable Materials and other materials delivered to the Approved Facility as determined in accordance with Section 9.7 and Article 10 of the Agreement

**“Compactor”** means a mechanical apparatus that compresses materials to reduce their volume.

**“Compost”** or **“Composting”** (or other variations thereof) means a method of treatment in which Organic Materials are biologically decomposed under controlled aerobic conditions to produce a safe and nuisance-free Compost Product.

**“Compost Product”** means the product resulting from the controlled biological decomposition of Organic Materials that are Source Separated from Solid Waste, or are separated at a centralized Composting Facility and have met the standards outlined in 14 CCR Sections 17868.1 through 17868.5.

**“Compostable Plastic(s)”** means plastic materials that meet Biodegradable Products Institute (BPI) standards for certification.

**“Construction and Demolition Debris”** or **“C&D”** means Discarded Materials removed from Premises during the construction or renovation of a structure as a result of construction, remodeling, repair, or demolition operations on any Residential or Commercial building or other structure, including pavement. Typically, building or other modification Permits are required for Premises during construction or renovation; however, a property owner’s failure to secure Permits shall not change the way materials from such projects are defined herein.

## EXHIBIT A: DEFINED TERMS

---

**“Container(s)”** means a receptacle for temporary storage of Discarded Materials. Containers include, but are not limited to, Bins, Carts, Compactors, and Drop Boxes.

**“Contaminant(s)”** (or other variations thereof) means the following: (i) Discarded Materials placed in the Recyclable Materials Container that are not identified as Allowable Recyclable Materials in the Authority’s Collection program or by the Approved Recyclable Materials Processing Facility, as identified in Exhibit C; and, (v) Excluded Waste and/or Unpermitted Waste placed in any Container.

**“Contractor”** means Mt. Diablo Paper Stock, Inc., a California corporation, dba Mt. Diablo Recycling and any Approved Affiliates and Subcontractors.

**“Contractor Revenue”** means Gross Receipts plus any revenue received by the Contractor for sale of Franchised Materials or their resulting by-products allowable under this Agreement, less any revenue shared with the Authority pursuant to Article 9.

**“Contractor’s Proposal”** means that certain proposal submitted by the Contractor to the Authority dated May 31, 2024 that is attached as Exhibit G to this Agreement.

**“CPI-U”** means the Consumer Price Index, All Urban Consumers, all items, not seasonally adjusted, San Francisco-Oakland-Hayward Metropolitan Area, compiled and published bi-monthly by the U.S. Department of Labor, Bureau of Labor Statistics (Series ID CUUSS49BSA0, Base Period 1982-84 = 100). If the CPI-U index is no longer available or published, both the Contractor and the Authority shall agree on a successor index to use in its place.

**“Curb”** or **“Curbside”** (or other variations thereof) means the location of a Collection Container for pick-up, where such Container is placed on the public or private street or alley against the face of the street edging or curb, or where no curb exists, Container is placed on the street surface and not more than three (3) feet from the outside edge of the street or alley nearest the property’s entrance that is safely accessible by or to the Collection vehicle.

**“Customer”** means the Person receiving Residential or Commercial Collection services for Franchise Materials generated on Premises located in the Service Area from the Franchised Collector or Reuse Contractor, or other entities with whom the Authority has contracted. The Customer may be the Occupant, Owner, or manager of the Premises.

**“Days”** means calendar days, including Saturdays, Sundays, and Holidays, except as otherwise specifically provided herein.

**“Delivered”** or **“Delivery”** (or other variations thereof) means arrival of Franchised Materials in the Franchised Collector’s Collection vehicles at the entrance of Approved or Designated Facility(ies) during Facility receiving hours for the purposes of Acceptance.

**“Designated Anaerobic Digestion Facility”** means the East Bay Municipal Utility District Site at 2020 Wake Avenue, Oakland, CA, which is owned and operated by East Bay Municipal Utility District and designated by the Authority for Processing of Commercial Food Scraps through Anaerobic Digestion and conversion into renewable energy.

## EXHIBIT A: DEFINED TERMS

---

**“Designated Commercial Food Scraps Pre-Processing Facility”** means the Contra Costa Transfer Station located at the Commercial Food Scraps Contractor’s Facility at 951 Waterbird Way, Martinez, California, which is owned and operated by Allied Waste Systems, Inc. dba Contra Costa Transfer. For the purpose of this Agreement, the Designated Commercial Food Scraps Pre-Processing Facility shall also include the Commercial Food Scraps Contractor’s approved alternate facility(ies).

**“Designated Composting Facility”** means the Recology Blossom Valley Organics – North Facility located at 3909 W Gaffery Road, Vernalis, California, which is owned and operated by Recology Blossom Valley Organics – North. For the purpose of this Agreement, the Designated Composting Facility shall also include the Organics Contractor’s approved alternate facility(ies).

**“Designated Disposal Facility”** means the Keller Canyon Landfill located at 901 Bailey Road, Pittsburg, California, which is owned and operated by Keller Canyon Landfill Company dba Keller Canyon Landfill. For the purpose of this Agreement, the Designated Disposal Facility shall also include the Disposal Contractor’s approved alternative facility(ies).

**“Designated Facility(ies)”** means any one (1) or combination of the Designated Anaerobic Digestion Facility, Designated Disposal Facility, Designated Composting Facility, Designated Pre-Processing Facility, and Designated Transfer Facility that are not the subject of this Agreement and where the Authority has entered into a separate agreement for the service(s) provided. Upon commencement of Mixed Waste Processing Services, if implemented during the Term, this Designated Facilities definition shall also include the Designated Mixed Waste Processing Facility.

**“Designated Mixed Waste Processing Facility”** means \_\_\_\_\_ located at \_\_\_\_\_, which is owned and operated by \_\_\_\_\_, if Mixed Waste Processing is implemented during the Term. For the purpose of this Agreement, the Designated Mixed Waste Processing Facility shall also include the Mixed Waste Contractor’s approved alternate facility(ies). The Parties acknowledge that the Mixed Waste Processing Facility may be selected by the Authority after the execution of this Agreement, and the Authority shall notify the Contractor of the location and ownership of the Designated Mixed Waste Processing Facility within thirty (30) Days after the effectiveness of the contract with the initial Mixed Waste Contractor and upon any change in the Designated Mixed Waste Processing Facility and/or Mixed Waste Contractor.

**“Designated Transfer Facility”** means the Contra Costa Waste Service Transfer Station located at 1300 Loveridge Road, Pittsburg, California, which is owned and operated by Contra Costa Waste Service, Inc. dba Mt. Diablo Resource Recovery, MDRR, and Recycling Center and Transfer Station. For the purpose of this Agreement, the Designated Transfer Facility shall also include the Transfer Contractor’s approved alternate facility(ies).

**“Designated Waste”** means non-Hazardous Waste that may pose special disposal problems because of its potential to contaminate the environment and that may be Disposed of only in Class II Disposal facilities or Class III Disposal facilities pursuant to a variance issued by the California Department of Health Services. Designated Waste consists of those substances classified as Designated Waste by the State, in 23 CCR Section 2522 as may be amended from time to time.

**“Discarded Material”** means any waste materials (other than Unpermitted Waste and Excluded Waste) produced by Generators that are no longer of use to the Generator and that have become the subject of

## **EXHIBIT A: DEFINED TERMS**

---

regulation. Discarded Materials may become Franchised Materials if the Generator Source Separated the Discarded Materials into one or more type(s) of Franchised Materials.

**“Disposal”** (or other variations thereof) means the final disposition of Solid Waste or Processing Residue at a Disposal Site.

**“Disposal Contractor(s)”** means the contractor to the Authority at any given time during the Term of this Agreement that is responsible for Disposing of Solid Waste at the Designated Disposal Facility. In the event of a change in the Disposal Contractor during the Term of this Agreement, the Authority shall notify the Contractor of the new Disposal Contractor(s) within thirty (30) Days after the effectiveness of the contract with the new Disposal Contractor(s).

**“Disposal Site”** means a Permitted location for the ultimate Disposal of Solid Waste or Processing Residue.

**“Diversion”** (or other variations thereof) means to prevent Franchised Materials from Disposal at a landfill or transformation facilities (including pyrolysis, distillation, gasification, or biological conversion methods) through Source Reduction, reuse, Recycling, Composting, Anaerobic Digestion, or other method of Processing, in accordance with the provisions of AB 939 and SB 1383.

**“Drop Box”** means an open-top Container with a capacity of eight (8) to forty (40) cubic yards that is serviced by a roll-off Collection vehicle.

**“Dwelling Unit”** means any individual living unit in a Single-Family Dwelling (SFD) or Multi-Family Dwelling (MFD) structure or building, a mobile home, motor home, micro-unit, or single-room occupancy (SRO), located on a permanent site intended for, or capable of being utilized for, Residential living other than a hotels or motels.

**“Edible Food”** means food intended for human consumption, as defined in 14 CCR Section 18982(a)(18). For the purposes of this Agreement, Edible Food is not Solid Waste or Food Scraps if it is recovered as intended. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code portion of the California Health and Safety Code.

**“Effective Date”** means the date on which the Agreement becomes binding upon the Parties, which is the date when the latter of the Parties has executed this Agreement.

**“Event of Default”** means a default by the Contractor as described in Section 14.4.

**“Excluded Waste”** means Hazardous Substance, Hazardous Waste, infectious waste, Designated Waste, volatile, corrosive, biomedical, infectious, biohazardous, and toxic substances or material, waste that the Contractor reasonably believes would, as a result of or upon Disposal, be a violation of local, State or Federal law, regulation or ordinance, including land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills, waste that in the Contractor’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose the Contractor or the Authority to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment, and Disposal of batteries and paint in compliance



## EXHIBIT A: DEFINED TERMS

---

with Sections 41500 and 41802 of the California Public Resources Code. Excluded Waste does not include Used Motor Oil and Filters or Household Batteries when properly Delivered to Contractor, as set forth in this Agreement.

**“Executive Director”** means the Executive Director of the Authority or their designated representative, which may include outside attorneys, accountants, consultants, volunteers, or contractors to the Authority.

**“Extended Producer Responsibility Program” or “EPR Program”** means an environmental program or policy codified, enforced, and/or monitored by local, State, or Federal governments in which a producer’s, distributor’s, or retailer’s administrative, financial, operational, and/or physical responsibility for a product is extended to the post-consumer stage of a product’s life cycle. Extended Producer Responsibility Programs may be implemented by individual producers, collective industry organizations such as a producer responsibility organization or Stewardship Organization, or other regulated entities specified under the program. Such programs may cover individual products or categories of products, using one (1) or more funding mechanisms, as defined in the regulation(s) establishing the program.

**“Facility”** means any plant or site, owned or leased and maintained and/or operated or used by the Contractor for purposes of performing under this Agreement.

**“Facility User”** means any Person delivering Discarded Materials, Franchised Materials, Solid Waste, or any other material, to an Approved or Designated Facility, including, but not limited to, the Franchised Collector, the Reuse Contractor, the Transfer Contractor, Authority staff or designees, Stewardship Organizations or Extended Producer Responsibility Program participants, and Self-Haulers.

**“Federal”** means belonging to or pertaining to the Federal government of the United States.

**“Food Distributor”** means a company that distributes food to entities including, but not limited, to Supermarkets and grocery stores as defined in 14 CCR Section 18982(a)(22).

**“Food Recovery”** means actions to collect and distribute food for human consumption which otherwise would be Disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

**“Food Recovery Organization”** means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to:

- A. A food bank as defined in Section 113783 of the California Health and Safety Code.
- B. A nonprofit charitable organization as defined in Section 113841 of the California Health and Safety code.
- C. A nonprofit charitable temporary food facility as defined in Section 113842 of the California Health and Safety Code.

**“Food Recovery Service”** means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery, or as otherwise defined in 14 CCR Section 18982(a)(26).

## EXHIBIT A: DEFINED TERMS

---

**“Food Scraps”** means discarded food that will decompose and or/putrefy including: (i) all kitchen and table food; (ii) animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; (iii) fruit waste, grain waste, dairy waste, meat, and fish waste; and, (iv) vegetable trimmings, houseplant trimmings, and other Organic Waste common to the occupancy of Residential dwellings and some Commercial kitchen operations.

**“Food Service Provider”** means an entity primarily engaged in providing food services to institutional, governmental, commercial, or industrial locations of others based on contractual arrangements with these types of organizations as defined in 14 CCR Section 18982(a)(27).

**“Food-Soiled Paper”** means Compostable paper material that has come into contact with Food Scraps or liquid, such as, but not limited to, Compostable paper plates, paper coffee cups, napkins, and pizza boxes.

**“Franchise”** means the right granted by the Authority to the Contractor to provide Franchised Materials Collection services within the Service Area in accordance with the terms and conditions of this Agreement.

**“Franchised Collector”** means the contractor to the Authority at any given time during the Term of this Agreement that is responsible for the Collection of all Franchised Materials from Customers. The Parties acknowledge that this entity will be selected by the Authority after the execution of this Agreement and the Authority shall notify the Contractor of the Franchised Collector within thirty (30) Days after the effectiveness of the contract with the Franchised Collector and upon any change in the Franchised Collector.

**“Franchised Materials”** means collectively Solid Waste, Recyclable Materials, Commercial Food Scraps, and Commingled Organics set out by Customers in accordance with the Authority’s Collection program.

**“Generator”** means any Person that generates or produces Discarded Materials, or whose act first causes Discarded Materials to become subject to regulation.

**“Governmental Fees”** means those fees charged, levied, or imposed by Federal, State, and local governmental bodies having jurisdiction over the Collection, Transfer, Transport, Processing, Diversion, and Disposal of Solid Waste, Recyclable Materials, Organic Materials.

**“Gross Receipts”** means total cash receipts that the Contractor receives from the Authority for the provision of services pursuant to this Agreement through Tipping Fees less Pass-Throughs. Gross Receipts do not include revenues from the sale of Recovered Materials.

**“Hazardous Substance”** means any of the following:

- A. Any substances defined, regulated, or listed (directly or by reference) as “Hazardous Substances,” “hazardous materials,” “Hazardous Wastes,” “toxic waste,” “pollutant,” or “toxic substances,” or similarly identified as hazardous to human health or the environment, in or pursuant to (i) CERCLA, 42 U.S.C. § 9601 et seq.; (ii) the Hazardous Materials Transportation Act, 49 U.S.C. § 1802 et seq.; (iii) the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; (iv) the Clean Water Act, 33 U.S.C. § 1251 et seq.; (v) the Clean Air Act, 42 U.S.C. § 7401 et seq.; (vi) California Health and Safety Code Sections 25115-25117, 25249.8, 25281, and 25316; and, (vii) California Water Code Section 13050.

## EXHIBIT A: DEFINED TERMS

---

- B. Any amendments, rules, or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted.
- C. Any other hazardous or toxic substance, material, chemical, waste, or pollutant identified as hazardous or toxic or regulated under any other applicable Federal, State, or local environmental laws currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyls, petroleum, natural gas and synthetic fuel products, and by-products.

**“Hazardous Waste”** means all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by the State in California Health and Safety Code Sections 25117, 25110.02, and 25115, in California Public Resources Code Section 40141, or in the future amendments to or recodifications of such statutes, or as identified and listed as Hazardous Waste by the U.S. Environmental Protection Agency, pursuant to the Federal Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), all future amendments thereto, and all rules and regulations promulgated thereunder.

**“Holidays”** are defined as New Year’s Day and Christmas Day, unless otherwise agreed to between the Parties as provided in Section 8.3.C.

**“Household Batteries”** means alkaline batteries that are typically found in common household items such as flashlights, cameras, and toys.

**“Implementation Period”** means the period between the Effective Date and the Commencement Date during which the Contractor makes the necessary preparations in order to implement all the Contractor services and obligations set forth herein.

**“Indemnity(ies)” or “Indemnification”** means all defense and indemnities under this Agreement.

**“Large Event”** means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than two thousand (2,000) individuals per Day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event, or as otherwise defined in 14 CCR Section 18982(a)(38).

**“Large Venue”** means a permanent venue facility that annually seats or serves an average of more than two thousand (2,000) individuals within the grounds of the facility per Day of operation of the venue facility, or as otherwise defined in 14 CCR, Division 7, Chapter 12. A venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this Agreement, a site under common ownership or control that includes more than one (1) Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue.

**“Liquidated Damages”** means the amounts agreed upon by the Contractor and the Authority as fair and reasonable damages for the Contractor’s failure to meet specific quantifiable standards of performance, as described in Section 14.9 and Exhibit F.

**“Load”** means the payload contents of a Collection vehicle or Transfer Vehicle measured in Tons.

## **EXHIBIT A: DEFINED TERMS**

---

**“Maintenance Yard”** means the primary location for maintenance of equipment and vehicles used by contractors.

**“Maximum Rates”** means those maximum rates or charges approved from time-to-time by the Authority Board to be charged by the Franchised Collector to Subscribers. The Authority Board sets forth the maximum amount that the Franchised Collector may charge Subscribers for services under the Franchise agreement.

**“Medical Materials”** means biomedical materials generated at hospitals public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities, and other similar establishments that are identified as “medical waste” in California Health and Safety Code Section 25117.5 as may be amended from time to time. For the purposes of this Agreement, untreated Medical Materials are not Franchised Materials unless they have been treated and deemed to be Solid Waste.

**“Member Agency(ies)”** means one, all, or a combination of the members of the Authority, including the Cities/Towns of Danville, Lafayette, Moraga, Orinda, and Walnut Creek, Contra Costa County, as such may change over time (e.g., as other governmental agencies may join the Authority in the future).

**“Mixed Materials”** means materials from Residential Premises and Commercial Premises, which includes both Recoverable Materials and non-Recoverable Materials, that may be Processed at a Mixed Waste Processing Facility.

**“Mixed Waste Contractor”** means the contractor to the Authority at any given time during the Term of this Agreement that is responsible for operating the Designated Mixed Waste Processing Facility, if Mixed Waste Processing is implemented during the Term. The Parties acknowledge that this entity may be selected by the Authority after the execution of this Agreement, and the Authority shall notify the Contractor of the Mixed Waste Contractor within thirty (30) Days after the effectiveness of the contract with the initial Mixed Waste Contractor and upon any change in the Designated Mixed Waste Processing Facility and/or Mixed Waste Contractor.

**“Mixed Waste Processing”** means those services provided by the Mixed Waste Contractor to Process Solid Waste that has been designated by the Authority to be Processed and/or Composted in lieu of Disposal that are Delivered by the Franchised Collector to the Designated Mixed Waste Processing Facility(ies). Mixed Waste Processing may include any combination of Processing and/or Composting at a Designated Mixed Waste Processing Facility(ies).

**“Multi-Family Dwelling”** or **“Multi-Family”** means any Residential Premises, other than a Single-Family Premises, where there is centralized, shared Collection service for all units in the building.

**“MVI”** means the Consumer Price Index, All Urban Consumers, Motor Vehicle Maintenance and Repair, motor vehicle maintenance and repair, not seasonally adjusted, U.S. City Average, compiled and published monthly by the U.S. Department of Labor, Bureau of Labor Statistics (Series ID CUUR0000SETD, Base Period 1982 – 84 = 100). If the MVI is no longer available or published, both the Contractor and the Authority shall agree on a successor index to use in its place.

## EXHIBIT A: DEFINED TERMS

---

**“Occupant”** means a Person who may or may not hold the legal title to the real property constituting the Premises, including businesses or other entities, and who permanently or temporarily lives or works at the Premises.

**“Organic Materials”** means collectively Commingled Organics and Commercial Food Scraps.

**“Organics Contractor”** means the contractor to the Authority, at any given time during the Term of this Agreement, responsible for operating the Designated Composting Facility. In the event of a change in the Organics Contractor during the Term of this Agreement, the Authority shall notify the Contractor of the new Organics Contractor(s) within thirty (30) Days after the effectiveness of the contract with the new Organics Contractor(s).

**“Organic Waste”** means wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, Yard Trimmings, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

**“Party(ies)”** means the Authority and Contractor, individually or together.

**“Pass-Throughs”** means Governmental Fees and Authority Reimbursements.

**“Permits”** means all Federal, State, county, Authority, other local, and any other governmental unit permits, orders, licenses, approvals, authorizations, consents, and entitlements that are required under Applicable Law to be obtained or maintained by any Person with respect to services performed under this Agreement, as renewed or amended from time to time.

**“Person”** means any individual, business, firm, association, organization, partnership, public or private corporation, trust, joint venture, political subdivision, special purpose district, or public or governmental entity.

**“PGE”** means the PG&E Compressed Natural Gas Schedule G-NGV2, compressed natural gas, not seasonally adjusted, compiled and published monthly by Pacific Gas and Electric (Schedule G-NGV2, Base Period 199012). If the PGE index is no longer available or published, both the Contractor and the Authority shall agree on a successor index to use in its place.

**“Premises”** means any land or building in the Service Area where Franchised Materials are generated or accumulated.

**“Pre-Process”** or **“Pre-Processing”** means the Processing of Commercial Food Scraps for the purpose of Recovery to produce Recoverable Materials for Anaerobic Digestion.

**“Processing”** means the controlled separation, volume reduction, or conversion of materials including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of Recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20) to produce Recoverable Materials for Recycling.

## EXHIBIT A: DEFINED TERMS

---

**“Processing Facility”** means a Permitted Facility in which materials are sorted, separated, or otherwise manipulated for the purposes of Recovering marketable commodities.

**“Rate”** means the dollar unit to be charged by Contractor for providing the services under this Agreement and for providing other extra services (as applicable).

**“Rate Year”** means a twelve- (12-) month period, commencing July 1 and concluding on the last Day of June of the following year.

**“Rate Year One”** means the first (1<sup>st</sup>) Rate Year covered by this Agreement that covers a sixteen- (16-) month period. Rate Year One shall begin on March 1, 2027 and shall end on June 30, 2028.

**“Recover,” “Recovery,” or “Recovered”** (or other variations thereof) means the classification, extraction, and aggregation of marketable commodities, Compost, and other Recovered Materials from Residue during Processing.

**“Recovered Material”** means marketable commodities that are Recovered through Processing, Composting, and/or Anaerobic Digestion in a way that constitutes landfill reduction pursuant to 14 CCR, Division 7, Chapter 12, Article 2 and is suitable for Recycling.

**“Recyclable Materials”** means materials, by-products, or components of such materials that are set aside, handled, or packaged and separated from Solid Waste by Generators and set out in accordance with the Authority’s Collection program. Recyclable Materials do not include Unpermitted Waste, Excluded Waste, or other Franchised Materials. Recyclable Materials are the materials listed in Exhibit C that may be replaced by a list posted by the Authority’s Executive Director in their sole discretion from time to time and provided to the Contractor.

**“Recycled” or “Recycling”** (or other variations thereof) means the treating or reconstituting materials that are or would otherwise be Disposed of and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products. Recycling includes processes deemed to constitute a reduction of landfill Disposal pursuant to 14 CCR, Division 7, Chapter 12, Article 2. Recycling does not include the use of Franchised Materials for gasification or transformation as defined in Public Resources Code Section 40201.

**“Residential”** means Single-Family Dwellings and Multi-Family Dwellings used for human shelter, irrespective of whether such Dwelling Units are rental units or are owner-occupied, excluding hotels, motels, or other similar Premises.

**“Residue”** means materials that remain after Processing, Pre-Processing, Composting, and/or Anaerobic Digestion that cannot be Diverted and require Disposal.

**“Responsible End Markets”** shall have the same meaning as in SB 54, as it may be as amended, supplemented, superseded, and replaced from time to time.

**“Reusable Items”** means materials that are subsequently used in their original form for the same or similar purpose such as, but not limited to: used furniture, clothing, toys, bicycles, books, household items, and tools. Reusable Items are those materials that are separated from Franchised Materials by Generators and

## EXHIBIT A: DEFINED TERMS

---

set out in accordance with the Reuse Contractor's Collection program. Reusable Items include, at a minimum, the materials listed in Exhibit C.

**"Reuse and Cleanup Days Program"** means the program operated by the Reuse Contractor to collect Franchised Materials, and other materials as specified in the Authority's contract with the Reuse Contractor Curbside and at designated locations throughout the Service Area.

**"Reuse Contractor"** means the contractor to the Authority at any given time during the Term of this Agreement that is responsible for operating the Reuse and Cleanup Days Program. The Parties acknowledge that this entity may be selected by the Authority after the execution of this Agreement and the Authority shall notify the Contractor of the Reuse Contractor within thirty (30) Days after the effectiveness of the contract with the initial Reuse Contractor and upon any change in the Designated Reuse Facility and/or Reuse Contractor.

**"SB 54"** means the Plastic Pollution Prevention and Packaging Producer Responsibility Act approved by the Governor of the State of California on June 30, 2022, which amended Section 41821.5 of the California Public Resources Code to add Chapter 3 (commencing with Section 42040) to Part 3 of Division 30, as amended, supplemented, superseded, and replaced from time to time. For the purposes of this Agreement, SB 54 includes any implementing regulations developed by CalRecycle, as amended supplemented, superseded, and replaced from time to time.

**"SB 343"** means the Environmental Advertising: Recycling Symbol: Recyclability: Products and Packaging Senate Bill approved by the Governor of the State of California on October 5, 2021, which amended Sections 17580, 17580.5 of the California Business and Professions Code, and amended Sections 18015 and 42355.5 of, and added Section 42355.51 to, the California Public Resources Code, relating to environmental advertising, as amended, supplemented, superseded, and replaced from time to time. For the purposes of this Agreement, SB 343 includes any implementing regulations developed by CalRecycle, as amended, supplemented, superseded, and replaced from time to time.

**"SB 1016"** means Senate Bill 1016 approved by the Governor of the State of California on September 26, 2008, which amended Sections 40183, 40184, 41783, 41820.6, 41821, 41850, 42921, and 42926 of, amended the headings of Article 4 (commencing with Section 41825) and Article 5 (commencing with Section 41850) of Chapter 7 of Part 2 of Division 30 of, added Sections 40127, 40145, 40150.1, 41780.05, 42921.5, and 42927 to, and repealed and added Section 41825 of, the Public Resources Code, relating to solid waste, as amended, supplemented, superseded, and replaced from time to time

**"SB 1383"** means Senate Bill 1383 of 2016 approved by the Governor of the State of California on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the California Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the California Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.

For the purposes of this Agreement, SB 1383 specifically refers to the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted on November 3, 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.

## EXHIBIT A: DEFINED TERMS

---

**“Sector”** means the Customer’s, Person’s, or Generator’s category, including but not limited to, Single-Family, Multi-Family, Commercial, Self-Haul, Compactor Customers, Drop Box Customers, and governmental entities. The Sector shall be used for the purposes of record keeping and reporting and shall be approved by the Authority.

**“Self-Hauler”** or **“Self-Haul”** means a Person who hauls Discarded Materials, Recovered Material, or any other material (other than Unpermitted Waste and/or Excluded Waste) the hauler has generated solely in or on their own Premises using their own equipment and employees, to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who back-hauls waste, as defined in 14 CCR Section 18982(a)(66)(A), gardeners, and landscapers.

**“Service Area”** means the physical area encompassed by the jurisdiction of the Authority’s Member Agencies, in which Franchised Materials are Collected by the Franchised Collector, as presented in the map attached as Exhibit B. Only a portion of unincorporated Contra Costa County is included in the Service Area. Should the scope of Member Agencies change over time (e.g., other governmental agencies become members of the Authority during the Term of this Agreement and choose to receive Collection services from the Franchised Collector), then the Service Area will change accordingly.

**“Single-Family Dwelling”** or **“Single-Family”** means each unit used for or designated as a Premises for one (1) family, including each unit of a duplex, triplex, townhouse, or condominium that receives individual or separate (not shared) Collection service.

**“Solid Waste”** means and refers to the definition of “solid waste” in California Public Resources Code Section 40191, as may be amended or superseded from time to time. Notwithstanding the foregoing, Solid Waste are those materials that are separated from other Franchised Materials by Generators and set out in accordance with the Authority’s Collection program. All or part of the Solid Waste Collected by the Franchised Collector may become Mixed Materials to be directed for Mixed Waste Processing, if designated by the Authority.

**“Source Reduction”** means any action that causes a net reduction in the generation of Solid Waste, and has the same definition as California Public Resources Code Section 40196. Source reduction includes, but is not limited to, reducing the use of nonrecyclable materials, replacing disposable materials and products with Reusable Items and products, reducing packaging, reducing the amount of Organic Wastes generated, establishing rate structures with incentives to reduce the amount of wastes that Generators produce, and increasing the efficiency of the use of paper, cardboard, glass, metal, plastic, and other materials. Source reduction does not include steps taken after the material becomes Discarded Materials or Franchised Materials or actions that would impact air or water resources in lieu of land, including, but not limited to, transformation.

**“Source Separated”** means the Generator segregated the Franchised Materials into separate Containers for Collection by the Franchised Collector, such that all Solid Waste will be placed in a Solid Waste Container, all Recyclable Materials will be placed in a Recyclable Materials Container, all Commingled Organics will be placed in a Commingled Organics Container, and Commercial Food Scraps will be placed in a Commercial Food Scraps Container.



## EXHIBIT A: DEFINED TERMS

---

**“Special Tipping Fee Review”** means an adjustment to the Tipping Fee(s) in addition to or at a time other than when periodic adjustments of the Tipping Fee(s) are made under this Agreement pursuant to Section 10.4.

**“Specialty Recyclable Materials”** means those materials that are not Recyclable Materials and that may be Recycled using special handling or unique Processing services, and that are identified in Exhibit C.

**“Standard Industry Practice”** means (i) the then-current development and operations practices and standards of the northern California Solid Waste and materials management industry with respect to collection, transfer, transport, processing, diversion, and disposal services; and, (ii) the then-current development, operations, closure, and post-closure practices and Solid Waste Association of North America (or any successor organization) Manager of Landfill Operations standards in meeting the Contractor’s obligations under this Agreement.

**“State”** means the State of California.

**“Stewardship Organization”** means a Person(s) that is approved or designated under Applicable Law or by a relevant governing body, including, but not limited to, CalRecycle, CARB, the County, or the Authority, to manage, coordinate, fund, or otherwise oversee one or more Extended Producer Responsibility Programs. The applicable Stewardship Organization for each Extended Producer Responsibility Program under this Agreement shall be designated or approved by the Executive Director and approved by Contractor, not to be unreasonably withheld.

**“Subcontractor”** means a party who has entered into a contract, express or implied, with the Contractor for the performance of an act that involves Collection, Processing, Transport, Transfer, Diversion, Disposal and/or other handling of the Franchised Materials or that involves communications with or interactions with the Authority and/or Customers that is necessary for the Contractor’s fulfillment of its obligations for providing service under this Agreement. Vendors providing materials and supplies to the Contractor shall not be considered Subcontractors.

**“Subscriber”** means the Person whom the Franchised Collector submits its billing invoice to and collects payment from for services provided to Customers under this Agreement.

**“Supermarket”** means a full-line, self-service retail store with gross annual sales of Two Million Dollars (\$2,000,000) or more, and which sells a line of canned goods or nonfood items and some perishable items.

**“Term”** means the duration of this Agreement, including extension periods if granted, as provided for in Section 4.1.

**“Tier One Commercial Edible Food Generator”** means a Commercial Edible Food Generator that is one (1) of the following, each as defined in 14 CCR Section 18982:

- A. Supermarket
- B. Grocery store with a total facility size equal to or greater than ten thousand (10,000) square feet
- C. Food Service Provider

## EXHIBIT A: DEFINED TERMS

---

- D. Food Distributor
- E. Wholesale Food Vendor

**“Tier Two Commercial Edible Food Generator”** means a Commercial Edible Food Generator that is one (1) of the following, each as defined in 14 CCR Section 18982:

- A. Restaurant with two hundred and fifty (250) or more seats, or a total facility size equal to or greater than five thousand (5,000) square feet
- B. Hotel with an on-site food facility and two hundred (200) or more rooms
- C. Health facility with an on-site food facility and one hundred (100) or more beds
- D. Large Venue
- E. Large Event
- F. A State agency with a cafeteria with two hundred and fifty (250) or more seats or total cafeteria facility size equal to or greater than five thousand (5,000) square feet
- G. A local education agency with an on-site food facility

**“Tipping Fee”** or **“Tip Fee”** is the per-Ton cost assessed by an Approved Facility or Designated Facility for Transfer, Transport, Processing, Composting, Anaerobic Digestion, and/or Disposal services plus Pass-Throughs.

**“Ton”** or **“Tonnage”** means a unit of measure for weight equivalent to two thousand (2,000) standard pounds where each pound contains sixteen (16) ounces.

**“Transfer”** or **“Transferring”** (or other variations thereof) means receiving Franchised Materials and/or other material at an Approved or Designated Facility or another Transfer Facility and loading the material into Transfer Vehicles.

**“Transfer Contractor”** means the contractor(s) to the Authority at any given time during the Term of this Agreement that is responsible for Accepting Franchised Materials for consolidation and Transferring and Transporting Franchised Materials to the Designated Facilities. In the event of a change in the Transfer Contractor during the Term of this Agreement, the Authority shall notify the Contractor of the new Transfer Contractor(s) within thirty (30) Days after the effectiveness of the contract with the new Transfer Contractor(s).

**“Transfer Facility”** means a Facility that receives and temporarily stores Franchised Material and/or other materials, and then Transfers the materials into larger trailers for Transport to a Processing Facility, a Composting facility, an Anaerobic Digestion facility, or a Disposal Site.

**“Transfer Vehicle”** means a tractor and trailer designed to haul Franchised Materials and/or other materials, including Residue, from a Transfer Facility, Recyclable Material Processing Facility, or Composting Facility to an Approved or Designated Anaerobic Digestion Facility, Recyclable Materials Processing Facility, Composting Facility, Designated Disposal Facility, or Disposal Site.

**“Transport”** (or other variations thereof) means the conveyance of Franchised Materials Collected by the Franchised Collector, Residue from Mixed Waste Processing, or Reusable items or other materials collected

## EXHIBIT A: DEFINED TERMS

---

by the Reuse Contractor as part of the Reuse and Cleanup Days Program from the point of Collection to an Approved or Designated Facility or from an Approved or Designated Facility to another Approved or Designated Facility or Disposal Site.

**“Uncontrollable Circumstance”** means:

- A. An act of nature, hurricane, landslide, lightning, earthquake, fire, explosion, flood, sabotage, tsunami, or similar occurrence (but not including reasonably anticipated weather conditions in the Service Area), acts of terrorism, extortion, war, blockade or insurrection, riot or civil disturbance, and other similar catastrophic events that are beyond the control of and not the fault of the Party. Labor unrest, including, but not limited to, strike, work stoppages or slowdown, sick-out, picketing, or other concerted job action conducted by Contractor’s employees, directed at or initiated by Contractor, or an Affiliate, contractor, or supplier of Contractor, is not an Uncontrollable Circumstance.
- B. A Change in Law (as defined herein).

**“Unpermitted Waste”** means wastes or other materials that the Approved Facilities or Designated Facilities may not receive under their Permits, including:

- A. All materials that the Approved Facilities or Designated Facilities are not permitted to Accept.
- B. Asbestos, including friable materials that can be crumbled with pressure and are therefore likely to emit fibers, being a naturally occurring family of carcinogenic fibrous mineral substances, which may be Hazardous Materials if it contains more than one percent (1%) asbestos.
- C. Ash residue from the incineration of solid wastes, including Solid Waste, infectious waste described in Item (8) below, wood waste, sludge not meeting at a minimum Class B standard as defined by Title 40 of the Code of Federal Regulations, Part 503 (The Standards for the Use or Disposal of Sewage Sludge) and agricultural wastes.
- D. Auto shredder “fluff” consisting of upholstery, paint, plastics, and other non-metallic substances that remain after the shredding of automobiles.
- E. Dead animals.
- F. Hazardous Substances and Hazardous Waste.
- G. Industrial solid or semi-solid wastes that pose a danger to the operation of the Approved Facilities or Designated Facilities, including cement kiln dust, or process residues.
- H. Medical Materials including infectious wastes that have disease transmission potential and are classified as Hazardous Wastes by the State Department of Health Services, including pathological and surgical wastes, medical clinic wastes, wastes from biological laboratories, syringes, needles, blades, tubing, bottles, drugs, patient care items that as linen or personal or food service items from contaminated areas, chemicals, personal hygiene wastes, and carcasses used for medical purposes or with known infectious diseases.
- I. Liquid wastes that are not spadeable, usually containing less than fifty percent (50%) solids, including cannery and food processing wastes, landfill leachate and gas condensate, boiler blowdown water, grease trap pumpings, oil and geothermal field wastes, septic tank

## EXHIBIT A: DEFINED TERMS

---

- pumpings, rendering plant byproducts, sewage sludge not meeting certain quality criteria (i.e., unclassified sludge less than B), and those liquid wastes that may be Hazardous Wastes.
- J. Radioactive wastes under Chapter 7.6 (commencing with Section 25800) of Division 20 of the California Health and Safety Code, and any waste that contains a radioactive material, the storage or disposal of which is subject to any other State or Federal regulation.
  - K. Sewage sludge comprised of human (not industrial) residue, excluding grit or screenings, removed from a wastewater treatment facility or septic tank, whether in a dry or semi-dry form not meeting certain quality criteria (i.e., unclassified sludge less than "B").
  - L. Designated Waste if not permitted at the Approved Facilities or Designated Facilities under Applicable Law and Permits.
  - M. Single Loads with an excessive level of Contaminants based on visual inspection.

This definition shall be promptly amended to reflect any applicable changes in Permits or Applicable Law.

**"Used Motor Oil and Filter"** means motor oil and the subsequent oil filter that has been used in a vehicle.

**"Wholesale Food Vendor"** means a business or establishment engaged in the merchant wholesale distribution of food, where food (including fruits and vegetables) is received, shipped, stored, prepared for distribution to a retailer, warehouse, distributor, or other destination, or as otherwise defined in 14 CCR Section 18982(a)(76).

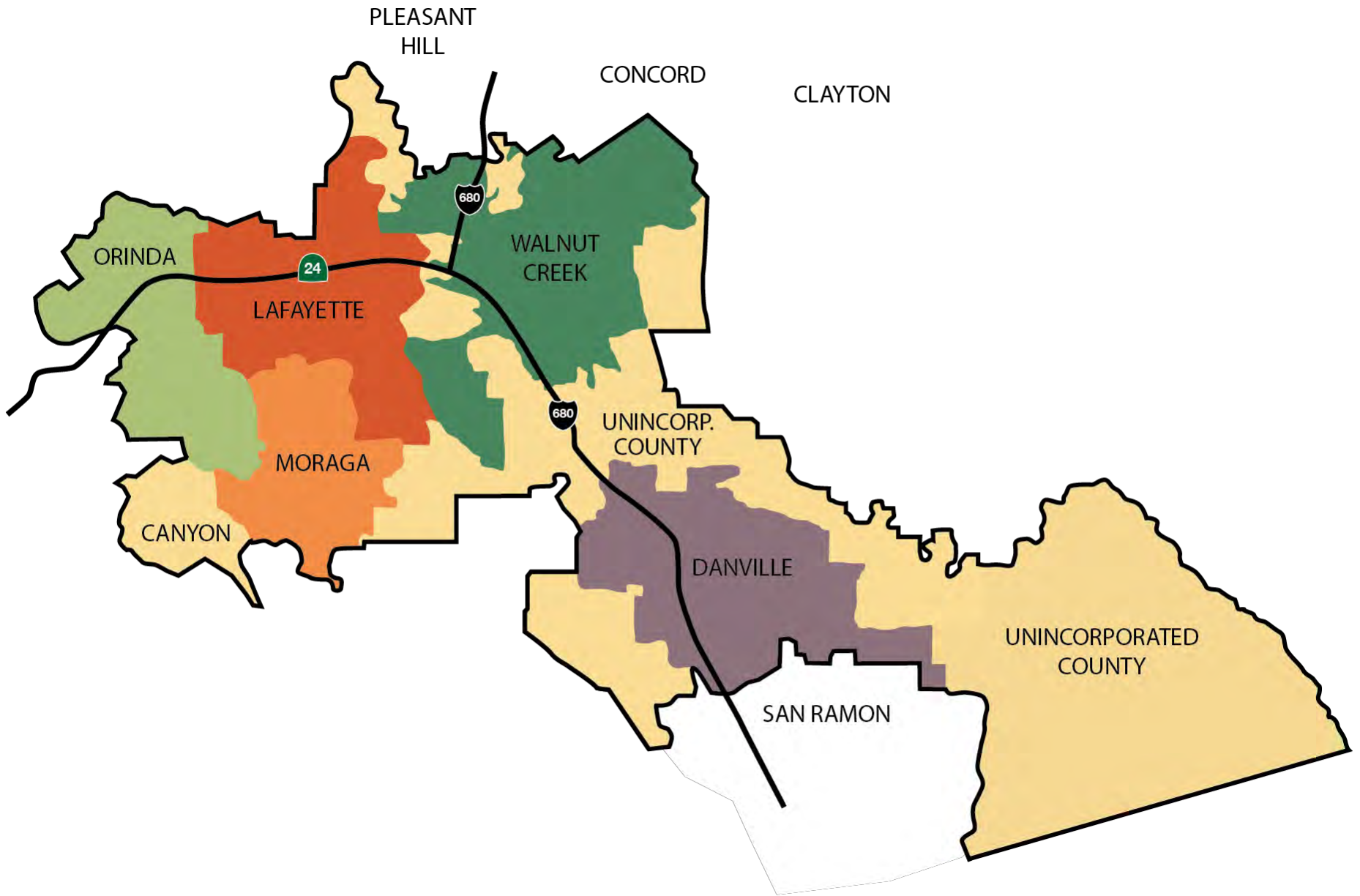
**"Working Days"** means Days on which the Contractor is required to provide the Recyclable Materials Processing services pursuant to Section 8.3 of this Agreement.

**"Yard Trimmings"** means grass, lawn clippings, shrubs, plants, weeds, branches, and other forms of Organic Materials generated from landscapes, yards, or gardens.

**EXHIBIT B:  
SERVICE AREA**

---

*This page intentionally left blank.*



*This page intentionally left blank.*



**EXHIBIT C:  
LIST OF ALLOWABLE RECYCLABLE MATERIALS,  
COMMINGLED ORGANICS, AND COMMERCIAL FOOD  
SCRAPS**

---

*This page intentionally left blank.*

## EXHIBIT C: ALLOWABLE MATERIALS

---

### 1. Allowable Recyclable Materials

Allowable Recyclable Materials are the materials listed in this Exhibit C.1 that may be replaced by a list posted by the Authority's Executive Director in their sole discretion from time to time and provided to the Contractor.

**A. Paper:**

1. Kraft paper, all forms (with or without plastic component)
2. Molded fiber packaging (without plastic component)
3. Cardboard (with or without plastic component)
4. Paperboard, all forms (with or without plastic component)
5. White paper, all forms (with or without plastic component)
6. Other/mixed paper, all forms (with or without plastic component)
7. Small paper (no side greater than 2", with or without plastic component)

**B. Metal:**

1. Aluminum:
  - a. Containers, non-aerosol (with or without plastic component)
  - b. Foil sheets (with or without plastic component)
  - c. Foil molded containers (with or without plastic component)
  - d. Aerosol can (with plastic component)
2. Tin, steel, and bi-metal containers
3. Scrap metal
4. Small metal (no side greater than 2", with or without plastic component)

**C. Glass:**

1. Bottles (with or without plastic component)
2. Jars (with or without plastic component)
3. Small glass (no side greater than 2", with or without plastic component)

**D. Plastic:**

1. PET (#1):
  - a. Bottles, jugs, and jars (clear/natural)
  - b. Bottles, jugs, and jars (pigmented/color)
  - c. Thermoformed containers, cups, lids, plates, trays, tubs
  - d. Other rigid items (including containers)

## EXHIBIT C: ALLOWABLE MATERIALS

---

2. HDPE (#2):
  - a. Bottles, jugs and jars (clear/natural)
  - b. Bottles, jugs, and jars (pigmented/color)
  - c. Pails and buckets
  - d. Other rigid items (including containers)
3. PP (#5)
  - a. Bottles, jugs and jars
  - b. Thermoformed containers, cups, lids, plates, trays, tubs
  - c. Other rigid items

### 2. Allowable Commingled Organics

Allowable Commingled Organics are the materials listed in this Exhibit C.2 that may be replaced by a list posted by the Authority's Executive Director in their sole discretion from time to time and provided to the Contractor.

- A. **Food Scraps:**
  1. All kitchen and table food
  2. Animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs
  3. Fruit waste, grain waste, dairy waste, meat, and fish waste
  4. Vegetable trimmings and houseplant trimmings
  5. Other Organic Waste common to the occupancy of Residential Dwelling Units and some Commercial kitchen operations
- B. **Food-Soiled Paper:** Allowable Food-Soiled Paper includes paper material that is Compostable, has come into contact with Food Scraps or liquids, is not coated or lined with any non-paper material ("uncoated"), and is not made of synthetic materials ("non-synthetic"), including:
  1. Other/mixed paper, all forms (without plastic component), such as:
    - a. Paper plates
    - b. Paper coffee cups
    - c. Napkins
    - d. Paper towels
    - e. Paper lunch bags
    - f. Coffee filters
    - g. Paper straws
    - h. Paper egg cartons

## **EXHIBIT C: ALLOWABLE MATERIALS**

---

2. Pizza boxes / food-soiled cardboard
  3. Small paper and fiber (no side greater than 2", without plastic component)
- C. **Yard Trimmings:**
1. Grass
  2. Lawn clippings
  3. Shrubs
  4. Plants
  5. Weeds
  6. Branches
  7. Other forms of Organic Materials generated from landscapes, yards, or gardens
- D. **Other:**
1. Untreated wood, all forms (without plastic component)
  2. Compostable Plastic bags that meet the Biodegradable Products Institute (BPI) standards for certification.

### **3. Allowable Commercial Food Scraps**

Allowable Commercial Food Scraps are the materials listed in this Exhibit C.3 that may be replaced by a list posted by the Authority's Executive Director in their sole discretion from time to time and provided to the Contractor.

- A. **Food Scraps:**
1. All kitchen and table food
  2. Animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs
  3. Fruit waste, grain waste, dairy waste, meat, and fish waste
  4. Vegetable trimmings
- B. **Food-Soiled Paper.** Allowable Food-Soiled Paper includes paper material that can be Anaerobically Digested, has come into contact with Food Scraps or liquids, is not coated or lined with any non-paper material ("uncoated"), and is not made of synthetic materials ("non-synthetic"), including only:
1. Paper napkins
  2. Paper towels
  3. Coffee filters
  4. Tea bags

*This page intentionally left blank.*

**EXHIBIT D:  
REPORTING REQUIREMENTS**

---

*This page intentionally left blank.*



## EXHIBIT D: REPORTING REQUIREMENTS

---

### 1. General

Contractor shall prepare and submit monthly, quarterly, and annual reports to the Authority as provided below. Contactor may propose report formats that are responsive to the objectives and audience for each report. With written direction from the Executive Director, the reports to be maintained and provided by the Contractor may be reasonably adjusted in number, format, frequency, and content, and Contractor's agreement with such adjustments will not be unreasonably withheld. At the Authority's request, the Contractor shall use standardized reporting forms provided by the Authority or an electronic reporting system specified by the Authority. Each report shall:

- Present the required data separately for each Member Agency and in total for the Service Area.
- Include a certification statement by the responsible Contractor official that, under penalty of perjury, the report being submitted is true and correct to the best knowledge of the responsible official after their reasonable inquiry.

Records shall be maintained in forms and by methods that facilitate flexible use of the data contained in them to structure reports as needed. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

- Ensure that the Authority only compensates the Contractor for Processing of Recyclable Materials originating in the Authority's Service Area.
- Ensure that the Authority only compensates Approved Facilities for receipt of Franchised Materials originating in the Authority's Service Area.
- Determine and set Per-Ton Rates and evaluate the financial efficacy of operations.
- Allocate Collection, Transfer, Processing, Composting, and Disposal costs to each Member Agency.
- Evaluate past and expected progress towards achieving the Authority's Diversion goals and objectives.
- Provide information needed by the Authority for the purpose of determining compliance with and fulfilling its State reporting requirements pursuant to AB 341, AB 1201, AB 1826, SB 54, SB 343, SB 1383, and all Applicable Law
- Provide concise and comprehensive operational information, Tonnage, Sector, and program information and metrics for use in fulfilling reporting requirements under Applicable Law.
- Determine needs for adjustment to programs and/or operations.
- Coordinate operational and logistical matters by and between the Contractor and the Authority's Franchised Collector, Transfer Contractor(s), Reuse Contractor, Organics Contractor, Disposal Contractor, and/or Mixed Waste Contractor, as applicable.

## **EXHIBIT D: REPORTING REQUIREMENTS**

---

The Contractor shall timely submit all reports by email (or in another digital format in the event email communications are unsuccessful) to Authority@recyclesmart.org.

Upon written request by the Executive Director, reports shall also be submitted in hard copy to:

Executive Director  
Central Contra Costa Solid Waste Authority  
1850 Mt. Diablo Blvd., Suite 320  
Walnut Creek, CA 94596

### **2. Monthly Reports**

The Contractor shall submit the monthly reports within ten (10) Days after the end of the reporting month. The monthly Tonnage reports shall be presented by the Contractor to show the information described below for each month. In addition, each monthly report shall show the monthly data for the past twelve (12) months and the most recently completed four (4) calendar quarters, and totals for the twelve (12) months and each calendar quarter represented. Except when noted below, all Tonnages requested are to be net weights of the payload contents of the Collection vehicle.

All reports shall include, at a minimum, the following information for each Approved Facility and Approved Alternate Facility as appropriate, separated by material type:

#### **A. Recyclable Materials Processing Tonnage Report**

1. Inbound Tons to the Approved Recyclable Materials Processing Facility(ies).
  - a. Recyclable Materials Loads – Inbound Weight Ticket (Receipt) Data
    - i. Actual Tonnage of each inbound Load of Recyclable Materials Delivered by the Franchised Collection to the Approved Recyclable Materials Processing Facility. The Contractor shall submit this data in Excel or a similar format approved by the Authority that allows the data to be summed, divided, etc. and supporting documentation in the form of weight tickets may be requested by the Authority at any time. Data for each Load shall include, at a minimum:
      - Weight ticket number
      - Date Delivered
      - Time Received at Scale
      - Vehicle identification number
      - Material type
      - Gross weight
      - Tare weight
      - Net weight
      - Route number (as applicable)
      - Vehicle type (Transfer Vehicle, route vehicle, or roll-off, as applicable)

## EXHIBIT D: REPORTING REQUIREMENTS

---

- ii. For all Inbound Tons reported under this Section 2.A.1.a.ii, the Contractor shall:
  - Include the percentage allocation of Recyclable Materials to each Member Agency and Sector of origin, as provided by the Franchised Collector, and the date the allocation data was provided by the Franchised Collector. If the allocation has not changed since the prior month, the Contractor shall provide a statement indicating such.
  - Apply those percentage allocations to all Inbound Recyclable Materials Tons by both Member Agency and Sector of origin (Commercial, Single-Family, Multi-Family).
- b. Inbound Tons to the Approved Facility

Total Tons of all material Delivered by all Facility Users to the Approved Facility by material type, Facility User type (e.g. Recyclable Materials Delivered by the Franchised Collector, other Transfer contractors, other franchised haulers, and/or Self-Haul materials) and jurisdiction of origin, including the relative percentages of all materials by Facility User type, during the reporting period. The Authority's Member Agencies shall be allocated in this report, pursuant to Section 2.A.1.a.ii above as separate jurisdictions rather than reported as a single origin.
- c. Approved Alternate Facilities

If the Contractor uses any Approved Alternate Facility, then the Tonnage data required in this Section shall also be provided individually for the Approved Alternate Facility and aggregated to represent all the Recyclable Materials during the reporting period.
- 2. Processing Report
  - a. Total Tons of material Processed during the reporting period, by material type
  - b. Total Tons of Recyclable Materials Diverted and the Diversion rate listed separately by each Recovered Material Commodity, calculated using the approved allocation method described in Section 5.4.C of the Agreement.
  - c. Total Tons of Residue generated from Processing of all materials Delivered to the Approved Recyclable Materials Processing Facility and the Tons of Residue allocated to the Authority calculated using the approved Residue allocation method described in Section 5.4 of the Agreement.
  - d. Tons of Recovered Recyclable Materials Marketed (by commodity and including Average Index Value for each).
- 3. Outbound Residue from the Approved Recyclable Materials Processing Facility
  - a. The Contractor shall report on the actual Tonnage of each outbound Load of Residue that the Contractor Transports from the Recyclable Materials Processing Facility to the Contractor's selected Permitted Disposal facility, in

## **EXHIBIT D: REPORTING REQUIREMENTS**

---

accordance with Section 5.4.C. If Contractor does not weigh outbound Loads, then Contractor shall provide actual Tonnage of each outbound Load of Residue based on weight tag data, in the same format provided in this Section 2.A.1.a.i.

- b. For all Tons of Residue reported under this Section A.3 during the reporting period, the Contractor shall include the percentage allocation attributable to the Authority, to each Member Agency, and Sector of origin, as applicable. Contractor shall apply those percentage allocations to all Load Tons of Recyclable Materials Residue, as provided in 2.A.1.b.
- c. Contractor shall provide a monthly report to the selected Permitted Disposal facility operator that allocates the Tons of Residue Delivered from the Recyclable Materials Processing Facility to the Permitted Disposal facility for Disposal by Member Agency jurisdiction of origin. Contractor shall provide the Authority with a copy of such report and documentation of the report transmittal to the Permitted Disposal facility operator.

#### 4. Marketing of Recovered Recyclable Materials.

### **B. Vehicle Turnaround Times**

1. Upon Authority request, or where the Franchised Collector has notified the Contractor that vehicle turnaround time was in excess of the vehicle turnaround time requirement as set forth in the Agreement at the Approved Recyclable Materials Processing Facility or Approved Alternate Facility, the Contractor shall and report actual vehicle Turnaround Time for each vehicle Load Delivered by Franchised Collector (determined in accordance with Section 8.8 of the Agreement). The vehicle turnaround time shall be measured as the elapsed time from the vehicle entering the Approved Recyclable Materials Processing Facility or Approved Alternate Facility property to the vehicle leaving the property. The duration of vehicle turnaround time tracking and reporting period shall be determined by the Authority.

### **C. Regulatory Compliance**

1. List of any Violation(s) received at the Approved Recyclable Materials Processing Facility that relate to the services provided under this Agreement (ies) or Approved Alternate Facility(ies) during the reporting period and the current status of Violation(s). If the Violation(s) were not remedied by the Contractor during the reporting period, the Contractor shall provide a narrative description of the steps to be taken to remedy the Violation, any pending or contemplated appeal relating thereto, and the associated timeline(s) or estimated timeline(s) for final resolution.
2. List of any Violation(s) previously reported and remedied during the reporting period.

### **D. Load Classification, Rejection, and Contamination**

1. Total tons of Recyclable Materials Delivered by the Franchised Collector, separated by route vehicle Tons and roll-off Vehicle Tons, and Accepted by the Approved Recyclable Materials Processing Facility or the Approved Alternate Facility, as applicable.
2. Total Tons of Unpermitted Waste or Excluded Waste Delivered by the Franchised Collector and Rejected by the Approved Recyclable Materials Processing or the

Authority/Mt. Diablo Paper Stock, Inc.

## **EXHIBIT D: REPORTING REQUIREMENTS**

---

Approved Alternate Facility, as applicable, in accordance with Section 5.2 and Section 8.5 of the Agreement.

3. Total Tons of Recyclable Materials Delivered to and Rejected by the Approved Recyclable Materials Processing Facility due to Contamination in accordance with Section 5.2.D of the Agreement.
4. Date, time, route number, Franchised Collector truck number, material type, and reason for Contractor rejection of any Franchised Collector Delivered Loads.
5. Photographs of any Rejected Load(s).
6. Copy of correspondence to the Franchised Collector notifying them of the Unpermitted Waste or Excluded Waste or contaminated materials, the Franchise Collector response, and a narrative of the Franchised Collector's remediation efforts following the notification including the date and time of the remediation, and action(s) taken.

### **E. Financial Records**

1. Any relevant operational or financial records related to Extended Producer Responsibility Programs provided under this Agreement, if any, including but not limited to:
  - a. Invoices or receipts for new or retrofitted equipment or vehicles purchased or received to implement the Extended Producer Responsibility Program.
  - b. Changes to labor costs, if any, as a result of implementing the Extended Producer Responsibility Program.
  - c. Records of reimbursements, payments, or in-kind contributions made to Contractor by the Extended Producer Responsibility Programs or Stewardship Organization.
  - d. Supporting documents related to the calculation used to determine costs allocated to the Authority versus other Facility Users.
  - e. Any operational records required by the Extended Producer Responsibility Program or Stewardship Organization, if any, related to the Contractor's participation in the Extended Producer Responsibility Program.

## **3. Quarterly Report**

The Contractor shall submit the quarterly reports within thirty (30) Days after the end of the reporting quarter. At a minimum, quarterly reports shall include the following:

### **A. RDRS Reconciliation**

1. Copies of all Recycling and Disposal Reporting System (RDRS) Quarterly Report Summaries submitted to CalRecycle during the reporting quarter and underlying supporting data.

## EXHIBIT D: REPORTING REQUIREMENTS

---

2. Reconciliation of quarterly data from Sections 2.A.1.a.ii, 2.A.1.b, and 2.A.1c against Sections 2.A.2.c, and 2.A.3.b of this Exhibit D with an explanation of any variance in excess of two percent (2%).
3. Note that for RDRS purposes all of the Authority's Member Agencies except for the County are part of a Regional Agency. Tons originating from the portions of Unincorporated Contra Costa County that are within the Authority's Service Area must be added to tons originating from the portions of Unincorporated Contra Costa County outside of the Authority's Service Area and reported separately from the rest of the Authority's tons for RDRS purposes.

### **B. Waste Evaluation Reports**

1. Copies of the waste evaluation reports conducted in accordance with 14 CCR Section 17409.5.7.

## **4. Annual Report**

The Contractor shall submit an annual report (Annual Report) no later than thirty (30) Days after the end of each calendar year. The Annual Reports shall include, at a minimum, the following information:

- A. Documentation that Contractor paid all government fees and taxes necessary to provide services under this Agreement in accordance with Applicable Law.
- B. An Approved Facility capacity status report that identifies, for each Approved Facility, the remaining permitted capacity, the aggregate capacity committed to other entities through Contractor's contracts, and the available, uncommitted Approved Facility capacity.
- C. A description of any advances in environmental mitigation measures; any advanced technologies utilized in the course of business; any pilot programs which test advanced technologies; any new third-party certifications for Diversion or other Facility standards; and reports on any recent, pending, or planned changes in Facility Permits.
- D. A description of any issues, plans, and concerns related to the use of the Approved Facility(ies) during the past year and anticipated changes for the following year, including but not limited to, additional services provided or available, actual or anticipated need for use of Alternate Facilities, regulatory issue or concerns, Permit and regulatory violations, or changes in staffing, equipment, or operations.
- E. A certified statement of fact pertaining to whether an Approved Alternate Facility was used during the report year to provide services under this Agreement and if so, documentation of all Recyclable Materials Loads Delivered to the Approved Alternate Facility.
- F. An explanation of any recently adopted laws or regulations, or changes to laws or regulations that Contractor expects may impact this Agreement or Contractor's operations during the Agreement Term.
- G. Any State facility report Contractor submits to CalRecycle or to Contractor's Disposal Reporting System coordinator. Such State facility reports includes those submitted for any of the Approved Facilities Contractor is utilizing under this Agreement. Such annual submittals shall be in accordance with Applicable Law.

## **EXHIBIT D: REPORTING REQUIREMENTS**

---

- H. Any public education and outreach materials created and distributed to the Authority and/or Member Agencies, as applicable.
- I. A report describing Contractor's marketing of Recovered Materials, including:
  - 1. Tonnage of Recovered Materials marketed, by Recovered Material type;
  - 2. The actual prior year and estimated coming year per unit or per-Ton index values and revenue received for each Recovered Material;
  - 3. The markets for each Recovered Material marketed; and
  - 4. Documentation that the Authority's Recovered Materials were Delivered to, and Recycled and/or Processed at Responsible End Markets.
- J. A list of all secondary Processing Facilities used during the report year to materials originating from the Authority's Service Area, if any. Such list shall include the facility's name, physical address, and the name of the owner/facility operator.
- K. Documentation of all materials originating from the Authority's Service Area sent to secondary Processing Facilities including the type of materials sent to each secondary Processing Facility and the total Tons sent to each secondary Processing Facility by material type.
- L. Documentation of Recovered Materials and Residue standards.

*This page intentionally left blank.*



**EXHIBIT E:**  
**TIPPING FEE ADJUSTMENT METHODOLOGY**

---

*This page intentionally left blank.*

## EXHIBIT E: TIPPING FEE ADJUSTMENT METHODOLOGY

### 1. Overview

This Exhibit E includes the Contractor’s initial Tipping Fees, the annual Tipping Fee adjustment methodology leading up to Rate Year 1 Tipping Fees, and the annual adjustment methodology in accordance with Article 10 of the Agreement. The schedule below details which years the Tipping Fees will be adjusted using the multi-index methodology or the cost-based methodology. The methodology for each is described in detail in the following sections. For the purposes of Exhibit E, all capitalized terms used in this Attachment are either defined herein or included in Exhibit A.

### 2. Application Schedule and Methodology

The information in Table 1 below illustrates the rate application submittal timeline for each Rate Year, the rate adjustment methodology to be used, and the effective date of the adjustment to Tipping Fees, subject to the approval of the Authority Board.

Table 1: Application Schedule and Methodology				
Rate Year	Methodology	Application Submittal	Complete Review	Effective Date
Year 1 (2027)	Multi-Index	Sept. 1, 2026	Oct. 1, 2026	Mar. 1, 2027
Year 2 (2028)	Multi-Index	Jan. 1, 2028	Feb. 29, 2028	July 1, 2028
Year 3 (2029)	Multi-Index	Jan. 1, 2029	Feb. 28, 2029	July 1, 2029
Year 4 (2030)	Multi-Index	Jan. 1, 2030	Feb. 28, 2030	July 1, 2030
Year 5 (2031)	Cost-Based	Nov. 1, 2030	Feb. 28, 2031	July 1, 2031
Year 6 (2032)	Multi-Index	Jan 1, 2032	Feb. 29, 2032	July 1, 2032
Year 7 (2033)	Multi-Index	Jan. 1, 2033	Feb. 28, 2033	July 1, 2033
Year 8 (2034)	Multi-Index	Jan. 1, 2034	Feb. 28, 2034	July 1, 2034
Year 9 (2035)	Multi-Index	Jan. 1, 2035	Feb. 28, 2035	July 1, 2035
Year 10 (2036)	Cost-Based	Nov. 1, 2035	Feb. 29, 2036	July 1, 2036
Years 11-14	Multi-Index	Jan. 1	Feb. 28/29	July 1
Year 15	Cost-Based	Nov. 1	Feb. 28	July 1

In the event the Agreement is extended in accordance with Section 4.1, each of the four (4) sequential Rate Years following Rate Year 15 (Rate Year 16 through Rate Year 19) the Multi-Index Rate Adjustment methodology shall be used, followed by the use of one (1) Cost-Based Rate Adjustment methodology (Rate Year 20), if applicable.

## EXHIBIT E: TIPPING FEE ADJUSTMENT METHODOLOGY

### 3. Indices and Adjustment Factors

The information in Table 2 provides additional information about the indices defined in Exhibit A and used in the Per Ton Fee adjustment methodologies described below. If an index is no longer available or published, both the Contractor and the Authority shall agree on a successor index to use in its place.

Table 2: Indices and Other Adjustment Factors*							
	ECI	CPI-U	Fuel Index	MVI	CBA	PGE	Electric Index
Description	Employment Cost Index – Total Compensation for Private Industry Workers in Service-Providing Industries.	Consumer Price Index – All Urban Consumers	Consumer Price Index – All Urban Consumers	Consumer Price Index – All Urban Consumers, Motor Vehicle Maintenance and Repair	CBA Wages Benefits and Pension Compensation for CBA employees	PG&E Compressed Natural Gas Schedule G-NGV2	Average of the actual charge per Kilo-Watt Hour for the year, compared to the average of the actual Kilo-Watt Hour charge for the previous year
Series ID	CIS201S0000000001	CUUSS49BSAO	CUURS49BSETB	CUUR0000SETD	N/A	Schedule G-NGV2	N/A
Adjusted	Seasonally adjusted	Not seasonally adjusted	Not seasonally adjusted	Not seasonally adjusted	By negotiation, not seasonally	Not seasonally adjusted	Annually
Area	N/A	San Francisco-Oakland-Hayward	San Francisco-Oakland-Hayward	U.S. City average	N/A	N/A	N/A
Item	Total Compensation	All Items	Motor Fuel	Motor vehicle maintenance and repair	CBA Labor	Compressed Natural Gas	N/A
Base Period	Dec. 2005 = 100	1982-84 = 100	1982-84 = 100	1982-84 = 100	N/A	199012	N/A
Periodicity	Quarterly	Bi-monthly	Monthly	Monthly	Annually	Monthly	Monthly Average

*\*All indices published by the U.S. Bureau of Labor Statistics except the PGE and Electric Indices.*

## EXHIBIT E: TIPPING FEE ADJUSTMENT METHODOLOGY

---

The Contractor proposed Per Ton Fees in Exhibit E-4 based on costs from a Rate Year prior to the start of Rate Year 1. Therefore, the Per Ton Fees in Exhibit E-4 will be adjusted according to the methodology in Table 1 using the Annual Percentage Change timeframe from Table 3 for Rate Year 1. All future Rate Years will use the Annual Percentage Change timeframe listed in Table 3 below for Rate Year 2 - 15, and beyond, as applicable, in accordance with Exhibit E.

<b>Table 3: Annual Percentage Change Timeframe by Rate Year</b>	
Rate Year	Index Timeframe
Year 1	$\frac{[(\text{Average Index Value of Oct. 2025} - \text{Sept. 2026}) - (\text{Average Index Value of Oct. 2023} - \text{Sept. 2024})]}{(\text{Average Index Value of Oct. 2023} - \text{Sept. 2024})}$
Year 2 – Year 15+	$\frac{[(\text{Average Index Value of Jan. 202X}^{+1} - \text{Dec. 202X}^{+1}) - (\text{Average Index Value of Jan. 202X} - \text{Dec. 202X})]}{(\text{Average Index Value of Jan. 202X} - \text{Dec. 202X})}$

*This page intentionally left blank.*

**EXHIBIT E-1:  
CONTRACTOR'S INITIAL TIPPING FEES**

---

*This page intentionally left blank.*



## EXHIBIT E-1: CONTRACTOR'S INITIAL TIPPING FEES

---

Below are the Contractor's Initial Rates in 2024 dollars that will be adjusted as described in Exhibit E and in accordance with Exhibit E-2.

Recyclable Processing Per Ton Tipping Fee	
Recyclable Processing (\$/ton)	\$ 109.27

*This page intentionally left blank.*

**EXHIBIT E-2:  
MULTI-INDEX TIPPING FEE ADJUSTMENT  
METHODOLOGY**

---

*This page intentionally left blank.*

## EXHIBIT E-2: MULTI-INDEX TIPPING FEE ADJUSTMENT METHODOLOGY

---

The multi-index adjustment rate adjustment methodology (MIRA) involves application of indices from Table 2 to each of the various cost components that comprise the Forecasted Total Annual Costs. The difference (measured as a percentage) between the Forecasted Total Annual Costs for the coming Rate Year and the Forecasted Total Annual Costs for the current Rate Year is the increase in the Per Ton Tipping Fees, before Government Fees.

The interim adjustment methodology utilizes the MIRA approach on an as-needed basis that is illustrated in Exhibit E-4. The Interim Adjustment methodology provides a mechanic for the incorporation of any one-time and/or on-going adjustment(s) that may or may not become effective on a date that coincides with the Rate Year and may include: i) a change in a Pass-Throughs described in Section 10.3.A.1; ii) a Special Tipping Fee Adjustment as described in Section 10.4.D; iii) a Change in Scope as described in Section 10.5.D.

For each Per Ton Tipping Fee (i.e., Processing), the Forecasted Total Annual Costs and calculation of the Per Ton Tipping Fee for the coming Year shall be projected in the manner described in this Section.

### 1. Forecasted Total Annual Costs

The cost categories that are the cost components of Forecasted Total Annual Costs are presented in detail in Exhibit E-4. Adjustments to the cost components to calculate costs for the coming Rate Year shall be calculated as follows:

- A. **Forecast Subtotal Estimated Annual Costs.** Forecasted Subtotal Estimated Annual Costs shall be performed in the manner described below for each cost category.
  1. **Forecast Direct Labor Costs**
    - a. Labor and Benefits (CBA Labor). The Collective Bargaining Agreement (CBA) labor component is comprised of three (3) sub-components: a wage component, a benefits component, and a pension component, that shall each be adjusted separately by multiplying each sub-component for the then-current Rate Year by the weighted average increase in each labor sub-component. Each CBA labor sub-component for the then current Rate Year shall be increased by the weighted average increase in that sub-component across the allowable labor pool in accordance with and as illustrated in Exhibit E-4. The weighted average increase in each CBA labor sub-component shall be calculated by taking the number of allowable employees in each job classification as a percentage of the total allowable positions in the labor pool, multiplied by the year-over-year forecasted adjustment to each job classification, as shown in the then current CBA in Exhibit I, then adding each weighted average increases together by labor sub-component. Exhibit E-4 shows an example calculation for the adjustment.
    - b. Labor and Benefits (Non-CBA Labor). The Non-CBA Labor and Benefits component for the then-current Rate Year is multiplied by one hundred percent (100%) of the Annual Percentage Change in ECI.
  2. **Forecasted Vehicle Costs.** The vehicle cost component for the then-current Rate Year

## EXHIBIT E-2: MULTI-INDEX TIPPING FEE ADJUSTMENT METHODOLOGY

---

is multiplied by one hundred percent (100%) of the Annual Percentage Change in the MVI.

3. **Forecasted Fuel Costs.** The forecasted fuel cost components for the then current Rate Year is multiplied by one hundred percent (100%) of the Annual Percentage Change in the Fuel and PGE Indices. Note: The fuel cost component may be broken out by fuel type to apply applicable fuel indices.
  4. **Forecasted Electricity Costs.** The forecasted electricity cost components for the then current Rate Year is multiplied by one hundred percent (100%) of the Annual Percentage Change in the Kilo-Watt hour cost.
  5. **Forecasted Other Costs.** For any costs not otherwise called out specifically, the forecasted other cost component for the then current Rate Year is multiplied by one hundred percent (100%) of the Annual Percentage Change in the CPI-U.
  6. **Forecasted General and Administrative Costs** The forecasted general and administrative cost component for the then current Rate Year is multiplied by one hundred percent (100%) of the Annual Percentage Change in the CPI-U.
  7. **Forecasted Subtotal Estimated Annual Costs.** The Forecasted Subtotal Estimated Annual Cost for the coming Year will be the sum of the forecasted costs calculated in accordance with Sections 1.A.1 through 1.A.6.
- B. **Forecasted Profit.** Forecasted profit shall be calculated using the operating ratio of 85.00%. Forecasted profit shall be calculated using the following formula:
- $$\text{Profit} = [(\text{Forecasted Subtotal Estimated Annual Cost for the coming Year}) / \text{operating ratio}] - \text{Forecasted Subtotal Estimated Annual Cost.}$$
- C. **Forecasted Pass-Through Costs.** Forecasted Pass-Through Costs for the coming Year shall be calculated in the following manner:
1. **Forecasted Interest Costs.** The forecasted interest cost component shall equal the amount established for Rate Year one, as shown in Exhibit E-4.
  2. **Forecasted Depreciation.** The forecasted depreciation cost component shall equal the amounts established for Rate Year one, as shown in Exhibit E-4, unless the forecasted depreciation requires an adjustment in accordance with Section 8.10.B.
  3. **Forecasted Building Costs.** The forecasted building cost component shall equal the amount established for Rate Year one, as shown in Exhibit E-4.
- D. **Forecasted Total Annual Cost.** The Forecasted Total Annual Cost for the coming Rate Year shall be the sum of the Forecasted Subtotal Estimated Annual Cost, Forecasted Profit, and Forecasted Pass-Through Costs (determined pursuant to subsections A through C above).

## EXHIBIT E-2: MULTI-INDEX TIPPING FEE ADJUSTMENT METHODOLOGY

---

### 2. Per Ton Fee Calculation

- A. **Per Ton Fee Before Government Fees and Bridge Tolls.** Each Per Ton Fee shall be calculated by dividing the Forecasted Total Annual Cost by the annual tonnage associated with that Per Ton Fee per the initial cost forms (Exhibit E-4) for Rate Years Two through Four, or the most-recently completed cost-based methodology for Rate Years 6 through 15, and beyond, as applicable, in accordance with Exhibit E.
- B. **Per Ton Government Fees.** The Per Ton Government Fees shall equal the amount established for Rate Year one, as shown in Exhibit E-4, for Rate Years Two through Four, or the most-recently completed cost-based methodology for Rate Years 6 through 20, unless otherwise adjusted in accordance with Section 10.3.A.1.
- C. **Per Ton Bridge Tolls.** If Per Ton Bridge Tolls become applicable, the Per Ton Bridge Tolls shall equal the amount established for Rate Year one, as shown in Exhibit E-4, for Rate Years Two through Four, or the most-recently completed cost-based methodology for Rate Years 6 through 20, unless otherwise adjusted in accordance with Section 10.3.A.1.
- D. **Per Ton Fees.** Each Per Ton Fee shall be the sum of the Per Ton Fee Before Government Fees and Bridge Tolls, the Per Ton Government Fees associated with that Per Ton Fee, and the Per Ton Bridge Tolls associated with that Per Ton Fee. The Per Ton Fees will be rounded to the nearest hundredth of a dollar (i.e., \$0.01).

*This page intentionally left blank.*



**EXHIBIT E-3:**  
**COST-BASED TIPPING FEE ADJUSTMENT METHODOLOGY**

*This page intentionally left blank.*

## **EXHIBIT E-3: COST BASED TIPPING FEE ADJUSTMENT METHODOLOGY**

---

The cost-based adjustment involves review of the Contractor's actual cost of operations and operational statistics (staffing levels and hours, Tonnage handled, number and type of equipment, etc.) for the most-recently completed Rate Year to determine the Actual Allowable Total Annual Costs of Operations and to project the Forecasted Total Annual Costs for the coming Year. The Forecasted Total Annual Cost for the coming Year shall be used to calculate Per Ton Fees based on Tonnage for the most-recently completed Rate Year. The Forecasted Total Annual Costs are estimates used to calculate the Per Ton Fees.

The intent of performing the cost-based adjustment is to consider the actual impact of changes in inflation or deflation on some cost categories, impact of Tonnage increases or decreases on Per Ton Fees, and actual changes in wages and benefits for employees represented by collective bargaining agreements (CBAs).

In the event that the cost-based adjustment calculated in accordance with this Attachment results in a reduction to one or more Per Ton Fees, the Authority reserves the right to defer the Per Ton Fee reduction(s), such that there is no Per Ton Fee adjustment in the Year for which Per Ton Fee(s) reduction(s) were calculated, but the calculated Per Ton Fee reduction(s) will be reflected as a credit(s) against future Per Ton Fee(s) increases.

The cost-based adjustment methodology shall be applied separately for each of the Per Ton Fees as set forth in Article 10 and Exhibit E, resulting in calculation of Forecasted Total Annual Costs for each Per Ton Fee.

### **1. Contractor's Application.**

- A. **General.** Contractor's Application for the cost-based adjustment ("Application") shall include the information described in this Exhibit E-3 and shall present all supporting calculations for the determination of the Actual Allowable Total Annual Cost of Operations and the projections of the Forecasted Total Annual Costs using the same format and template as Exhibit E-4. The cost line items in the final cost forms in Exhibit E-4 are the same cost line items reflected in this cost-based adjustment method.
- B. **Financial Statements.** No later than one hundred eighty (180) Days after the close of the Contractor's fiscal year ending December 31 Contractor shall deliver to the Authority an electronic copy of the reviewed (or audited) consolidated financial statements of Contractor for the preceding fiscal year. Financial statements shall include a supplemental combining schedule showing Contractor's results of operations, including the specific revenues and expenses in connection with the operations provided for in this Agreement separate from others included in such financial statements. The financial statements and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied and fairly reflecting the results of operation and Contractor's financial condition. Annual financial statements shall be reviewed (or audited), in accordance with Generally Accepted Auditing Standards (GAAS) by a Certified Public Accountant (CPA) licensed (in good standing) to practice public accounting in the State as determined by the State Department of Consumer Affairs Board of Accountancy. If audited financial statements are used, the CPA's opinion on Contractor's annual financial statements shall be unqualified and shall contain the CPA's conclusions regarding the Contractor's accounting policies and procedures, internal controls, and operating policies. The CPA shall perform an evaluation and, if necessary, shall cite recommendations for improvement.

## **EXHIBIT E-3: COST BASED TIPPING FEE ADJUSTMENT METHODOLOGY**

---

- C. **Financial Statement Reconciliation.** Contractor shall provide a schedule that clearly and accurately ties the amounts shown in Contractor's Application to Contractor's financial statements. Such schedule shall include any and all allocation factors and methodologies used to report cost and operating information for services provided to the Authority under this Agreement separately from Contractor obligations related to other public or private entities. For example, allocation factors shall document how various costs are allocated to the Transfer Station, MRF, Organics Operations, C&D Operations and each of the transportation services. Such statement of reconciliation shall include:
1. General explanation of the various allocation methodologies used for each cost line item in the Application.
  2. Specific examples of each type of allocation used showing how an entry is reported in the general ledger and ties to the Application.
  3. Statement indicating whether there have been any changes in allocation methods used since the last Application. If any allocation methods have changed, clearly identify those changes.
- D. **Operational Information.**
1. Personnel:
    - A. Organizational chart.
    - B. Employee Head Count
    - B. Job classifications and number of employees including all job positions listed in the cost forms in Exhibit G and any other job positions.
    - C. Wages by job classification, including regular, overtime, and holiday wages.
    - D. Benefits by job classification.
    - E. Number of positions assigned per Day (daily headcount) for each job classification.
    - F. Number of hours per job classification per year, including regular, overtime, and holiday hours.
  2. Productivity Statistics:
    - A. Labor hours.
    - B. Equipment hours.
    - C. Power usage.
    - D. Fuel usage.
    - E. Ton per operating hour by material stream.
    - D. Annual tonnage data for the most-recently completed Rate Year in total and separately for each activity at the facility (transfer, MRF, Organics) and for each transportation service. Clearly indicate the supporting calculations, if any, and assumptions.

## EXHIBIT E-3: COST BASED TIPPING FEE ADJUSTMENT METHODOLOGY

---

- F. Self-Hauler material density (pounds/cubic yard).
- 3. Contractor-Provided Equipment:
  - A. List of all equipment provided by Contractor including year purchased and mileage or number of operating hours.
  - B. Operational Changes:
    - 1. Staffing.
    - 2. Supervision.
    - 3. Transfer, processing, transportation, or other services, including any temporary or permanent changes to how the Tonnage of the Authority is managed.
    - 4. Product quality standards/products produced and marketed
    - 5. Any potential capital expenditures (excepting any routine maintenance, repairs, construction, or other work necessitated by normal wear and tear) contemplated by Contractor.
    - 6. Any preparations undertaken by Contractor relating to planned compliance with regulatory standards, including SB 54, zero emission vehicle requirements, etc.
- E. **Variance Analysis.** Provide a variance analysis for annual costs associated with each Per Ton Fee as compared to the current Rate Year’s multi-index adjustment. For any variance greater than five percent (5%) annually, Contractor shall provide a narrative and analysis to explain the variance extending back to the most recent CBRA methodology or to Exhibit E-4, the initial cost forms.

### 2. Disallowed and Excluded Costs.

The following list of disallowed and excluded costs shall be deducted from the Contractor’s actual costs when determining the Actual Allowable Total Cost of Operations pursuant to Section 5. Disallowed costs are expenditures by Contractor which are not eligible for compensation through the per ton rates. Excluded costs are expenditures by Contractor which are unrelated to services provided to the Authority, operational changes that were not agreed-upon with the Authority, or facility changes that were not agreed-upon with the Authority.

- A. Number of personnel; regular and overtime hours for personnel by position; Contractor-provided equipment; fuel and power usage; Transfer Vehicles; and other facilities or costs; but only to the extent that any such costs or expenses are not specified in the cost forms in Exhibit E-4 and the scope and operations expressly contemplated therein. To the extent that Contractor can demonstrate that additional personnel; regular and overtime hours for personnel by position; Contractor-provided equipment; fuel and power usage; Transfer Vehicles; and/or other facilities or costs that are not specified in the cost forms in Exhibit E-4 and/or relate to additional scope or operations are reasonable and necessary, then those costs shall be considered allowable costs to the extent Contractor demonstrates the need for such costs, subject to the Authority’s Executive Director review and approval.

## **EXHIBIT E-3: COST BASED TIPPING FEE ADJUSTMENT METHODOLOGY**

---

In addition, if the Parties agree on changes in costs and/or Per Ton Fees, the Parties shall amend the relevant attachments to document the agreed-upon changes (e.g., additional staff, additional Transfer Vehicles).

- B. Payments to directors and/or owners of Contractor unless the amount paid is reasonable compensation for services actually rendered. Reasonableness shall be determined based on available market pricing for similar services and shall be determined in the reasonable discretion of the Authority.
- C. Travel expenses and entertainment expenses above Ten Thousand Dollars (\$10,000) annually in total, unless authorized in advance by the Authority.
- D. Payments to repair damage to public or private property for which Contractor is legally or contractually liable.
- E. Fines or penalties of any nature, except for fines or penalties resulting from the Authority's breach of its obligations in the Agreement.
- F. Liquidated Damages assessed under this Agreement.
- G. Federal or State income taxes.
- H. Cash donations or value of in-kind services provided to charitable, political, youth, civic, or other community organizations unless such donation has been previously approved in writing as an allowable expense by the Authority Executive Director.
- I. Depreciation or interest expense for Contractor-provided equipment, Transfer Vehicles, offices, and other facilities if such items are leased and are not included in Exhibit E-4.
- J. Attorney's fees and other expenses incurred by Contractor in any court proceeding in which the Authority and Contractor are adverse Parties.
- K. Attorney's fees and other expenses incurred by Contractor arising from any act or omission in violation of this Agreement.
- L. Attorneys' fees and other expenses incurred by Contractor in any court proceeding in which Contractor's own negligence, violation of law or regulation, or wrongdoing are in issue and occasion, in whole or in part, the attorneys' fees and expenses claimed; and attorneys' fees and expenses incurred by Contractor in a court proceeding in which the legal theory or statute providing a basis of liability against Contractor also provides for separate potential liability for the Authority derived from the action of its citizens, Customers, or Member Agencies (such as in a CERCLA lawsuit) unless the Contractor is found not liable for such claims and such claims arise from acts or occurrences during the Term of the Agreement.
- M. Payments to Affiliates for products or services, in excess of the cost to the Affiliates for those products or services, and intercompany fees.
- N. Goodwill.
- O. Unreasonable profit-sharing distributions.
- P. Replacement costs for Contractor-provided equipment and Transfer Vehicles that needed to be replaced because the useful life of such equipment and Transfer Vehicles was less than the Term, unless approved by the Authority.

## EXHIBIT E-3: COST BASED TIPPING FEE ADJUSTMENT METHODOLOGY

---

- Q. General and administrative costs greater than the general and administrative costs presented in final cost forms in Exhibit G adjusted annually by one hundred percent (100%) of the Annual Percentage Change in the CPI-U.
- R. Bad debt write-offs for any Gate Rate revenues due from other users of the facility.
- S. Costs that are paid directly by the Authority.
- T. Costs that are unrelated to services under this Agreement.
- U. Per Ton Government Fees and Bridge Tolls, as applicable, as these are considered a pass-through and are added on top of the Per Ton Fees Before Government Fees in Section 5.

### 3. Determine Actual Allowable Total Annual Cost of Operations.

- A. **Determine Actual Allowable Total Annual Cost of Operations.** Contractor's financial statements, books, and records shall be reviewed to determine Contractor's actual costs and expenses as specified in the cost forms of Exhibit E-4 and the scope and operations expressly contemplated therein (collectively, "Actual Allowable Total Annual Cost of Operations") for the most-recently completed Year to perform all the services in the manner required by this Agreement for each cost category presented in Sections 4.A through 4.D, with additional cost categories, if needed to present sufficient detail for all actual costs and to present information in a manner that can be tied to the Contractor's financial statements, books, and records. Disallowed and excluded costs in Section 3 shall be deducted from the actual costs.
- B. **Allocate Actual Allowable Total Annual Cost of Operations.** Contractor shall allocate the Actual Allowable Total Annual Cost of Operations to each service type (i.e., transfer, transport, and processing). Contractor shall provide support for the calculation and application of each allocation factor. The Actual Allowable Total Annual Cost of Operations allocated to each of the service types shall sum to the Actual Allowable Total Annual Cost of Operations determined in accordance with subsection A above.

### 4. Projecting Forecasted Total Estimated Annual Costs.

For each service type (i.e., transfer, transport, and processing), the Forecasted Total Annual Costs for the coming Year shall be projected in the manner described in this Section.

- A. **Forecast Subtotal Estimated Annual Costs.** Forecasted Subtotal Estimated Annual Costs for the coming Year shall be calculated based on Actual Allowed Total Cost of Operations for the most-recently completed Rate Year determined in accordance with Section 3.B above. The forecasts shall be performed in the manner described below for each cost category.

#### 1. Forecast Direct Labor Costs

- A. Labor and Benefits (CBA). The Collective Bargaining Agreement (CBA) labor component is comprised of three (3) sub-components: a wage component, a benefits component, and a pension component, that shall each be adjusted separately by multiplying each sub-component for the then-current Rate Year by the weighted average increase in each labor sub-component. Each CBA labor sub-component for the then current Rate Year shall be increased by the weighted average increase in that sub-component across the allowable labor

## EXHIBIT E-3: COST BASED TIPPING FEE ADJUSTMENT METHODOLOGY

---

pool in accordance with and as illustrated in Exhibit E-4. The weighted average increase in each CBA labor sub-component shall be calculated by taking the number of allowable employees in each job classification as a percentage of the total allowable positions in the labor pool, multiplied by the year-over-year forecasted adjustment to each job classification, as shown in the then current CBA in Exhibit I, then adding each weighted average increases together by labor sub-component.

The CBA labor and benefits cost for the coming rate year shall be calculated by (i) multiply the allowable labor and benefits (CBA) costs for the most-recently completed Year by the weighted average increases by labor sub-component; and (ii) multiplying the result of step one once more by the same weighted average increases by labor sub-component.

- B. Labor and Benefits (Non-CBA Labor). The Non-CBA Labor and Benefits cost for the coming Year shall calculated by: (i) multiplying the allowable labor and benefits (Non-CBA) costs for the most-recently completed Year by one hundred percent (100%) of the Annual Percentage Change in ECI; and, (ii) multiplying the result of step one once more by one hundred percent (100%) of the Annual Percentage Change in the ECI.
2. **Forecasted Vehicle Costs.** The forecasted vehicle costs component shall be calculated for the coming Rate Year by: (i) multiplying the allowed vehicle costs for the most-recently completed Rate Year by one hundred percent (100%) of the Annual Percentage Change in the MVI; and, (ii) multiplying the result of step one once more by one hundred percent (100%) of the Annual Percentage Change in the MVI.
  3. **Forecasted Fuel Costs.** The forecasted fuel costs component shall be calculated for the coming Rate Year by: (i) multiplying the allowed fuel costs for the most-recently completed Rate Years by one hundred percent (100%) of the Annual Percentage Change in the Fuel and PGE Indices; and, (ii) multiplying the result of step one once more by one hundred percent (100%) of the Annual Percentage Change in the Fuel and PGE Indices. Note: the fuel cost component may be broken out by fuel type to apply applicable fuel indices.
  4. **Forecasted Electricity Costs.** The forecasted electricity costs component shall be calculated for the coming Rate Year by: (i) multiplying the allowed electricity costs for the most-recently completed Rate Years by one hundred percent (100%) of the Annual Percentage Change in the Electric Index; and, (ii) multiplying the result of step one once more by one hundred percent (100%) of the Annual Percentage Change in the Electric Index.
  5. **Forecasted Other Costs.** For any costs not otherwise called out specifically, the forecasted other costs component shall be calculated for the coming Rate Year by: (i) multiplying the allowed other costs for the most-recently completed Rate Year by one hundred percent (100%) of the Annual Percentage Change in the CPI-U; and, (ii) multiplying the result of step one once more by one hundred percent (100%) of the



## EXHIBIT E-3: COST BASED TIPPING FEE ADJUSTMENT METHODOLOGY

---

Annual Percentage Change in the CPI-U.

6. **Forecasted General and Administrative Costs.** The forecasted general and administrative costs component shall be calculated for the coming Rate Year by: (i) multiplying the allowed general and administrative costs for the most-recently completed Rate Year by one hundred percent (100%) of the Annual Percentage Change in the CPI-U; and, (ii) multiplying the result of step one once more by one hundred percent (100%) of the Annual Percentage Change in the CPI-U.
  7. **Forecasted Subtotal Estimated Annual Costs.** The Forecasted Subtotal Estimated Annual Cost for the coming Year will be the sum of the forecasted costs calculated in accordance with Sections 2.A.1 through 2.A.6.
- B. **Forecasted Profit.** Forecasted profit shall be calculated using the operating ratio of 85.00%. Forecasted profit shall be calculated using the following formula:
- $$\text{Profit} = [(\text{Forecasted Subtotal Estimated Annual Cost for the coming Year}) / \text{operating ratio}] - \text{Forecasted Subtotal Estimated Annual Cost.}$$
- C. **Forecasted Pass-Through Costs.** Forecasted Pass-Through Costs for the coming Year shall be calculated in the following manner:
1. **Forecasted Interest Costs.** The forecasted interest cost component shall equal the amount established for Rate Year one, as shown in Exhibit E-4.
  2. **Forecasted Depreciation.** The forecasted depreciation cost component shall equal the amount established for Rate Year one, as shown in Exhibit E-4., unless the forecasted depreciation requires an adjustment in accordance with Section 8.10.B. All vehicle replacements after the Effective Date shall be depreciated over at least a ten (10) year period and will be assumed to be attributable to Contractor's Transport of Solid Waste unless otherwise indicated and agreed upon by the Authority in writing.
  3. **Forecasted Building Costs.** The forecasted building cost component shall equal the amount established for Rate Year one, as shown in Exhibit E-4.
- D. **Forecasted Total Annual Cost.** The Forecasted Total Annual Cost used to calculate the Per Ton Fee Before Government Fee for the coming Rate Year shall be the sum of the Forecasted Subtotal Estimated Annual Cost, Forecasted Profit, and Forecasted Pass-Through Costs (determined pursuant to subsections A through C above).
- 5. Per Ton Fee Calculation.**
- A. **Per Ton Fee Before Government Fees and Bridge Tolls.** Each Per Ton Fee Before Government Fees and Bridge Tolls shall be calculated by dividing the Forecasted Total Annual by the annual Tonnage associated with that Per Ton Fee for the most-recently completed Rate Year.
  - B. **Per Ton Government Fees.** The Per Ton Government Fees shall equal the current per ton government fee associated with each Per Ton Fee, unless directed otherwise by the Authority, unless otherwise adjusted in accordance with Section 10.3.A.1.

## **EXHIBIT E-3: COST BASED TIPPING FEE ADJUSTMENT METHODOLOGY**

---

- C. **Per Ton Bridge Tolls.** If Per Ton Bridge Tolls become applicable, the Per Ton Bridge Tolls shall equal the current per ton bridge tolls associated with each Per Ton Fee, unless otherwise adjusted in accordance with Section 10.3.A.1.
- D. **Per Ton Fees.** Each Per Ton Fee shall be the sum of the Per Ton Fee Before Government Fees, the Per Ton Government Fees associated with that Per Ton Fee, and the Per Ton Bridge Tolls associated with that Per Ton Fee. The Per Ton Fees will be rounded to the nearest hundredth of a dollar (i.e., \$0.01).

**EXHIBIT E-4:  
CONTRACTOR'S FINAL COSTS**

---

*This page intentionally left blank.*

## EXHIBIT E-4: CONTRACTOR'S FINAL COSTS

---

Below are the Contractor's Final Costs in 2024 dollars that comprise Contractor's Initial Rates from Exhibit E-1 that will be adjusted in accordance with Article 10 and the methodology(ies) detailed in Exhibit E-2 and Exhibit E-3.

### Calculation of Per Ton Tipping Fees for Processing Recyclable Materials

= Input Cell for MDRR  
 = Calculation Cell (Do Not Edit)

**Disallowed Expenses:** Refer to Exhibit E. Disallowed costs are expenditures by MDRR which are not eligible for compensation through the per ton rates.

**Excluded Expenses:** Refer to Exhibit E. Excluded costs are expenditures by MDRR which are unrelated to services provided to the Authority, operational changes that were not agreed-upon with the Authority, or facility changes that were not agreed-upon with the Authority.

**Line of Business:** Recycling Processing Facility

### Cost Based Rate Adjustment Process:

Steps 1 - 4 will be reperformed during the CoBRA to determine the per ton rates based on actual expenditures and reset the weight factors for the future MIRA adjustments in accordance with Exhibit E-3.

### Multi-Index Rate Adjustment Process:

The weighting of the multi-index rate adjustment components was determined during the most recent CoBRA adjustment or the initial submittal. These weight factors shall be used to calculate the annual adjustment to the per ton rates in accordance with Exhibit E-2 and the template on Step 5 may be utilized to illustrate the process.

### Application Methodology Timeline:

- a. For the initial forms, Step 5 will be linked to Step 3 (bypassing Step 4)
- b. For each 5-year adjustment, Step 5 will be linked to Step 4 and Step 4 will be linked to Step 3
- c. For the period following the 5-year adjustment, and until the next 5-year adjustment, Step 5 will be linked to Step 3 (bypassing Step 4)

Initial Rates (2024) = Step 1, Step 2, Step 3, Step 3B, Step 5(1)

Year 1 Rates (2027) = Step 5(1) becomes Step 5(2)

Year 2 Rates (2028) = Step 5(2) becomes Step 5(3)

Year 3 Rates (2029) = Step 5(3) becomes Step 5(4)

Year 4 Rates (2030) = Step 5(4) becomes Step 5(5)

Year 5 Rates (2031) = Step 1, Step 2, Step 3, Step 4 (and produces a new Step 5(6) outcome by cost category that is the same per ton as Step 4)

Year 6 Rates (2032) = Step 5(6) becomes Step 5(7)

**Mt. Diablo Paper Stock, Inc.**

Calculation of Per Ton Tipping Fees for Processing Recyclable Materials

In accordance with Exhibit E-3, Import General Ledger expense categories and amounts into Columns B - E. Remove Disallowed expenses in Column F, Excluded expenses in Column G, and other adjustments in Column H. Select mapping of expense to Rate Adjustment categories in Column L.

Timeframe for General Ledger:			Operating Ratio		Adjustment for Disallowed Expenses	Adjustment for Excluded Expenses	Adjustments for Other Expenses	Net MDRR Facility Expenses (To be Allocated)	Notes/Explanation for Disallowed, Excluded, and Other Adjustments	Mapping to Rate Adjustment Categories	Rate Adjustment Categories (Do Not Delete)	
Cost Category	G/L #	G/L Description	85.00%	CY 2023								
Personnel & Benefits CBA Employees	51010	Labor Wages	\$ 3,923,197	\$ 692,329	\$ 4,615,526	\$ -	\$ -	\$ -	4,615,526		CBA (Wages)	Non-CBA (Labor and Benefits)
Personnel & Benefits CBA Employees	51011	Overtime Wages	\$ 596,024	\$ 105,181	\$ 701,205	\$ -	\$ -	\$ -	701,205		CBA (Wages)	CBA (Wages)
Personnel & Benefits CBA Employees	51015	Accrued Vacation and Sickpay	\$ 827,585	\$ 146,044	\$ 973,629	\$ -	\$ -	\$ -	973,629		CBA (Wages)	CBA (Health & Welfare)
Personnel & Benefits CBA Employees	51020	P/R Taxes	\$ 416,431	\$ 73,488	\$ 489,919	\$ -	\$ -	\$ -	489,919		CBA (Wages)	CBA (Pension)
Personnel & Benefits CBA Employees	51030	Labor Health & Welfare	\$ 2,212,275	\$ 390,401	\$ 2,602,677	\$ -	\$ -	\$ -	2,602,677		CBA (Health & Welfare)	Vehicle
Personnel & Benefits CBA Employees	51040	Labor W/C	\$ 225,505	\$ 39,795	\$ 265,300	\$ -	\$ -	\$ -	265,300		CBA (Health & Welfare)	Fuel
Personnel & Benefits CBA Employees	51050	Labor-Pension	\$ 701,819	\$ 123,850	\$ 825,670	\$ -	\$ -	\$ -	825,670		CBA (Pension)	Depreciation On-Site Rolling Stock
Personnel & Benefits non-CBA Employees	53010	Management Salary	\$ 344,865	\$ 60,859	\$ 405,724	\$ -	\$ -	\$ -	405,724		Non-CBA (Labor and Benefits)	Other
Personnel & Benefits non-CBA Employees	53020	Management PR Tax	\$ 23,938	\$ 4,224	\$ 28,163	\$ -	\$ -	\$ -	28,163		Non-CBA (Labor and Benefits)	General & Administrative
Personnel & Benefits non-CBA Employees	53040	Management W/C	\$ 8,948	\$ 1,579	\$ 10,527	\$ -	\$ -	\$ -	10,527		Non-CBA (Labor and Benefits)	Interest
Personnel & Benefits non-CBA Employees	60100	Salary Officers	\$ 95,142	\$ 16,790	\$ 111,932	\$ -	\$ -	\$ -	111,932		Non-CBA (Labor and Benefits)	Residue
Personnel & Benefits non-CBA Employees	60150	Salary Directors	\$ 99,346	\$ 17,532	\$ 116,878	\$ -	\$ -	\$ -	116,878		Non-CBA (Labor and Benefits)	Building
Personnel & Benefits non-CBA Employees	60200	Salary Office	\$ 510,196	\$ 90,035	\$ 600,231	\$ -	\$ -	\$ -	600,231		Non-CBA (Labor and Benefits)	Depreciation Site Related
Personnel & Benefits non-CBA Employees	60300	Salary Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		Non-CBA (Labor and Benefits)	Bridge Toll
Personnel & Benefits non-CBA Employees	60350	Accrued Vac Sick & PTO Bonus	\$ 193,397	\$ 34,129	\$ 227,526	\$ -	\$ -	\$ -	227,526		Non-CBA (Labor and Benefits)	[Placeholder - TBD*]
Personnel & Benefits non-CBA Employees	60400	Payroll Taxes	\$ 49,517	\$ 8,738	\$ 58,255	\$ -	\$ -	\$ -	58,255		Non-CBA (Labor and Benefits)	
Personnel & Benefits non-CBA Employees	60440	Admin W/C Insurance	\$ 5,516	\$ 973	\$ 6,490	\$ -	\$ -	\$ -	6,490		Non-CBA (Labor and Benefits)	
Depreciation, Maintenance, & Fuel	54800	Depr. Machinery & Equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Current Depreciation not applicable to CCCSWA	Depreciation On-Site Rolling Stock	
Depreciation, Maintenance, & Fuel	54900	Depr L/H Imp Operations	\$ 70,774	\$ -	\$ 70,774	\$ -	\$ (70,774)	\$ -	-	Current Depreciation not applicable to CCCSWA	Depreciation On-Site Rolling Stock	
Depreciation, Maintenance, & Fuel	54950	Depr. Buildings Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Current Depreciation not applicable to CCCSWA	Depreciation Site Related	
Depreciation, Maintenance, & Fuel	55301	Infrastructure Fees	\$ 754,042	\$ -	\$ 754,042	\$ -	\$ (754,042)	\$ -	-	Current Depreciation not applicable to CCCSWA	Depreciation Site Related	
Depreciation, Maintenance, & Fuel	57700	Rent Equipment	\$ 4,853,565	\$ 856,512	\$ 5,710,077	\$ -	\$ -	\$ -	5,710,077		Vehicle	
Depreciation, Maintenance, & Fuel	57750	Lease Other Equipment Space	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		Depreciation	
Depreciation, Maintenance, & Fuel	58200	Repairs & Maint General	\$ 709,239	\$ 125,160	\$ 834,399	\$ -	\$ -	\$ -	834,399		Vehicle	
Depreciation, Maintenance, & Fuel	58600	Utilities - Operat. Facilities	\$ 508,577	\$ 89,749	\$ 598,326	\$ -	\$ -	\$ -	598,326		Fuel	
Govt Fees	55600	Franchise fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		Governmental Fees	
Govt Fees	55610	Community Benefit Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		Governmental Fees	
Govt Fees	55625	HH Hazardous Materials Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		Governmental Fees	
Admin	56300	Laundry & Uniforms	\$ 26,259	\$ 4,634	\$ 30,893	\$ -	\$ -	\$ -	30,893		General & Administrative	
Admin	56500	Licenses - Permits Operations	\$ 1,622	\$ 286	\$ 1,908	\$ -	\$ -	\$ -	1,908		General & Administrative	
Admin	60700	Alarm	\$ 1,008	\$ 178	\$ 1,186	\$ -	\$ -	\$ -	1,186		General & Administrative	
Admin	61050	Bank Charges	\$ 526	\$ 93	\$ 619	\$ -	\$ -	\$ -	619		General & Administrative	
Admin	61052	Bank Chgs - Merchant fees	\$ 1,424	\$ 251	\$ 1,675	\$ -	\$ -	\$ -	1,675		General & Administrative	
Admin	61700	Depr. Furniture & Fixtures	\$ 64,867	\$ 11,447	\$ 76,314	\$ -	\$ -	\$ -	76,314		General & Administrative	
Admin	62200	Dues & Subscriptions	\$ 10,089	\$ 1,780	\$ 11,869	\$ -	\$ -	\$ -	11,869		General & Administrative	
Admin	62400	Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		General & Administrative	
Admin	63301	Insurance - Medical	\$ 174,123	\$ 30,728	\$ 204,851	\$ -	\$ -	\$ -	204,851		General & Administrative	
Admin	63925	I/C Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		General & Administrative	
Admin	65100	Janitorial	\$ 36,618	\$ 6,462	\$ 43,080	\$ -	\$ -	\$ -	43,080		General & Administrative	
Admin	65200	Landscape & Maintenance	\$ 4,354	\$ 768	\$ 5,122	\$ -	\$ -	\$ -	5,122		General & Administrative	
Admin	65400	Legal Fees	\$ 5,807	\$ 1,025	\$ 6,832	\$ -	\$ -	\$ -	6,832		General & Administrative	
Admin	65500	Licenses Permits	\$ 2,082	\$ 367	\$ 2,450	\$ -	\$ -	\$ -	2,450		General & Administrative	
Admin	65700	Medical Expenses - Testing	\$ 7,601	\$ 1,341	\$ 8,942	\$ -	\$ -	\$ -	8,942		General & Administrative	
Admin	65900	Office Supplies & Expense	\$ 14,030	\$ 2,476	\$ 16,505	\$ -	\$ -	\$ -	16,505		General & Administrative	
Admin	66000	Consulting/Permitting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		General & Administrative	
Admin	66200	Pension Plan Expense	\$ 27,557	\$ 4,863	\$ 32,420	\$ -	\$ -	\$ -	32,420		General & Administrative	
Admin	66300	Postage Office	\$ 73,949	\$ 13,050	\$ 86,998	\$ -	\$ -	\$ -	86,998		General & Administrative	
Admin	66370	Printing Reproduction Office	\$ 12,754	\$ 2,251	\$ 15,005	\$ -	\$ -	\$ -	15,005		General & Administrative	
Admin	66380	Public Education	\$ 150,654	\$ 26,586	\$ 177,240	\$ -	\$ -	\$ -	177,240		General & Administrative	
Admin	66502	Rent Office IC	\$ 40,408	\$ 7,131	\$ 47,538	\$ -	\$ -	\$ -	47,538		General & Administrative	
Admin	67400	Repairs & Maint Building	\$ 279,805	\$ 49,377	\$ 329,182	\$ -	\$ -	\$ -	329,182		General & Administrative	
Admin	67525	Security	\$ 936	\$ 165	\$ 1,102	\$ -	\$ -	\$ -	1,102		General & Administrative	
Admin	67600	Supplies	\$ 12,293	\$ 2,169	\$ 14,462	\$ -	\$ -	\$ -	14,462		General & Administrative	
Admin	68000	Taxes Personal Property	\$ 11,781	\$ 2,079	\$ 13,860	\$ -	\$ -	\$ -	13,860		General & Administrative	
Admin	68100	Taxes Real Estate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		General & Administrative	
Admin	68300	Telephone	\$ 722	\$ 127	\$ 850	\$ -	\$ -	\$ -	850		General & Administrative	
Admin	68510	T&E - Travel	\$ 1,294	\$ 228	\$ 1,522	\$ -	\$ -	\$ -	1,522		General & Administrative	
Admin	68550	T&E - Meals	\$ 6,140	\$ 1,084	\$ 7,223	\$ -	\$ -	\$ -	7,223		General & Administrative	
Bridge Tolls	57100	Parking and Bridge Tolls	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Costs unrelated to CCCSWA	Other	
Dump Costs and Outsource Freight	55300	Dumping Costs MSW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Dump costs for CCCSWA paid by CCCSWA	Other	
Dump Costs and Outsource Freight	55305	Dumping Costs ADC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Dump costs for CCCSWA paid by CCCSWA	Other	
Dump Costs and Outsource Freight	55307	Dumping Costs Organics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Dump costs for CCCSWA paid by CCCSWA	Other	
Dump Costs and Outsource Freight	55309	Dumping Costs - Treated Wood	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Dump costs for CCCSWA paid by CCCSWA	Other	
Dump Costs and Outsource Freight	55310	Dumping Costs Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		Residue	
Dump Costs and Outsource Freight	55453	Facility fees	\$ 195,385	\$ -	\$ 195,385	\$ -	\$ -	\$ -	195,385		Intercompany Fees, not applicable to CCCSWA	Other
Dump Costs and Outsource Freight	55651	Freight out - bark	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Costs unrelated to CCCSWA	Other	
Dump Costs and Outsource Freight	55652	Freight in - bark	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Costs unrelated to CCCSWA	Other	
Dump Costs and Outsource Freight	55655	Freight-Out	\$ 1,239,623	\$ -	\$ 1,239,623	\$ (1,239,623)	\$ -	\$ -	-	Costs unrelated to CCCSWA	Other	
Dump Costs and Outsource Freight	55657	Freight In - Compost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Costs unrelated to CCCSWA	Other	
Dump Costs and Outsource Freight	55658	Freight out - compost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Costs unrelated to CCCSWA	Other	
Dump Costs and Outsource Freight	57725	Rent Woodchipper	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Cost applied to C&D not CCCSWA	Other	
Dump Costs and Outsource Freight	58000	Repairs Customer	\$ 189	\$ -	\$ 189	\$ (189)	\$ -	\$ -	-	Costs unrelated to CCCSWA	Other	
Dump Costs and Outsource Freight	90300	Nondeductible Penalties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Costs unrelated to CCCSWA	Other	

\*For future allowable cost not otherwise contemplated in this form, subject to Authority written approval.

**Mt. Diablo Paper Stock, Inc.**

**Calculation of Per Ton Tipping Fees for Processing Recyclable Materials**

In accordance with E-3, list all Lines of Business in Row 6 and allocate costs to the various Lines of Business using each allocation factors.

Allocations		Total	CCCSWA Recycling	CCCSWA Reuse	MDRR Jurisdiction Recycling
Labor Hours		117,344	8,560	10,429	98,355
Labor Hours %		100.00%	7.29%	8.89%	83.82%
Equipment Hours		8,191	3,787	547	3,856
Equipment Hours %		100.00%	46.24%	6.68%	47.08%
Tons		76,032	38,937	-	37,095
Tons %		100.00%	51.21%	0.00%	48.79%
Maintenance Hours		1,158	535	77	545
Maintenance Hours %		100.00%	46.23%	6.68%	47.08%
[Insert Allocation Factor Here] E		-	-	-	-
[Insert Allocation Factor Here] E %		0.00%	0.00%	0.00%	0.00%
[Insert Allocation Factor Here] F		-	-	-	-
[Insert Allocation Factor Here] F %		0.00%	0.00%	0.00%	0.00%
[Insert Allocation Factor Here] G		-	-	-	-
[Insert Allocation Factor Here] G %		0.00%	0.00%	0.00%	0.00%
[Insert Allocation Factor Here] H		-	-	-	-
[Insert Allocation Factor Here] H %		0.00%	0.00%	0.00%	0.00%
[Insert Allocation Factor Here] I		-	-	-	-
[Insert Allocation Factor Here] I %		0.00%	0.00%	0.00%	0.00%
[Insert Allocation Factor Here] J		-	-	-	-
[Insert Allocation Factor Here] J %		0.00%	0.00%	0.00%	0.00%
[Insert Allocation Factor Here] K		-	-	-	-
[Insert Allocation Factor Here] K %		0.00%	0.00%	0.00%	0.00%
[Insert Allocation Factor Here] L		-	-	-	-
[Insert Allocation Factor Here] L %		0.00%	0.00%	0.00%	0.00%
[Insert Allocation Factor Here] M		-	-	-	-
[Insert Allocation Factor Here] M %		0.00%	0.00%	0.00%	0.00%
[Insert Allocation Factor Here] N		-	-	-	-
[Insert Allocation Factor Here] N %		0.00%	0.00%	0.00%	0.00%

Vlookup of Allocation Factors
Labor Hours
Tons
Equipment Hours
Maintenance Hours
[Insert Allocation Factor Here] E
[Insert Allocation Factor Here] F
[Insert Allocation Factor Here] G
[Insert Allocation Factor Here] H
[Insert Allocation Factor Here] I
[Insert Allocation Factor Here] J
[Insert Allocation Factor Here] K
[Insert Allocation Factor Here] L
[Insert Allocation Factor Here] M
[Insert Allocation Factor Here] N

**Mt. Diablo Paper Stock, Inc.**

**Calculation of Per Ton Tipping Fees for Processing Recyclable Materials**

In accordance with E-3, Select the allocation factor for each Rate Adjustment Category in Column C and include explanation/justification for the selected allocation factor in Column J. Include the annual tons by Line of Business in Line 24 and Per Ton Government Fees by Line of Business in Line 30.

Rate Adjustment Categories	Net MDRR Facility Expenses (To be Allocated) Including Profit	Allocation Factor	CCCSWA Recycling	CCCSWA Reuse	MDRR Jurisdiction Recycling	Explanation and Justification of Allocation Factor
Non-CBA (Labor and Benefits)	\$ 1,565,726	Labor Hours	\$ 114,216	\$ 139,155	\$ 1,312,355	Salaries and Benefits are best allocated through Labor Hours
CBA (Wages)	\$ 6,780,279	Labor Hours	\$ 494,607	\$ 602,600	\$ 5,683,071	Salaries and Benefits are best allocated through Labor Hours
CBA (Health & Welfare)	\$ 2,867,977	Labor Hours	\$ 209,213	\$ 254,893	\$ 2,403,871	Salaries and Benefits are best allocated through Labor Hours
CBA (Pension)	\$ 825,670	Labor Hours	\$ 60,231	\$ 73,382	\$ 692,057	Salaries and Benefits are best allocated through Labor Hours
Vehicle	\$ 6,544,476	Maintenance Hours	\$ 3,025,831	\$ 437,429	\$ 3,081,216	Vehicle Costs are best allocated through Maintenance Hours to repair vehicles
Fuel	\$ 598,326	Equipment Hours	\$ 276,640	\$ 39,976	\$ 281,710	Fuel Costs are best allocated through equipment hours
Other	\$ -		\$ -	\$ -	\$ -	[Insert Explanation for Allocation Factor Selected]
Residue	\$ 195,385	Tons	\$ 100,059	\$ -	\$ 95,326	Allocated equally to all inbound tons
General & Administrative	\$ 1,139,649	Labor Hours	\$ 83,135	\$ 101,287	\$ 955,227	Salaries and Benefits are best allocated through Labor Hours
Interest	\$ -		\$ -	\$ -	\$ -	[Insert Explanation for Allocation Factor Selected]
Depreciation On-Site Rolling Stock	\$ -		\$ -	\$ -	\$ -	[Insert Explanation for Allocation Factor Selected]
Depreciation Site Related	\$ -		\$ -	\$ -	\$ -	[Insert Explanation for Allocation Factor Selected]
Building	\$ -		\$ -	\$ -	\$ -	[Insert Explanation for Allocation Factor Selected]
[Placeholder - TBD*]	\$ -		\$ -	\$ -	\$ -	[Insert Explanation for Allocation Factor Selected]

*\*For future allowable costs not contemplated in this form, subject to Authority written approval.*

<b>CY 2023 Annual Expense by Line of Business</b>	<b>\$ 4,363,933</b>	<b>\$ 1,648,721</b>	<b>\$ 14,504,833</b>
<b>CY 2023 Annual Tonnage by Line of Business</b>	<b>38,937</b>	<b>10,000</b>	<b>37,095</b>

<b>Initial Per Ton Rate by Line of Business</b>	<b>\$ 112.08</b>	<b>\$ 164.87</b>	<b>\$ 391.02</b>
<b>2.5% Discount Agreed for 15-Year Contract for Recycling Processing</b>	<b>\$ (2.80)</b>		
<b>Per Ton Rate by Line of Business</b>	<b>\$ 109.27</b>	<b>\$ 164.87</b>	<b>\$ 391.02</b>

Per Ton Government Fees by Line of Business	\$ -	\$ -	\$ -
---------------------------------------------	------	------	------

<b>Per Ton Rate by Line of Business Incl. Gov Fees</b>	<b>\$ 109.27</b>	<b>\$ 164.87</b>	<b>\$ 391.02</b>
--------------------------------------------------------	------------------	------------------	------------------



**Mt. Diablo Paper Stock, Inc.**

Calculation of Per Ton Tipping Fees for Processing Recyclable Materials

Operating Ratio  
85%

Rate Adjustment Categories	Net MDRR Facility Expenses (To be Allocated) Including Profit		Remove Operating Ratio		Net MDRR Facility Expenses (To be Allocated)		Allocation Factor	CCCSWA Recycling	CCCSWA Reuse	MDRR Jurisdiction Recycling	Explanation and Justification of Allocation Factor			
Non-CBA (Labor and Benefits)	\$	1,565,726	\$	234,859	\$	1,330,867	Labor Hours	\$	97,084	\$	118,281	\$	1,115,502	Salaries and Benefits are best allocated through Labor Hours
CBA (Wages)	\$	6,780,279	\$	1,017,042	\$	5,763,237	Labor Hours	\$	420,416	\$	512,210	\$	4,830,611	Salaries and Benefits are best allocated through Labor Hours
CBA (Health & Welfare)	\$	2,867,977	\$	430,197	\$	2,437,780	Labor Hours	\$	177,831	\$	216,659	\$	2,043,290	Salaries and Benefits are best allocated through Labor Hours
CBA (Pension)	\$	825,670	\$	123,850	\$	701,819	Labor Hours	\$	51,196	\$	62,375	\$	588,249	Salaries and Benefits are best allocated through Labor Hours
Vehicle	\$	6,544,476	\$	981,671	\$	5,562,805	Maintenance Hours	\$	2,571,957	\$	371,814	\$	2,619,034	Vehicle Costs are best allocated through Maintenance Hours to repair vehicles
Fuel	\$	598,326	\$	89,749	\$	508,577	Equipment Hours	\$	235,144	\$	33,979	\$	239,453	Fuel Costs are best allocated through equipment hours
Other	\$	-	\$	-	\$	-	0	\$	-	\$	-	\$	-	[Insert Explanation for Allocation Factor Selected]
Residue	\$	195,385	\$	-	\$	195,385	Tons	\$	100,059	\$	-	\$	95,326	Allocated equally to all inbound tons
General & Administrative	\$	1,139,649	\$	170,947	\$	968,701	Labor Hours	\$	70,665	\$	86,094	\$	811,943	Salaries and Benefits are best allocated through Labor Hours
Interest	\$	-	\$	-	\$	-	0	\$	-	\$	-	\$	-	[Insert Explanation for Allocation Factor Selected]
Depreciation On-Site Rolling Stock	\$	-	\$	-	\$	-	0	\$	-	\$	-	\$	-	[Insert Explanation for Allocation Factor Selected]
Depreciation Site Related	\$	-	\$	-	\$	-	0	\$	-	\$	-	\$	-	[Insert Explanation for Allocation Factor Selected]
Building	\$	-	\$	-	\$	-	0	\$	-	\$	-	\$	-	[Insert Explanation for Allocation Factor Selected]
[Placeholder - TBD*]	\$	-	\$	-	\$	-	0	\$	-	\$	-	\$	-	[Insert Explanation for Allocation Factor Selected]
<b>Total</b>	\$	<b>20,517,487</b>	\$	<b>3,048,315</b>	\$	<b>17,469,172</b>		\$	<b>3,724,352</b>	\$	<b>1,401,413</b>	\$	<b>12,343,407</b>	<i>*For future allowable costs not contemplated in this form, subject to Authority written approval.</i>

**Mt. Diablo Paper Stock, Inc.**

**Calculation of Per Ton Tipping Fees for Processing Recyclable Materials**

In accordance with Exhibit E-3, input Step 3 by LOB in Column C and annual inflation factor by CoBRA Category (Column D and E). Input the updated Per Ton Government Fee (Line 29) and any updated Per Ton Bridge Tolls (Line 30), and any One-Time Adjustments (Line 31). Line 33 calculates the new Per Ton rates.

CCCSWA Recycling				CCCSWA Reuse			MDRR Jurisdiction Recycling					
CoBRA Adjustment Categories	CCCSWA Recycling	Inflation Factor		CoBRA	CCCSWA Reuse	Inflation Factor		CoBRA	Jurisdiction Recycling	Inflation Factor		CoBRA
Non-CBA (Labor and Benefits)			ECI	\$ -		0.0%	ECI	\$ -		0.0%	ECI	\$ -
CBA (Wages)			CBA	\$ -		0.0%	CBA	\$ -		0.0%	CBA	\$ -
CBA (Health & Welfare)			CBA	\$ -		0.0%	CBA	\$ -		0.0%	CBA	\$ -
CBA (Pension)			CBA	\$ -		0.0%	CBA	\$ -		0.0%	CBA	\$ -
Vehicle			MVI	\$ -		0.0%	MVI	\$ -		0.0%	MVI	\$ -
Fuel			PGE / FUEL	\$ -		0.0%	PGE / FUEL	\$ -		0.0%	PGE / FUEL	\$ -
Other			CPI-U	\$ -		0.0%	CPI-U	\$ -		0.0%	CPI-U	\$ -
Residue			CPI-U	\$ -		0.0%	CPI-U	\$ -		0.0%	CPI-U	\$ -
General & Administrative			CPI-U	\$ -		0.0%	CPI-U	\$ -		0.0%	CPI-U	\$ -
Profit	\$ -	85.0%	Operating Ratio	\$ -	\$ -	85.0%	Operating Ratio	\$ -	\$ -	85.0%	Operating Ratio	\$ -
Interest		0.0%	FLAT	\$ -		0.0%	FLAT	\$ -		0.0%	FLAT	\$ -
Depreciation On-Site Rolling Stock		0.0%	FLAT	\$ -		0.0%	FLAT	\$ -		0.0%	FLAT	\$ -
Depreciation Site Related		0.0%	FLAT	\$ -		0.0%	FLAT	\$ -		0.0%	FLAT	\$ -
Building		0.0%	FLAT	\$ -		0.0%	FLAT	\$ -		0.0%	FLAT	\$ -
[Placeholder - TBD*]				\$ -		0.0%	0	\$ -		0.0%	0	\$ -
Annual Expense by Line of Business	\$ -			\$ -	\$ -			\$ -	\$ -			\$ -
Per Ton Rate by Line of Business (After Discount)				\$ -				\$ -				\$ -
Per Ton Government Fees by Line of Business												
Per Ton Bridge Tolls												
Per Ton One-Time Interim Adjustment (As Applicable)												
<b>Per Ton Rate by Line of Business incl. Gov Fees.</b>	<b>\$ -</b>			<b>\$ -</b>	<b>\$ -</b>			<b>\$ -</b>	<b>\$ -</b>			<b>\$ -</b>

**Mt. Diablo Paper Stock, Inc.**

**Calculation and Application of Ongoing and On-Time Interim Adjustments (As applicable)**

Use this tab to incorporate mid-year adjustments into the Multi-Index Adjustment methodology based on whether the cost is ongoing or one-time. Add Rows 16 - 29 to the BEGINNING

Interim Adjustment Description	Net MDRR Facility Expenses (To be Allocated)	One-Time or Ongoing?	Mapping to Rate Adjustment Category	Allocation Factor	CCCSWA Recycling	CCCSWA Reuse	MDRR Jurisdiction Recycling	Explanation and Justification of Allocation Factor
Interim Adjustment Category A	\$ -			[Insert Allocation Factor Here] E	\$ -	\$ -	\$ -	[Insert Explanation for Allocation Factor Selected]
Interim Adjustment Category B	\$ -			[Insert Allocation Factor Here] E	\$ -	\$ -	\$ -	[Insert Explanation for Allocation Factor Selected]
Interim Adjustment Category C	\$ -			[Insert Allocation Factor Here] E	\$ -	\$ -	\$ -	[Insert Explanation for Allocation Factor Selected]
Interim Adjustment Category D	\$ -			[Insert Allocation Factor Here] E	\$ -	\$ -	\$ -	[Insert Explanation for Allocation Factor Selected]
Interim Adjustment Category E	\$ -			[Insert Allocation Factor Here] E	\$ -	\$ -	\$ -	[Insert Explanation for Allocation Factor Selected]

Ongoing Interim Adjustments to Flow into Multi-Index By Rate Adjustment Category	CCCSWA Recycling+	CCCSWA Reuse	MDRR Jurisdiction Recycling
Non-CBA (Labor and Benefits)	\$ -	\$ -	\$ -
CBA (Wages)	\$ -	\$ -	\$ -
CBA (Health & Welfare)	\$ -	\$ -	\$ -
CBA (Pension)	\$ -	\$ -	\$ -
Vehicle	\$ -	\$ -	\$ -
Fuel	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -
Residue	\$ -	\$ -	\$ -
General & Administrative	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -
Depreciation On-Site Rolling Stock	\$ -	\$ -	\$ -
Depreciation Site Related	\$ -	\$ -	\$ -
Building	\$ -	\$ -	\$ -
[Placeholder - TBD*]	\$ -	\$ -	\$ -

Note: To Form 5 By Category Subject to MIRA Inflation

+ Includes the 2.5% Discount for 15 Year Agreement

One-Time Interim Adjustments to Add to Multi-Index Rate Adjustments by LOB.	CCCSWA Recycling+	CCCSWA Reuse	MDRR Jurisdiction Recycling
Interim Adjustment Expense by Line of Business	\$ -	\$ -	\$ -
2.5% Discount for 15 Year Agreement	\$ -	N/A	N/A
Interim Adjustment Expense by Line of Business AFTER Discount	\$ -	\$ -	\$ -
Tonnage by Line of Business	38,937	10,000	37,095
One-Time Per Ton Addition	\$ -	\$ -	\$ -

Note: To Form 5 Row 30.

**Mt. Diablo Paper Stock, Inc.**

**Calculation of Per Ton Tipping Fees for Processing Recyclable Materials**

In accordance with Exhibit E-2, input annual inflation factor by MIRA Category (Column D and E). Input the updated Per Ton Fees (Lines 29-31). Line 33 calculates the new Per Ton Rate.

Includes Interim Adj

CCCSWA Recycling			
Multi-Index Adjustment Categories	Prior Year	Inflation Factor	MIRA
Non-CBA (Labor and Benefits)	\$ 97,084	ECI	\$ 97,084
CBA (Wages)	\$ 420,416	CBA	\$ 420,416
CBA (Health & Welfare)	\$ 177,831	CBA	\$ 177,831
CBA (Pension)	\$ 51,196	CBA	\$ 51,196
Vehicle	\$ 2,571,957	MVI	\$ 2,571,957
Fuel	\$ 235,144	PGE / FUEL	\$ 235,144
Other	\$ -	CPI-U	\$ -
Residue	\$ 100,059	CPI-U	\$ 100,059
General & Administrative	\$ 70,665	CPI-U	\$ 70,665
Profit	\$ 657,239	85.0% Operating Ratio	\$ 657,239
Interest	\$ -	0.0% FLAT	\$ -
Depreciation On-Site Rolling Stock	\$ -	0.0% FLAT	\$ -
Depreciation Site Related	\$ -	0.0% FLAT	\$ -
Building	\$ -	0.0% FLAT	\$ -
[Placeholder - TBD*]	\$ -	0.0%	\$ -

CCCSWA Reuse			
Prior Year	Inflation Factor	MIRA	
\$ 118,281	0.0% ECI	\$ 118,281	
\$ 512,210	0.0% CBA	\$ 512,210	
\$ 216,659	0.0% CBA	\$ 216,659	
\$ 62,375	0.0% CBA	\$ 62,375	
\$ 371,814	0.0% MVI	\$ 371,814	
\$ 33,979	0.0% PGE / FUEL	\$ 33,979	
\$ -	0.0% CPI-U	\$ -	
\$ -	0.0% CPI-U	\$ -	
\$ 86,094	0.0% CPI-U	\$ 86,094	
\$ 247,308	85.0% Operating Ratio	\$ 247,308	
\$ -	0.0% FLAT	\$ -	
\$ -	0.0% FLAT	\$ -	
\$ -	0.0% FLAT	\$ -	
\$ -	0.0% FLAT	\$ -	
\$ -	0.0% 0	\$ -	

MDRR Jurisdiction Recycling			
Prior Year	Inflation Factor	MIRA	
\$ 1,115,502	0.0% ECI	\$ 1,115,502	
\$ 4,830,611	0.0% CBA	\$ 4,830,611	
\$ 2,043,290	0.0% CBA	\$ 2,043,290	
\$ 588,249	0.0% CBA	\$ 588,249	
\$ 2,619,034	0.0% MVI	\$ 2,619,034	
\$ 239,453	0.0% PGE / FUEL	\$ 239,453	
\$ -	0.0% CPI-U	\$ -	
\$ 95,326	0.0% CPI-U	\$ 95,326	
\$ 811,943	0.0% CPI-U	\$ 811,943	
\$ 2,178,248	85.0% Operating Ratio	\$ 2,178,248	
\$ -	0.0% FLAT	\$ -	
\$ -	0.0% FLAT	\$ -	
\$ -	0.0% FLAT	\$ -	
\$ -	0.0% FLAT	\$ -	
\$ -	0.0% 0	\$ -	

	\$ 4,381,591	\$ 4,381,591	\$ 1,648,721	\$ 1,648,721	\$ 14,521,655	\$ 14,521,655
<b>Per Ton Rate by Line of Business</b>	<b>\$ 109.27</b>	<b>\$ 109.27</b>	<b>\$ 164.87</b>	<b>\$ 164.87</b>	<b>\$ 391.02</b>	<b>\$ 391.02</b>
<b>Per Ton Government Fees by Line of Business</b>	\$ -		\$ -		\$ -	
<b>Per Ton Bridge Tolls</b>						
<b>Per Ton One-Time Interim Adjustment (As Applicable)</b>		\$ -		\$ -		\$ -

<b>Per Ton Rate by Line of Business incl. Gov Fees.</b>	<b>\$ 109.27</b>	<b>\$ 109.27</b>	<b>\$ 164.87</b>	<b>\$ 164.87</b>	<b>\$ 391.02</b>	<b>\$ 391.02</b>
---------------------------------------------------------	------------------	------------------	------------------	------------------	------------------	------------------

**Contra Costa Waste Service, Inc. (CCWS)**

**Calculation of Per Ton Tipping Fees for Processing Recyclable Materials**

Following Step 5, the annual CCCSWA Characterization Study shall be adjusted according to the Multi-Index methodology.

CCCSWA Characterization Study				
CoBRA Adjustment Categories	Prior Year	Inflation Factor		MIRA
Non-CBA (Labor and Benefits)	\$ 810	0.0%	ECI	\$ 810
CBA (Wages)	\$ 20,520	0.0%	CBA	\$ 20,520
Electricity	\$ -	0.0%	CBA	\$ -
Depreciation On Road Equipment	\$ -	0.0%	CBA	\$ -
Vehicle	\$ 1,280	0.0%	MVI	\$ 1,280
Fuel	\$ 890	0.0%	PGE / FUEL	\$ 890
CBA (Health & Welfare)	\$ -	0.0%	CPI-U	\$ -
Governmental Fees	\$ 802	0.0%	CPI-U	\$ 802
General & Administrative	\$ 698	0.0%	CPI-U	\$ 698
Interest	\$ -	0.0%	FLAT	\$ -
Depreciation On-Site Rolling Stock	\$ -	0.0%	FLAT	\$ -
Outsourced Hauling	\$ -	0.0%	FLAT	\$ -
Building	\$ -	0.0%	FLAT	\$ -
CBA (Pension)	\$ -	0.0%	0.0%	\$ -

CY 2023 Study Expense \$ 25,000 \$ 25,000

<b>CY 2023 Study Expense</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>
------------------------------	------------------	------------------

**Mt. Diablo Paper Stock, Inc.**

**Calculation of Per Ton Tipping Fees for Processing Recyclable Materials**

**Depreciation Schedule for On-Site and On-Road Equipment (Milestone Method of Compliance for Advanced Clean Fleets Regulation)**

The Contractor warrants that all capital required to perform the services described in the Agreement are included in Contractor's Tipping Fees included in Exhibit E-1.

On-Site Rolling Stock										
Description	Date Acquired	Quantity	Identification #	Purchase Price	Accumulated Depreciation	Book Value	Depreciation Method	Remaining Life	Annual Depreciation	G/L
Excavator	08/31/22	1	375	\$ 317,240	\$ 92,654	\$ 224,586	Straight Line	5	\$44,917	55301
Forklift	05/09/11	1	364	\$ 35,913	\$ 35,913	\$ -	Straight Line	0	\$0	55301
Forklift	05/09/11	1	214	\$ 35,913	\$ 35,913	\$ -	Straight Line	0	\$0	55301
Loader	12/15/14	1	344	\$ 244,475	\$ 244,475	\$ -	Straight Line	0	\$0	55301
<b>Total On-Site Annual Depreciation Expense</b>									<b>\$44,917</b>	

On-Road Equipment										
Description	Date Acquired	Quantity	Identification #	Purchase Price	Accumulated Depreciation	Book Value	Depreciation Method	Remaining Life	Annual Depreciation Expense	G/L
<b>Total On-Road Annual Depreciation Expense</b>									<b>\$0</b>	

Site-related										
Description	Date Acquired	Quantity	Identification #	Purchase Price	Accumulated Depreciation	Book Value	Depreciation Method	Remaining Life	Annual Depreciation Expense	G/L
MRF - Baler	12/31/21	1	Baler 1	\$ 647,920	\$ 136,783	\$ 511,137	Straight Line	12	\$42,595	55301
MRF - Baler	12/31/21	1	Baler 2	\$ 14,573	\$ 6,592	\$ 7,980	Straight Line	4	\$1,995	55301
MRF - Baler	12/31/21	1	Baler 3	\$ 72,544	\$ 45,945	\$ 26,599	Straight Line	2	\$13,300	55301
Forklift Accessory	09/10/18	1		\$ 14,474	\$ 14,474	\$ -	Straight Line	0	\$0	55301
Loader Accessory	08/14/08	1		\$ 15,887	\$ 15,887	\$ -	Straight Line	0	\$0	55301
Loader Engine	02/01/18	1	347	\$ 23,868	\$ 23,868	\$ -	Straight Line	0	\$0	55301
Loader Transmission	05/01/18	1	347	\$ 23,901	\$ 23,901	\$ -	Straight Line	0	\$0	55301
MRF - Sorting Equipment	10/01/18	1	Fine Screen Discs	\$ 39,052	\$ 33,411	\$ 5,641	Straight Line	1	\$5,641	54900
MRF - Sorting Equipment	03/31/19	1	OCC Discs	\$ 12,767	\$ 10,031	\$ 2,736	Straight Line	2	\$1,368	54900
MRF - Sorting Equipment	12/31/21	1	Phase 1 Fire System	\$ 433,808	\$ 35,224	\$ 398,584	Straight Line	36	\$11,072	54900
MRF - Sorting Equipment	12/31/21	1	Phase 1 System	\$ 6,705,321	\$ 1,775,704	\$ 4,929,617	Straight Line	12	\$410,801	55301
MRF - Sorting Equipment	12/31/21	1	Phase 1 System II	\$ 134,054	\$ 60,643	\$ 73,411	Straight Line	4	\$18,353	54900
MRF - Sorting Equipment	12/31/21	1	Phase 1 System III	\$ 1,149,268	\$ 727,870	\$ 421,398	Straight Line	2	\$210,699	55301
MRF - Sorting Equipment	09/01/22	1	Phase 2 System	\$ 2,170,437	\$ 313,508	\$ 1,856,930	Straight Line	13	\$142,841	55301
MRF - Sorting Equipment	09/01/22	1	Phase 2 System II	\$ 98,009	\$ 30,336	\$ 67,673	Straight Line	5	\$13,535	54900
MRF - Sorting Equipment	09/01/22	1	Phase 2 System III	\$ 166,209	\$ 71,942	\$ 94,267	Straight Line	3	\$31,422	54900
<b>Total On-Road Annual Depreciation Expense</b>									<b>\$903,621</b>	
<b>Total Depreciation Expense</b>									<b>\$948,538</b>	

**Mt. Diablo Paper Stock, Inc.**

**Calculation of Per Ton Tipping Fees for Processing Recyclable Materials**

**Labor Headcount - Union and Non-Union for MDRR**

The Contractor warrants that all costs associated with the projected headcount for 2027 are included in Contractor's Tipping Fees included in Exhibit E-1.

MDRR Headcount	2024		2027
	UNION	Current Headcount	Projected Headcount
Baler		4	4
Working Foreperson		6	6
Operators		9	9
Hostler Utility		17	17
Laborer/Traffic Control		0	2
Sorter		28	29
<b>Total</b>		<b>64</b>	<b>67</b>

Example Calculation for Adjustment					
Wages	Weighted	Benefits	Weighted	Pension	Weighted
3.5%	0.21%	3.0%	0.18%	4.0%	0.24%
4.0%	0.36%	3.0%	0.27%	4.0%	0.36%
2.5%	0.34%	5.0%	0.67%	5.0%	0.67%
2.5%	0.63%	5.0%	1.27%	5.0%	1.27%
2.0%	0.06%	3.0%	0.09%	5.0%	0.15%
2.0%	0.87%	3.0%	1.30%	5.0%	2.16%
N/A	2.46%	N/A	3.78%	N/A	4.85%

MDRR Headcount	2024		2027
	NON-UNION	Current Headcount	Projected Headcount
General Manager		1	1
Operations Manager		1	1
Operations Supervisor		0	0
Commodity Sales & Weighmaster Supervisor		1	1
Scale Supervisor		0	0
Recycling Logistics Coordinator/Weighmaster		2	3
Weighmasters		0	0
Operations Administrative Specialist		1	1
<b>Total</b>		<b>6</b>	<b>7</b>

*This page intentionally left blank.*



**EXHIBIT F:  
LIQUIDATED DAMAGES**

---

*This page intentionally left blank.*

## **EXHIBIT F: LIQUIDATED DAMAGES**

---

Except as otherwise provided in Section 14.10 of the Agreement, the Authority may assess Liquidated Damages in the event Contractor fails to meet specific quantifiable standards of performance in accordance with the terms and conditions of the Agreement.

The following table lists the events that constitute breaches of the Agreement's standard of performance warranting the imposition of Liquidated Damages. The table describes the incident(s) or event(s) that trigger Liquidated Damages the thresholds by which Liquidated Damages may be assessed, and the unit measures and dollar amounts of Liquidated Damages. The dollar amounts of all Liquidated Damages listed in the table below shall be adjusted on July 1 of each year, in accordance with Exhibit E, by the Annual Percentage Change in the CPI-U.

## EXHIBIT F: LIQUIDATED DAMAGES

Performance Standard	Event of Non-Performance/Definition	Liquidated Damage Amount
<b>Performance Area No. 1: Contractor Operations</b>		
<u>Vehicle Turnaround Guarantees</u>	Failure to meet vehicle turnaround guarantees for any one (1) Franchised Collector vehicle for more than five (5) consecutive Working Days or more than ten (10) Working Days in any sixty (60) Day period.	\$100 per vehicle delayed
<u>Operating Hours/Days</u>	Failure to open the Approved Recyclable Materials Processing Facility to receive Franchised Materials from the Authority's contractors during operating Days and hours, unless an event outside of the reasonable control of Contractor occurs (e.g. access to the Approved Transfer Facility is completely blocked for at least a twelve (12) hour period reasonably warranting closure of the Approved Transfer Facility) and where the Authority receives prior notification and grants approval.	\$1,000 per hour that the Approved Facility is not open to receive Authority Franchised Material
<u>Uncovered Materials</u>	Failure to properly cover materials in vehicles, or to otherwise take reasonable actions to prevent wind-blown or other spillage from vehicles.	\$300 per incident
<u>Scale Operations</u>	Failure to provide substitute scales.	\$250 per hour
<u>Licensed Drivers</u>	Failure to have a vehicle driver properly licensed.	\$500 per incident or \$100 per Day, whichever is greater

## EXHIBIT F: LIQUIDATED DAMAGES

<b>Performance Area No. 2: Facility-Related Services</b>		
<u>Capacity Guarantee</u>	Failure to provide sufficient capacity needed to fulfill Contractor's obligation to the Authority at the Approved Recyclable Materials Processing.	\$1,000 per Day (not to exceed \$100,000 total) and the greater of either (a) \$150 per Ton of Franchised Material the Contractor does not Accept at the Approved Recyclable Materials Processing Facility, or (b) the actual cost of Transfer and Transport to an alternate facility
<u>Disposal of Materials Delivered for Processing</u>	Except as approved by the Authority pursuant to the terms of the Agreement, including without limitation, Section 8.10.F.6, each individual occurrence of Disposal of Recyclable Materials without Processing at the Approved Facility, as applicable.	\$500 per Ton
<u>Preventing Contamination</u>	Failure of Contractor to separately receive, store, Process, or otherwise manage Recyclable Materials, that were Source Separated by the Generator from other similarly Source Separated Recyclable Materials, and/or Delivered by the Franchised Collector with acceptable levels of Contamination in a manner that does not result in Contamination (i.e., Contractor's actions shall not result in Contamination of materials).	150% of the per Ton Tipping Fee that would have been otherwise paid to the Contractor for services for the Source Separated Recyclable Material that was mixed or otherwise became Contaminated
<u>Allowable Materials</u>	Failure to Accept all materials on the Allowable materials list at the Approved Facility or failure to obtain Executive Director approval prior to making a change in the Allowable materials list.	\$1,000 per incident of changing Allowable materials list.

## EXHIBIT F: LIQUIDATED DAMAGES

<u>Recyclable Materials Characterization</u>	Failure to conduct the Recyclable Materials Characterization studies, in accordance with the required methodology.	\$1,000 per violation of the study methodology that did not require the Contractor to re-perform the Recyclable Materials Characterization Study in accordance with N-1
<u>EPR Programs</u>	Failure to perform Contractor’s responsibilities under Section 7.5 for mandatory EPR Programs, as applicable.	\$1,000 per incident or \$250 per Ton if the material is weighed
<b>Performance Area No. 3: Recordkeeping and Reporting</b>		
<u>Timeliness of Report</u>	Failure to submit any report on time to the Authority (any report shall be considered late until such time as a correct and complete report is received by the Authority); provided, however, that if any report that was timely submitted is deemed incomplete as a result of a modification or additional reporting requirement in accordance with Exhibit D, Section 1, Contractor shall have seven (7) Days from receipt of written notice from the Authority to submit a compliant report.	\$250 per Day for each Day a report is late
<u>Record Retention and Access to Records</u>	Failure to provide or make available to the Authority and its authorized representatives reports, records, recordings, and data that are required to be generated or collected and retained by the Contractor in accordance with this Agreement.	\$250 per Day for each Day that the requested records are not available to the Authority

## EXHIBIT F: LIQUIDATED DAMAGES

<p><u>Contractor Responsiveness</u></p>	<p>Failure to provide a complete and accurate written response to the Authority’s request as required pursuant to the terms of this Agreement within the timeframe specified in the Agreement or within the timeframe specified in the Authority’s request (which shall be less than ten (10) Business Days) if no timeframe is specified in the Agreement; provided, however, that if the Contractor’s response was timely provided and is inaccurate or incomplete due to a reasonably unclear request by the Authority or misunderstanding by Contractor, Contractor shall have seven (7) Days from receipt of written notice from the Authority to submit an accurate and/or complete response.</p>	<p>\$250 per Day for each Day that the requested information is late</p>
<p><u>Information Accuracy</u></p>	<p>Contractor’s failure to provide required information, or providing incomplete, misleading or otherwise inaccurate information or reporting, to the Authority under or in regard to this Agreement. (Typographical, cell reference, mathematical, and/or logic errors shall not be considered legitimate excuses from this requirement, nor shall ignorance.)</p>	<p>\$500 per event per jurisdiction per month</p>

## EXHIBIT F: LIQUIDATED DAMAGES

Performance Area No. 4: Miscellaneous		
<u>Use of Subcontractors</u>	Failure to secure written approval from the Authority prior to using a Subcontractor to perform any obligations of the Agreement.	\$1,000 per incident that the Contractor fails to secure written approval from the Authority prior to using a Subcontractor
<u>Displaced Workers</u>	Failure to comply with the obligations of Contractor pursuant to Section 8.11(G) of the Agreement relating to existing employees working under the Authority's current agreements who became unemployed by reason of the change in Contractor(s).	\$5,000 per employee

By placing initials at the places provided, each Party specifically confirms the accuracy of the statements made above, the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of Liquidated Damage provisions of the time that the Agreement was made, and that the amounts specified are a reasonable estimate of the amount of the damages that Authority and its Member Agencies will suffer for the specified breaches, considering all of the circumstances existing on the date of this Agreement.

Contractor DS  
Initial Here: KR

Authority Initial  
Initial Here: JD



## **EXHIBIT G: CONTRACTOR'S PROPOSAL**

---

The Contractor's original proposal included a proposal for Transfer, Organics & Composting, and Mixed Waste Services. Mentions of Transfer, Organics & Composting, and Mixed Waste Services are not applicable, so subsequent pages of the original proposal have been removed.

*This page intentionally left blank.*

# Central Contra Costa Solid Waste Authority Proposals For Post Collection Services



May 31, 2024



**Mt. Diablo Resource Recovery**

**Trusted + Proven + Essential**



# Visit Our Website!

<https://mdrrservesrecyclesmart.co>

We kindly invite you to visit our Proposal Website. We are delighted to present our submission response to you here and online.

This website houses all necessary forms, referenced appendices, cost forms and agreements, along with valuable information and supplemental resources to support this response.

Usernames and passwords have been provided to the review committee, with the option to request personalized logins as required. This response document includes direct links to access resources on the website.

Thank you and we hope you enjoy our proposal.

**MDRR Serves  
RecycleSmart Website**







Mt. Diablo Resource Recovery  
Recycle • Respect • Recover

# Contents

Welcome Letter from the Chief Executive Officer _____	1
Our Program Highlights _____	1
Acknowledgements _____	3
1.0 Company Description _____	4
1.1 Structure At A Glance _____	4
1.2 Who We Are _____	5
1.3 Our Guiding Principles _____	7
1.4 Key Personnel _____	10
1.5 Collective Bargaining Agreement _____	20
1.6 Subcontractors _____	21
1.7 Relevant Experience _____	24
1.8 Past Performance Record _____	25
1.9 Financial Information _____	28
2.0 Transfer Station _____	29
2.1 General Information _____	30
3.0 Recycling _____	56
3.1 General Information _____	58
3.2 Processing Information _____	72
3.3 Alternative Recycling Proposal _____	86
4.0 Organics & Composting _____	90
4.1 Compost Procurement _____	91
4.2 General Information _____	93
4.3 Processing Information _____	97
4.4 Subcontractor Operations _____	101
5.0 Mixed Waste _____	108
5.1 Mixed Waste Processing Opportunities _____	110
6.0 Exceptions to the Draft Agreement _____	114
7.0 Cost Proposal _____	114
8.0 Other Proposal Forms _____	114



# Welcome Letter from the Chief Executive Officer

Dear Mr. Krueger,

On behalf of Mt. Diablo Resource Recovery (MDRR), I am pleased to present this proposal to provide transfer station services for municipal solid waste (MSW), recyclables processing and commingled organic processing and composting for the jurisdictions represented by the Central Contra Costa Solid Waste Authority (RecycleSmart). Our services reflect decades of hard work, planning, and the foresight of our company to become the premier solid waste service provider throughout Contra Costa and Solano Counties.

Our proposal focuses on providing the best value services that combine long-term predictability and innovative diversion programs for RecycleSmart. We have continually demonstrated our vision of how the solid waste industry must evolve to prepare for future developments and regulations. This proposal includes innovative programs to divert recyclables and to better manage commingled organic waste. In addition, we have the only facility in Contra Costa County that is creating a Resource Recovery Park that will maximize diversion of materials through our designated processing operations.

Our daily operations reinforce our commitment to our communities that we will remain **Trusted + Proven + Essential**. We continually look for and implement improvements in how we can divert greater amounts of materials from landfills. We look forward to a long-term, collaborative relationship with RecycleSmart that prioritizes responsible operations, customer service and diversion of materials.

## Our Program Highlights

We are excited to offer a strong proposal that will exceed the expectations of RecycleSmart.

### General Highlights

- ✓ Experienced, dedicated, and local management and personnel.
- ✓ Strong long-term partnership with Teamsters Local 315.
- ✓ Commitment to hire eligible displaced employees.
- ✓ Proven track record of safe operations and commitment to our community.
- ✓ Long-term, available capacity for transfer services, recycling processing and commingled organic waste composting.
- ✓ Flexible hours to enhance service opportunities for the franchise collection contractor.
- ✓ Visionary programs and long-term plans for expanded facility investments in the community.

### Transfer of MSW Highlights

- ✓ Enhanced technology for increased customer service and transparent reporting to RecycleSmart.
- ✓ Comprehensive and compliant Zero Emissions Vehicle roll-out plan.
- ✓ Self-Haul coupon solutions for wide-ranging material types.
- ✓ Drop-off solutions for hard to recycle materials.
- ✓ Significant service enhancements to expand customer service and diversion opportunities.





### Recycling Highlights

- ✓ Compliance with the base revenue share proposal, and a value-added alternative revenue share that includes innovative Recycle+ services.
- ✓ Continued use of the state-of-the-art MRF, that will be piloting new robotic technologies and programs to divert more materials.
- ✓ Multi-tiered approach to prepare for SB 54 and EPR programs.
- ✓ Unparalleled Recycle+ solution as our alternative value-added enhancement. This program makes specific investments into pilot programs designed to identify domestic markets for hard to manage materials. These include film plastics, multi-layered plastics, polystyrene, cartons, and textiles. In addition, MDRR will invest in specific source reduction grants to reduce milk carton use in schools.
- ✓ Demonstrated diversion of materials and consistent markets for diverted products.

### Commingled Organic Materials Highlights

- ✓ Comprehensive and thoughtful commingled organics processing plans with best-in-class technologies.
- ✓ Capacity to pre-process and compost commingled organics, ensuring production of quality compost.
- ✓ Compliant and customer friendly SB 1383 procurement program.
- ✓ Established and reliable markets to divert compost to support healthy soils.

With best regards,



**Kish Rajan**, CEO, MDRR

Sent via e-mail: [RFP2024@recyclesmart.org](mailto:RFP2024@recyclesmart.org)



Mt. Diablo Resource Recovery



## Acknowledgements

I, Gary Lazdowski, Chief Operating Officer of MDRR and Board Secretary, have the right to bind MDRR, as evidenced by the Secretary's Certification provided on our proposal website.

MDRR acknowledges and has the intention to fully adhere to the Board-Approved Franchise Procurement Process Integrity Policy. This acknowledgement is provided unequivocally and unconditionally to the terms of the Integrity Policy. MDRR has discussed the policy with both the Board of Directors, employees, agents and consultants working on our behalf to ensure a full understanding of the requirements of the Integrity Policy. MDRR understands that a failure to fully adhere to this Integrity Policy may result in disqualification from the award of a Franchise. MDRR further acknowledges that Agreements for all post-collection services must be signed and executed before the release of the collection RFP.

MDRR acknowledges and agrees to the required business term that our post-collection services will charge the same rates to accept any franchised materials from our service area during the term of the post-collection agreements, regardless of which company the Authority selects to collect and/or transfer those materials.

MDRR has completed the required cost forms where costs have been disaggregated as required by the RFP.

Additionally, MDRR's proposed transfer of MSW service agrees that it will transfer materials to any disposal destination designated by the Authority, and the cost of transfer services will not be affected by the ownership of the destination facilities. MDRR would like to note that our preferred disposal facility is Keller Canyon Landfill.

Best regards,



Gary Lazdowski  
COO, MDRR



Mt. Diablo Resource Recovery

We are proud to be

Trusted  
+  
Proven  
+  
Essential





# 1.0 Company Description

## 1.1 Structure At A Glance

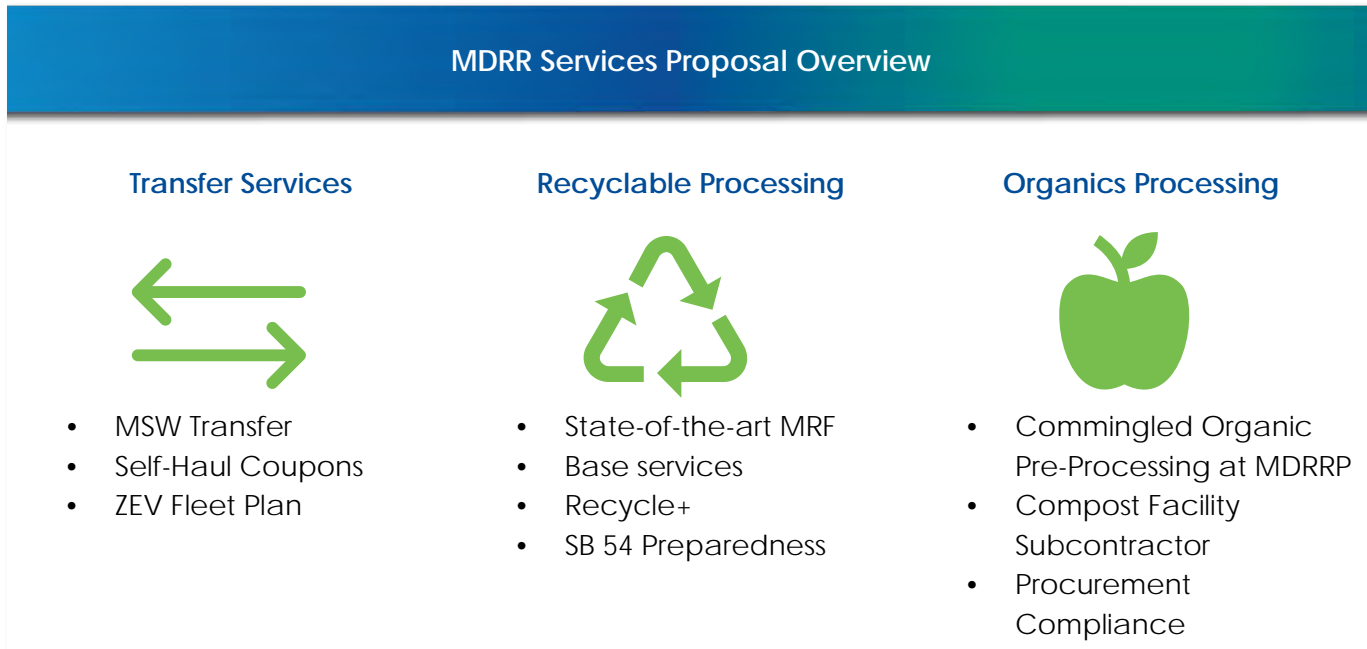
The legal entity that will be executing the two Agreements (Transfer Service & Recyclables Processing) will be Contra Costa Waste Service, Inc. (CCWS) which is a California corporation. The entity was incorporated on July 23, 1959. For the purposes of this response Mt. Diablo Resource Recovery (MDRR) will be the term used to describe the proposer. Specific Subcontractors, including Affiliates, have been included for each specific scope of services.

**Owners/Stockholders:** The only shareholder owning more than 10% of the outstanding shares of CCWS is the Garaventa Family Marital Trust dated November 8, 1978.

**Creditors:** CCWS is one of several affiliated borrowers that are signatories to a credit facility issued by U.S. Bank National Association, Comerica Bank, PNC Bank, National Association, and CoBank, ACB, collectively, which is jointly and severally secured by the assets of each of the borrower entities, including CCWS, which in the aggregate would exceed 10% of CCWS' total assets.

**Major Subcontractors:** West Contra Costa Sanitary Landfill & Composting (WCCSLF) Organic Materials Processing, Forward Resource Recovery Facility (Forward).

**Approved Affiliate Subcontractors:** Garaventa Enterprises Inc., dba S.E.G Trucking, Mt. Diablo Paper Stock



## 1.2 Who We Are

Mt. Diablo Resource Recovery (MDRR) serves customers, communities, and the environment responsibly by optimizing the use of discarded materials. MDRR is a family-owned resource recovery company that serves more than 250,000 residents and thousands of businesses throughout Contra Costa, Napa, and Solano Counties. Our facility located in Pittsburg, California, is the area's largest state-of-the-art recycling processing center that has worked for decades to keep recyclable items and organic materials out of the landfill.

MDRR's history is firmly rooted in the local community, beginning as a one-horse and buggy collection service in the 1930s, to the expansive operations we have today. The Garaventa family developed the enterprise alongside our local jurisdictions with a focus on service, respect for our employees, and a commitment to the environment.

MDRR combines excellence in customer service with competitive rates, operating recycling and recovery programs designed to increase sustainability and reduce greenhouse gas emissions. We recognize our employees' hard work and know our success is due to their dedication and excellent service. With deep roots in local traditions and a clear vision of our contributions to our community's future, we are proud to be **Trusted + Proven + Essential**. Our company continues to grow and change to prepare our communities for a more sustainable future. Consistent with our core business values, we invest in programs and technology that maximize diversion and maintain customer convenience and service.





# Mt. Diablo Resource Recovery Service Areas & Preferred Facilities

See [Interactive Map](#) on our Proposal Website!



**Key**

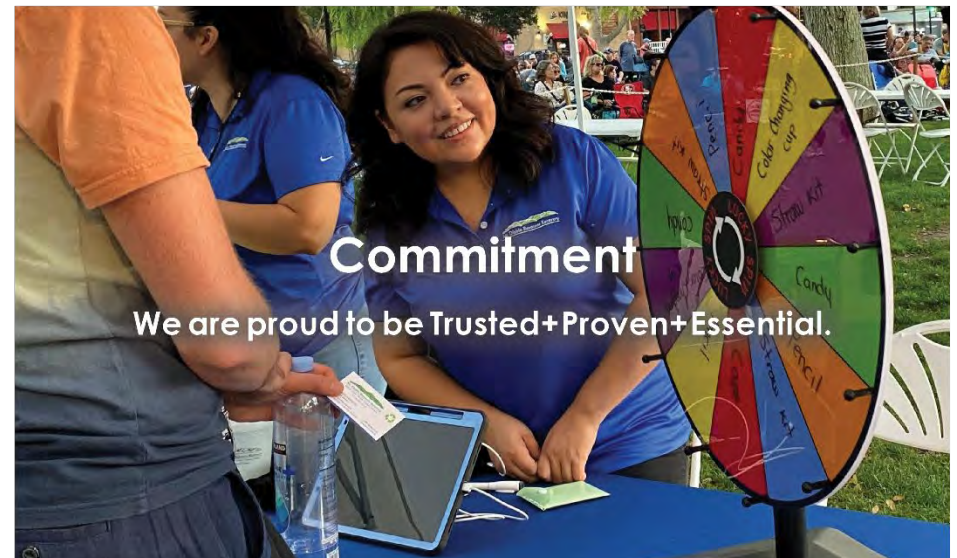
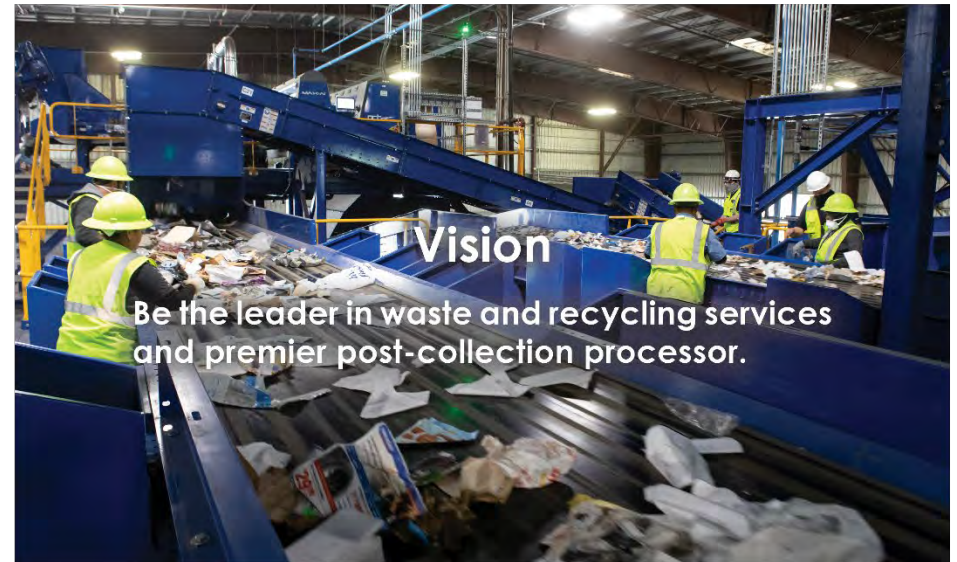
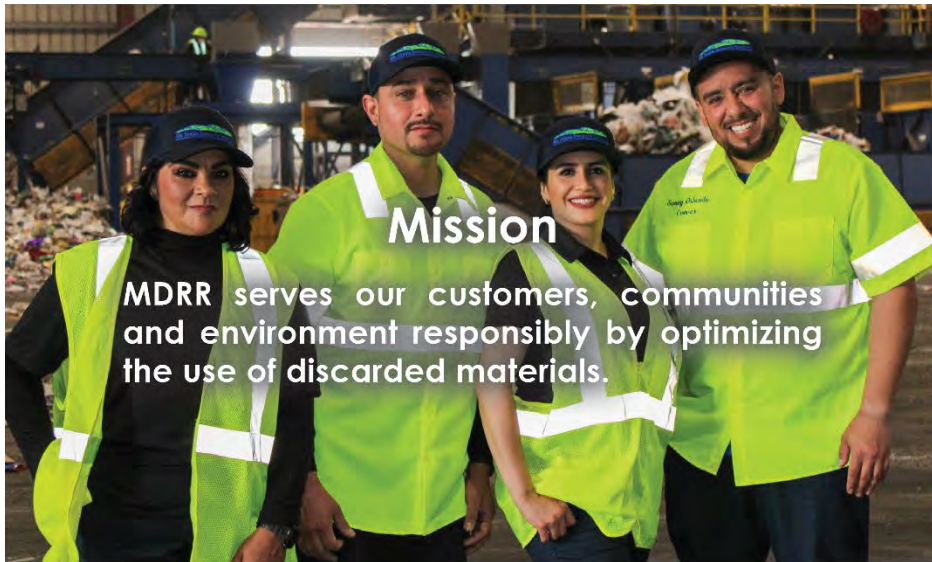
- **MDRR Facilities**
- **Preferred Partner Facilities**
- **Collection & Processing\***
  - Municipal Solid Waste (MSW)
  - Single Stream Recycling
  - Green Waste to 100% Composting
- **Processing**
  - Single Stream Recycling





### 1.3 Our Guiding Principles

Our team of employees are guided everyday by our corporate mission, vision, and philosophy. We are uncompromising in our commitment to our employees' safety and wellbeing. MDRR has been visionary in our goals, focusing on long-term investment of resources to ensure our operations are prepared to exceed all future regulatory and recycling expectations.





### 1.3.1 Capacity Guarantees



May 20, 2024

RecycleSmart  
Mr. David Krueger  
Executive Director  
1850 Mr. Diablo Blvd., Ste. 320  
Walnut Creek, CA 94596

**MDRRP Transfer Station & Food Scrap Processing Capacity Commitment**

Dear Mr. Krueger,

Mt. Diablo Resource Recovery (MDRR) has made long-term investments into our facility, Mt. Diablo Resource Recovery Park (MDRRP). As such, our facility is supremely poised to manage the transfer of RecycleSmart's MSW materials and its self-haul services for the customers of RecycleSmart. MDRR is the current Recyclables Processor of RecycleSmart and maintains capacity to continue those services. In addition, MDRR is in the process of building an Organics Building, which will house the food scrap processing line and co-mingled organics pre-processing operations. This construction is underway and expected to be completed by November 2025. All required permits and entitlements have been secured for this expanded operation.

This includes meeting all capacity requirements needed to service the jurisdictions including daily and annual tonnage limits. This capacity guarantee will survive the term of the final agreement.

Best Regards,

Kish Rajan  
CEO

4080 Mallard Drive, Concord, CA 94520 • Post Office Box 5397, Concord, CA 94524  
(925) 682-9113 • [www.mdr.com](http://www.mdr.com) • Printed on Recycled Paper





Sustainability in Action

May 31, 2024

Mr. David Krueger  
Executive Director, RecycleSmart  
1850 Mr. Diablo Blvd., Ste. 320  
Walnut Creek, CA 94596

**Re: Capacity Guarantee for WCCSLF Organic Materials Processing Facility and Forward Resource Recovery Compost Facility**

Dear Mr. Krueger,

This letter acknowledges that that the fully permitted compost facilities owned and operated by West Contra Costa Sanitary Landfill, Inc. ("WCCLF") and Forward, Inc., (collectively, "Republic") are partnering with Mt. Diablo Resource Recovery, Inc. and Contra Costa Waste Services, Inc. (collectively "CCWS") in providing compost facilities to be exclusively proposed for use by CCWS in connection with its proposal to provide transfer and transportation service for organic waste in response to the Central Contra Costa Solid Waste Authority (RecycleSmart) Request for Proposals (RFP) for Post-Collection Services. Republic has available capacity at our WCCSLF Organic Materials Processing facility located at Foot of Parr Blvd., Richmond, California, and at our Forward Resource Recovery Facility, located at 9999 S Austin Rd, Manteca, California to manage pre-processed comingled yard waste materials generated from the RecycleSmart member agencies transported to these facilities.

These facilities have current operational and permitted capacities as described below:

WCCSLF Organic Materials Processing

Maximum Permitted Throughput: 1,134 tons per day [Maximum of 20,000 tons per year allocated to the CCCSWA]

Forward Resource Recovery Facility, Organics Operation

Maximum Daily Throughput: 1,100 tons per day  
Maximum Permitted Capacity: 4,180 tons per day

Both of our compost facilities convert this material into compost that is beneficially used in a range of agricultural purposes.



Sustainability in Action

CCWS or an entity designated by MDRR will be the signatory to a final Organic Compost Transfer and Transportation Services Agreement. As the CCWS designated facility, Republic will agree to all applicable terms of the RFP and a final Composting Services agreement we would enter into with the Authority.

Very truly yours,

Kevin Divincenzo  
President, West Area  
KD:cg





## 1.4 Key Personnel

MDDR has a committed team of experts that are poised to use their decades of experience to support RecycleSmart and the processing operations throughout the term of the agreement. The team is comprised of experts in solid waste management, that have a personal interest in advancing sustainability in the region we call home.





# KISH RAJAN

CHIEF EXECUTIVE OFFICER

[Kish.Rajan@mdrr.com](mailto:Kish.Rajan@mdrr.com) (408) 242-8202



# GARY LAZDOWSKI

CHIEF OPERATIONS OFFICER

[Gary.Lazdowski@mdrr.com](mailto:Gary.Lazdowski@mdrr.com) (925) 692-2230

Kish Rajan is the forward-thinking, data-driven, and tech-minded CEO at Mt. Diablo Resource Recovery. From the time he first joined MDRR in 2019 as Chief Administrative Officer, Kish has leveraged his long track record of success in the private and public sectors to pursue new growth opportunities that benefit both business and community. Prior to joining MDRR, Kish spent 15 years in the mobile technology industry, served as Gov. Jerry Brown's Director of Business and Economic Development, and was a Walnut Creek City Councilmember. Kish has a long track record for solving big problems, increasing efficiencies, and gaining consensus across disparate constituencies to get the highest impact projects done.

Chief Operations Officer Gary Lazdowski has a 54-year tenure at MDRR, holding a wide range of positions and moving steadily up to the C-Suite. He served on the Board of Directors for the cities of Pittsburg and Rio Vista Chambers of Commerce. Named Businessman of the Year by the City of Rio Vista, Gary utilizes his many years of experience to bring industry knowledge and historical understanding to MDRR's current business practices.

## EDUCATION

J.D. from Golden Gate University

B.A. from UC Berkeley

Graduate of RRCC Next Generation Program

## SKILL-SET



Leadership



Innovation



Management



Government

## EDUCATION

B.S. in Business Economics from Saint Mary's College of California

## SKILL-SET



Leadership



Union



Management



Government







**PAT  
DOLIM**

CHIEF FINANCIAL  
OFFICER

✉ Patrick.Dolim@mdrr.com ☎ (707) 479-5075

Pat Dolim has 15 years of combined experience in the environmental services industry and has contributed to MDRR as the CFO for the past five years. Prior to joining the team, Pat served in multiple roles for 10 years at Recology, including working as the company's Northern California Regional Controller and Finance Rate Manager. He also has 20 years of experience in finance in the wine industry. Pat is a firm believer in long-term strategic financial planning. He has a solid track record for working across all business functional areas.



**MIKE  
BONNIFIELD**

CHIEF COUNSEL

✉ Mike.Bonnifield@mdrr.com ☎ (925) 692-2242

Mike Bonnifield serves as Mt. Diablo Resource Recovery's Chief Counsel. Admitted to practice law by the State Bar of California in 1974, Mike uses his half-century of legal experience to help the company confront and overcome a wide range of legal issues associated with day-to-day business, contracts, and employment law as well as more novel matters related to capital projects such as the recent upgrades at the company's recycling facility. An attorney with extensive knowledge and deep experience, Mike stays well-informed about the continually shifting legislative and regulatory landscape that affects the environmental services industry.

**EDUCATION**

M.B.A. in Corporate Finance from Golden Gate University

B.A. in Finance from the University of Hawaii

**SKILL-SET**



Finance



Ethics



Strategy



Leadership

**EDUCATION**

Juris Doctorate from McGeorge School of Law

B.S. from San Jose State in Business and Industrial Management

**SKILL-SET**



Leadership



Union



Government



Legal





# NICOLE IMPAGLIAZZO

EXECUTIVE DIRECTOR

✉ [Nicole.Impagliazzo@mdrr.com](mailto:Nicole.Impagliazzo@mdrr.com) ☎ (925) 692-2224



# SAL EVOLA

EXECUTIVE DIRECTOR –  
EXTERNAL AFFAIRS

✉ [Sal.Evola@mdrr.com](mailto:Sal.Evola@mdrr.com) ☎ (925) 692-2219

Nicole Impagliazzo has 14 years of experience in the solid waste and recycling industry. Her many talents include creating strategic leadership plans, modernizing customer service programs, communication and marketing strategies, SB 1383 program implementation, and public education program development and implementation. In her current role, Nicole manages the goals, priorities, internal and external operational tasks, and special strategic projects for the executive team. She is instrumental in helping the company's leaders to determine, shape, and prioritize business strategies. Nicole is also a graduate of RRCC Next Generation Program.

Sal Evola leads all aspects of environmental and regulatory permitting for MDRR and ensures that the company meets all of its current and future contractual obligations for the communities it serves. Sal manages all facility expansions and operations to maintain governmental and regulatory compliance, environmental permitting, franchise agreements, procurement, and relationships with elected officials on local, state, and federal levels. Prior to joining MDRR, Sal was the Principal and Owner of his own consulting business, worked as Vice President at Discovery Builders, and served as Mayor for the City of Pittsburg.

## EDUCATION

M.A. in Organizational Development from the University of San Francisco

B.A. in Communications from Saint Mary's College of California

## SKILL-SET

 Leadership

 Management

 Human Relations

 Public Relations

## EDUCATION

B.A. in Business Administration & Political Science from California State University, Chico

## SKILL-SET

 Permitting

 Strategy

 Public Relations

 Government







## MIKE SCUDERO

DIRECTOR OF BUSINESS OPERATIONS

Mike.Scudero@mdrr.com (925) 692-2240



## BILL FRASER

DIRECTOR OF BUSINESS ANALYTICS

Billy.Fraser@mdrr.com (925) 692-2268

Mike Scudero started working at MDRR in 2005 as a cart delivery driver. After one year, Mike took on an administrative role to lead MDRR's three cart roll-out and start the company's first-ever dispatch department. Mike then worked for Republic Services for five years and was promoted to the role of Operations Manager. Mike returned to MDRR to lead operations and now oversees collection, the transfer station, the MRF, and the mechanics shop.

Bill Fraser has been a part of MDRR since 2003. During his tenure, Bill has served in many roles in the MDRR accounting and operations departments. He now serves as the company's Business Analytics Director with the goal of optimizing technology to fully maximize business performance and measure financial results. In addition to his work for MDRR, Bill works as an advisor to various software platforms and has consulted with many colleagues in the waste industry on what software solutions can help companies to achieve optimal performance.

### EDUCATION

B.A. in Sociology from California State University, Chico

### SKILL-SET



Unions



Strategy



Management



MRF

### EDUCATION

Graduate of RRCC Next Generation Program

### SKILL-SET



Technology



Software



Management



Finance





# RITCHIE GRANZELLA

GENERAL OPERATIONS  
MANAGER

✉ Ritchie.Granzella@mdrr.com ☎ (925) 771-2716



# VINCE COLVIS

RCTS OPERATIONS  
MANGER

✉ Vincent.Colvis@mdrr.com ☎ (925) 692-2269

Ritchie Granzella started working for Richmond Sanitary Service in the mid 1990's. He held various roles throughout different operations. During his years at Republic Services, he was the Operations Manager for Golden Bear Transfer Station and West Contra Costa Sanitary Landfill Organics Processing Facility from 2006 to 2014. In 2014 Ritchie transferred to Contra Costa Transfer and Recovery Station in Martinez to be their Operations Manager until early 2024. In 2020, Ritchie was part of a team that helped transition the food waste processing system in Martinez. He started and operated the Mega Thor Food Waste Depacking System. Ritchie is now the General Manager at MDRR overseeing the MRF, Transfer Station, C&D and Organics Operation.

Vincent Colvis manages the daily operations of commercial and public self-haul waste processing and transfer for MSW, C&D, and organic materials. Having served in this role for nine years, Vincent oversees 70 administrative and union employees. Vincent previously managed the sales and logistics for single stream recycling commodities processed at the adjacent MDRR MRF facility, a role he held for five years. Prior to his career at MDRR in 2015, Vincent was a Project Director for the Stephen Gould Corporation where he worked with manufacturers across the globe.

## EDUCATION

Graduate of RRCC Next Generation Program

Studied at Sierra College

## SKILL-SET



Leadership



HHW/Reuse



MRF



Union

## EDUCATION

B.A. in Business Administration from the University of San Diego

Graduate of RRCC Next Generation Program

## SKILL-SET



Unions



Management



Leadership



MRF







**TIM  
BREDBENNER**

EQUIPMENT &  
MAINTENANCE DIRECTOR

✉ [Tim.Bredbenner@mdrr.com](mailto:Tim.Bredbenner@mdrr.com) ☎ (925) 692-2257



**ADOLFO  
GARCIA**

MDRR OPERATIONS  
MANAGER

✉ [Adolfo.Garcia@mdrr.com](mailto:Adolfo.Garcia@mdrr.com) ☎ (707) 330-5734





Tim Bredbenner has been with MDRR for 44 years, beginning in 1980 working in the bin and box division and packing garbage when needed. Before long, Tim was promoted to IT manager. In that role, he helped build the department and upgraded all systems. Tim also ran daily operation of the East County Disposal companies from 1988 to 1993. In 1993 he became Director of Equipment & Maintenance for MDRR, a position he still holds. Under Tim's leadership, the maintenance team maximizes vehicle uptime at 99%.

Adolfo Garcia is responsible for managing the day-to-day operations at the Materials Recovery Facility that processes commingled commercial and residential recycled materials collected from the Contra Costa regional area. Adolfo's role also involves marketing the segregated materials to domestic and export mills for reconstitution into recycled content products. For the past 16 years, Adolfo has held progressively more important leadership roles for different operations within the solid waste industry, beginning as an Operations Supervisor with Complete Environmental Solutions, and working as a MRF Supervisor since 2020.

**EDUCATION**

B.A. in Business  
Management from Golden  
Gate University  
  
Degree in IT Management  
from Heald College





**SKILL-SET**

-  Technology
-  Innovation
-  Fleets
-  Leadership

**EDUCATION**

B.S. in Business  
Administration  
  
Western Washington  
University

**SKILL-SET**

-  Unions
-  MRF
-  Management
-  Commodities





# CHARLIE WICKE

DIRECTOR OF MANAGEMENT INFORMATION

✉ [Charlie.Wicke@mdrr.com](mailto:Charlie.Wicke@mdrr.com) ☎ (925) 266-1035



# MIKE WALLACE

CONTROLLER

✉ [Mike.Wallace@mdrr.com](mailto:Mike.Wallace@mdrr.com) ☎ (925) 692-2235

Charlie Wicke has eight years of experience in the waste industry and a 25-year track record in management consulting with a strong operational background, financial planning and analysis expertise, and executive experience. He has significant understanding of financial modeling, forecasting, data visualization, budgeting, and corporate dashboard development. He has proven success in project management and leading cross-functional teams in matrixed organizations. Charlie is also an adjunct lecturer in Statistics at Saint Mary's College of California.

Mike Wallace has 22 years of experience in the waste industry and has contributed to MDRR in multiple roles since 2016. He became Controller in 2018 and manages all day-to-day responsibilities of the of the accounting and payroll team. Mike assists the CFO in implementing new and updated accounting systems and practices that provide managers and executives with detailed financial information they can utilize to make more data-driven decisions that make the company more efficient and profitable.

## EDUCATION

M.S. in Business Analytics from Saint Mary's College of California

B.A. in Business Administration from Western University, Canada

## SKILL-SET

  
Finance

  
Strategy

  
Software

  
Leadership

## EDUCATION

B.A in Accounting from Sacramento State University

## SKILL-SET

  
Finance

  
Management

  
Innovation

  
Ethics







## BART MILLER

DIRECTOR OF ENVIRONMENTAL HEALTH AND SAFETY

✉ [Bart.Miller@mdrr.com](mailto:Bart.Miller@mdrr.com)

☎ (925) 771-2719



## MELISSA RUIZ

HR MANAGER

✉ [Melissa.Ruiz@mdrr.com](mailto:Melissa.Ruiz@mdrr.com)

☎ (925) 692-2239

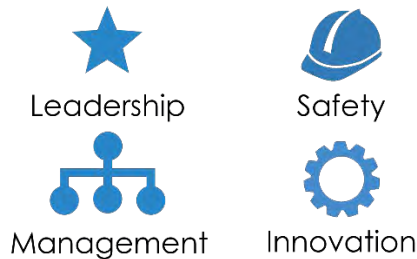
Bart Miller has over 30 years of environmental health and safety experience in the waste, electrical generation and transmission, telecommunications and cable, mining, and consulting industries. Bart is a Certified Safety Professional, Certified Hazardous Materials Manager, Certified Utility Safety Administrator, Certified Traffic Control Supervisor, and a Certified Pandemic Preparedness Specialist. Bart leads with vision and consistently demonstrates his expertise in developing robust safety programs yielding operational excellence.

Melissa Ruiz is an accomplished HR professional with over a decade of experience in shaping dynamic workplaces. She embarked on her journey in Human Resources in 2017 at MDRR, swiftly proving her mettle and expertise. Melissa is deeply committed to fostering inclusive, efficient, and compliant work communities. Her multifaceted expertise and transformative leadership underscore her dedication to elevating HR standards and creating environments where employees can thrive.

### EDUCATION

Master's Cert. in Project Management from George Washington Univty.  
B.A. in Biology & Geology from the University of Victoria and Manitoba

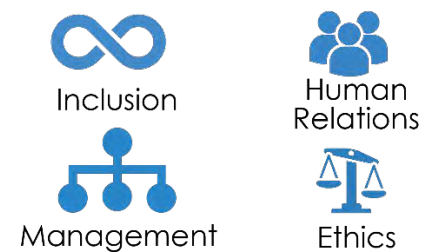
### SKILL-SET



### EDUCATION

Graduate of Cal Berkeley Extension Program  
Certificate in Human Resources with an emphasis in California

### SKILL-SET





## BOB HAMMONS

PERMITTING & COMPLIANCE MANAGER

[Bob.Hammons@mdrr.com](mailto:Bob.Hammons@mdrr.com) (925) 383-7054



## BILLY THALIN

SENIOR PERMITTING & COMPLIANCE MANAGER

[Billy.Thalin@mdrr.com](mailto:Billy.Thalin@mdrr.com) (925) 324-5468

Bob Hammons works closely with local agencies and jurisdictions to secure permits for new developments. Bob ensures that MDRR follows all technical and legal requirements to secure permits, as well as maintaining compliance and correspondence to keep our facilities in good standing. Bob has a wide range of operational and technical experience in the waste industry. He is passionate about seeing the projects through to completion. Bob is an excellent resource to ensure legal compliance for the development and expansion of the company.

Billy Thalín started out in real estate and construction working in various construction, real estate, and facilities roles including planning, operations, and project management. Billy has a wide range of experience across the corporate spectrum. He is passionate about creatively designing space, seeing the projects through to completion, and viewing how impactful an office environment can be to employee productivity. Billy holds certificates from LEED AP Interior Design + Construction and the LEED Green Associate.

### EDUCATION

FAA Pilot Certificates

### SKILL-SET



### EDUCATION

M.S. in Construction Management from Arizona State University

B.S In Business Admin. from San Jose State University

### SKILL-SET





## 1.5 Collective Bargaining Agreement

MDRR respects and supports RecycleSmart's stated emphasis on the importance of labor peace during the term of the Agreement. We note here that MDRR's entire relevant workforce is already represented by Teamsters Local 315. In the event of questions regarding employee representation during the term of the agreement, MDRR agrees to remain entirely neutral. MDRR has never had a work stoppage and looks forward to continuing our positive relationship through the term of the Agreement with RecycleSmart. The Collective Bargaining Agreements are provided on our [Proposal website](#).

### 1.5.1 Displaced Employees

It is our primary objective to hire the best people, who embody our company ethics and philosophies. These fundamental values assist to facilitate a smooth transition of services and contribute to the long-term success of our operations. MDRR understands that the transition of services may result in displaced employees. MDRR will prioritize the hiring of any displaced employees as needed to fulfill our transfer services. New employees will be offered wages and benefits according to our existing agreements with Teamsters Local 315. MDRR will host a recruitment fair where any displaced employees can meet the MDRR management team, and candidates will learn about our company, job opportunities, transition timelines, and understand our process for recruitment, training, and hiring.

MDRR expects to hire nine new individuals for transfer services, that includes five drivers, one hostler, one operator, one traffic controller, and one laborer. In addition, MDRR will hire twelve new staff members, including two operators and ten laborers for organic pre-processing services.

*"We are proud of our Local 315 and our long-term stable relationship with them." - Gary Lazdowski*








Thank you!

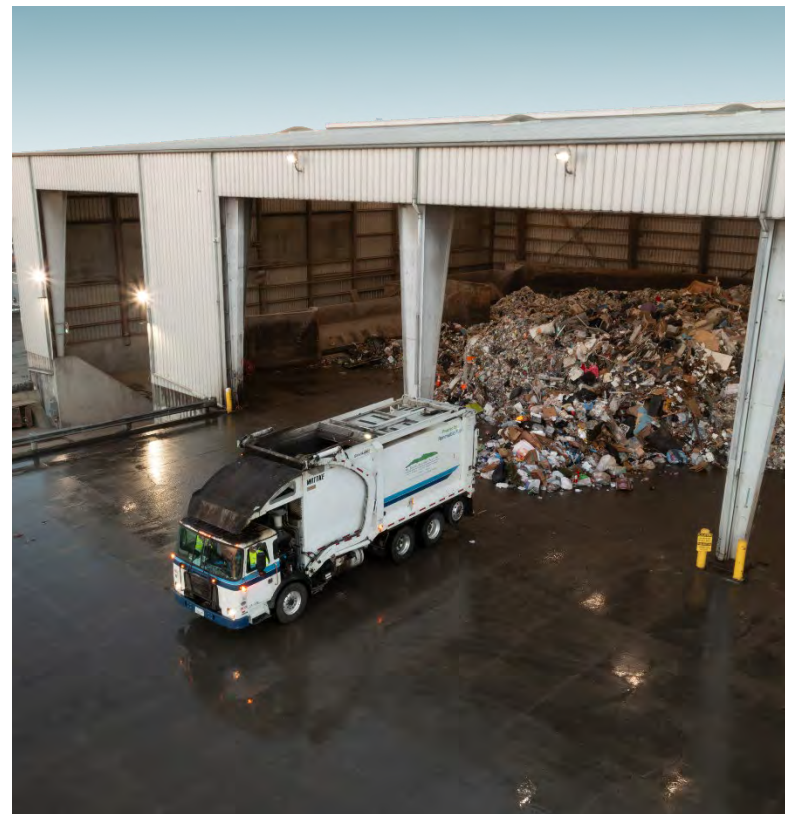
Elias Perez



## 1.6 Subcontractors

MDRR intends to utilize our employees for the majority of transfer and recycling services required to complete the scope of services. However, there are instances where third-party subcontractors may be needed to conduct specific activities on-site. MDRR will ensure that all subcontractors meet the provisions included in the Agreement and that the necessary approvals are sought ahead of any completed work.

	Name of Subcontractor	Scope of Services	Type of Work
	Tiger Lines Trucking	Long-Haul Trucking	As Needed
	Darrah Trucking	Long-Haul Trucking	As Needed
	Saint Vincent DePaul	Mattress Recovery	Specialty Recycler
	KKW Transportation	Carpet Recovery	Specialty Recycler
	ACTenviro	Hazardous Waste	Specialty Recycler



**“There is nothing more important in the environmental services industry than a commitment to sustainability in all of its forms.” – ACTenviro**





### WCCSLF Organic Materials Processing (07-AA-0044)

#### Mixed Composting & Large Volume Transfer/Processing Facility

Republic Services operates a regional composting facility in Richmond, CA that may receive up to 164,300 tons of compostables per year (450 TPD/7 days a week). The wood waste processing area can receive up to 131,400 tons of wood waste per year. The facility can receive and compost a range of materials, which include green materials, sewage sludge (biosolids), wood wastes, food wastes, animal manures and bedding, mixed wastepaper, and agricultural materials.

The wood recovery operations involve receiving wood waste, grinding, screening, and storage of mulch products. Recovered wood waste processing produces mulch, biofuel feedstock, and beneficial re-use materials.

#### Permitted Capacity of Accepted Materials

Material	Capacity
Compostables receiving	163,300 Tons/year
Permitted Capacity	450 Tons/day * 7 days a week
Wood waste receiving	131,400 Tons/year
Onsite feedstock	59,000 cy
Active compost storage - max	150,000 cy
Curing compost storage - max	32,000 cy
Stabilized compost storage - max	64,000 cy

The composting activity conducted at the Facility includes the processing of green materials (yard debris) delivered in self-haul vehicles, curbside yard debris collection trucks, transfer trucks, and end dumps serving the West County Area, Central Contra Costa County, and surrounding communities. The Facility is currently permitted to compost additional material types and quantities. These materials include food waste (commercial and residential), non-recoverable wastepaper, and agricultural wastes. The facility operates a Covered Aerated Static Pile (CASP) system, which became fully operational in January 2017. This system quickly and effectively breaks down organic feedstock into high grade compost material, while mitigates odorous emission. Once composting is complete, material is recovered from the active composting area and placed in curing piles.



**Aerial View of West Contra Costa Sanitary Landfill (WCCLF) Organics Material Processing**



**Location**

WCCSLF Organic Materials Processing  
Foot Of Parr Blvd.  
Richmond, CA 94801



**Operator**

Republic Services Inc.  
3260 Blume Drive,  
Richmond, CA 94806



**Forward Resource Recovery Facility (39-AA-0020)**  
**Mixed Composting Facility and Large Volume Transfer Station**

The Forward Composting Facility is an existing solid waste disposal and resource recovery facility located at 9999 South Austin Road, Manteca, California. The facility serves the San Joaquin County cities of Stockton, Lathrop, Manteca, as well as jurisdictions in Sacramento County (the cities of Citrus Heights, Elk Grove, and Rancho Cordova) and Stanislaus County (the cities of Oakdale, Hughson, and Waterford).

Material received at the RRF for composting may include, but is not limited to, green material, green material mixed with food waste, food waste, food processing residue, manure, mixed paper, cannery rinse water, and agricultural waste. All incoming feedstock is spread out for manual screening before being stockpiled. These materials are handled in the manual sorting receiving area of the Compost Facility and ground using a tub grinder. Green material high in grass will be mixed as soon as possible with ground wood waste and/or recycled compost and/or other relatively dry and low Carbon to Nitrogen (C:N) feedstock to minimize odor production. Sorting of green and wood waste materials is done only as part of the composting operation.

The sorted and ground material is mixed to the appropriate C:N ratio and transferred to the composting area, where both traditional windrow composting and aerated static pile (ASP) composting systems are used to process organic feedstock materials. Following the active composting phase, the material is cured and prepared for sale as a topsoil amendment, mulch, or a soil conditioner for various applications.



**Location**

Forward Resource Recovery Facility  
 9999 S Austin Rd  
 Manteca, CA 95336

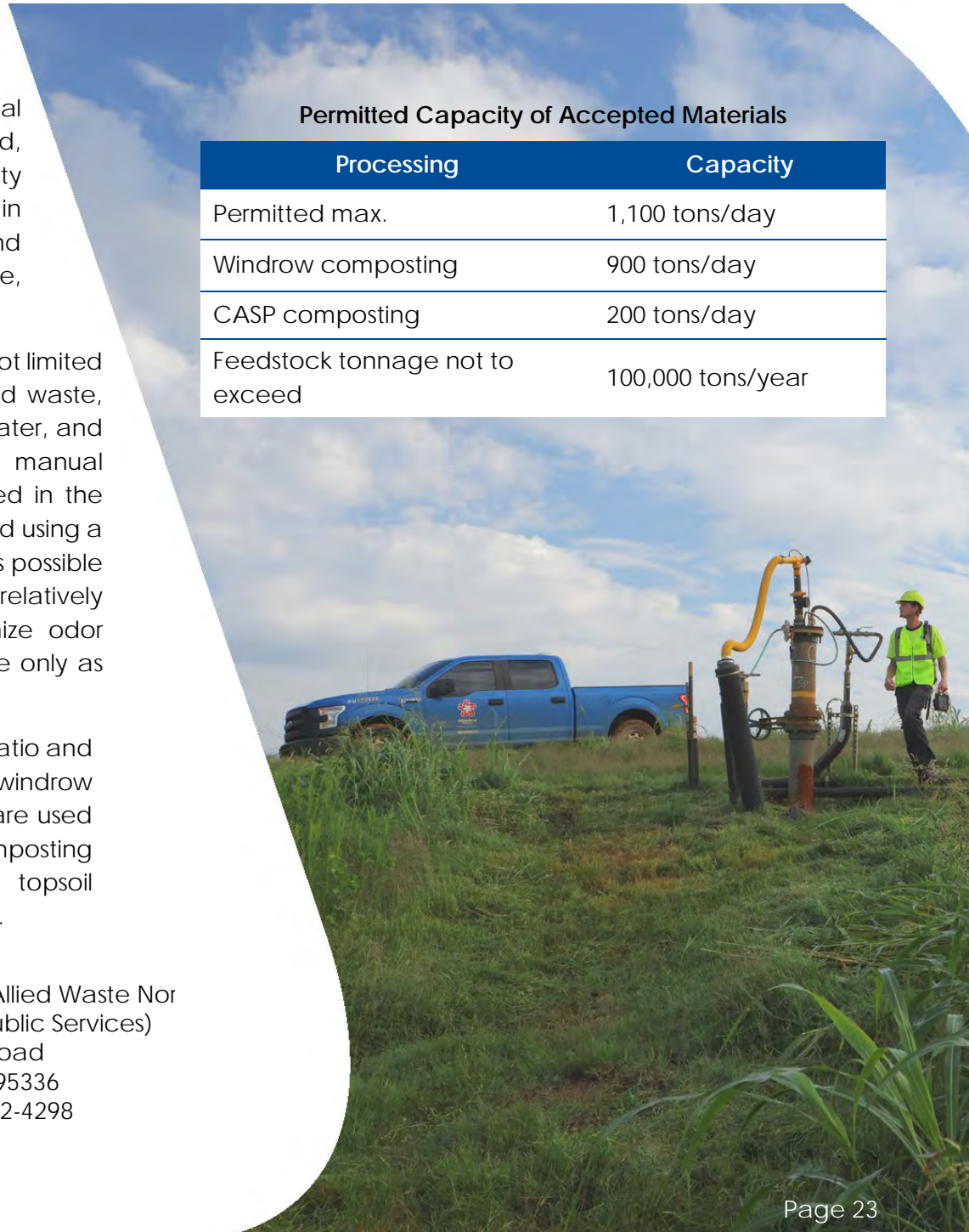


**Operator**

Forward, Inc./Allied Waste Nor America (Republic Services)  
 9999 S Austin Road  
 Manteca, CA 95336  
 Phone:(209) 982-4298




**Permitted Capacity of Accepted Materials**

Processing	Capacity
Permitted max.	1,100 tons/day
Windrow composting	900 tons/day
CASP composting	200 tons/day
Feedstock tonnage not to exceed	100,000 tons/year



## 1.7 Relevant Experience

For each service proposed MDRR's relevant experience providing that service is described below.

Proposed Services	Relevant Experience
<p><b>Transfer Services</b></p> 	<p>MDRR has been providing transfer services for the City of Concord, City of Pittsburg, City of Oakley, Unincorporated Contra Costa County and the City of Rio Vista. These services include the transfer of approximately 120,000 tons per year of MSW through our Facility.</p>
<p><b>Recyclable Processing</b></p> 	<p>MDRR has a state-of-the-art MRF that has provided exceptional diversion rates and marketability of numerous products. We have been processing recyclable materials for the City of Concord, City of Pittsburg, Contra Costa Solid Waste Authority, City of Oakley, Unincorporated Contra Costa County and the City of Rio Vista. The facility currently processes over 74,000 tons of recyclables each year.</p>
<p><b>Organics Processing</b></p> 	<p>MDRR is currently constructing an 82,500 square foot organics processing building and actively soliciting bids to install pre-processing technologies to comprehensively manage organic waste. Through our current operations we chip and grind green and woody materials and transfer organics to regional compost facilities. In total the operation manages almost 40,000 tons a year of organics.</p>

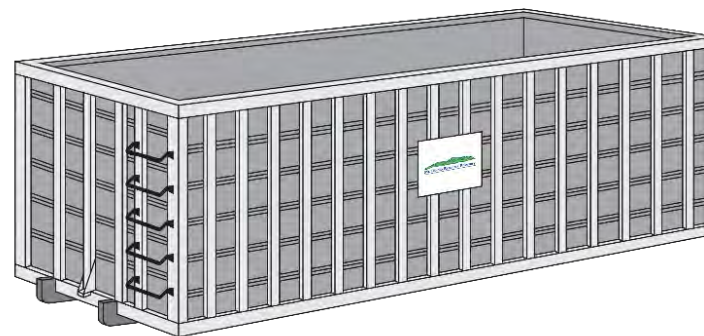




## 1.8 Past Performance Record

### Litigation and Regulatory Actions

1. CCWS is the subject of one pending OSHA action, which CCWS has currently appealed to the OSHA Appeals Board and denies liability, relating to an accident where an employee was injured while working at the Transfer Station.
2. CCWS was subject to a \$1,500 fine from the Bay Area Air Quality Management District (BAAQMD) relating to a minor violation concerning alleged improper maintenance of records of an emergency natural gas generator set that was levied after an investigation by the BAAQMD.
3. CCWS has also been named as a co-defendant in a series of consolidated actions brought by the former Chief Executive Officer who was terminated in 2018.



“MDRR is committed to providing compliance and safety across our jurisdictions.”

- Kish Rajan, CEO

### Payment of Fines, Penalties, Settlements or Damages

1. CCWS paid \$1,250 in penalties to OSHA relating to the same employee accident that is the subject of the pending appeal as identified in subsection (1) above. The alleged violations cited by OSHA were corrected during inspection.
2. As noted above, a \$1,500 fine was also paid to BAAQMD to settle a violation alleged after an investigation by BAAQMD. The alleged improper maintenance of records cited by the BAAQMD was subsequently rectified by CCWS.

MDRR will ensure that any Subcontractor for the selected Scope of Services can provide this information to RecycleSmart upon request.



## References



### City of Concord Reference

<b>Contact Person</b>	Craig Blythe
<b>Email</b>	craig.blythe@cityofconcord.org
<b>Telephone Number</b>	(925) 671-3141
<b>Start of Service</b>	1930
<b>Type of Service</b>	3-Container Collection, Transfer of MSW and Organics, Processing of Recyclables, C&D Recovery and Reuse Programs
<b>Reference</b>	Mt. Diablo Resource Recovery has been a long-standing partner of the City. The team provides exemplary customer service to rate payers and City partners. MDRR stays abreast of legislative changes and new program opportunities that assist in landfill diversion. The Facility is always clean and modern. We love the opportunity to visit the location and see recycling in action.



### City of Pittsburg Reference

<b>Contact Person</b>	Sara Bellafronte
<b>Email</b>	SBellafronte@pittsburgca.gov
<b>Telephone Number</b>	(925) 252-4109
<b>Start of Service</b>	1980
<b>Type of Service</b>	3-Container Collection, Transfer of MSW and Organics, Processing of Recyclables, C&D Recovery and Reuse Programs
<b>Reference</b>	Mt. Diablo Resource Recovery operates a state-of-the-art recycling and transfer station in Pittsburg. The facility is safe, making it an ideal opportunity for public tours and events that emphasize the importance of recycling and diversion.  The City is appreciative of MDRR's vision and thoughtful programs that will continue to ensure compliance with State waste laws and diversion of materials from landfills.



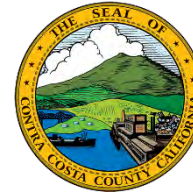


City of Oakley Reference

<b>Contact Person</b>	Kenneth Strelo
<b>Email</b>	Strelo@ci.oakley.ca.us
<b>Telephone Number</b>	925-625-7036
<b>Start of Service</b>	1977

**Type of Service** 3-Container Collection, Transfer of MSW and Organics, Processing of Recyclables, C&D Recovery and Reuse Programs

**Reference** The City of Oakley has always appreciated Mt. Diablo Resource Recovery's ability to provide great service to our community and its residents. MDRR staff has always worked hand in hand with City staff to ensure we are compliant with applicable state laws related to waste, recycling and edible food recovery in a manner that meets the community's needs. MDRR is more than a franchisee; they are a true partner that is integrated into the community.



Contra Costa County Reference

<b>Contact Person</b>	David Brockbank
<b>Email</b>	David.Brockbank@dcd.cccounty.us
<b>Telephone Number</b>	(925) 655-2911
<b>Start of Service</b>	1976

**Type of Service** 3-Container Collection, Transfer of MSW and Organics, Processing of Recyclables, C&D Recovery and Reuse Programs

**Reference** Contra Costa County has always appreciated Mt. Diablo Resource Recovery's ability to provide great service to our community that ensures we are compliant with waste laws and that meet our community's needs. MDRR is a true partner that is integrated into the community.





## 1.9 Financial Information

MDRR has provided a copy of the most recently completed, audited financial statements that shall remain CONFIDENTIAL via the proposal website which can be accessed on the [required Forms Page of the MDRR Serves RecycleSmart Website](#).

Dear Mr. Krueger,

This statement confirms that there have been no material changes regarding the audited financial statement submitted with this proposal for the Central Contra Costa Solid Waste Authority Post-Collection Services.

If you have any questions or concerns, please contact me, Patrick Dolim, CFO, Mt. Diablo Resource Recovery, at your earliest convenience.



A handwritten signature in blue ink that reads "Patrick Dolim".

Patrick Dolim, CFO  
Mt. Diablo Resource Recovery  
[patrick.dolim@mdrr.com](mailto:patrick.dolim@mdrr.com)  
(707) 479-5075




## 3.0 Recycling

As your **Trusted + Proven + Essential** environmental partner, MDRR can locally process recyclable materials at the Mt. Diablo Resource Recovery Park (MDRRP), which is uniquely positioned and equipped to provide diversion for RecycleSmart utilizing experienced and dedicated personnel and proven equipment and technologies. Located at the MDRRP adjacent to the Transfer Station is the region’s leading and recently modernized Materials Recovery Facility (MRF), that is permitted to accept up to 500 tons per day (TPD) to optimize the recovery of discarded materials via a system of conveyors, screens, sorters (manual, optical, and Artificial Intelligence), magnets, and balers. Originally commissioned in 2009, the MDRRP MRF was processing up to 20 tons per hour (TPH) of recyclables. Now the recently modernized MRF is able to process more than 35 tons per hour and has increased processing capacity, improved the quality of recovered commodities, reduced residue generated from processing activities in order to meet state and local regulatory requirements, fulfill our commitment to environmental stewardship, and follow our vision of being the region’s premier post-collection recyclables processor.



### MDRRP Materials Recovery Facility (MRF)

Name & SWIS Number	Recycling Center & Transfer Station 07-AC-0043
Owner/Operator	Contra Costa Waste Services, Inc. Mt. Diablo Resource Recovery
Address	1300 Loveridge Rd, Pittsburg, CA
Facility Manager	Ritchie Granzella Phone: 925.771.2716 Email: <a href="mailto:Ritchie.Granzella@mdr.com">Ritchie.Granzella@mdr.com</a>
Distance from Walnut Creek City Center	18 miles
Permitted Capacity	500 TPD Recyclables Processing
MRF Equipment	Manual, mechanical & AI-powered optical sorting systems Various screens & conveyors
 Acceptable Recyclable Materials Categories	Glass & Ceramic, Metal, Paper & Fiber, Plastic
Future Potential	Exploring technologies that incorporate robotics and automation

 **Acceptable Recyclable Materials List** | MDRR understands that acceptable recyclable materials will change due to the results of this RFP, in accordance with SB 54 and SB 343, modifications to CalRecycle’s Covered Materials Category list, and shifts in commodities markets. All recyclable materials processed at the MDRRP MRF will be marketed for recycling or reuse in such a manner that materials are actually diverted, with the exception of incidental contamination. All residual material from recyclables processing activities that are not marketed for use, will be accounted for as disposal tonnage.



## Acceptable Recyclable Materials List

### Paper:

- Kraft paper, all forms (with or without plastic component)
- Molded fiber packaging (without plastic component)
- Cardboard (with or without plastic component)
- Paperboard, all forms (with or without plastic component)
- White paper, all forms (with or without plastic component)
- Other/mixed paper, all forms (with or without plastic component)
- Small paper (no side greater than 2", with or without plastic component)

### Glass:

- Bottles (with or without plastic component)
- Jars (with or without plastic component)
- Small glass (no side greater than 2", with or without plastic component)



Under MDRR's Alternative Bid we will add pilot programs to assist in the recovery of the following items:

1. Film Plastic
2. Multi-Layer Plastic
3. Polystyrene
4. Textiles
5. Milk Cartons
6. Aseptic Packaging

### Plastic:

- PET (#1):
  - Bottles, jugs, and jars (clear/natural)
  - Bottles, jugs, and jars (pigmented/color)
  - Thermoformed containers, cups, lids, plates, trays, tubs
  - Other rigid items (including containers)
- HDPE (#2):
  - Bottles, jugs and jars (clear/natural)
  - Bottles, jugs, and jars (pigmented/color)
  - Pails and buckets
  - Other rigid items (including containers)
- PP (#5)
  - Bottles, jugs and jars
  - Thermoformed containers, cups, lids, plates, trays, tubs
- Other rigid items

### Metal:

- Aluminum:
  - Containers, non-aerosol (with or without plastic component)
  - Foil sheets (with or without plastic component)
  - Foil molded containers (with or without plastic component)
  - Aerosol can (with plastic component)
- Tin, steel, and bi-metal containers
- Scrap metal
- Small metal (no side greater than 2", with or without plastic component)





## 3.1 General Information

### 3.1.1 Compensation & Revenue Share Opportunities

Under the base bid, MDRR will pay the Authority 75% of the revenue derived from the indices value of the sale of recyclables and CRV sales, generated from the RecycleSmart service area. The revenue share calculation will be determined by using the allocation of single-stream recyclables inbound tonnage and the results of the recyclable characterization studies. The Authority's allocation of tonnage sold for each commodity will be multiplied by the corresponding price index to determine the revenue to be shared with RecycleSmart.

MDRR is also providing an alternative revenue share proposal, with value added pilot programs that target hard to manage materials.

Under this scenario, MDRR would provide 50% of the CRV sales to RecycleSmart and 90% of the indices value of scrap materials. MDRR would utilize the revenues from the CRV sales to invest in the diversion of specific hard to recycle products. This program is detailed in Section 3.3, and will include programs that divert film plastic, multi-layer plastic, polystyrene, textiles, milk cartons and aseptic packaging. In addition to these pilot programs and to ensure the efficient recovery of these materials, MDRR will provide grants to schools to support reuse, focused on eliminating milk cartons in cafeterias. This will be done through giving schools grants to purchase milk dispensers and reusable cups that can replace the purchase and disposal of milk cartons.





### 3.1.2 Compliance with SB 54 & EPR Programs

MDRR is committed to identifying opportunities to expand recycling and diversion programs. Currently, the MDRRP diverts carpet, mattress, appliances, tires, and e-waste materials, in addition to processing commingled recyclables.

#### Senate Bill 54 Goals



##### Cut By 25%

Single-use plastic:

- Packaging and
- Food ware



##### Recycle 65%

Of single-use plastic:

- Packaging and
- Food ware



##### Make 100%

Of all packaging and single-use plastic food ware recyclable or compostable.

In addition, MDRR is working to collect materials that are difficult to manage in curbside collection programs through our drop-off program (see Section 2.1.12 and Section 2.1.13) in addition to our alternative proposal which offers innovative Recycle+ services (refer to Section 3.3 of this Proposal). These programs will target materials likely to be covered under SB 54, in addition to textiles which are challenging to recycle. This will allow us to pilot programs, which include utilizing local and domestic recycling markets to responsibly manage these waste streams. These programs are at a cost to MDRR, where markets have not developed that provide a value to recyclers to divert these materials. As the EPR programs develop through regulatory rulemaking, MDRR will ensure we are fully compliant. In addition, as funding is released that assists in partially, or fully, compensating these recycling activities, MDRR, with RecycleSmart, will ensure these financial savings will be brought to ratepayers.

**DECLUTTERING YOUR HOME  
OR OFFLOADING MATERIAL  
FROM A JOB SITE?**

**Visit Our Facility Today!**

**OPEN 7 DAYS A WEEK:  
BUSINESSES 5 AM - 6 PM | PUBLIC 7 AM - 6 PM**



**(925) 473-0180**  
**1300 Loveridge Road, Pittsburg, CA 94565**  
**[mdrr.com/processing-facility](http://mdrr.com/processing-facility)**



CalRecycle's December 2023 Covered Materials Category (CMC) List that are listed as 'potentially recyclable'



**Glass and Ceramic:** Bottles and Jars w/o plastic component, Bottle and Jars w/ plastic component, Small – No side greater than 2" w/o plastic component, Small – No side greater than 2" w/ plastic component.



**Metal:** Non-aerosol container w/o plastic component, Non-aerosol container w/ plastic component, Foil sheets w/o a plastic component, Foil sheets w/ a plastic component, Foil Molded Containers w/o plastic component, Foil Molded Containers w/ plastic component, Aerosol can w/ plastic component, Small – No side greater than 2" w/o plastic component, Small – No side greater than 2" w/ plastic component.



**Paper and Fiber:** Kraft paper: All Forms w/o plastic component, All Forms w/ plastic component. Molded Fiber: All Forms of Packaging w/o plastic component. OCC: Cardboard w/o plastic component, Cardboard w/ plastic component. Paperboard, White Paper, Other/ Mixed Paper: All Forms w/o plastic component, All Forms w/ plastic component. Paper and Fiber: Small – No side greater than 2" w/o plastic component, Small – No side greater than 2" w/ plastic component.



**Plastic:** PET (#1): Bottles, Jugs, Jars (Clear/Natural and Pigmented/Color), Thermoformed Containers, Cups, Lids, Plates, Trays, Tubs, Other Rigid Items (including containers). HDPE (#2): Bottles, Jugs and Jars (Clear/Natural and Pigmented/Color), Pails & Buckets, Other Rigid Items (including containers). PP (#5): Bottles, Jugs and Jars, Thermoformed Containers, Cups, Lids, Plates, Trays, Tubs, Other Rigid Items.



**Metal:** Tin/Steel/Bi metal: Non-aerosol container w/o plastic component, Non-aerosol container w/ plastic component, Aerosol can w/ plastic component.



**Special Materials:** Mattresses. Household batteries (Alkaline, re-chargeable, lithium-ion, and button). Household lightbulbs (LED, CFL, and incandescent). Motor oil recycling provided by recycling kits.

Mt. Diablo Resource Recovery will update its minimum targeted materials to match the current list provided by CalRecycle to ensure compliance with regulatory requirements.



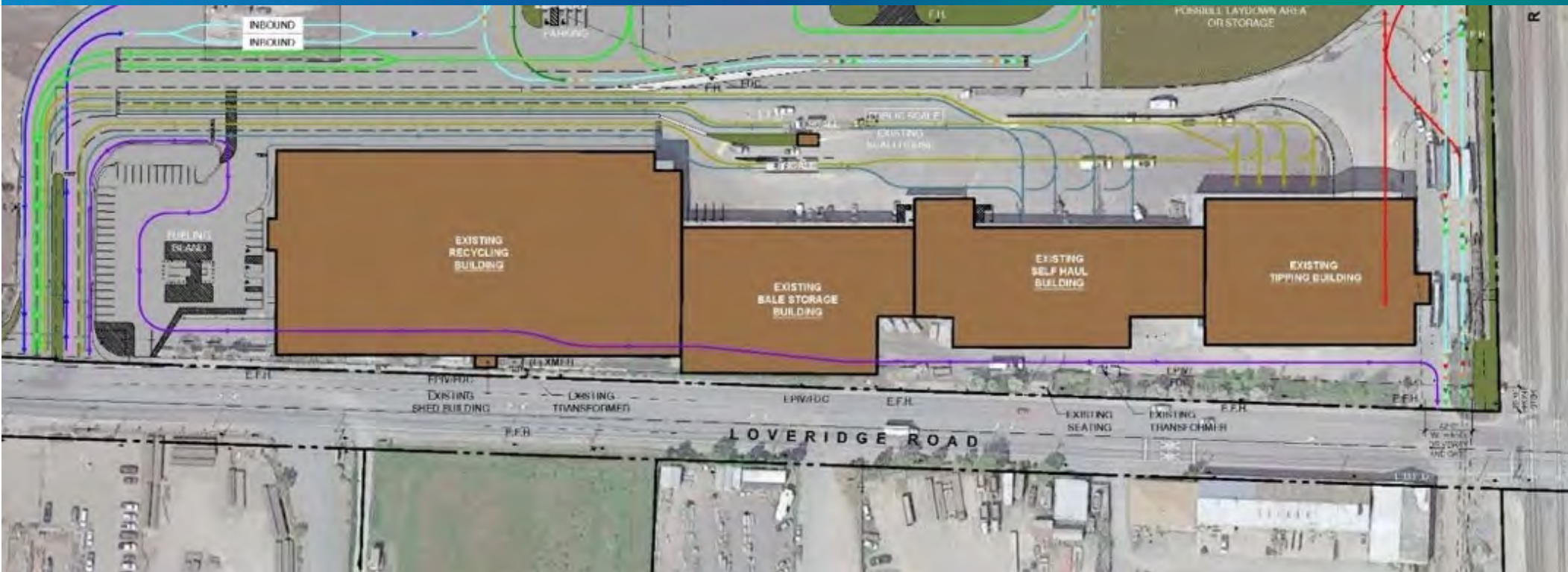


### 3.1.3 Site Information

As with the Transfer Station operations discussed in Section 2.0 of this Proposal, the MDRRP will be made available to the RecycleSmart selected Franchise Collector(s) throughout our **Commercial Routed and/ or Transfer operating hours of 24 hours per day, seven days per week!** This allows for added flexibility for the Franchise Collector to route the service area to avoid traffic impacts and other service-related requirements such as avoiding school zones and residential

areas during early morning hours. In addition, **public drop-off is permitted from 6am to 7pm, seven days per week**, providing a significant service to individuals and businesses that require a location to drop-off unwanted materials. MDRR is only closed two days per year: on Christmas Day and New Years Day, ensuring consistent collection and processing services to the residents and businesses in the RecycleSmart service area.

## Phase 8 MDRRP Site Map - Enhanced Diversion & Technologies





### 3.1.4 Summary of Facility Operations



**Traffic Flow:** All traffic is managed on site and implemented by signage and spotters. Any traffic stacking will be managed along the 4,500 feet of internal roadway on the property. A Traffic Plan and Traffic Signage Program is implemented, and incoming loads are received through the main gate located off Loveridge Road, just south of the MRF building, on the east side of the site. The entrance has one lane for inbound traffic and one lane for outbound traffic, then the roadway widens to four lanes; two incoming and two outgoing to allow for improved traffic flow around the site. After unloading materials, vehicles exit south of the building and transfer vehicles enter at the north access point and exit through either the north gate or south gate. The north access point has one inbound lane and one outbound lane. Trucks hauling recyclables from the facility may enter from a gate near the middle of the building on the east side, near the bale storage area and loading dock. The trucks exit the facility using the main entrance, by utilizing the internal circulatory roads to access the scales.



**Turn-Around Times:** MDRR will maintain a vehicle turnaround time of no more than twenty-five (25) minutes for Franchised Collector delivery of recyclable materials to the MDRRP MRF. The vehicle turnaround time will be measured as the elapsed time from the vehicle entering the MDRRP property to the vehicle leaving the property. Upon request by RecycleSmart, MDRR will provide reports or access to electronic scalehouse system records and/or on-site camera recordings so actual vehicle turnaround times can be confirmed. On-site surveys can be conducted by the Authority and/or the Franchised Collector to verify compliance with the guaranteed vehicle turnaround times.



**Scalehouse Operations:** MDRR will operate the scalehouse and maintain the scalehouse software system at the MDRRP to provide the highest levels of customer service. The scalehouse will be continuously attended by highly qualified and trained weighmasters to receive inbound and outbound loads while providing excellent customer service utilizing enhanced technology. Our automated scale system provides a smooth check-in and check-out process that ensures efficient unloading operations and reduces vehicle queuing times. All scales and weighing equipment will be kept in good condition, operating at the standards of accuracy and reliability specified by the California



Code of Regulations and Section 8.9 of the Agreement. Scales will be inspected at least once per year by qualified personnel and if a scale or weighing equipment is found to be inaccurate or showing errors outside of allowable tolerances, MDRR will promptly repair and/or recalibrate the equipment to ensure accurate operation. MDRR will ensure that cameras will record all scalehouse transactions, inbound vehicle traffic, and vehicle unloading. MDRR has the ability to access the cameras remotely in real-time and record certain timeframes.

**Reporting:** All records will be maintained in a secure, electronic format and be backed-up in a manner that assures information can be retrieved quickly and reliably. Records will be maintained to facilitate flexible use of data to determine and evaluate all aspects of MRF operations; evaluate past and expected progress towards



achieving diversion goals; determine needs for program adjustments; and evaluate MRF performance. The format of each report shall be approved by RecycleSmart and according to the approved final Agreement.

### 3.1.5 Load Receiving & Inspections



Hazardous waste is not accepted at the facility and discharge of hazardous waste is prohibited. A Hazardous Waste Exclusion Program is implemented at the facility and includes a Load Checking program that prevents the acceptance of waste via daily, random load inspections. Records of load checks and the training of personnel in the recognition, proper handling, and disposition of hazardous/prohibited waste are kept onsite.

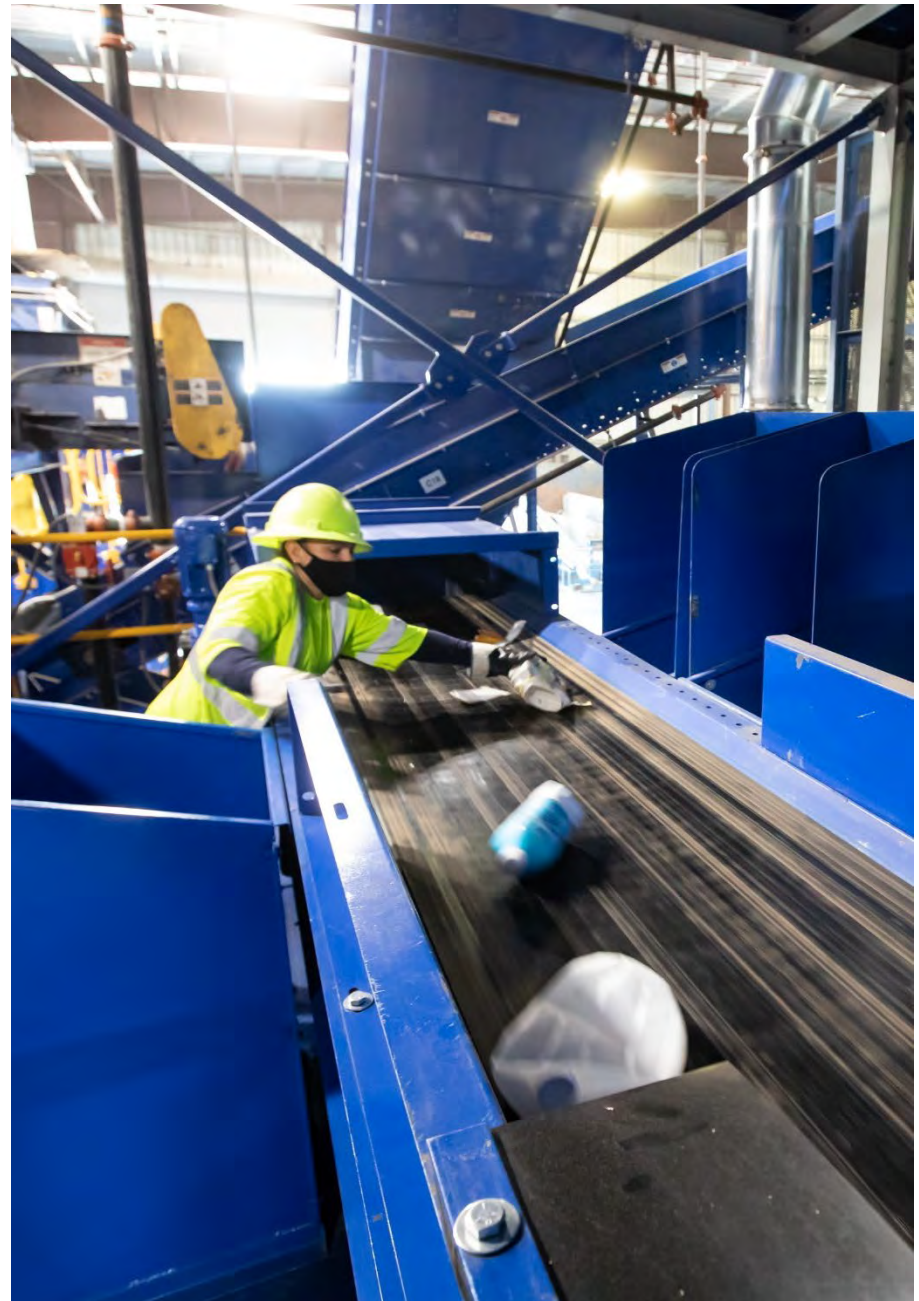
The screening program consists of the following activities:

- ✓ Inspecting all self-haul loads, loads not coming in packer trucks and suspicious loads.
- ✓ Inspecting randomly selected truck loads.
- ✓ Regularly inspecting the wastes deposited and sorted at the facility.
- ✓ Training facility personnel in: (i) the effects of Hazardous Substances on human health and the environment; (ii) identification of Unpermitted Waste; and, (iii) emergency notification and response procedures.
- ✓ Rejecting any loads containing hazardous, biohazardous, or designated wastes.
- ✓ Reporting incidence of unlawful disposal to specific agencies.
- ✓ Installing entry signs stating what wastes will be accepted and not accepted.



In the event hazardous waste is inadvertently unloaded onto the tipping floor, the materials will be managed according to the procedures outlined in the Hazardous Materials Management Plan and any suspicious loads or questionable materials will be inspected by the foreperson. Any wastes which cannot be identified as non-hazardous are assumed to be hazardous. Hazardous and unidentified material will be handled in the following manner:

1. If the material can be identified and it can be safely moved, it will be transported to the hazardous material storage area and placed in suitable containers in the appropriate storage compartment.
2. If the material cannot be identified and can be safely moved, it will be transported to the approved hazardous material storage container and segregated until identification by agency personnel.
3. Spills of any unknown liquids should be treated as though hazardous (i.e., contained as rapidly as possible with absorbent material and the area cordoned off). If normal operations interfere with clean-up efforts, incoming vehicles must be directed away from the site of the spill.
4. If the spilled material is recognizable and is judged to be relatively non-toxic (e.g., motor oil) the absorbent material will be containerized and transported to the approved hazardous material storage container.
5. If the spilled material cannot be identified, the area should remain cordoned off until identification can be made by the Contra Costa County Health Services Department (CCCHSD). Instructions from the CCCHSD will be followed regarding subsequent containment, storage, and disposal. Any spills or releases which pose an immediate threat will be handled according to procedures established in the facility's Emergency Response Plan.





Hazardous materials that are inadvertently unloaded onto the tipping floor will be recovered, properly packaged, and stored in the hazardous materials storage room that is located east of the main tipping floor. Hazardous materials used in the operation of the facility, such as cleaning and maintenance solvents, are properly inventoried and stored in the storage room. Primary containment vessels for hazardous waste consist of lab-packed 55-gallon drums. Each drum is marked with the words "Hazardous Waste" and the date when the waste was initially placed in the container. The containers are continually monitored to detect any general deterioration or leaks and are kept closed at all times, except when being filled. Storage times are limited to less than 90 days or in accordance with regulatory requirements.



The hazardous materials storage room consists of eight-inch concrete curbs that divide the room into four bays to separate incompatible wastes (acids, bases, corrosives, and flammables) and provide secondary containment. A compartment each is dedicated for the storage of acids, bases, corrosives, and flammables. The separate storage areas are identified by signs with the name and number of the Emergency Coordinator, contact agencies, and the location of emergency equipment. A supply of inert absorbent (vermiculite), gloves, safety goggles, boots, respirators, and fire extinguishers for use by station personnel is stored in the storage room and adjacent to the electrical room of the tipping floor.



### 3.1.6 Facility Tours

We provide extensive tours at the MDRRP that is home to our newly modernized Materials Recovery Facility and our innovative Education Room. Open to students, businesses, service clubs, and to the public, our dynamic tour lets guests learn firsthand what happens to the materials placed in their collection containers. We offer facility tours for kids (ages 6 to 12 years old), teens (ages 13 to 19 years old), adults, and large groups (10 or more) that are geared to each group and cover appropriate topics.

Personal protective equipment, including but not limited to high visibility vests, eye protection, ear protection, and hard hats are provided for tour participants. Our education room at the MRF is used as the meeting point for the tour group and contains interactive educational information and outreach materials. We have a dedicated phone and email address for the public to schedule tours of the MDRRP.



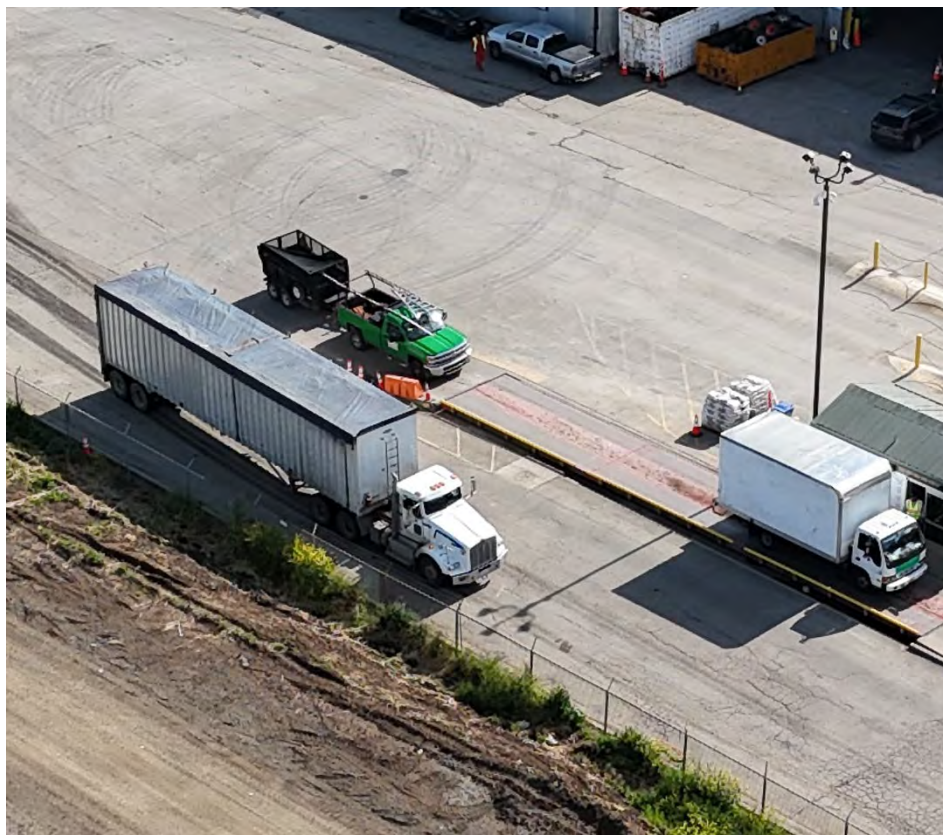


### 3.1.7 Permits & Regulatory Compliance

The regulatory agencies that monitor the MDRRP’s compliance with applicable local, state, and federal laws and regulations are provided in Section 2.1.3 of this Proposal along with the facility’s compliance record for the past five years.

### 3.1.8 Available Processing Capacity

Refer to Section 2.1.4 of this Proposal for details on the available processing capacity of the MRF.



### 3.1.9 Import & Operating Restrictions

There are no import restrictions or fees on recyclables processed at the MDRRP MRF.

#### Operations Restrictions

The MDRRP MRF is permitted to operate 24 hours per day for commercial loads and from 7am to 6pm daily for public loads. The facility is open 363 days per year and is closed on Christmas Day and New Years Day. The permitted volume is 500 tons per day (TPD) of recyclable materials with a maximum of 950 vehicles trips per day.



### 3.1.10 Staffing

The following employees are utilized for the MRRF operations, which include processing up to 35 tons per hour (TPH) during 2 shifts, averaging minimal residue that averages less than 26%, resulting in more than 74% diversion.

MDRRP MRF Staffing	
Foreperson -directs operations at facility	4
Baler Operators -operates balers	9
Equipment Operators -operates mobile equipment	6
Sorters -separates recyclables	28
Utility -cleans equipment & facility -assists w/ various tasks (spotter/traffic)	17
	64





### 3.1.11 Safety Plans



All MDRR employees in every line of business (Collections, MDR, RCTS, SEG, Customer Service, and Administrative) are required to participate and complete safety trainings. As a Cal/OSHA-designated high-hazard industry, MDRR believes it is important for employees who are directly exposed

to certain hazards to receive specific training, while those who are indirectly exposed (Customer Service and Administration) should have a general understanding of the challenges faced by front-line field workers.



By ensuring that all departments complete these monthly safety training meetings, MDRR aims to foster mutual understanding and respect among employees and equip them with the knowledge and preparedness required to face potential dangers in the workplace.

This approach also instills a safety culture throughout the entire company and operations, so every employee comes home safely each day. MDRR provides suitable operational and safety training for all MDRRP MRF employees who operate vehicles and equipment according to our comprehensive facility Safety Plan, which includes company safety policies, training programs, frequency of training meetings, and the name of our Safety Officer. MRF employees are required to participate in an annual review of the safety training and all training records are kept onsite. Section 2.1.6 of this Proposal includes additional information on our Safety Plan for the entire facility.

### 3.1.12 RDRS Reports

MDRR does not submit RDRS reports for the MRF operations. Please refer to Section 2.1.8 of this Proposal, which details the Transfer Station for RDRS reports for the MDRRP.





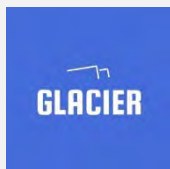
### 3.1.13 Upgrades & Improvements

MDRR is in the planning phases for implementing numerous operational changes for other operations at the facility, which are discussed in Section 2.1.9 of this Proposal. The MRF upgrades recently installed were a huge investment and improvement in recovery operations; we will continue to explore new technologies that include robotics and other automation. We will also work on implementing various pilot programs to enhance our diversion efforts. MDRR is currently investigating technological advancements in collaboration with reputable companies like BHS Robotics, Glacier, and EverestLabs to integrate robotics and technology to increase effective sorting and minimize residue.

**MDRR is positioned to work with companies like these to better streamline MRF operations, anticipate throughputs for outbound materials, and conduct outreach efforts. This data will be instrumental in MDRR's role under SB 54 and tracking the recyclability of products.**



BHS Robotics specializes in providing automation systems, products, and comprehensive machine solutions to enhance productivity in various industries. With their expertise in a wide range of control platforms, systems, and products, they are able to offer tailored automation solutions that meet your specific application needs. Their extensive experience with innovative systems allows us to deliver custom automation solutions for diverse industries such as corrugated packaging, e-commerce, retail, healthcare, automotive, and heavy-duty manufacturing. End-of-Life automation for maximum productivity includes robot palletizing, robotic high-speed pick and place, vision-enhanced sorting and more.



Glacier is a San Francisco-based Artificial Intelligence and robotics company whose mission is to end waste. Their first product toward this vision is the world's most affordable, high-performing, and space-saving AI-powered robot that efficiently identifies over 30 categories of recyclable materials (like black plastic, thermoform, PET, HDPE, aluminum, and aseptic containers) in real-time. With the ability to identify products based on shape, resin, and/or other properties, these robots greatly enhance the materials recovery process. Furthermore, the AI intelligence systems provide valuable data insights to help us better track and evaluate our waste stream.



EverestLabs is a leading climate technology company known for developing RecycleOS<sup>SM</sup>, a cutting-edge enterprise AI software and automation solution designed to address key challenges faced at MRFs. Through the use of RecycleOS, MRFs have the ability to significantly enhance recovery processes and effectively repurpose recyclable materials in manufacturing operations. This ultimately helps reduce greenhouse gas emissions and lowers energy consumption associated with the creation of new packaging materials.



### 3.1.14 Tonnage Tracking



MDRR will maintain a complete record of all commodity sales transactions and monthly reports that will include a summary of marketing efforts, tonnage sold/marketed, per-ton commodity indices and CRV values, and quantity by type of materials. MDRR is committed to transparency and if requested by RecycleSmart, MDRR will provide additional information relating to the transportation method, including contact information for carriers used to transport materials from the MDRRP to the buyers' location or unloading point, and information on ultimate market destinations. This information will be available through the MOUs with our brokers. Additionally, there are robust tracking programs in place with our third-party transportation facilities to include weighing all materials at their destinations, which are recorded and reported back to our companies and allows us to reconcile weights against our records and allows for close quality control of our third-party contractors.

Any residue from processing will closely be tracked and reported to RecycleSmart by Jurisdiction based on the allocations determined by the Franchise Contractors route reports. Importantly to RecycleSmart data by jurisdiction will be provided that are fully compliant with expectations and the Agreement. These processes are in place now, and MDRR currently provides compliance with these requirements. This reporting effort will be maintained over the term of the Agreement.



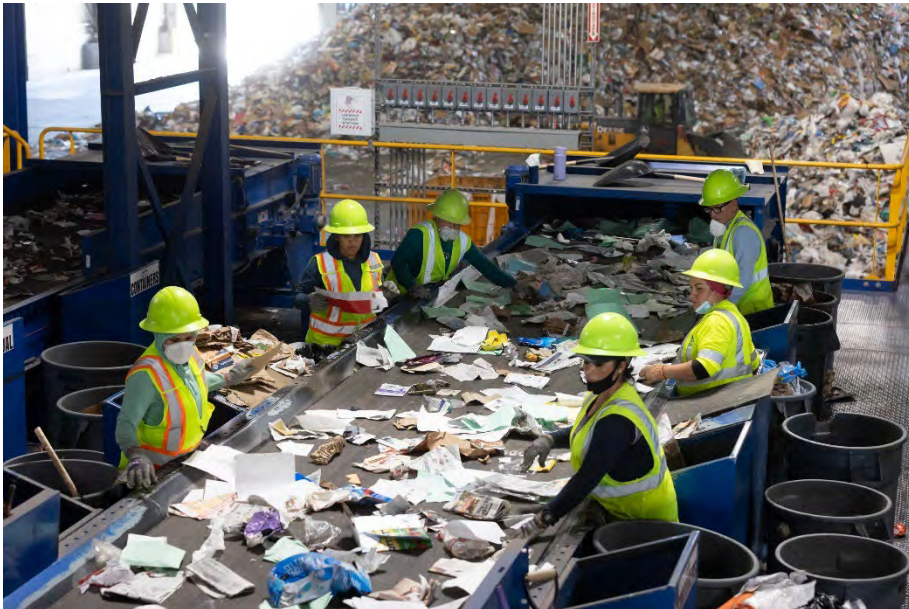


## 3.2 Processing Information

At the MDRRP MRF, we conduct our day-to-day business with specific focus on the following:

**Safety:** We pride ourselves in conducting business in the safest manner possible to ensure our employees, the public, and the environment aren't negatively impacted by operations at the MDRRP. In order to do this, our existing safety programs and environmental protocols are strictly followed and continuously updated. **MDRR conducts regular training and audits of our safety programs to ensure compliance with applicable regulations and provide a safe work environment.** Employees are trained by staff skilled in various aspects of the work and the proper use of facility equipment.

**Efficiency:** Efficiency of operations goes beyond ensuring the MRF is working the maximum hours per day, and instead balances the needs for planned downtime, preventative maintenance,



consistent cleaning, and clear planning for MRF meetings. **By planning for these activities through the course of the day, our team increases the operational efficiency of the MRF operations by significantly reducing unintended downtime.** Additionally, our staff implements clear directions for the day, ensuring that employees understand the goals and objectives of each work shift.

**Intention:** Our management team operates with purpose, making clear our goals to our employees, ensuring our daily activities are focused on safety and the efficient recovery of materials. We communicate with our brokers on a weekly basis to ensure the materials we are processing can be shipped in a timely manner to reputable markets. We make certain our operations remain compliant with our operating permits and all requirements of the Agreement. **This intention communicates leadership from the top down to every level, so operations work cohesively and efficiently.**



### 3.2.1 Processing Methods & Material Flow

MDRR partnered with [Bulk Handling Systems \(BHS\)](#) to modernize our existing single stream recyclables system and is now capable of processing up to 35 TPH utilizing the following equipment:



1. **Metering Bin:** provides an even, steady flow of material into the system.
2. **OCC Separator:** separates cardboard from paper, containers, and fines.
3. **Debris Roll Screen (below OCC Separator):** separates fines (including glass) from paper and containers.
4. **Polishing Screen #1:** separates materials (6" to 12") into different fractions: mixed paper, containers and fines.
5. **Polishing Screen #2:** separates materials (2" to 6") into different fractions: mixed paper, containers and fines.
6. **NRT Optical Sorter #1:** uses high-resolution color detection to recover small cardboard.
7. **NRT Optical Sorter #2:** uses near-infrared technology to eject contaminants from mixed paper.
8. **NRT Optical Sorter #3 w/ AI:** uses artificial intelligence to remove contaminants.
9. **Magnet:** separates out ferrous metals.
10. **NRT Optical Sorter #4:** uses near-infrared technology to separate HDPE plastics.
11. **NRF Optical Sorter #5:** uses transmissive technology to recover PET plastics.
12. **Eddy Current Separator:** captures aluminum.
13. **Balers:** compress recyclables into bales.





Please see the [MDRRP Section of our Proposal Website](#) for an interactive map with a magnifying glass feature.



**Metering Bin**

Provides an even, steady flow of material into the system.



**OCC Separator**

Separates cardboard from paper, containers and fines



**Debris Roll Screen** (under OCC Separator)

Separates fines, including glass, from paper and containers



**Polishing Screen #1**

Separates 6-12" material into different fractions: mixed paper, containers, fines



**Polishing Screen #2**

Separates 2-6" material into different fractions: mixed paper, containers, fines



**Magnet**

Separates out ferrous metals



**NRT Optical Sorter #1**

Uses high-res color detection to recover small cardboard



**NRT Optical Sorter #2**

Uses near-infrared technology to eject contaminants from mixed paper



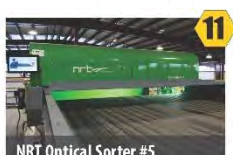
**NRT Optical Sorter #3 with AI**

Optical sorter with Max-AI® artificial intelligence removes contaminants



**NRT Optical Sorter #4**

Uses near-infrared technology to separate HDPE plastics



**NRT Optical Sorter #5**

Uses transmissive technology to recover PET plastics



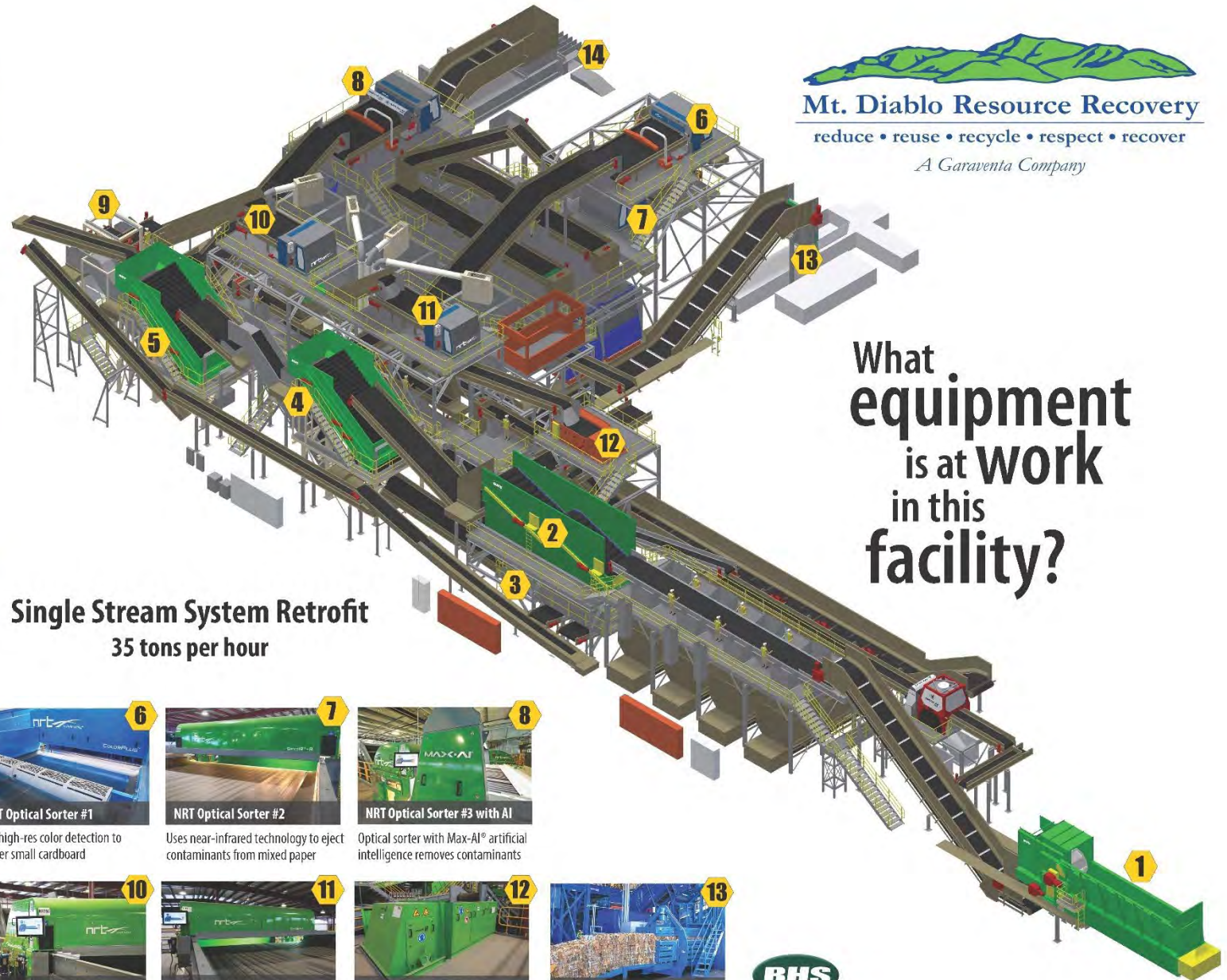
**Eddy Current Separator**

Captures aluminum



**Balers**

Compresses recyclables into bales



**Single Stream System Retrofit**  
35 tons per hour



What equipment is at work in this facility?







Recyclables are unloaded onto the tipping floor and a wheeled loader/excavator loads the materials into the metering bin (1) where the items are spread evenly onto the infeed conveyor and pass the pre-sort stations. Sorters remove items from the conveyor and deposit the materials into the chutes/bunkers below.

After passing the pre-sort stations, the materials are sent to the OCC screen (2) that separates cardboard from paper, containers, and fines.

Fines drop through the 2" holes in the screen and pass through the Debris Roll Screen (3) that is located beneath the OCC screen.

Larger materials pass through the Polishing Screens (4 & 5) where materials are separated by size (6" to 12" and 2" to 6"). Once the materials are separated, conveyors move the materials to the automated portion of the MRF.

Optical sorters and Artificial Intelligence technology separate plastics from each other and remove contaminants.

An eddy current and magnets remove metals.

**All recyclables will be baled prior to shipment offsite to market.**



### 3.2.2 Commodities/Products & Markets

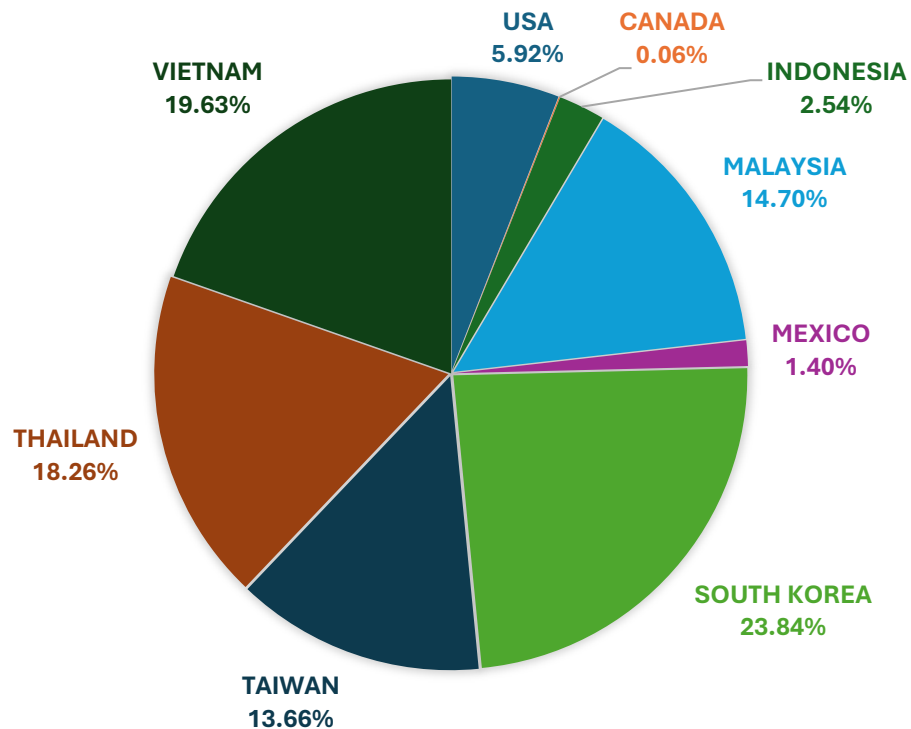
MDRR’s wealth of experience managing and operating MRFs has shown us that effective management requires attention to detail, acknowledging that small operational enhancements and increased efficiencies can amount to significant improvements that result in greater recovery of cleaner commodities.

#### Marketing Transparency

In 2023, MDRR had a recyclables tracking report prepared to analyze foreign and domestic destinations where certain recyclable materials from the MDRRP were delivered over a 12-month period (August 2022 through July 2023) to determine marketing impacts. This ‘baseline’ information provides a point in time snapshot to analyze where materials are going and what, if any, changes can be made to send materials to destinations that may result in more environmentally friendly and ethically responsible post-processing.

Materials processed and recycled domestically in North America (and have a lower environmental impact due to eliminating overseas transportation) include Glass, HDPE Natural, HDPE Color, Metals, PET Plastics, and Shredded Paper. Between August 2022 and July 2023, nearly 6% of certain materials (plastics and fibers) recovered at the MDRRP MRF stayed in the United States and 2% was sent to Canada and Mexico for post-processing and recycling.

The remaining materials were sent to Asian-Pacific Countries for post-processing and recycling. Approximately 24% of the total quantity of material was exported to South Korea (South Korea accepts and processes Mixed Paper, Mixed Newspaper, and OCC), while 20% was sent to Vietnam (Vietnam accepts and processes Mixed Paper, OCC, and Rigid Plastics). Additionally, 18% of the material was directed towards Thailand (Thailand accepts and processes HDPE Color, Mixed Paper, and OCC), while 15% was allocated for Malaysia (Malaysia accepts and processes HDPE Color, LDPE Film Plastics, Mixed Paper, OCC, and Rigid Plastic), 6% was designated for Taiwan (Taiwan accepts and processes HDPE Color, Mixed Paper, and OCC) and nearly 3% for Indonesia (Indonesia accepts and processes HDPE Color, Mixed Paper, PET Plastics, and Rigid Plastics). It is becoming increasingly important for MRFs to add transparency to where recyclables are sent as we consider the life cycle impacts of recycling operations and the long-term impacts of policies such as China’s Nation Sword have on foreign, post-processing recycling markets.





## Baseline of Targeted Materials to Recover



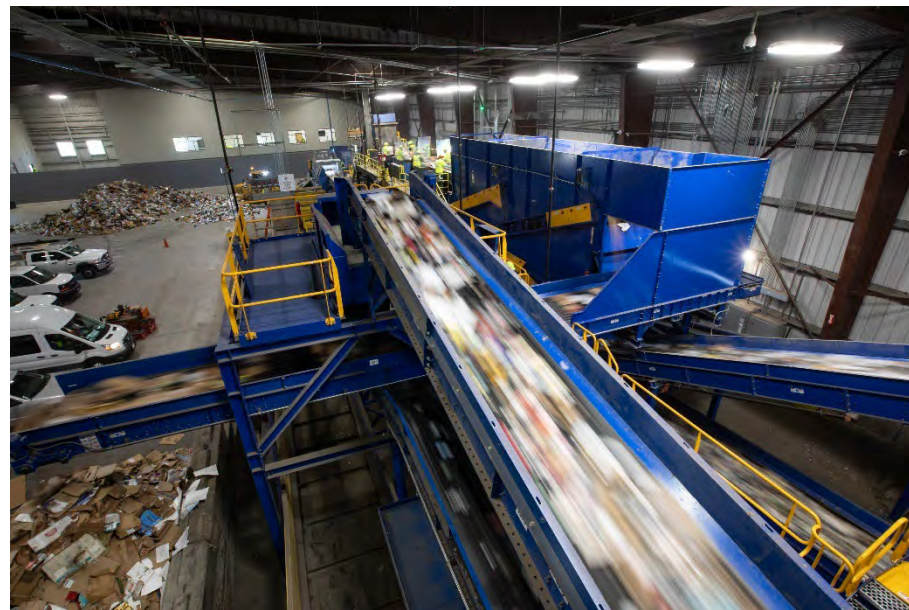
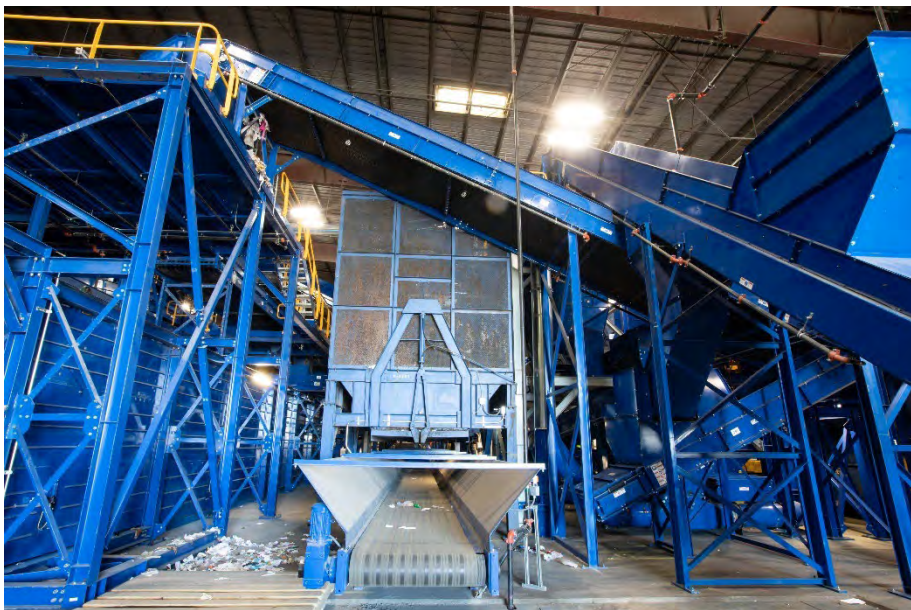


### 3.2.3 Marketing Strategy

MDRR will utilize the following strategies to market materials processed at the MRF:

**Responsible end markets** shall be used, and we will maintain all records necessary to demonstrate compliance in accordance with the Agreement and Exhibit D. Complete and accurate marketing records will include tonnage of material marketed, indices price, and markets by material type will be maintained by our marketing team.

MDRR has **maintained long-term relationships** with materials brokers and continuously develops relationships with new materials brokers in an effort to maximize recoverability of materials. In addition, our marketing team works closely with brokers to continually monitor market conditions to anticipate and react to severe market demand and fluctuations in materials' quantity, composition, and best value.



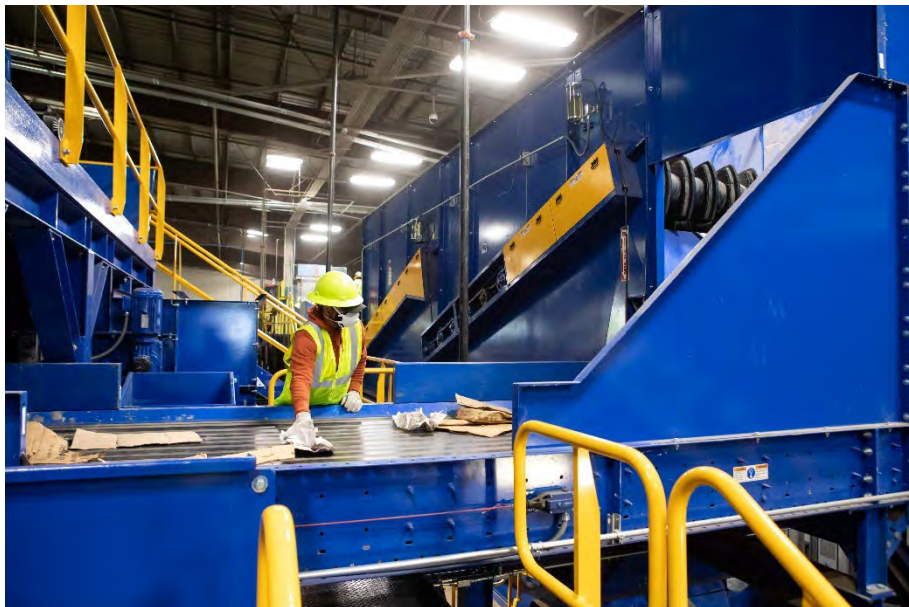
MDRR will continue to use both domestic and foreign (along with local and regional, as available) markets to maintain continued material movement and obtain the highest and best use for waste reduction, prevention, reuse, refill, repair, recovery, and recycling.

MDRR has experience working with public agencies in revenue sharing arrangements, where our **transparent recordkeeping and brokering arrangements** helps to cultivate a strong relationship through these marketing programs. All recovered materials and recyclables bales are prepared and stored in a manner to protect against theft, deterioration, contamination, fire, and other damage or off-site impacts.





**Memorandums of Understanding (MOUs)** with multiple commodities brokers are established to determine potential tonnage throughputs, expectations of material quality, credit worthiness, payment terms, filing of claims, and other commercial considerations. Using our existing contacts, MDRR focuses on finding reliable local and domestic markets as much as possible. Additionally, these existing contacts have established a high level of assurances that materials are handled in an environmentally-sound manner, where materials will be sent for repurposing and manufactured into new products. We have multiple brokers, both foreign and domestic, for commodities processed at our MRF and the MOUs help to establish terms and conditions, with flexibility so that materials can be sold for the best value. MDRR also enjoys priority allocations for shipped materials, which is a vital resource for foreign sales, and we make every effort to develop relationships with local facilities to develop and support additional processing facilities in California, where these outlets are reliable and not impacted by shipping challenges, for example.



Management has **consistent communication** with brokers and direct contacts with end use markets to discuss available tonnage and commodity pricing, employing flexibility when determining which brokers to utilize for specific commodities. To ensure this spot market approach will provide the best available cost and accommodate the movement of materials through the Facility, our marketing team utilizes multiple brokers and clearly communicates our commodities, which results in our ability to move materials and bales consistently.

MDRR understands that to maximize commodity sales at our MRF we must negotiate both price and total volume sold, especially during times when there can be challenges shipping materials from ports. Measuring the total value of the sale, including the balance of price and volume, allows MRFs to operate with a higher degree of flexibility and accommodate the changes in markets and shipping



logistics. MDRR’s marketing team members will work and negotiate between multiple buyers to **ensure the best value** of a sale and it is of primary importance to MDRR that our MRF operations are financially viable, for the mutual benefit of RecycleSmart, MDRR, and the communities we serve.

MDRR has a **reputation** for producing materials at a consistently high quality and our team works closely with our contacts to assess the current markets, pricing, and understands which commodities are selling, where this information is used to guide our operations to ensure the MRF is producing commodities with the intention of selling the product.

**Inspections of material bales** and commodities are an important component of material sales, and we are familiar with the inspection process, and are ready to meet the product requirements as needed. If and when markets tighten, these inspections can be a valuable opportunity to sell commodities through different markets and we are prepared to meet these stringent requirements as they may become necessary.

**Marketing Duties**

Our marketing team will conduct all duties required to continue implementing a robust marketing program. We will ensure all contract terms are met regarding the storage, sale, delivery, and overall management of recyclables. These include:

- **Storage, Insurance, and Shipment** | We will ensure that all recyclable materials are stored to protect against fire, theft, deterioration, contamination, or other damage. This includes ensuring there are personnel onsite after business hours to ensure materials are fully protected.
- **Documentation of End Use** | We will ensure that all buyers and parties accepting the material provide a “certificate of end use,” demonstrating all sold materials have been either recycled or reused.
- **Delivery** | Materials will be delivered to the buyers, end-users, or other parties and in some instances, the purchasers may collect the materials directly at the facility, which will be done without impeding traffic flow and operations.
- **California Redemption Value** | We will maintain a California Redemption Certificate and recover all monies available to processors from the State of California Department of Conservation (DOC) for California Redemption Value (CRV) materials recovered at the facility. These funds will be included in the revenue sharing program with RecycleSmart.

**Responsible End Markets**



*If MDRR becomes aware that a broker or buyer has illegally handled or disposed of recovered material, we will immediately inform RecycleSmart’s Executive Director and terminate our contract / working relationship with such party.*





### 3.2.4 SB 54 Plan



As regulations develop, MDRR will evolve our SB 54 Plan to ensure compliance. As a preliminary step, this plan has been developed to stay on the forefront of various regulations. MDRR will ensure our waste characterization process will involve tracking end-use materials in order to uphold extended producer responsibility (EPR) initiatives. MDRR's **Recycle+** program helps plan for compliance with SB 54 and the Plastic Pollution Prevention and Packaging Producer Responsibility Act. This waste characterization process categorizes materials into recyclable, organic, and other special pickup categories. As described in Section 3.3 that follows, we have established partnerships with specialized pickup companies to enhance EPR initiatives.

## Partnerships with Specialized Pickup Companies

### Plastics & Polystyrene Recycling

Partnership with a domestic third-party verified recycling company. The Recycle+ pilot program will collect plastic bags and film plastics (grocery bags, sandwich bags, plastic wrap / cling wrap, film packaging, bread bags, bubble wrap) and multi-layer plastics (resealable food bags, frozen food bags, fresh food bags, plastic bags for dry pet food and treats, thin wrappers with shiny lining, plastic granola and energy bar wrappers, chip bags, plastic candy wrappers, ramen outer packaging, potting soil and fertilizer bags, woven plastic bags, and produce netting).

- ✓ Pilot Program will aim to send 40-60 TPY to [g2 revolution](#).
- ✓ MDRR will also promote g2 revolution's coffee and tea pod recycling program, which involves separating the materials of the coffee and tea pods, recycling the tinfoil and plastics, and composting the organic waste. MDRR will offer drop off of coffee pods at the MDRRP and include this recycling program in our outreach and education materials.
- ✓ MDRR is also in collaboration with polystyrene recycler [GreenCitizen](#) and another Pittsburg-local company [Perfect Block](#). Both companies collect and processes polystyrene and foam/packing peanuts in California.

### Textile Recycling

MDRR is currently in discussions to collaborate with a domestic textile recycler for the Recycle+ initiative. The objective is to minimize waste by only discarding items that cannot be recovered in MDRR's ReUse Program. The textile recycler will serve as the final resort in the process, ensuring that as much of the textiles are repurposed as possible.

- ✓ Will be located at the transfer station as a drop-off program, included in Reuse Days and potentially in Clean-up days.

### Aseptic packaging and cartons

MDRR has implemented a comprehensive strategy to reduce cartons sent to landfill. MDRR will collaborate with reprocessors recommended by the Carton Council to repurpose recovered cartons into artificial lumber. Additionally, MDRR will utilize advanced sorting technology to efficiently separate cartons. Furthermore, MDRR will implement upstream measures to decrease the volume of cartons in the waste stream. This includes promoting source reduction. As a specific initiative, MDRR is proposing a grant program for schools that will purchase milk dispensers and reusable cups for cafeterias under the Recycle+ program.



### Updates of Material List

MDRR’s Recycle+ program is an investment and function of SB 54. Recycle+ meets all of the applicable requirements of a producer responsibility plan, including, but not limited to, the review, update, and approval process. The state plan includes a producer source reduction plan that meets all the applicable requirements of a PRO source reduction plan prepared in accordance with subdivision (d) of Section 42057, including, but not limited to, the review, update, and approval process.

The MDRR Covered Material Categories List will be adjusted annually, according to CalRecycle’s compliance and updated evaluations of compostability and recyclability, and annually thereafter, MDRR will ensure all recordkeeping is compliant with the regulations as they develop.

One mechanism to update the tracking of materials is the waste characterization studies. MDRR’s waste characterization process will be modified to reflect changes in commodity types as policies are

revised. As the list of commodities may change over the term of the Agreement, MDRR will ensure close collaboration with RecycleSmart on the impact of these changes to the collection programs. Importantly, MDRR is beginning to identify outlets for products now to ensure early action on this important diversion program.

### Operational Updates

As SB 54 becomes more well defined through rulemaking, MDRR and its consultants will ensure that the MDRRP is poised to make operational changes as needed to support the increased recovery rates and management of covered materials. This could include investment into additional equipment, such as robotics or other AI optical sorters, separated collection at the point of generation, additional drop-off opportunities, or other programs and enhancements that will evolve alongside of this new regulation. As a preliminary step MDRR is currently investigating the opportunity of robotics in its MRF (see Section 3.1.13), in addition to the investment of the Recycle+ to pilot new market opportunities for materials that will be covered under SB 54 (see Section 3.3).

### Cost Savings to Ratepayers



RecycleSmart has requested that MDRR anticipate and plan for compliance with SB 54. As part of SB 54 regulations, there will be a corresponding increase in investment towards special pickup programs offered through MDRR’s partnerships. This early action is one of the best ways to help reduce the future costs of compliance with these programs. Additionally, as the regulations develop and producers provide funding for compliance, this funding will be used to offset the costs of these programs to the ratepayers. Currently it is unknown whether this funding will be provided directly to the MFRs or to jurisdictions for disbursement. MDRR acknowledges this and will work with RecycleSmart to ensure that impacts of SB 54 will be managed as a change of scope, per the final Agreement.



### 3.2.5 Proposed Diversion Rates

MDRR has been operating the MDRRP MRF since 2009 and has continually improved our operations with the goal of minimizing residue and maximizing recovery. We have developed several strategies to maximize recovery through our daily operations at the MDRRP. These strategies include:

#### Minimize unintended downtime at the facility

- Downtime over the course of the day can be an effective tool in increasing operational efficiency if it is used intentionally and planned accordingly.
- Unintended downtime events cause operational challenges and reduce operational efficiency of the facility.
- Planned downtime events are used for maintenance, cleaning, breaks and safety and training meetings with staff.
- Daily cleaning and maintenance ensure the equipment operates according to its capabilities.

#### Ensure clear operational goals daily

- Communicating clear goals and objectives of the day ensures employees are focused on tasks to complete during their shifts.
- Operational goals are clear and given to employees before the beginning of each shift.
- These operational goals focus on ensuring materials are moved through the facility efficiently and are responsive to market conditions, to ensure materials are separated to meet those standards.

#### Commodities must be recovered in response to market conditions

- Market conditions, pricing, and requirements change continually, and MDRR staff keeps open communication channels with brokers and end-use facilities.
- Based on weekly conversations with brokers, specific targets will be set for employees to segregate materials and produce bales that will be sold quickly and for a high value.

#### Utilizing labor & equipment appropriately

- Processing operations must utilize the available technology and labor force in a way that is efficient and productive.
- Manual sorting will be used for quality control of materials, to identify materials that are hazardous, and to support the existing equipment at the MRF.

#### Continual evaluation for improvement opportunities

- MDRR understands that there are always opportunities to improve efficiency and operations. Identifying improvement opportunities should be a continual and collaborative effort, where several minor changes to the operation could have significant overall impacts on recovery and residue.





All recyclable materials will be handled in a manner that maximizes diversion. Recovered material will be processed to attract the highest market prices similar to market prices for material produced by similar, local single-stream MRFs. Any materials that do not have a higher or better use, to the extent allowed by State and local law, will be handled as residue for disposal. MDRR processes recyclable materials in a manner that maximizes the recovery for each recyclable material type and minimizes recyclables in the residue stream, this is referred to as the “Effective Recovery Rate.” MDRR’s recyclables processing performance and compliance with the minimum Effective Recovery Rate will be verified through the Characterization Study process discussed in this Proposal and described in Exhibit N of the Agreement. MDRR has demonstrated its commitment to diversion and has been reporting commodity information to RecycleSmart. Included in the Cost Proposal Forms is the historical diversion data of the MDRRP MRF that demonstrate our proven diversion rates. The MRF operations processed materials at up to 35 tons per hour (TPH), averaging minimal residue that averages less than 26%, resulting in more than 74% diversion.

This bill makes the export of mixed plastics wastes to countries other than Canada or Mexico count as disposal, unless the plastics are processed separately, and other conditions are met. MDRR doesn’t bale or export mixed plastics that are regulated under AB 881, therefore we are compliant with the requirements of this bill. MDRR is working with companies on various pilot programs for the recovery and diversion of multi-layer and film plastics, polystyrene, and textiles from the landfill. Additional details on these pilot programs are provided in Section 3.3 of this Proposal.

**Glass Processing Contamination Rate**

In an effort to utilize domestic markets for recovered materials, all glass recovered from the MRF is hauled to [Gallo Glass](#), located in Modesto, for processing into bottles for the wine and spirits industry. During the 4<sup>th</sup> quarter of 2023 Gallo Glass was able to recover 82% of glass sorted at the MDRRP MRF and recycle them into new wine bottles.



Gallo Glass, established in 1958, is a state-of-the-art highly innovative glass manufacturer committed to meeting the needs of customers while minimizing its impact on the environment. Gallo Glass is the largest glass container plant in the United States and is dedicated to delivering service and quality to the wine & spirits industry. Gallo is California's largest single site user of recycled glass, purchasing over 20% of all glass recycled in the State. Nearly 175,000 tons of glass is recycled and diverted from landfills each year. Each Gallo Glass bottle contains up to 75% recycled glass. Gallo Glass sources all of its major raw materials within the state of California.



### 3.2.6 Recyclable Materials Characterization Study

MDRR will conduct Characterization Studies of recyclable materials generated from the RecycleSmart service area that will determine the proportion of recycled materials, by type, delivered by RecycleSmart jurisdiction to MDRRP. In addition, the residuals will be characterized to accurately determine the residual rate of the operation. MDRR will also use this information to identify opportunities in greater material recovery.

The study will comply with Exhibit N of the final Agreement. 100 pounds of materials will be stored onsite separately from other jurisdictions' and sorted in a designated area over the floor and on tables as needed. After the material is processed, the recovered commodities and residue will be weighed. A sample of the residue will be further characterized to determine the capture rate for targeted materials.

- 1 **Schedule** | MDRR will conduct Characterization Studies once per quarter, or on another schedule to be agreed



upon with RecycleSmart. We will submit our proposed schedule for performing each Characterization Study for that calendar year and any other pre-study documentation required under Exhibit N of the Agreement.

- 2 **Study Planning & Preparation** | Prior planning will be done with the MRF operations staff at least two weeks prior to the scheduled study. Effective coordination will be paramount in achieving successful results and MDRR.
- 3 **Sample Selection & Frequency** | 100 pounds of RecycleSmart recyclable materials will be stored onsite separately from material generated in other jurisdictions. Studies will be conducted once per quarter, or on another schedule to be agreed upon with RecycleSmart.
- 4 **Equipment & Supplies** | Existing scales will be used to track materials for the Study and once processing is complete. All containers and bunkers will be emptied prior to starting the Study. The MRF equipment will be cleared of any material prior to starting the Study. RecycleSmart's material will be stored separately from other material and processed until the entire study sample has been sorted.
- 5 **Results & Documentation** | MDRR will submit the quarterly and year-to-date results within thirty (30) Days of completion of each Characterization Study to RecycleSmart. Additionally, we will prepare and submit complete results from the Characterization Study that shows the revenue sharing calculation and final annual summary in accordance with Exhibit N of the Agreement. We understand that RecycleSmart has thirty (30) business days from the submission date to review Studies and verify accuracy and/or request changes and will provide written confirmation of acceptance once such determination as to accuracy is verified by the Executive Director.



### 3.3 Alternative Recycling Proposal

MDRR is providing an alternative revenue share proposal, with value added pilot programs that target hard to manage materials. Under this scenario, MDRR would provide 50% of the CRV sales to RecycleSmart and 90% of the indices value of scrap materials. MDRR would utilize the revenues from the CRV sales to invest in specific hard to recycle products. This program will divert film plastic, multi-layer plastic, polystyrene, textiles, milk cartons and aseptic packaging. In addition to these pilot programs to ensure the recovery of these materials, MDRR will provide grants to schools to support reuse, focused on eliminating milk cartons in the cafeterias. This will be done through giving schools grants to purchase milk dispensers and reusable cups that can replace the purchase and disposal of milk cartons.

**Recycle+ Pilot Program** is a collaboration between MDRR and strategic partners that have been forged over the dedication to Extended Producer Responsibility (EPR) and planet positive impact through recycling. Together, these partners stand united in their mission to make a lasting impact on our environment and society through EPR. Mt. Diablo is dedicated to offering a specialized collection service that goes above and beyond for our customers. We are passionate about Extended Producer Responsibility and providing solutions for challenging materials like plastic bags, film plastics, multi-layer plastics, polystyrene/Styrofoam, textiles and clothing. MDRR is dedicated to meet state and local regulatory requirements, fulfill our commitment to environmental stewardship, and follow our vision of being the region’s premier post-collection processor.

The total investment of these pilot programs described as Recycle+ is approximately \$400,000 per year. This investment is offered in lieu of the alternate revenue share proposal.

#### Recycle+ Partners



GreenCitizen

collects and processes **polystyrene and**

**foam/packing peanuts** in the San Francisco Bay Area. They have been verified by third-party sources, including LEED certification. After picking up the material from MDRR, GreenCitizen partners and collaborates with local Bay Area vendors to repurpose these materials into insulation for home construction, filler for surfboards, picture frames, and various types of skateboards.

MDRR is also in the process of partnering with Pittsburg-local Perfect Block, who makes an insulated composite concrete form made from 100% recycled Styrofoam. Their building materials create a current solution for hard-to-recycle materials.



**Out of the \$400,000 commitment to Recycle+, the annual proposed cost to recycle polystyrene/ Styrofoam, and packaging peanuts comes to \$2,100 annually, with an estimated diversion of 2,000 pounds that would have otherwise been sent to landfill.**







**g2 revolution** collects and reprocesses hard-to-recycle materials and has operations in

Ohio and Chicago. They have received third-party verification from four reputable verification bodies, including being listed on the Inc. 5,000 honor roll, receiving a silver rating on Ecovadis, GreenCircle verified, and earning Platinum Green Business certification. They also make available processed container information, location data, and expired containers through their proprietary *myEco-Trak*® software. Their warehouse is nestled in the heart of central Ohio, and since 2017, it has stood proudly as a 'zero-landfill' facility, a symbol of their unwavering commitment to sustainability and a circular economy.

MDRR is dedicated to offering a specialized collection service that goes above and beyond for our customers. We are passionate about EPR and providing solutions for challenging materials like plastic bags, film plastics, and multi-layer plastics. Through separating hard to recycle plastics in a separate collection program, we are able to discern which materials are eligible to be recycled and sent to g2 revolution, where they will be transformed into new products. Every plastic bag that is correctly sorted and sent to g2 revolution is not just waste, but an opportunity for a new beginning. Upon arrival at their Chicago warehouse, g2 revolution's team processes each container by weighing and sorting its contents. The items are then evaluated and categorized for repurposing, reuse, or recycling.

For this Recycle+ pilot program **plastic bags and film plastics** (grocery bags, sandwich bags, plastic wrap / cling wrap, film packaging, bread bags, bubble wrap) and **multi-layer plastics** (resealable food bags, frozen food bags, fresh food bags, plastic bags for dry pet food and treats, thin wrappers with shiny lining, plastic granola and energy bar wrappers, chip bags, plastic candy wrappers, ramen outer packaging, potting soil and fertilizer bags,

woven plastic bags, and produce netting) will be sorted, evaluated and categorized for repurposing, reuse or recycling by g2. MDRR will also promote g2 revolution's **coffee pod and tea pod recycling program**, which involves separating the materials of the coffee and tea pods, recycling the tinfoil and plastics, and composting the organic waste.



Of the \$400,000 commitment to Recycle+, the annual proposal for working with g2 revolution is \$213,750 with an estimated diversion of 90,000 pounds of plastic bags, film plastics, and multi-layer plastics that would have otherwise been sent to landfill.

**g2 revolution**  
CHANGING THE WAY THE WORLD RECYCLES®

**2022 IMPACT**

- Total Pounds Diverted from Landfill: **25,072,119 lbs**
- Donated Product: **4,553,031 lbs**
- Recycling Containers Shipped: **308,759**
- Processing Facilities: **3** (425,000 Square Feet)
- National Companies Serviced: **90** (representing 88,434 Locations Serviced)
- 100%** material collected diverted from landfill

GreenCircle CERTIFIED  
A SUSTAINABLE SOLUTION  
ZERO WASTE TO LANDFILL

www.g2rev.com

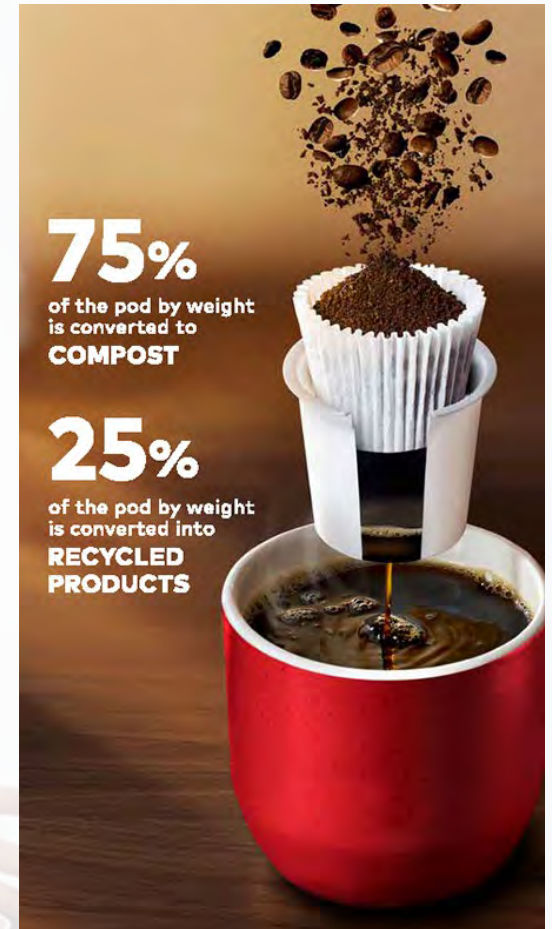




**Coffee and Tea Pod Recycling Program:** MDRR is promoting a recycling program for coffee and tea pods, an EPR-centered initiative that allows businesses and individuals to join forces with g2 revolution in a mission to revolutionize recycling. With options to order either Large or Small recycling bins, customers can easily make the switch to sustainable practices right in their office space. Once the bin is filled with used coffee and tea pods, customers call UPS for pickup. When the bin reaches g2 revolution, the magic truly happens.

Through g2's innovative process, they meticulously separate the components of the pods. Plastic and aluminum are expertly recycled, while coffee and tea grounds along with filters are transformed into nutrient-rich organic compost. This means that a staggering 75% of the pod by weight is converted into compost, while 25% is repurposed into recycled products.

Taking action through Extended Producer Responsibility initiatives and partnering with coffee pod recyclers, businesses are contributing to a greener, more sustainable future by actively reducing office waste while also making a positive impact on the environment.





**Clothing and Textiles:** The Environmental Protection Agency (EPA) reports that **textile waste** accounts for 6% of the material deposited into landfills. This amounts to approximately 26 million pounds of textile waste discarded annually. Remarkably, nearly 95% of textile waste has the potential to be repurposed or recycled.



MDRR is currently in discussions to collaborate with a domestic textile recycler for our Recycle+ initiative. The objective is to minimize waste by only discarding items that are unable to be reused. The textile recycler will serve as the final resort in the process, ensuring that as much of the clothing as is repurposed as possible.



**MDRR commits to allocating \$100,000 each year towards textile diversion and recycling efforts, resulting in a total diversion of 20,000 pounds annually.**

**Milk Cartons:** Cartons remain a relatively common portion of the container stream and are often used for beverages such as milk and juice. The design of cartons is such that both plastic and paper materials are layered onto each other in the walls of the carton. Separated plastic and paper are difficult to recycle as plastic degrades between each iteration, and paper lacks robust domestic markets. This difficulty is compounded with cartons for which separation of the materials is logistically impossible. Carton’s poor market value, low mass, and high contamination necessitates special approaches to handling and recovery.

MDRR has a threefold approach to minimizing the number of cartons that need to be landfilled. MDRR will work with the precious few reprocessors of cartons, as identified by the Carton Council, to move recovered cartons to be used as a feedstock for artificial lumber. MDRR may need to coordinate with other regional waste service providers to amass enough cartons to justify a shipment that

is economically viable. MDRR will communicate with partners to perform a “milk run” in which one truck visits MDRR and partnering MRFs to collect several weeks’ worth of cartons to bring to market. In the absence of this approach, a MRF would have to stockpile cartons for prohibitively long periods of time.



The second approach is that MDRR will use human and artificial sorting improvements to identify and extract cartons from its sorting lines. MDRR intends to use robotics, and is in preliminary conversations with companies like BHS Robotics, Glacier or Everest, to improve the positive sorting of cartons. This will generate greater volumes of cartons recovered from the otherwise-landfilled stream of materials. Additionally, the technologies will generate data pertaining to cartons and other material streams. This data will be valuable for establishing recovery rates for cartons. Recovery rates will be used to determine whether carton-based containers should remain available for sale in California under SB 54. Should cartons not be allowed for sale in California due to low recycling rates, the upstream causes of carton waste will be resolved.

Lastly, MDRR can use its upstream tools to reduce the number of cartons going to landfill. Specifically, MDRR will leverage its outreach and education resources to teach source reduction as viable alternatives to cartons and other problematic packaging. MDRR can record and publish its recovery of cartons and other packaging to help guide its customers’ purchasing behavior. MDRR uses every avenue of communication to encourage the people it serves to make wiser packaging decisions.



**Committing \$33,750 towards shipping aseptic packing to recycling reprocessors and \$45,200 per school for a source reduction grant, MDRR will divert 90,000 lbs. of milk cartons, aseptic packaging, other cartons and layered packaging from landfill annually.**



## 6.0 Exceptions to the Draft Agreement

## 7.0 Cost Proposal

## 8.0 Other Proposal Forms





# **Mt. Diablo Resource Recovery**

Trusted + Proven + Essential

**[mdrr.com](http://mdrr.com)**



*This page intentionally left blank.*



**EXHIBIT H:**  
**APPROVED AFFILIATES AND SUBCONTRACTORS**

---

*This page intentionally left blank.*

## EXHIBIT H: APPROVED AFFILIATES AND SUBCONTRACTORS

---

In accordance with Section 2.9, the following Subcontractors and Approved Affiliates are pre-approved by the Authority as part of this Agreement. The Contractor shall be solely responsible for management and oversight of the activities of all Subcontractors and Approved Affiliates and shall require compliance with all material terms of this Agreement, including the Indemnification and Insurance provisions provided in Article 13.

### **Subcontractors**

- None

### **Approved Affiliates**

- Garaventa Enterprises, Inc. (dba SEG Trucking)
- Contra Costa Waste Service, Inc. (dba Mt. Diablo Resource Recovery, MDRR and Recycling Center and Transfer Station)

As provided for in Exhibit A, Subcontractors do not include vendors providing materials and supplies to the Contractor. The list of the Contractor’s current vendors below is provided only as examples to differentiate between the definition of Subcontractors under this Agreement and the Contractor’s vendors; provided, however, that the hauling vendors used by the Contractor are for services provided to the Contractor and/or its Approved Affiliates are for material Transport that does not include Commingled Organics, Solid Waste, or Mixed Materials under this Agreement and such vendors shall not be permitted to provide Transport services under this Agreement without prior written approval of the Authority as Subcontractor(s). For the avoidance of doubt, the list below shall not constitute the Authority’s approval of the Contractor’s vendors, and the Contractor is not required to secure approval from the Authority for its vendors.

### **Vendors**

- |                       |                      |
|-----------------------|----------------------|
| • DPS                 | • Standard Iron      |
| • Darrah Trucking     | • E-Recycling        |
| • CarpetCARE          | • Berg Mill          |
| • ABM                 | • Ekman              |
| • Diablo Valley Rock  | • Fiber Trade        |
| • Rio Bravo – Rocklin | • Kousa              |
| • Southwick Trucking  | • Newport            |
| • CVDP                | • Ricovia            |
| • DR3                 | • Ming Recycling     |
| • Lakin Tires         | • Recycling Zone     |
| • Castle Tires        | • KT Trucking        |
| • Adan Tires          | • Waze Trucking      |
| • Campos Brothers     | • Standard Iron      |
| • Call-2-Recycle      | • Edgar & Associates |
| • Freon               | • Odne Law APC       |
| • CBL                 |                      |
| • CASS                |                      |

*This page intentionally left blank*

**EXHIBIT I:  
LABOR AGREEMENTS**

---

*This page intentionally left blank.*



# **LABOR AGREEMENT**

Between

**Teamsters Local 315**

And

**Mt. Diablo Resource Recovery, Inc.  
GARBAGE & RECYCLING DIVISION**

(Includes Concord Disposal Service, Pittsburg Disposal Service, Oakley Disposal Service,  
Discovery Bay Disposal Service, Rio Vista Sanitation,  
Delta Debris Box Service and SEG Trucking)



**INTERNATIONAL BROTHERHOOD OF TEAMSTERS**

**MARCH 1, 2020 THROUGH FEBRUARY 28, 2025**

TEAMSTERS LOCAL 315

\*\*\*\*\*

OFFICE HOURS:                      Monday —Thursday 8:30 AM - 5:00 PM  
Friday 8:30 AM -1:30 PM

H&W:                                      Teamsters Benefit Trust  
Dental                                      Toll Free 1-800-533-0119  
Vision

PENSION:                                Western Conference of Teamsters  
Toll Free 1-800-845-4162  
Direct 1-650-570-7300

TAP:                                        Teamsters Assistance Program  
510-562-3600

MEMBERSHIP MEETINGS:            Second Wednesday of each month at 8:00pm

\*\*\*\*\*

## TABLE OF CONTENTS

### Contents

AGREEMENT .....	4
ARTICLE I. EMPLOYMENT OF UNION MEMBERS .....	4
ARTICLE II. BUSINESS AGENTS-SHOP STEWARDS .....	5
ARTICLE III. STRIKES .....	6
ARTICLE IV. WAGES AND CLASSIFICATION .....	7
ARTICLE V. VACATIONS.....	10
ARTICLE VI. HOLIDAYS .....	11
ARTICLE VII. JURY DUTY .....	12
ARTICLE VIII. FUNERAL LEAVE .....	12
ARTICLE IX. PAYROLL DEDUCTION.....	12
ARTICLE X. SENIORITY.....	13
ARTICLE XI. DISCHARGE AND SUSPENSION.....	15
ARTICLE XII. DISPUTES AND GRIEVANCES.....	16
ARTICLE XIII. HEALTH AND WELFARE .....	18
ARTICLE XIV. SICK LEAVE .....	19
ARTICLE XV. LEAVE OF ABSENCE.....	20
ARTICLE XVI. GENERAL PROVISIONS .....	21
ARTICLE XVII. PENSION .....	22
ARTICLE XVIII. Drug and Alcohol Testing .....	25
ARTICLE XIX. MANAGEMENT RIGHTS .....	30
ARTICLE XX. TERM OF AGREEMENT .....	31

## **AGREEMENT**

THIS AGREEMENT made and entered into this 1st day of March, 2020 by and between Mt. Diablo Resource Recovery, Inc, party of the first part, hereinafter referred to as the "Employer," and the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN, AND HELPERS OF AMERICA, LOCAL NO. 315, of Contra Costa County, party of the second part, hereinafter referred to as the "Union," covering the employment of employees coming under the jurisdiction of the Union engaged in the collection of disposal of garbage, scrap, waste and recyclables as defined by California State Law within the jurisdiction of Contra Costa County and Solano County.

### **ARTICLE I. EMPLOYMENT OF UNION MEMBERS**

**Section 1. Recognition.** The Employer hereby recognizes the Union as the exclusive bargaining representative for all employees covered in the Agreement.

**Section 2. Union Security.** All employees covered by this Agreement shall become and remain members of the Union within thirty-one (31) days after employment or the effective date of this Agreement, whichever is later, by paying the uniform initiation fee and dues required for membership. As a condition of employment all employees shall maintain their membership in the Union in good standing.

No employee will be accepted by the Employer who is unable to pass an examination based upon the motor vehicle laws of the State of California. All employees must possess and maintain a valid California Driver's License.

All current employees and applicants must possess a valid California Driver's License of the proper Class Type and any endorsements required covering the specific work to be performed by the Applicant as a prerequisite to being considered for employment.

All employees shall be required to submit a photocopy of their driver's license, medical card, and other endorsements upon renewal.

All employees who operate company vehicles must maintain their driver's license and required endorsements. If an employee fails to maintain his or her driver's license and endorsements, the employee may be subject to termination.

The Employer shall pay for the costs of all driver D.O.T. physical examinations performed by physicians or medical groups designated by the Employer. Employees, at their own discretion, and at their own expense, will have the ability to see their own doctor to get the D.O.T. Physical examination

Suspension of driving privileges for 60-90 days will result in Employee's position being put out to bid. Suspensions of driving privileges for 90 days or more will result in termination.

Suspension of driving privileges due to medical disability will be treated as a leave of absence. Such leave will not exceed two years, except with the written consent of the Union and the Employer. Employees must notify Employer on a monthly basis of their status. There will be no accumulation of vacation time during any suspension of the employee's driver's license.

All employees must maintain their driver's license and endorsements. If an employee fails to maintain, employee may be subject to termination.

When the Employer requires additional drivers, employees employed in the classification of Helper by the Employer shall be given preference in obtaining the Driver position providing:

1. The Helper obtains and maintains the necessary California driver's license issued by the Department of Motor Vehicles.
2. In the judgment of the Employer, the Helper is qualified to perform the duties of the Driver's position.

The Union agrees to respect the right of the Employer to completely conduct and supervise his business.

**Section 3. Introduction of Equipment.** In the event the Employer decides to introduce a new type of equipment, the Employer will meet with and discuss the appropriate classification and wage rate with the Union.

**Section 4. Fair Employment.** Neither the Employer nor the Union shall unlawfully discriminate against any employee on any basis made unlawful by all applicable federal or state laws. The Employer will not pay wages, benefits or conditions of employment less than those established by this Agreement.

In this Agreement, reference to the male gender shall include the female gender.

## **ARTICLE II. BUSINESS AGENTS-SHOP STEWARDS**

A. Stewards shall be provided for at the option of the Union; such stewards to be selected by the employees on the job. The duties of the steward shall be to report to the Union any and all grievances which may arise and cannot be adjusted on the job. There shall be no discrimination of any kind against the steward because of Union activities.

B. Specific functions and rules for stewards mutually agreed upon between the Union and the Employer are to be posted at each location.

C. The Business Agent shall notify the Employer prior to entering the Company's premises, shall obey all reasonable Company safety rules and shall not interfere with the operations of the Employer. The Business Agent shall have access to the premises during working hours for the purpose of seeing that the provisions of the Agreement re being adhered to.

D. Union Official's Seniority. Any employee who is elected or officially appointed to office in the Union, which office requires his absence from the Employer's service, shall be granted a leave of absence there for without loss of seniority, entitling him upon retirement from such office to reinstatement consistent with his seniority.

### **ARTICLE III. STRIKES**

The Union is not in favor of sympathetic strikes and will do everything possible to avoid them.

The Union agrees that there shall be no strike, work stoppage, slowdowns or other interruptions of work on the part of either the Union or the employees. The Employer agrees that there shall be no lockout of employees covered by this Agreement during the life of this Contract.

**Picket Line.** It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action or permanent replacement in the event any employee refuses to enter upon any property involved in a lawful primary picket line, as sanctioned by Teamsters Joint Council NO.7.



**ARTICLE IV. WAGES AND CLASSIFICATION**

	<b>3/1/2020</b>		<b>3/1/2021</b>		<b>3/1/2022</b>		<b>3/1/2023</b>		<b>3/1/2024</b>
					<b>Collection</b>				
<b>Drivers</b>	\$ 35.82	\$	\$ 36.82	\$	\$ 37.82	\$	\$ 38.82	\$	\$ 39.82
<b>Debris Box</b>	\$ 35.86	\$	\$ 36.86	\$	\$ 37.86	\$	\$ 38.86	\$	\$ 39.86
<b>Front End Working Foreperson</b>	\$ 35.86	\$	\$ 36.86	\$	\$ 37.86	\$	\$ 38.86	\$	\$ 39.86
	\$ 35.82	\$	\$ 36.82	\$	\$ 37.82	\$	\$ 38.82	\$	\$ 39.82
					<b>Recycling</b>				
<b>3-Axle</b>	\$ 35.37	\$	\$ 36.37	\$	\$ 37.37	\$	\$ 38.37	\$	\$ 39.37
<b>Cart Shop Laborer</b>	\$ 27.04	\$	\$ 28.04	\$	\$ 29.04	\$	\$ 30.04	\$	\$ 31.04
<b>Semi-Truck Driver</b>	\$ 24.00	\$	\$ 25.00	\$	\$ 26.00	\$	\$ 27.00	\$	\$ 28.00
	\$ 36.00	\$	\$ 37.00	\$	\$ 38.00	\$	\$ 39.00	\$	\$ 40.00
					<b>Mechanics</b>				
<b>Heavy Duty Multi-Purpose Service Mechanic</b>	\$ 40.06	\$	\$ 41.06	\$	\$ 42.06	\$	\$ 43.06	\$	\$ 44.06
<b>1st 6 Mos</b>	\$ 37.47	\$	\$ 38.47	\$	\$ 39.47	\$	\$ 40.47	\$	\$ 41.47
<b>2nd 6 Mos</b>	\$ 36.92	\$	\$ 37.92	\$	\$ 38.92	\$	\$ 39.92	\$	\$ 40.92
<b>3rd 6 Mos</b>	\$ 32.92	\$	\$ 33.92	\$	\$ 34.92	\$	\$ 35.92	\$	\$ 36.92
<b>1st 6 Mos</b>	\$ 34.92	\$	\$ 35.92	\$	\$ 36.92	\$	\$ 37.92	\$	\$ 38.92
<b>2nd 6 Mos</b>	\$ 35.92	\$	\$ 36.92	\$	\$ 37.92	\$	\$ 38.92	\$	\$ 39.92
<b>3rd 6 Mos</b>	\$ 36.10	\$	\$ 37.10	\$	\$ 38.10	\$	\$ 39.10	\$	\$ 40.10
<b>Painter, Tire person, Bin Repair, Welder</b>	\$ 36.10	\$	\$ 37.10	\$	\$ 38.10	\$	\$ 39.10	\$	\$ 40.10
<b>1st 6 Mos</b>	\$ 31.10	\$	\$ 32.10	\$	\$ 33.10	\$	\$ 34.10	\$	\$ 35.10
<b>2nd 6 Mos</b>	\$ 33.10	\$	\$ 34.10	\$	\$ 35.10	\$	\$ 36.10	\$	\$ 37.10
<b>3rd 6 Mos</b>	\$ 34.51	\$	\$ 35.51	\$	\$ 36.51	\$	\$ 37.51	\$	\$ 38.51
<b>Parts Person Shop Laborer</b>	\$ 33.61	\$	\$ 34.61	\$	\$ 35.61	\$	\$ 36.61	\$	\$ 37.61
	\$ 25.41	\$	\$ 26.41	\$	\$ 27.41	\$	\$ 28.41	\$	\$ 29.41

**Any portion of wages may be diverted to Pension.**

Recycling classifications are exempt from break-in rates.

Working Foreman classification is exempt from seniority and bid procedure.

Painters, Tire Men, Bin Repair and Welders may have interchangeable jobs.

Split work week applies to all shop employees. The work week will consist of Monday through Friday and Tuesday through Saturday.

Any employee attending school pertaining to job shall receive preference on shift assignments.

**Section 1. Starting Time.** Because of the peculiar nature of the scavenger business, the daily starting time shall be left to the discretion of the Employer. The Employer will make reasonable efforts to provide a written or verbal notification to the affected employee at least twenty-four (24) hour notice of any change in starting time. If an employee is unable to report to work he shall so report to the Employer at least one-half (1/2) hour before his scheduled starting time.

**Section 2. Absenteeism.** It is essential to the success of the Company and to the security of everyone's job that productivity schedules are met on time, and that our customers receive consistent, uninterrupted services. To accomplish these objectives, regular and prompt attendance at work is required of all employees.

If any employee finds it necessary to be absent, that employee must notify his or her supervisor by phone, no less than one-half hour prior to his or her start time. Notification received from another employee, friend or relative is not considered proper except under emergency conditions that render the employee unable to communicate for themselves. If an employee fails to contact his or her supervisor within the allotted time they will receive a letter of warning.

Any employee that will be tardy and calls in prior to 15 minutes before his or her start time will be required to be at work within 30 minutes after his or her start time. Failure to comply will result in a letter of reprimand.

**Section 3. Hours.** All regular employees shall be guaranteed eight (8) hours per day and forty (40) hours per week, Monday through Friday inclusive. For this daily and weekly guarantee, the employee shall only be required to work his assigned route except in case of emergency or when an employee is dispatched to cover a route where no alternate is available. However, the truck shall be cleaned inside the cab and outside at least once every two weeks.

The normal scheduled working hours for garbage collections drivers and helpers, recycling drivers and debris box drivers shall be 9 consecutive hours, with a one-hour unpaid lunch. All other employees shall be scheduled 8-1/2 consecutive hours, with 1/2-hour unpaid lunch. Lunch periods shall be in compliance with California State Law.

All employees shall be entitled to two (2) coffee breaks of fifteen (15) minutes duration; one break in the first half of the shift, and one break during the last half of the shift. At no time will these breaks be combined or taken with lunch unless authorized by the Supervisor.

**Section 4. Higher Wages.** No employee receiving a higher rate of pay shall suffer reduction in pay by reason of the execution of this Agreement.

Any person assigned a classification with a pay shall receive the higher pay and pension rate for the entire day.

Employer shall develop a formal training program that utilizes qualified, experienced employees to provide training. Those employees will be paid an additional one (1) hour pay at straight time for their efforts.

Employees starting work at 12 Noon or later shall receive \$.25 per hour above regular rate of pay for all hours worked.

Mechanics who start work at 12 Noon or thereafter, shall receive \$.75 per hour over the scale.

**Section 5. Overtime.** Overtime at the rate of time and one-half (1-1/2) shall be paid for all work performed after eight (8) hours of anyone day, or after forty (40) hours in anyone week, Monday through Friday, inclusive.

Employees called for work on Saturday shall be guaranteed eight (8) hours' pay at time and one-half (1-1/2). Employees called for work on Sunday shall be guaranteed eight (8) hours' pay at the rate of double (2) time.

Overtime shall be assigned to the employees who regularly work the routes for which overtime work is needed. If the overtime assignment is not related to a regular route or if additional persons are needed to work overtime, overtime shall be assigned on basis of seniority. If qualified, employees shall not unreasonably refuse to work overtime.

All employees shall be paid time and one-half (1-1/2) for the sixth (6th) day worked and double (2) time for the seventh (7th) day worked and guaranteed eight (8) hours' pay if called back on such days.

When reasonably foreseeable, the Employer shall give at least two (2) working days' notice of any required overtime on an unscheduled work day based on the employee's last scheduled workday.

**Section 6. Pay Period.** The members of the Union shall be paid weekly for their labor. Any payroll errors in excess of seventy-five dollars (\$75.00) will be paid within seventy-two (72) hours of being reported by the effected employee.

**Section 7. Driver Responsibility.** Driver's responsibilities are servicing the truck, (checking the oil, water, tires, fuel, lights, and visual check,) review route list, knowing the route, and driving the truck from and to the landfill. A helper that assumes the driver's responsibility in his absence, i.e., vacation, illness, failure to report to work, injury or emergency will receive driver's pay for that day.

It is understood that a helper shall drive a truck upon which he is working over the route assigned to such truck insofar as such driving is necessary to best carry out the work then being done by him and the regular driver of said truck.

**Section 8. Voluntary Downgrading.** An employee who at his own request is placed in a lower classification will be paid at that rate.

## **ARTICLE V. VACATIONS**

**Section 1. Vacation Allocation.** Employees having completed one (1) year of continuous service with the Employer shall be entitled to an annual vacation with pay of one (1) week.

Employees having completed two (2) years of continuous service with the Employer shall be entitled to an annual vacation with pay of two (2) weeks.

Employees having completed five (5) years of continuous service with the Employer shall be entitled to an annual vacation with pay of three (3) weeks.

Employees having completed ten (10) years of continuous service with the Employer shall be entitled to an annual vacation with pay of four (4) weeks.

Employees having completed fifteen (15) years of continuous service with the Employer shall be entitled to an annual vacation with pay of five (5) weeks.

Employees having completed twenty-five (25) years of continuous service with the employer shall be entitled to an annual vacation with pay of six (6) weeks

Vacation shall be computed at ten percent (10%) over the employee's normal rate of pay if the vacation time is taken, and 5% over the employee's normal rate of pay if cash equivalent is taken. His normal rate of pay shall be that of his permanent assignment immediately prior to his vacation period.

**Section 2. Prorated Vacations.** Any employee who dies, is laid off, terminated or otherwise severs his employment with his Employer for any reason prior to the completion of his vacation year, will be paid for all earned vacation. Prorated earned vacation to be computed proportionate to his years of service.

**Section 3. Vacation Pay.** All accrued vacation pay is to be paid to the employee at the completion of his last shift prior to the commencement of his vacation.

Whenever possible and when desired by the employee, he may stagger or spread his vacation period throughout the year. However, in no case shall any portion of a vacation be less than one (1) week.

Seniority choice of vacation shall be allowed an employee for two (2) continuous vacation periods each year. All vacation requests must be received by December 1St to receive seniority choice for the upcoming calendar year.

Seniority choice of vacation shall apply to all vacation periods each year.

To be eligible for seniority choice of vacation dates, employees must choose dates between November 1st through December 1.

Company agrees that there is an understanding (per the Vacation Request form) that there will be a maximum of 7 drivers off on any work week (Per week cap of: 2 Debris Box Drivers, 2 Commercial Front End Loader, and 4 Garbage, Green Waste, and/or Recyclers).

It is agreed by both parties to this Agreement that each employee must take his/her accrued vacation each year and that no arrangement to work for additional compensation during his earned vacation will be allowed except where mutually agreed upon by the Employer and the Union.

#### **ARTICLE VI. HOLIDAYS**

There shall be twelve (12) paid holidays when not worked, as follows:

New Year's Day	Labor Day
Martin Luther King Day	Columbus Day
Presidents' Day	Thanksgiving Day
Memorial Day	Christmas Day
Fourth of July	Employee's Individual Birthday
Two (2) Floating Holidays	

Employees will be allowed (1) seniority floating holiday based on availability. Seniority floating holiday requests must be handed in no later than the end of the 3<sup>rd</sup> week in December for the next calendar year. All non-seniority floating holiday(s) (those not scheduled in the 3<sup>rd</sup> week of December of the previous year) shall be scheduled at least seven (7) working days in advance and taken at a date mutually agreed upon between the Employer and the Employee. All such requests shall be made in writing to his/her supervisor and the Employer will make reasonable efforts to ensure all requests are responded to within 7 working days.

(2) Employees will be allowed off for a floating holiday(s) or birthday(s) per day.

These twelve (12) holidays shall be paid at the rate of straight time if no work is performed, and if worked, they shall be paid at the rate of double time and one-half (2-1/2) for all hours worked.

The Employee's Individual Birthday shall be considered a scheduled day off Monday through Friday, and if worked, the employee will receive double time and one-half (2-1/2). If there is a conflict of more than (2) Birthdays falling on the same day, scheduled days will go to the most senior employee(s) and the displaced employee(s) will be assigned the next available day.

An employee must work the day before and the day after the day on which the holiday falls unless excused by his Employer in order to receive holiday pay.

Previous company practice will determine which holidays will be rescheduled to Saturdays.

An employee giving the Employer a minimum of two weeks' notice shall be given the Holiday off, if it does not appreciably affect Company operations.

All Shop employees working on a Holiday may be excused from work after four (4) hours if mutually agreed to, and paid a minimum of four (4) hours or actual hours worked for the remainder of the shift.

### **ARTICLE VII. JURY DUTY**

An employee who is summoned and reports for jury duty shall receive the difference between jury pay and his regular daily rate of pay for which he reported for jury duty and on which he would normally have worked. Cap jury duty pay shall be at seven (7) days per year.

In the event an employee is released from jury duty at a time which will permit him to return to work, he shall be obligated to return to work unless specifically excused by the Employer.

### **ARTICLE VIII. FUNERAL LEAVE**

In the event of the death of an employee's parent, spouse, domestic partner, child, brother, sister, grandparents, mother-in-law, father-in-law, brother-in-law, sister-in-law, step-children, or step-parents, the employee will be granted a leave of absence with pay not to exceed three (3) Days falling between the date of the death and the date of the funeral or a celebration of life ceremony. The employee will be allowed five (5) days for an out-of-state funeral. The compensable day or days must fall within the employee's regular scheduled work week. The purpose of the funeral leave is to enable the bereaved employee to attend the funeral. No funeral leave benefits shall be given during the vacation period of any employee. Employee must furnish proof of death and relationship.

### **ARTICLE IX. PAYROLL DEDUCTION**

Upon being furnished with an appropriate authorization form executed by an employee, the Employer shall deduct from that employee's pay, in the amount stated, the following: (1) initiation fees, dues, assessments and fines as established by the Union, (2) allotments to be made to a credit union as identified in the authorization, and (3) contributions to DRIVE.



Such deductions shall be remitted to the recipient, as stated in the authorization, no later than the last day of each month and payments to the Union should be remitted to the office of Union Local 315, 2727 Alhambra Avenue, Martinez, CA 94553, by the 15th of each month following the month for which the deductions have been made, together with a list of employees for whom deductions have been made.

Deductions for the initiation fee shall be at the rate of no less than \$75 a week.

Dues shall be deducted from employees classified as "casuals" on the first day worked in any month that they are employed as a non-seniority employee. Deduction authorization forms shall be made available to casuals at the time of their original hire.

Either party may request a review of the "Casual Pool" list at any time.

## **ARTICLE X. SENIORITY**

**Section 1. Establishing Seniority.** In order to obtain seniority, an employee must have worked sixty (60) days during nine (9) consecutive months. After completing the sixty (60) day requirement, the employee shall be deemed a regular employee for purposes of eligibility for benefits as defined herein for regular employees.

The Employer is the sole judge during this nine (9) month probationary period to continue or terminate the employee. Terminations during an employee's probationary period shall not be subject to the appeal procedures herein contained.

Seniority shall commence on completion of the nine (9) month probationary period. Upon attainment of seniority, an individual shall be considered a regular employee and his seniority date shall revert to the employee's original date of hire.

Any employee who has maintained seniority on a job for thirty (30) days without being challenged after put up for bid shall maintain seniority or be declared permanent on that job.

Should a probationary employee bid an opening and be deemed qualified by the Employer, his seniority shall commence on the date he is assigned to the job.

When an employee works in a higher classification for 10 working days out of last 20 working days prior to when a holiday, sick leave or vacation occurs, such employee shall be compensated at the higher rate of pay and pension.

In reducing the work force due to a slackness of work, the last person hired shall be the first employee laid off, and in rehiring, the last employee laid off shall be the first employee rehired. A laid off employee shall have no right to recall upon the expiration of a twelve (12) Month layoff.

**Section 2. Seniority and Job Assignments.** All vacancies shall be offered to full-time regular employees, in seniority order on the appropriate seniority list where the opening becomes available. When an employee is out on vacation or leave of absence, the employer will make a reasonable effort to notify such employee of any route and or alternate position that has been put up for bid purposes. Transfer of employees from one job or route to another job or route, shall be confined to two (2) transfers as a result of anyone opening. The remaining opening shall be filled by assignment. The qualifications and requirements for the opening shall be posted for five (5) working days, including the rate of pay. Employees shall receive the higher rate of pay during the qualifying period, which shall be no more than thirty (30) working days. Once having accepted a bid position, an employee may not request a change until such employee has remained in that position for a period of twelve (12) months except to exercise seniority to qualify for a higher paid position. The Employer shall not disqualify or remove an Employee from a bid position except for just cause.

All (5) day a week, static recycling routes shall be eligible for the bid process.

All variable recycling routes will be assigned on a rotating basis.

The Employer agrees to post all job openings internally within Mt. Diablo Resource Recovery for five (5) working days.

**Section 3. Alternate Driver's List.** All temporary vacancies (1) week or greater; that is, scheduled vacations, leaves of absence, extended on the job injury absences, shall be covered by assignment from the Alternate Driver's list for that particular job classification (residential, commercial, front loader and debris box driver) provided the employee is qualified to perform the work. Unless it is necessary to assign a driver to a route where no other alternate is available or it could negatively impact bid drivers in a classification, relief drivers shall be scheduled to cover vacancies. The alternate lists will be bid and all assignments will be made by seniority from the appropriate classifications list whether it is residential, commercial or debris box.

Other daily vacancies will be assigned to the first available alternate at work on any given day, whereby an employee phones in sick, hurt, unable to work due to an emergency. If no alternate is available, the Employer will assign work.

**Section 4. Seniority List.** The Employer agrees to furnish a list of its Union #315 employees to the Union upon request.

## **ARTICLE XI. DISCHARGE AND SUSPENSION**

**Section 1. Discharge/Suspension Procedures.** The Employer may discharge or suspend an employee for just cause but no employee shall be discharged or suspended unless three (3) written notices shall have been given to such employee of a complaint against him concerning his work or conduct, except that no such prior warning notices shall be necessary if the cause for discharge or suspension is theft, assault, drinking alcohol on the job, gross insubordination, selling or using illegal narcotics while at work or under the employ of the Employer, recklessness, or carrying fire arms on the job, carrying unauthorized passengers; and competing with the employer by designing, selling or rendering products or services similar to those offered by the employer for personal economic benefit or the economic benefit of a competitor employer. Egregious acts of proven sexual harassment will subject the employee to discipline up to and including Termination for Just Cause.

Warning letters and oral reprimands or warnings shall not be subject to the grievance procedures of this Agreement in the absence of other disciplinary action taken against an employee who receives such a letter. All warning letters and/or oral reprimands however, shall be considered to be protested without the necessity of a written protest, and the validity of any such warnings or reprimands may be raised by the Union in connection with any grievance concerning disciplinary action wherein the Company relies in whole or in part upon the issuance of the warning or reprimand. Warning letters and oral reprimands shall be effective for a period of twelve (12) months following their issuance and shall thereafter be of no effect and shall not be used in any grievance proceedings.

No such warning letter or suspension notice shall remain in effect for a period of more than twelve (12) months, with the exception of warning letter or suspension notices for the Department of Motor Vehicles' (DMV) reportable accident (those involving personal injury or one thousand (\$1,000) dollars or current DMV reportable amount or more in damage), or moving violations on the job which shall remain in effect for thirty-six (36) months (the period such incidents remain on the records of the DMV). A copy of such warning notices shall be sent to the Union at the time it is given to the employee.

If the employee does not file with the Company written protest of the Employer's action within fourteen (14) days from the date of receipt of the Employer's notice, the right to protest such discharge or suspension shall be waived.

**Section 2. Time Limitations.** Any case pertaining to a discharge or suspension shall be handled as follows:

A. Within ten (10) days of the occurrence of the alleged cause for discharge or suspension, the Employer shall give written notice by registered mail to the employee and to the Local Union of its decision to discharge or suspend the employee: such notice shall set forth the reason or reasons for the discharge or suspension. If the Employer fails to give notice within the specified ten (10) day period, the right to discharge or suspend for that particular reason shall be waived.

B. In the case of a vehicle accident, the Company shall be allowed up to and including fifteen (15) days to investigate an accident before a letter of warning is required. During the period of investigation, the employee shall remain on the job.

In the event the employee requires additional time to investigate a vehicle accident, the Company shall be granted an additional fifteen (15) days before a letter of warning is required. The Company must notify the Union of this additional request.

## **ARTICLE XII. DISPUTES AND GRIEVANCES**

A. Any grievance or controversy affecting the mutual relations of the Employer and the Union shall first be taken up between the steward and/or Business Agent and the Employer within 10 days of the occurrence of the event giving rise to the grievance or a dispute excluding Saturdays, Sundays and holidays. Failure to raise the dispute or file a grievance within this time period will result in a waiver of the grievance. If the matter is not resolved within ten (10) days excluding Saturdays, Sundays, and Holidays, after being submitted in person or in writing to the Employer, the grievance shall be submitted to a joint committee of the Union and Employer representatives. Grievances involving back pay shall not exceed a period of more than 45 days prior to the date of filing, unless the failure to file such grievance earlier shall be justified by good cause.

B. The joint committee of Union and Employer representatives referred to in Paragraph (A) of the Agreement will be an adjustment panel. The adjustment panel shall meet on a regularly scheduled day once a month to be determined by the parties. The adjustment panel shall be established for the purpose of hearing and deciding disputes which arise and are presented during the term of this Agreement and which involve the interpretation or enforcement of any of the sections of this Agreement or the terms or provisions of agreement between the parties supplementary hereto. The panel shall consist of two representatives selected by the Union and two representatives selected by the Employer. The two persons selected by the Union to serve as members of the adjustment panel shall not include representatives of Local 315 and the two persons selected by the Employer to serve as members of the adjustment panel shall not include persons on the payroll of the Employer involved in the dispute. The adjustment panel shall elect a chairman and a secretary to adopt rules of procedure, as attached. A majority decision by the adjustment panel shall be final and binding. Neither the Union nor the Employer shall select attorneys or paid consultants to serve on the adjustment panel.

The agreement that the two persons selected by either party shall not include representatives of Local 315 and shall not include persons on the payroll of the Employer involved in a dispute may be waived by mutual agreement of the Union and the Employer.

Submit the dispute to grievance mediation within ten (10) days upon the request of either party, unless such time limits are extended by mutual agreement between the parties.

The grievance mediation will be conducted by the Federal Mediation and Conciliation. The mediator will issue an Advisory Opinion at the end of the mediation session, which shall not be binding on the parties and which may not be introduced in any arbitration process. The parties may mutually agree to be bound by the Mediator's advisory opinion.

If neither party requests grievance mediation, then in order to proceed to arbitration, the Union or Company must request within 10 calendar days of the decision.

In the event the parties are unable to agree upon an arbitrator within 10 working days from the date of the request or agreement to arbitrate, either party may request the American Arbitration Association to submit a list of the names of nine arbitrators' members of the National Academy of Arbitrators who are on the Northern California Employment Dispute Resolution Panel or the parties may agree to a list from the FMCS.

The Employer will pay any cost related to obtaining a list of arbitrators from the American Arbitration Association.

C. It is understood that the time limits referred to above may be waived by mutual agreement of the parties.

D. There shall be no interruption of work during the settlement of any controversy except as provided below.

Notwithstanding the above, the Union shall have the right after proceeding in accordance with the time limitations set forth above to take any legal and/or economic action, including striking and picketing, against the Employer after ten (10) days of written notice, excluding Saturdays, Sundays and holidays to the manager of the Company in the event of any of the following:

1. Failure of the Employer to pay the required sum (excluding errors) into any Trust Fund provided for in this Agreement within thirty (30) days from its due date unless such delinquency is due to Acts of God, strikes by office workers handling trust payments or other matters of a catastrophic nature beyond the control of the Employer.
2. Failure of the Employer to meet the payroll of the employees covered by this Agreement unless the failure is due to Acts of God, strikes by office workers handling the payroll or other matters of a catastrophic nature beyond the control the Employer.
3. Failure of the Employer to comply with the time limitations set forth above.

E. The cost of the arbitrator and the incidental expense of the hearing shall be borne equally by the parties.

F. The arbitrator shall have no authority to amend, alter, or change any provisions of this Agreement in any manner.

**Section 1. Rules for Disputes and Grievances.** See Attachment 1 to the AGREEMENT titled Rules for Disputes and Grievance Procedures.

### **ARTICLE XIII. HEALTH AND WELFARE**

**Effective March 1, 2020**, the Employer shall pay into Teamsters Benefit Trust, Plan I, \$2,243.00, which is the current cost per month for each regular employee working under this Agreement. Such payments shall include provisions for both employees and dependents hospital-medical, dental, vision care and prescription drug coverage. Such payments shall be made in addition to all wages and other compensation provided in this Agreement, and such payments, when required, shall be made without deduction for any purpose whatsoever.

#### **Retirees**

The Employer agrees to pay Two Hundred Fifty-Eight Dollars (\$258) per month, per person, for each non-Medicare-eligible currently retired employee, their non-Medicare-eligible spouse, and all future non-Medicare-eligible retired employees and their non-Medicare-eligible spouses for the term of this Agreement.

The Employer agrees to pay Twenty-Five Dollars (\$25) per month, per person, for each Medicare-eligible currently retired employee, their Medicare-eligible spouse, and all future Medicare-eligible retired employees and their Medicare-eligible spouses for the term of this Agreement.

The Employer agrees to pay only the amounts listed above for retirees and their spouses. Should the monthly premiums exceed the above-listed amounts, the retirees and their spouses are responsible for the difference.

"Employee" shall mean any employee who has been on the payroll of the Employer continuously for a period of thirty (30) days or more, and having worked 80 hours or more in the preceding month, with benefits commencing with the first day of the next month following the month in which he has worked 80 hours or more, whichever is later.

The Employer agrees that monthly payments, when required, will be forwarded by him to the Trustees of the appropriate Funds before the tenth (10th) day of each month.

The Employer agrees to remit these payments to the appropriate area administrative office by the date designated by that office, and monies received after that date shall be considered delinquent. All checks, when required, shall be made out to, and correspondence concerning the Plans shall be sent to, the appropriate Funds.

If the Employer fails to obtain and pay for the Insurance and Health and Welfare benefits as provided herein, he shall be held personally responsible for the employees and dependents as covered by the Plan for the benefits which would have been provided by such insurance coverage.



*Effective 3/1/2020, the EMPLOYER agrees to maintain benefits for this contract term.  
Effective 3/1/2021, the EMPLOYER agrees to maintain benefits for this contract term.  
Effective 3/1/2022, the EMPLOYER agrees to maintain benefits for this contract term.  
Effective 3/1/2023, the EMPLOYER agrees to maintain benefits for this contract term.  
Effective 3/1/2024, the EMPLOYER agrees to maintain benefits for this contract term.*

At any time during this agreement, the Company and the Union may mutually agree to substitute a health and welfare plan for medical coverage provided such coverage is equivalent to that provided by Plan I.

**Section 1 - Payments during Periods of Absence.** If an employee is absent because of illness or off-the-job injury and notifies the Employer of such absence, the Employer shall continue to provide benefit coverage for a period of three (3) months after active employment ceases. If an employee is injured on the job, the Employer shall continue to provide benefit coverage until such employee returns to work; however, such coverage shall not be paid for a period of more than six (6) months beginning with the first month after contributions for active employment ceases.

#### **ARTICLE XIV. SICK LEAVE**

**Section 1. Sick Leave Allocation.** All full-time regular employees shall receive ten (10) days of sick leave with pay each year commencing with the first day of illness. All full-time regular employees shall be eligible for sick leave on a pro-rated basis after four (4) months of service with the Employer, retroactive to the date of employment. Sick leave pay shall be payable for days falling during the workweek only.

Anniversary date will be December 15, each calendar year.

Employees who work a four (4) day, ten (10) hour work week, shall be paid one-hundred (100) hours of sick leave pay annually at ten (10) hours per day sick leave. This sick leave shall commence on the first day of illness.

**Section 2. Unused sick leave.** Unused sick leave shall be granted once each year to each full-time regular employee in cash at the current daily rate. The cash payment shall occur the second week of December.

Each January 1, the employees' full annual allotment of sick days for the year will become available for their use.

On resignation, discharge, or death, an employee or his estate shall collect cash payment for all unused accumulated sick leave.

**Section 3. Disabling on The Job Injury.** In the event of a disabling injury on the job, an employee shall be entitled to a full day's pay.

**Section 4. Report on The Job Injuries.** Employees shall report injuries which occur during working hours to the immediate supervisor and/or the main office as soon as practicable, but in no event, not later than 24 hours or the end of the next business day. From the time of the accident or injury, the employee shall complete all medical forms required by the Company prior to seeking treatment.

## **ARTICLE XV. LEAVE OF ABSENCE**

**Section 1. Approved Leave.** Any employee desiring a leave-of-absence from his employment shall give ten (10) days' written notice to his Employer and shall obtain written permission from the Union. Except as otherwise provided for in this Agreement, leaves-of absence shall be for a thirty (30) day period. Extended leaves-of-absence as may be granted may not exceed a maximum period of six (6) months; provided however, any leave of-absence In excess of thirty (30) days can only be taken upon written permission of the Employer. During an approved leave-of-absence, the employee shall not engage in any gainful employment. Any employee who has utilized his right to a leave-of-absence as spelled out above will not be entitled to another leave-of-absence, except for medical reasons, for a period of three (3) years. Leaves of five (5) days or less do not require Union approval. Extensions of approved leaves-of-absence when requested during the course of a leave-of-absence requires the approval of the Employer.

An employee who is unable to work because of sickness or injury, shall be deemed to be on a leave-of-absence. Such leave shall not exceed two (2) years, except with written consent of the Union and the Employer.

A leave-of-absence as provided above shall not result in the loss of seniority rights.

Employees going on leaves-of-absence are expected to maintain their membership in the Union in good standing.

**Section 2. Affect on Vacation-Holidays.** Time off in excess of fourteen (14) working days in a calendar month due to an approved leave-of-absence other than illness or injury shall cause an employee to lose vacation credit for that month.

All regular employees off the job due to illness, or off-the-job Injury shall accumulate vacation rights and holiday pay beginning with the date of illness or off-the-job injury and continuing to the end of the month and thirty (30) days thereafter.

All regular employees off due to an on-the-job injury shall accumulate vacation, and holiday rights, uninterrupted for a period of one (1) year.

**Section 3. Health and Welfare When on Leave.** The employees shall make suitable arrangements for continuation for Health and Welfare payments consistent with the Health and Welfare policy, or request discontinuance of his Health and Welfare before the leave is approved by both the Employer and the Union.

## **ARTICLE XVI. GENERAL PROVISIONS**

**Section 1. Provision of Equipment.** The Employer agrees to furnish one set of good quality rain gear per year to each employee on or after October 1 of each year, and twelve (12) pairs of good quality gloves per year to each employee.

A) Employer and Employees will work collaboratively to establish a list of acceptable footwear that meets company standards for safety and employee goals for comfort. The Employer shall bear the cost of these boots once every two (2) years. This boot program applies to the following job functions: tire shop, transfer station, debris box, mechanic and commercial front-end loaders. The employee must wear the boot at work once they are provided by the Company.

B) Box drivers are responsible for cover blankets that are lost or damaged through negligence. Box truck drivers are responsible for covering and strapping their loads.

C) No employee will be permitted to start work prior to his scheduled starting time without the expressed permission from his dispatcher.

D) No employee will use any truck other than his regular one unless specifically assigned one.

E) Employees on two-man trucks must have one man directing the driver in backing-up situations. The driver of the vehicle at that time is responsible for compliance.

F) Employer will furnish all required safety equipment.

G) No employee shall accept employment from any other waste disposal or recycling business, except when they are on layoff from the Company.

H) The Employer shall provide each seniority employee five (5) sets of uniforms annually. Should an employee arrive to work not wearing a complete uniform, the Employer has the right to send him home without a day's pay. Employee shall be required to wear their uniforms during normal working hours. Uniforms will be considered pants and shirts. An employee may wear Company-issued hats or Union-issued hats.

**Section 2. Tool Allowance.** At the sole discretion of the Company, Heavy Duty Mechanics may be allocated an annual allowance of \$500 to purchase tools required for specialized equipment. Prior to any purchase, Employee must receive authorization from the Company.

**Section 3. Bulletin Board.** The Company shall supply and install suitable bulletin boards at each barn or starting point for the posting of Union business and communications. The Employer shall post on said Boards, copies of the Seniority List, Health and Welfare and Pension communications, and other Company and Union business. A separate Bulletin Board shall be for bids and awards of bids only.

**Section 4. Safety Regulations.** The Employer will observe all State and Federal Safety Regulations.

## ARTICLE XVII. PENSION

**Section 1 - Employer Contributions.** For all classifications except for Recycling Drivers.

The Employer shall contribute to the Western Conference of Teamsters Pension Trust Fund, the provisions of which the undersigned parties agree to accept and to abide by the rules and regulations established or as may be established by the Trustees of such Trust Fund, the applicable sums listed below for each employee covered by this Agreement, from the first compensable hour.

***EFFECTIVE March 1, 2020***, the Employer shall pay an hourly contribution rate of Ten Cents (\$0.10) including PEER/84 during the probationary period as defined in Article X Seniority; but in no case for a period longer than ninety (90) calendar days from an employee's first day of hire. Contributions shall be made on the same basis as set forth in Article XVII Pension of the Agreement. After the expiration of the probationary period as defined in Article X Seniority; but in no event longer than ninety (90) calendar days from an employee's first date of hire, the contribution shall be increased to the full contractual rate.

***EFFECTIVE — March 1, 2020***, for employees working one hundred sixty (160) hours the monthly sum of \$1,222.40 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$7.03 from the first compensable hour. The basic hourly rate is \$6.47 per hour, plus \$.56 per hour to fund the PEER/84.

***EFFECTIVE- March 1, 2021***, for employees working one hundred sixty (160) hours, the monthly sum of \$1,342.40 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$7.78 from the first compensable hour. The basic hourly rate is \$7.16 per hour plus \$.62 per hour to fund the PEER/84.

***EFFECTIVE - March 1, 2022***, for employees working one hundred sixty (160) hours, the monthly sum of \$1,462.40 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$8.53 from the first compensable hour. The basic hourly rate is \$7.84 per hour plus \$.69 per hour to fund the PEER/84.

***EFFECTIVE - March 1, 2023***, for employees working one hundred sixty (160) hours, the monthly sum of \$1,582.40 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$9.28 from the first compensable hour. The basic hourly rate is \$8.53 per hour plus \$.75 per hour to fund the PEER/84.

***EFFECTIVE - March 1, 2024***, for employees working one hundred sixty (160) hours, the monthly sum of \$1,702.40 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$10.03 from the first compensable hour. The basic hourly rate is \$9.21 per hour plus \$.82 per hour to fund the PEER/84.

***Under no circumstances shall the Employer pay in excess of 173.33 hours per month for any regular employee.***

The Employer agrees to remit these payments to the appropriate area administrative office by the date designated by that office and monies received after that date shall be considered delinquent.

It is understood by the parties that all hours worked includes vacation, paid sick leave, paid holidays, etc.

**Section 2 - Employer Contributions. RECYCLE DRIVER**

The Employer shall contribute to the Western Conference of Teamsters Pension Trust Fund, the provisions of which the undersigned parties agree to accept and to abide by the rules and regulations established or as may be established by the Trustees of such Trust Fund, the applicable sums listed below for each employee covered by this Agreement, from the first compensable hour.

***EFFECTIVE March 1, 2020***, the Employer shall pay an hourly contribution rate of Ten Cents (\$0.10) including PEER/84 during the probationary period as defined in Article X Seniority; but in no case for a period longer than ninety (90) calendar days from an employee's first day of hire. Contributions shall be made on the same basis as set forth in Article XVII Pension of the Agreement. After the expiration of the probationary period as defined in Article X Seniority; but in no event longer than ninety (90) calendar days from an employee's first date of hire, the contribution shall be increased to the full contractual rate.

***EFFECTIVE - March 1, 2020***, for employees working one hundred sixty (160) hours, the monthly sum of \$800.00 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$4.60 from the first compensable hour. The basic hourly rate is \$4.21 per hour, plus \$.39 per hour to fund the PEER/84.

***EFFECTIVE - March 1, 2021***, for employees working one hundred sixty (160) hours, the monthly sum of \$920.00 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$5.35 from the first compensable hour. The basic hourly rate is \$4.89 per hour, plus \$.46 per hour to fund the PEER/84.

***EFFECTIVE - March 1, 2022***, for employees working one hundred sixty (160) hours, the monthly sum of \$1,040.00 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$6.10 from the first compensable hour. The basic hourly rate is \$5.58 per hour, plus \$.52 per hour to fund the PEER/84.

***EFFECTIVE - March 1, 2023***, for employees working one hundred sixty (160) hours, the monthly sum of \$1,160.00 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$6.85 from the first compensable hour. The basic hourly rate is \$6.26 per hour, plus \$.59 per hour to fund the PEER/84.

***EFFECTIVE - March 1, 2024***, for employees working one hundred sixty (160) hours, the monthly sum of \$1,280.00 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$7.60 from the first compensable hour. The basic hourly rate is \$6.95 per hour, plus \$.65 per hour to fund the PEER/84.

***Under no circumstances shall the Employer pay in excess of 173.33 hours per month for any regular employee.***

The Employer agrees to remit these payments to the appropriate area administrative office by the date designated by that office and monies received after that date shall be considered delinquent.

It is understood by the parties that all hours worked includes vacation, paid sick leave, paid holidays, etc.

**Section 3. Delinquent Contributions.** Action for delinquent contributions may be instituted by the Union or the Area Conference of Trustees. Employers who are delinquent must also pay all attorneys' fees and the cost of collection.

**Section 4. Posting Notice.** The Employer shall post on employee's bulletin board a duplicate copy of the reporting form sent to the Administrator's office of payments made to the Western Conference of Teamsters Pension Trust Fund on behalf of the employees at the time payments are made.

**Section 5. P.E.E.R 84.** The contributions required to provide the Program for Enhanced Early Retirement will not be taken into consideration for benefit accrual purposes under the Plan. The additional contribution for the PEER must at all times be 6.5% of the basic contribution and cannot be decreased or discontinued at any time.



**Section 6. Supplemental Income 401(k).** The Employer shall participate in the Supplemental Income 401 (k) Plan, a plan to conform to the requirements of Internal Revenue Code Section 401 (k) for certain tax exempt, employee contributory plans. The Employer's obligations to the Plan created by this Agreement are limited to the timely execution of the Plan's Subscriber Agreement and the timely payment of that portion of their wages employees elect to pay into the Plan on the form provided by the Plan.

## **ARTICLE XVIII. Drug and Alcohol Testing**

Section 1. Purposes. The purpose of this policy is as follows:

- a. To establish and maintain a safe, healthy working environment for employees, customers and the public,
- b. To reduce the incidents of accidental injury to person or property, thereby minimizing Employer's exposure to liability,
- c. To reduce absenteeism, tardiness and indifferent job performance, thereby improving Employer's 'productivity,
- d. To maintain a work environment free of alcohol and drug-related performance problems, accidents and injuries, thereby decreasing health care costs and workers' compensation costs,
- e. To enable Employer to qualify for certain Federal/Governmental contracts requiring a drug-free workplace policy;
- f. To protect and enhance Employer's reputation,
- g. Testing of drug samples will be performed by a National Institute on Drug Abuse (NTDA) certified drug testing facility.
- h. Alcohol testing will be performed by the Medical Review Officer (MRO) at his/her facility and the employee will have no measurable alcohol in excess of Department of Transportation (DOT) levels. Any employee having levels greater than .02 but less than .04 will not be allowed to work that day. However, the employee will be scheduled for the following workday.

Employees are expected and required to report to work on time and in appropriate mental and physical condition for work. Employer's employees have the right to be provided a safe and healthy working environment. Drug and alcohol testing will help ensure that all employees, regardless of position, report to work without being under the influence and remain free of such influence throughout all working hours.

**Section 2. Use, Possession or Sale Of Drugs, Illegal Drugs, Or Alcohol On The Job.**

The manufacture, distribution, sale, purchase, use, possession of or the offer to purchase, sell or use drugs or alcohol while conducting Employer's business off Employer's premises during working hours or on Employer's premises is prohibited. Moderate consumption of alcohol at designated Employer's gatherings or under circumstances expressly authorized by a Corporate Officer of the Employer will be the only exception. Any employee engaging in the foregoing prohibited conduct will be subject to disciplinary action up to and including immediate termination.

**Section 3. On The Job Impairment.** All employees of the Employer are expected to report for work with no illegal drugs or their metabolites in their bodies exceeding NIDA levels, or alcohol in their bodies exceeding DOT levels. Compliance with these rules is considered an essential job qualification for all employees.

"Alcohol" means any alcohol or alcoholic beverage as defined in California Business and Professional Code Sections' 23003 and 23004.

"Drug" means any drug, other than alcohol, including but not limited to illegal drugs and prescriptions or over-the-counter drugs.

"Illegal Drug" means any controlled substance, drug, narcotic or immediate precursor which is specified or referenced in any provision of California Uniform Controlled Substance Act (Division 10 of the Health and Safety Code) which may subject an individual to criminal penalties, or a legal drug which has been legally obtained or is being used by an individual for who it was not prescribed, manufactured, or intended.

**Section 4. Enforcement of Rule Prohibiting On-The-Job Drug, Illegal Drug Or Alcohol Impairment**

**A. Pre-Employment Alcohol/Drug Screening.** Prior to employment with Employer, all final candidates will be required, as a condition of employment, to pass an alcohol/drug screen test administered by an approved Employer's physician or medical facility. Any prospective employee refusing to submit to such examination will not be hired by Employer. Any prospective employee failing the alcohol/drug screen test will be rejected from further consideration for employment with Employer for a minimum of six months.

**B. Special Circumstance Alcohol/Drug Screening.** All Employer's employees involved in on-the-job incidents such as accidents or injuries or physical altercation of sufficient force to create a hostile work environment or endanger the health and safety of another individual, will be required to submit to an alcohol/drug screen test immediately upon request by Employer. Refusal to submit to such a test amounts to insubordination and shall be sufficient grounds for termination from Employer. At no time in this instance shall an employee transport himself or herself to the medical facility. Instead, either a supervisor or another employee shall transport the individual to the medical facility. If the situation is life threatening, however, the ambulance will become the authority as to where the individual shall be transported. Should the employee be incapacitated as a result of the accident, the Lab Testing Facility will determine whether or not it is appropriate to administer the test. Under these situations, the employee must report the circumstances of injury and damage as well as receive

the drug/alcohol test at the medical facility within two hours, except if admitted to a medical facility. Any employee failing such a test will be subject to disciplinary action up to and including immediate dismissal from Employer.

**C. Reasonable Suspicion Alcohol/Drug Screening.** When Employer has a reasonable suspicion that an employee, or group of employees, is, or may be, impaired or affected on the job by alcohol or illegal drugs, an employee will be required to submit to an alcohol/drug screen test immediately upon request by Employer. After a determination has been made that a drug or alcohol test will occur, a supervisor, or their designee, will transport the employee(s) to the Testing Facility for blood alcohol, drug, and physical evaluations. Refusal to submit to such a test amounts to insubordination and shall be sufficient grounds for dismissal. Any employee failing such a test will be subject to disciplinary action up to and including immediate dismissal from Employer.

The term "reasonable suspicion" shall, for the purposes of this policy, be defined as follows: aberrant or unusual behavior of an individual employee which, 1) is observed by a company supervisor trained to recognize the symptoms of drug abuse, impairment or intoxication, and 2) is the type of behavior which is a recognized and accepted symptom of intoxication or impairment caused by controlled substances or alcohol or addiction to or dependence upon said controlled substances. For example, a reasonable suspicion may arise from obvious impairment of physical or mental ability such as slurred speech or difficulty maintaining balance, from unexplained significant deterioration in job performance or behavior, such as excessive absenteeism, from reports of on-the-job impairment verified by a trained supervisor from employee admissions regarding drug use, or from any other evidence reasonably giving rise to suspicion of impairment. During this procedure, the employee has the right to Union representation.

**D. Scheduled/Random Drug Screening.** All personnel employed by Employer covered under the collective bargaining agreement will be subject to scheduled and random drug screen testing. Each employee shall be in a pool from which a random selection is made by an independent party. Any employee on vacation or on a leave of absence will not be subject to the pool testing while on leave. All other employees shall have an equal chance at selection and shall remain in the pool even after being tested. Upon return to work, all employees who were previously on vacation or leave of absence will be placed immediately into the pool.

The above affected employees will be required to submit to a drug screening test immediately upon request by Employer. Refusal to submit to such a test will amount to insubordination and shall be sufficient grounds for termination from Employer. Any employee failing such a test will be subject to disciplinary action up to and including immediate dismissal from Employer.

This Section will become effective in the event Federal or State legislation requires random testing.

**E. Collection.** Any time an employee is requested to take a drug and/or alcohol test, the employee will be required to sign an authorization form permitting Occupational Medical Facility to collect the samples for National Institute on Drug Abuse (NIDA) drug testing and alcohol testing, and to release the results to the Medical Review Officer (MRO), employee, and/or Employer. Refusal to cooperate will be considered insubordination and will subject the employee to discharge. On the initial test, all employees will provide urine samples for drug testing in their own privacy. Should an adulterated specimen be received at the Testing Facility, it may be necessary to observe the second

attempt. All outer garments will be left behind when providing specimens, for example: jackets, purses, briefcases, etc. Wallets may be retained.

**F. Failing Test Results.** If an employee fails a test for drugs and/or alcohol on the initial screen, a second, more sophisticated test will be performed on the same specimen to confirm the results of the initial test. The test results of those employees who fail the second screen will be communicated directly to the Employer. "Failing test results": For the purposes of this policy, will mean those which exceed the acceptable levels, and which have been reviewed by the MRO. A current summary of the acceptable levels for drugs and alcohol may be obtained from the Human Resources Department and is also posted at the site.

**Section 5. Rehabilitation Leave.**

A. Employer encourages all employees to seek help for drug or alcohol problems. The Employer believes that seeking help before the problem becomes a disciplinary matter is beneficial for both the employee and the Employer. Any employee with a drug or alcohol problem should contact the Human Resources Department or their Union representative. Each request for assistance will be treated as confidential and only those persons with a need to know will be made aware of such requests.

B. A seniority employee shall be permitted to take a reasonable "one-time" leave of absence for the purpose of undergoing treatment pursuant to an approved program of rehabilitation for drug or alcohol abuse, provided that the leave is requested prior to commission of any related act which subjects the employee to disciplinary action or an employee tests positive for drugs/alcohol during random testing' or a DOT physical.

Such leave of absence shall not exceed a thirty (30) day period unless extended by mutual agreement for an additional thirty (30) days. Such leave shall be on a "onetime" basis and shall constitute a leave of absence. The leave will be without pay. Any cost of rehabilitation, over and above that paid for by the applicable health and welfare fund, must be borne by the employee. After such a leave, further evidence of drug or alcohol abuse will be grounds for termination.

C. Upon successful completion of treatment and return to work, Employer will attempt to place the employee in his/her former classification or one of comparable status and pay, unless the nature of the employee's job duties are such that returning the employee to that classification represents a possible safety risk.

D. All employees returning to active employment from rehabilitation will be required to sign a "Return to Work Agreement" providing:

1. For unannounced testing for a period of one (1) year to ensure that the employee has freed himself/herself from the alcohol or drug problem; That failure of such a test during this period shall be grounds for immediate termination; and

2. That the employee must maintain an acceptable attendance and performance record upon their return to work.

E. No disciplinary action will be issued against any employee who comes forward to Employer with their drug or alcohol problem prior to violating the drug and alcohol policy. However, once a violation of the drug and alcohol policy occurs, Employer will take disciplinary action up to and including immediate termination.

F. Any employee suffering from an alcohol or drug problem who rejects treatment or who leaves a treatment program prior to being properly discharged from the program will be subject to immediate termination. No employee will be eligible for the use of rehabilitation leave more than one time.

**Section 6. Prescription Drugs.** Prescription drugs shall be used only in the manner, combination and quantity prescribed. No prescription drug shall be brought upon Employer premises by any person other than the person for whom the drug is prescribed by a licensed medical practitioner.

Following a positive finding of a drug screen test, any employee who claims that such positive result was due to his/her use of a prescription drug must provide the prescription for those drugs or the medication itself to the MRO within twenty-four (24) hours of notification.

**Section 7. Effective Date.** This policy will be effective March 1, 2008. Each present employee will be furnished a copy of this policy and will sign a receipt for the same. Later-hired employees will each be furnished a copy at or before the time of hiring, and will also sign a receipt form for same.

Where the employee is required to take a physical examination and/or drug screen by the Employer, the Employer shall bear the cost of said examination.

The Employer shall pay for both the examination and the time involved in the examination of done during working hours.

## **ARTICLE XIX. MANAGEMENT RIGHTS**

**Section 1. Reservation of Management Rights.** The Company reserves and retains solely and exclusively, all of its normal, inherent and common law rights to manage the business whether exercised or not, as such rights existed prior to the time any Union became the bargaining representative.

**Section 2. Listing of Management Rights.** The Company reserves the right to operate and manage all operations of the Company and to direct the workforce of the Company including, but not limited to, the right to plan, direct, and control operations; to establish work and quality standards; to perform periodic evaluations of employees; job performance and to make employment decisions based on the results of such evaluations; to determine and select the equipment to be used in the Company's operation, and from time to time, change or discontinue the use of any equipment and select new equipment for its operations, including equipment for new operations; to discontinue or move its business or operations in whole or in part; to determine and from time to time, re-determine the methods, processes and materials to be employed; determine the nature and format of the programs to be produced, purchased or presented, and determine the extent to which such programs will be produced or presented by its employees; the scheduling of productions and the methods, processes, and the means of productions; the right to hire, select, transfer, promote, suspend, and discharge employees; the right to promulgate and enforce reasonable rules; and the right to lay off employees from duty by seniority, because of lack of work or other legitimate reasons.

**Section 3. Recognition of Management Rights.** The Union recognizes the express provisions of this Agreement as constituting the only limitations, other than limitations of state and federal laws, upon the Company's right to manage its business. All management rights not curtailed or surrendered by this Agreement are reserved to the Company and the Company has the right to take any steps necessary to maintain efficient and profitable operations subject only to the express provisions of this Agreement.

The Union agrees to respect the rights of the Company to conduct and supervise its business as long as it does not conflict with wages, hours, terms and conditions of the Collective Bargaining Agreement.



**ARTICLE XX. TERM OF AGREEMENT**

THIS AGREEMENT shall become effective retroactively to March 1<sup>st</sup>, 2020 and shall remain in full force and effect until February 28, 2025 and may be renewed thereafter from year to year, either as is or with changes or amendments in the following manner: If neither party to this Agreement prior to sixty (60) days before February 28, 2025, or expiration of the Contract, notifies the other party in writing of its desire to rescind or make changes to amendments in said Contract as provided above, then said Contract shall automatically be extended and renewed for the following year, with the exception: In case of a national emergency this Contract may be reopened at any time with a sixty (60) day written notice.

**FOR THE EMPLOYER:**

**FOR THE UNION:**

**MT. DIABLO RESOURCE RECOVERY**

**TEAMSTERS LOCAL 315**

By: 

By: 

Title: C.A.O.

Title: Business Representative

Date: 2/18/21

Date: 2/18/21

*This page intentionally left blank.*

# **LABOR AGREEMENT**

Between

**TEAMSTERS LOCAL 315**

And

**MT. DIABLO RECYCLING CENTER**



INTERNATIONAL BROTHERHOOD OF TEAMSTERS

**MARCH 1, 2020 THROUGH FEBRUARY 28, 2025**

TEAMSTERS LOCAL 315

\*\*\*\*\*

OFFICE HOURS:                   Monday —Thursday 8:30 AM - 5:00 PM  
Friday 8:30 AM -1:30 PM

H&W:                               Teamsters Benefit Trust  
Dental                             Toll Free 1-800-533-0119  
Vision

PENSION:                        Western Conference of Teamsters  
Toll Free 1-800-845-4162  
Direct 1-650-570-7300

TAP:                                Teamsters Assistance Program  
510-562-3600

MEMBERSHIP MEETINGS:       Second Wednesday of each month at 8:00pm

\*\*\*\*\*

## Contents

AGREEMENT .....	4
ARTICLE I. EMPLOYMENT OF UNION MEMBERS.....	4
ARTICLE II. BUSINESS AGENTS - SHOP STEWARDS.....	5
ARTICLE III. STRIKES.....	5
ARTICLE IV. WAGES AND CLASSIFICATIONS.....	6
ARTICLE V. VACATIONS .....	8
ARTICLE VI. HOLIDAYS.....	9
ARTICLE VII. JURY DUTY.....	9
ARTICLE VIII. FUNERAL LEAVE.....	10
ARTICLE IX. PAYROLL DEDUCTION .....	10
ARTICLE X. SENIORITY .....	11
ARTICLE XI. DISCHARGE AND SUSPENSION .....	12
ARTICLE XII. DISPUTES AND GRIEVANCES .....	13
ARTICLE XIII. HEALTH AND WELFARE.....	15
ARTICLE XIV. SICK LEAVE.....	16
ARTICLE XV. LEAVE OF ABSENCE .....	17
ARTICLE XVI. GENERAL PROVISIONS .....	18
ARTICLE XVII. PENSION.....	18
ARTICLE XVIII. DRUG AND ALCOHOL POLICY .....	22
ARTICLE XIX. DRUG AND ALCOHOL TESTING .....	22
ARTICLE XX. MANAGEMENT RIGHTS .....	27
ARTICLE XXI. TERM OF AGREEMENT .....	28

## **AGREEMENT**

THIS AGREEMENT made and entered into this 1st day of March, 2020 by and between Mt. Diablo Resource Recovery, Inc, party of the first part, hereinafter referred to as the "Employer," and the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN, AND HELPERS OF AMERICA, LOCAL NO. 315, of Contra Costa County, party of the second part, hereinafter referred to as the "Union," covering the employment of employees coming under the jurisdiction of the Union engaged in the collection of disposal of garbage, scrap, recyclable materials and waste within the jurisdiction of Contra Costa County.

### **ARTICLE I. EMPLOYMENT OF UNION MEMBERS**

**Section 1. Recognition.** The Employer hereby recognizes the Union as the exclusive bargaining representative for all employees covered in the Agreement.

**Section 2. Union Security.** All employees covered by this Agreement shall become and remain members of the Union within thirty-one (31) days after employment or the effective date of this Agreement, whichever is later, by paying the uniform initiation fee and dues required for membership. As a condition of employment, all employees shall maintain their membership in the Union in good standing.

The Union agrees to respect the right of the Employer to completely conduct and supervise his business.

The Employer shall pay for the costs of all driver D.O.T. physical examinations performed by physicians or medical groups designated by the Employer. Employees, at their own discretion, and at their own expense, will have the ability to see their own doctor to get the D.O.T. Physical examination.

**Section 3. Fair Employment.** Neither the Employer nor the Union shall unlawfully discriminate against any employee on any basis made unlawful by all applicable federal or state laws. The Employer will not pay wages, benefits or conditions of employment less than those established by this Agreement.

**Section 4. Introduction of Equipment.** In the event the Employer decides to introduce a new type of equipment, the Employer will meet with and discuss the appropriate classification and wage rate with the Union.

In this Agreement, reference to the male gender shall include the female gender.



## **ARTICLE II. BUSINESS AGENTS - SHOP STEWARDS**

- A. Stewards shall be provided for at the option of the Union; such stewards to be selected by the employees on the job. The duties of the steward shall be to report to the Union any and all grievances which may arise and cannot be adjusted on the job. There shall be no discrimination of any kind against the steward because of Union activities.
- B. Specific functions and rules for stewards mutually agreed upon between the Union and the Employer are to be posted at each location.
- C. The Business Agent shall have access to the premises during working hours for the purpose of seeing that the provisions of the Agreement are being adhered to.

The Business Agent shall notify the Employer prior to entering the Company's premises, shall obey all reasonable Company safety rules and shall not interfere with the operations of the Employer.

**Union Official's Seniority.** Any employee who is elected or officially appointed to office in the Union, which office requires his absence from the Employer's service, shall be granted a leave of absence there for without loss of seniority, entitling him upon retirement from such office to reinstatement consistent with his seniority.

## **ARTICLE III. STRIKES**

The Union is not in favor of sympathetic strikes and will do everything possible to avoid them.

The Union agrees that there shall be no strike, work stoppage, slowdowns, or other interruptions of work on the part of either the Union or the employees. The Employer agrees that there shall be no lockout of employees covered by this Agreement during the life of this Contract.

**Picket Line.** It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action or permanent replacement in the event any employee refuses to enter upon any property involved in a lawful primary picket line, as sanctioned by Teamsters Joint Council NO.7.

**ARTICLE IV. WAGES AND CLASSIFICATIONS**

	<b>Effective Dates</b>				
	<b>3/1/2020</b>	<b>3/1/2021</b>	<b>3/1/2022</b>	<b>3/1/2023</b>	<b>3/1/2024</b>
<b>Baler</b>	\$ 25.50	\$ 26.50	\$ 27.50	\$ 28.50	\$ 29.50
<b>Utility</b>	\$ 23.00	\$ 24.00	\$ 25.00	\$ 26.00	\$ 27.00
<b>Laborer</b>	\$ 18.50	\$ 19.50	\$ 20.50	\$ 21.50	\$ 22.50
<b>Sorter</b>	\$ 18.50	\$ 19.50	\$ 20.50	\$ 21.50	\$ 22.50
<b>Working Foreperson</b>	\$ 36.50	\$ 37.50	\$ 38.50	\$ 39.50	\$ 40.50
<b>Operator</b>	\$ 27.20	\$ 28.20	\$ 29.20	\$ 30.20	\$ 31.20

All Classifications are exempt from break-in rates.

**Section 1. Starting Time.** Because of the peculiar nature of the recycling business, the daily starting time shall be left to the discretion of the Employer. The Employer will make reasonable efforts to provide a written or verbal notification to the affected employee at least twenty-four (24) hour notice of any change in starting time. Employees shall be notified prior to the end of the last shift worked of any change in an employee's starting time absent an emergency or unless mutually agreed upon between the employee and the Employer. If an employee is unable to report to work, he shall report to the Employer at least one-half (1/2) hour before his scheduled starting time. If there is a shift or work week change, absent an emergency, the employee will be given one week's notice.

**Section 2. Absenteeism.** It is essential to the success of the Company and to the security of everyone's job that productivity schedules are met on time, and that our customers receive consistent, uninterrupted services. To accomplish these objectives, regular and prompt attendance at work is required of all employees.

If any employee finds it necessary to be absent, that employee must notify his or her supervisor by phone, no less than one-half hour prior to his or her start time. Notification received from another employee, friend or relative is not considered proper except under emergency conditions that render the employee unable to communicate for themselves. If an employee fails to contact his or her supervisor within the allotted time, they will receive a letter of warning.

Any employee that will be tardy and calls in prior to 15 minutes before his or her start time will be required to be at work within 30 minutes after his or her start time. Failure to comply will result in a letter of reprimand.

**Section 3. Hours.** All regular employees shall be guaranteed eight (8) hours per day and forty (40) hours per week, Monday through Friday, and Tuesday through Saturday inclusive. Lunch periods shall be in compliance with California State Law.

Employees may be assigned four (4) days, ten (10) hours per day, work schedule. Time and one-half (1-1/2) the employee's regular rate of pay will be paid after ten through twelve hours

per day or beyond forty hours per week, and all work performed in excess of twelve hours per day or in excess of eight hours per day on any days beyond four days in a work week, paid at double the employee's regular rate of pay.

All employees shall be entitled to two (2) coffee breaks of fifteen (15) minutes' duration; one break during the first half of the shift, and one break during the last half of the shift. Any employee working an additional shift will be entitled to a coffee break of fifteen (15) minutes approximately midway through the additional four or five hours of work. At no time will these breaks be combined or taken with lunch unless authorized by the Supervisor.

All employees shall be granted a one-half hour unpaid lunch, with employees on an eight hours' day being granted the lunch between the third and fifth hours of work and employees on a ten hours' day being granted the lunch between the fourth and sixth hours of work.

**Section 4. Higher Wages.** No employee receiving a higher rate of pay shall suffer reduction in pay by reason of the execution of this Agreement.

Any person assigned a classification with a higher pay rate shall receive the higher pay and pension rate for the entire day.

Employees starting work at 12 Noon or later shall receive twenty-five cents (\$.25) per hour above regular rate of pay for all hours worked.

Employer shall develop a formal training program that utilizes qualified, experienced employees to provide training. Those employees will be paid an additional one (1) hour pay at straight time for their efforts.

**Section 5. Overtime.** Overtime at the rate of time and one-half (1-1/2) shall be paid for all work performed after eight (8) hours of anyone day, or after forty (40) hours in anyone week, Monday through Friday, and Tuesday through Saturday, inclusive.

Employees called for work on the sixth (6th) day shall be guaranteed eight (8) hours' pay at time and one-half (1-1/2).

Overtime shall be assigned to the employees who regularly work the shift for which overtime work is needed. If the overtime assignment is not related to a regular shift or if additional persons are needed to work overtime, overtime shall be assigned on the basis of seniority. If qualified, employees shall not unreasonably refuse to work overtime.

When reasonably foreseeable, the Employer shall give at least two (2) working days' notice of any required overtime on an unscheduled workday, based on the employee's last scheduled work day.

**Section 6. Pay Period.** The members of the Union shall be paid weekly for their labor. Any payroll errors in excess of seventy-five dollars (\$75.00) will be paid within seventy-two (72) hours of being reported by the effected employee.

**Section 7.** An employee who at his own request is placed in a lower classification will be paid at that rate.

## **ARTICLE V. VACATIONS**

**Section 1. Vacation Allocation.** Employees having completed one (1) year of continuous service with the Employer shall be entitled to an annual vacation with pay of one (1) week.

Employees having completed two (2) years of continuous service with the Employer shall be entitled to an annual vacation with pay of two (2) weeks.

Employees having completed five (5) years of continuous service with the Employer shall be entitled to an annual vacation with pay of three (3) weeks.

Employees having completed ten (10) years of continuous service with the Employer shall be entitled to an annual vacation with pay of four (4) weeks.

Employees having completed fifteen (15) years of continuous service with the Employer shall be entitled to an annual vacation with pay of five (5) weeks.

Employees having completed twenty-five (25) years of continuous service with the Employer shall be entitled to an annual vacation with pay of six (6) weeks.

Vacation shall be computed at ten percent (10%) over the employee's normal rate of pay if the vacation time is taken, and 5% over the employee's normal rate of pay if cash equivalent is taken. His normal rate of pay shall be that of his permanent assignment immediately prior to his vacation period.

**Section 2. Prorated Vacations.** Any employee who dies, is laid off, terminated, or otherwise severs his employment with his Employer for any reason prior to the completion of his vacation year, will be paid for all earned vacation. Prorated earned vacation to be computed proportionate to his years of service.

**Section 3. Vacation Pay.** All accrued vacation pay is to be paid to the employee at the completion of his last shift prior to the commencement of his vacation.

Whenever possible and when desired by the employee, he may stagger or spread his vacation period throughout the year. However, in no case shall any portion of a vacation be less than one (1) week.

Seniority choice of vacation shall be allowed an employee for only one continuous vacation period each year.

To be eligible for seniority choice of vacation dates, employees must choose dates between December 1 through January 31.

It is agreed by both parties to this Agreement that each employee must take his accrued vacation each year and that no arrangement to work for additional compensation during his earned vacation will be allowed except where mutually agreed upon by the Employer and the Union.

### **ARTICLE VI. HOLIDAYS**

There shall be eleven (11) paid holidays when not worked, as follows:

New Year's Day	Labor Day
Martin Luther King Day	Columbus Day
Presidents Day	Thanksgiving Day
Memorial Day	Christmas Day
Fourth of July	Employee's Individual Birthday
	One Floating Holiday

These eleven (11) holidays shall be paid at the rate of straight time if no work is performed, and if worked, they shall be paid at the rate of double time and one half (2-1/2) for all hours worked.

The Employee's Individual Birthday shall be considered and treated as a Holiday, and if worked, the employee will receive double time and one-half (2-1/2). Employee must notify the Employer in advance in order to qualify.

An employee must work the day before and the day after the day on which the holiday falls unless excused by his Employer in order to receive holiday pay.

Previous company practice will determine which holidays will be rescheduled to Saturdays.

An employee giving the Employer a minimum of two weeks' notice shall be given the Holiday off, if it does not appreciably affect Company operations.

Employee's Birthday shall be treated as any other holiday except when employee's birthday falls on another holiday, Monday through Saturday, he will receive two (2) days' pay for the holiday and will not be allowed to work.

### **ARTICLE VII. JURY DUTY**

An employee who is summoned and reports for jury duty shall receive the difference between jury pay and his regular daily rate of pay for which he reported for jury duty and on which he would normally have worked. Cap jury duty pay shall be seven (7) days per year.

In the event an employee is released from jury duty at a time which will permit him to return to work, he shall be obligated to return to work unless specifically excused by the Employer.

## **ARTICLE VIII. FUNERAL LEAVE**

In the event of the death of an employee's parent, spouse, domestic partner, child, brother, sister, grandparents, mother-in-law, father-in-law, brother-in-law, sister-in-law, stepchildren, or stepparents, the employee will be granted a leave of absence with pay not to exceed three (3) days falling between the date of the death and the date of the funeral or a celebration of life ceremony. The employee will be allowed five (5) days for an out of state funeral. The compensable day or days must fall within the employee's regular scheduled work week. The purpose of the funeral leave is to enable the bereaved employee to attend the funeral. No funeral leave benefits shall be given during the vacation period of any employee.

Employee must furnish proof of death and relationship.

## **ARTICLE IX. PAYROLL DEDUCTION**

Upon being furnished with an appropriate authorization form executed by an employee, the Employer shall deduct from that employee's pay, in the amount stated, the following: (1) initiation fees, dues, assessments and fines as established by the Union, (2) allotments to be made to a credit union as identified in the authorization, and (3) contributions to DRIVE. Such deductions shall be remitted to the recipient, as stated in the authorization, no later than the last day of each month and payments to the Union should be remitted to the office of Union Local 315, 2727 Alhambra Avenue, Martinez, CA 94553, by the 15th of each month following the month for which the deductions have been made, together with a list of employees for whom deductions have been made.

Deductions for the initiation fee shall be at the rate of no less than \$75 a week.

Dues shall be deducted from employees classified as "casuals" on the first day worked in any month that they are employed as a non-seniority employee. Deduction authorization forms shall be made available to casuals at the time of their original hire.

### **Section 1. Drive Authorization and Deduction.**

The Employer agrees to deduct from the paycheck of all employees covered by this agreement voluntary contributions to DRIVE. DRIVE shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Employer shall transmit to DRIVE National Headquarter on a monthly basis, in one check the total amount deducted along with name of each employee on whose behalf a deduction is made, the employee's Social Security Number, and amount deducted from the employee's paycheck. The International Brotherhood of Teamsters shall reimburse the Employer annually for the Employer's actual cost for the expenses incurred in administering the weekly payroll deduction plan.

The Union agrees to hold the Employer harmless from any financial liability whatsoever should the Union exercise any of its legal rights under this Article or Article I.



## **ARTICLE X. SENIORITY**

**Section 1. Establishing Seniority.** In order to obtain seniority, an employee must have worked sixty (60) days during nine (9) consecutive months. After completing the sixty (60) day requirement, the employee shall be deemed a regular employee for purposes of eligibility for benefits as defined herein for regular employees.

The Employer is the sole judge during this nine (9) month probationary period to continue or terminate the employee. Terminations during an employee's probationary period shall not be subject to the appeal procedures herein contained.

Seniority shall commence on completion of the nine (9) month probationary period. Upon attainment of seniority, an individual shall be considered a regular employee and his seniority date shall revert to the employee's original date of hire.

Any employee who has maintained seniority on a job for thirty (30) days without being challenged after put up for bid shall maintain seniority or be declared permanent on that job.

Should a probationary employee bid an opening and be deemed qualified by the Employer, his seniority shall commence on the date he is assigned to the job.

In reducing the work force due to a slackness of work, the last person hired shall be the first employee laid off, and in rehiring, the last employee laid off shall be the first employee rehired. A laid off employee shall have no right to recall upon the expiration of a twelve (12) month layoff.

When an employee works in a higher classification for 10 working days out of last 20 working days prior to when a holiday, sick leave or vacation occurs, such employee shall be compensated at the higher rate of pay and pension.

**Section 2. Seniority and Job Assignments.** All vacancies shall be offered to full-time regular employees, in seniority order on the appropriate seniority list where the opening becomes available. When an employee is out on vacation or leave of absence, the employer will make a reasonable effort to notify such employee of any route and or alternate position that has been put up for bid purposes. Transfer of employees from one job or route to another job or route, shall be confined to two (2) transfers as a result of anyone opening. The remaining opening shall be filled by assignment. The qualifications and requirements for the opening shall be posted for five (5) working days, including the rate of pay.

Employees shall receive the higher rate of pay during the qualifying period, which shall be no more than thirty (30) working days. Once having accepted a bid position, an employee may not request a change until such employee has remained in that position for a period of twelve (12) months except to exercise seniority to qualify for a higher paid position.

The employer agrees to post all job openings internally within Mt. Diablo Resource Recovery for five (5) working days.

The Employer has the right to assign work on an as-needed basis among employees in the processing area. Employees are expected to know every job; they can be transferred from function to function at the determination of the Employer.

**Section 3. Seniority List.** The Employer agrees to furnish a list of its Union #315 employees to the Union upon request.

## **ARTICLE XI. DISCHARGE AND SUSPENSION**

**Section 1. Discharge/Suspension Procedures.** The Employer may discharge or suspend an employee for just cause but no employee shall be discharged or suspended unless three (3) written notices shall have been given to such employee of a complaint against him concerning his work or conduct, except that no such prior warning notices shall be necessary if the cause for discharge or suspension is theft, assault, drinking on the job, gross insubordination, selling or using illegal narcotics while in the employ of the Employer, recklessness, or carrying fire arms on the job. Egregious acts of proven sexual harassment will subject the employee to discipline up to and including Termination for Just Cause.

Warning letters and oral reprimands or warnings shall not be subject to the grievance procedures of this Agreement in the absence of other disciplinary action taken against an employee who receives such a letter. All warning letters and/or oral reprimands however, shall be considered to be protested without the necessity of a written protest, and the validity of any such warnings or reprimands may be raised by the Union in connection with any grievance concerning disciplinary action wherein the Company relies in whole or in part upon the issuance of the warning or reprimand. Warning letters and oral reprimands shall be effective for a period of twelve (12) months following their issuance and shall thereafter be of no effect and shall not be used in any grievance proceedings.

No such warning letter or suspension notice shall remain in effect for a period of more than twelve (12) months, with the exception of warning letter or suspension notices for the Department of Motor Vehicles' (DMV) reportable accident (those involving personal injury or one thousand (\$1,000) dollars or current DMV reportable amount or more in damage), or moving violations on the job which shall remain in effect for thirty-six (36) months (the period such incidents remain on the records of the DMV).

A copy of such warning notices shall be sent to the Union at the time it is given to the employee.

If the employee does not file with the Company written protest of the Employer's action within fourteen (14) days from the date of receipt of the Employer's notice, the right to protest such discharge or suspension shall be waived.

**Section 2. Time Limitations.** Any case pertaining to a discharge or suspension shall be handled as follows:

A. Within ten (10) days of the occurrence of the alleged cause for discharge or suspension, the Employer shall give written notice by registered mail to the employee and to the Local

Union of its decision to discharge or suspend the employee; such notice shall set forth the reason or reasons for the discharge or suspension. If the Employer fails to give notice within the specified ten (10) day period, the right to discharge or suspend for that particular reason shall be waived.

B. In the case of an accident, the Company shall be allowed up to and including 15 days to investigate an accident before a letter of warning is required. During the period of investigation, the employee shall remain on the job. In the event the employee requires additional time to investigate an accident, the Company shall be granted an additional 15 days before a letter of warning is required. The Company must notify the Union of this additional request.

## **ARTICLE XII. DISPUTES AND GRIEVANCES**

A. Any grievance or controversy affecting the mutual relations of the Employer and the Union shall first be taken up between the steward and/or Business Agent and the Employer within 10 days of the occurrence of the event giving rise to the grievance or dispute excluding Saturdays, Sundays, and holidays. Failure to raise the dispute or file a grievance within this time period will result in a waiver of the grievance. If the matter is not resolved within ten (10) days excluding Saturdays, Sundays, and Holidays, after being submitted in person or in writing to the Employer, the grievance shall be submitted to a joint committee of the Union and Employer representatives. Grievances involving back pay shall not exceed a period of more than 45 days prior to the date of filing, unless the failure to file such grievance earlier shall be justified by good cause.

B. The joint committee of Union and Employer representatives referred to in Paragraph (a) of the Agreement will be an adjustment panel. The adjustment panel shall meet on a regularly scheduled day once a month to be determined by the parties. The adjustment panel shall be established for the purpose of hearing and deciding disputes which arise and are presented during the term of this Agreement and which involve the interpretation or enforcement of any of the sections of this Agreement or the terms or provisions of agreement between the parties supplementary hereto. The panel shall consist of two representatives selected by the Union and two representatives selected by the Employer. The two persons selected by the Union to serve as members of the adjustment panel shall not include representatives of Local 315 and the two persons selected by the Employer to serve as members of the adjustment panel shall not include persons on the payroll of the Employer involved in the dispute. The adjustment panel shall elect a chairman and a secretary to adopt rules of procedure, as attached. A majority decision by the adjustment panel shall be final and binding. Neither the Union nor the Employer shall select attorneys or paid consultants to serve on the adjustment panel. The agreement that the two persons selected by either party shall not include representatives of Local 315 and shall not include persons on the payroll of the Employer involved in a dispute may be waived by mutual agreement of the Union and the Employer.

Submit the dispute to grievance mediation within ten (10) days upon the request of either party unless such time limits are extended by mutual agreement between the parties. The grievance mediation will be conducted by the Federal Mediation and Conciliation. The mediator will issue an Advisory Opinion at the end of the mediation session, which shall not

be binding on the parties and which may not be introduced in any arbitration process. The parties may mutually agree to be bound by the Mediator's advisory opinion.

If neither party requests grievance mediation, then in order to proceed to arbitration, the Union or Company must request within 10 calendar days of the decision.

In the event the parties are unable to agree upon an arbitrator within 10 working days from the date of the request or agreement to arbitrate, either party may request the American Arbitration Association to submit a list of the names of nine arbitrators' members of the National Academy of Arbitrators who are on the Northern California Employment Dispute Resolution Panel or the parties may agree to a list from the FMCS.

C. It is understood that the time limits referred to above may be waived by mutual agreement of the parties.

D. There shall be no interruption of work during the settlement of any controversy except as provided below.

Notwithstanding the above, the Union shall have the right after proceeding in accordance with the time limitations set forth above to take any legal and/or economic action, including striking and picketing, against the Employer after ten (10) days of written notice, excluding Saturdays, Sundays, and holidays to the manager of the Company in the event of any of the following:

1. Failure of the Employer to pay the required sum (excluding errors) into any Trust Fund provided for in this Agreement within thirty (30) days from its due date unless such delinquency is due to Acts of God, strikes by office workers handling trust payments or other matters of a catastrophic nature beyond the control of the Employer.
2. Failure of the Employer to meet the payroll of the employees covered by this Agreement unless the failure is due to Acts of God, strikes by office workers handling the payroll or other matters of a catastrophic nature beyond the control the Employer.
3. Failure of the Employer to comply with the time limitations set forth above.

E. The cost of the arbitrator and the incidental expense of the hearing shall be borne equally by the parties.

F. The arbitrator shall have no authority to amend, alter, or change any provisions of this Agreement in any manner.

**Section 1. Rules for Disputes and Grievances.** See Attachment 1 to the Agreement titled Rules for Disputes and grievances.

### **ARTICLE XIII. HEALTH AND WELFARE**

Effective March 1, 2020, the Employer shall pay into Teamsters Benefit Trust, Plan I, \$2,243.00, which is the current cost per month for each regular employee working under this Agreement. Such payments shall include provisions for both employees and dependents hospital-medical, dental, vision care and prescription drug coverage. Such payments shall be made in addition to all wages and other compensation provided in this Agreement, and such payments, when required, shall be made without deduction for any purpose whatsoever.

#### **Retirees**

The Employer agrees to pay Two Hundred Fifty-Eight Dollars (\$258) per month, per person, for each non-Medicare-eligible currently retired employee, their non-Medicare-eligible spouse, and all future non-Medicare-eligible retired employees and their non-Medicare-eligible spouses for the term of this Agreement.

The Employer agrees to pay Twenty-Five Dollars (\$25) per month, per person, for each Medicare-eligible currently retired employee, their Medicare-eligible spouse, and all future Medicare-eligible retired employees and their Medicare-eligible spouses for the term of this Agreement.

The Employer agrees to pay only the amounts listed above for retirees and their spouses. Should the monthly premiums exceed the above-listed amounts, the retirees and their spouses are responsible for the difference.

"Employee" shall mean any employee who has been on the payroll of the Employer continuously for a period of thirty (30) days or more and having worked 80 hours or more in the preceding month, with benefits commencing with the first day of the next month following the month in which he has worked 80 hours or more, whichever is later.

The Employer agrees that monthly payments, when required, will be forwarded by him to the Trustees of the appropriate Funds before the tenth (10th) day of each month.

The Employer agrees to remit these payments to the appropriate area administrative office by the date designated by that office, and monies received after that date shall be considered delinquent. All checks, when required, shall be made out to, and correspondence concerning the Plans shall be sent to, the appropriate Funds.

If the Employer fails to obtain and pay for the Insurance and Health and Welfare benefits as provided herein, he shall be held personally responsible for the employees and dependents as covered by the Plan for the benefits which would have been provided by such insurance coverage.

*Effective 3/1/2020*, the EMPLOYER agrees to maintain benefits for this contract term.

*Effective 3/1/2021*, the EMPLOYER agrees to maintain benefits for this contract term.

*Effective 3/1/2022*, the EMPLOYER agrees to maintain benefits for this contract term.

*Effective 3/1/2023*, the EMPLOYER agrees to maintain benefits for this contract term.

*Effective 3/1/2024*, the EMPLOYER agrees to maintain benefits for this contract term.

At any time during this agreement, the Company and the Union may mutually agree to substitute a health and welfare plan for medical coverage provided such coverage is equivalent to that provided by Plan I.

**Section 1 - Payments during Periods of Absence.** If an employee is absent because of illness or off-the-job injury and notifies the Employer of such absence, the Employer shall continue to provide benefit coverage for a period of three (3) months after active employment ceases. If an employee is injured on the job, the Employer shall continue to provide benefit coverage until such employee returns to work; however, such coverage shall not be paid for a period of more than six (6) months beginning with the first month after contributions for active employment ceases.

#### **ARTICLE XIV. SICK LEAVE**

**Section 1. Approved Leave.** All full-time regular employees shall receive nine (9) days of sick leave with pay each year commencing with the first day of illness. All full-time regular employees shall be eligible for sick leave on a pro-rated basis after four (4) months of service with the Employer retroactive to the date of employment. Sick leave pay shall be payable for days falling during the workweek only.

Anniversary date will be December 15 each calendar year.

Employees who work a four (4) day, ten (10) hour work week, shall be paid ninety (90) hours of sick leave pay annually at ten (10) hours per day sick leave. This sick leave shall commence on the first day of illness.

**Section 2. Unused sick leave.** Unused sick leave shall be granted once each year to each full-time regular employee in cash at the current daily rate. The cash payment shall occur the second week of December.

Each January 1, the employees' full annual allotment of sick days for the year will become available for their use.

On resignation, discharge, or death, an employee or his estate shall collect cash payment for all unused accumulated sick leave.



**Section 3. Disabling On The Job Injury.** In the event of a disabling injury on the job, an employee shall be entitled to a **full day's pay**.

**Section 4. Report On The Job Injuries.** Employees shall report injuries which occur during working hours to the immediate supervisor and/or the main office as soon as practicable, but in no event, not later than 24 hours or the end of the next business day. From the time of the accident or injury, the employee shall complete all medical forms required by the Company prior to seeking treatment.

## **ARTICLE XV. LEAVE OF ABSENCE**

**Section 1. Approved Leave.** Any employee desiring a leave-of-absence from his employment shall give ten (10) days' written notice to his Employer and shall obtain written permission from the Union. Except as otherwise provided for in this Agreement, leaves-of-absence shall be for a thirty (30) day period. Extended leaves-of-absence as may be granted may not exceed a maximum period of six (6) months; provided however, any leave-of-absence in excess of thirty (30) days can only be taken upon written permission of the Employer. During an approved leave-of-absence, the employee shall not engage in any gainful employment. Any employee who has utilized his right to a leave-of-absence as spelled out above will not be entitled to another leave-of-absence, except for medical reasons, for a period of three (3) years. Leaves of five (5) days or less do not require Union approval. Extensions of approved leaves-of-absence when requested during the course of a leave-of-absence requires the approval of the Employer.

An employee who is unable to work because of sickness or injury, shall be deemed to be on a leave-of-absence. Such leave shall not exceed two (2) years, except with written consent of the Union and the Employer.

A leave-of-absence as provided above shall not result in the loss of seniority rights.

Employees going on leaves-of-absence are expected to maintain their membership in the Union in good standing.

**Section 2. Affect on Vacation-Holidays.** Time off in excess of fourteen (14) working days in a calendar month due to an approved leave-of-absence other than illness or injury shall cause an employee to lose vacation credit for that month.

All regular employees off the job due to illness, or off-the-job injury shall accumulate vacation rights and holiday pay beginning with the date of illness or off-the-job injury and continuing to the end of the month and thirty (30) days thereafter.

All regular employees off due to an on-the-job injury shall accumulate vacation, and holiday rights, uninterrupted for a period of one (1) year.

**Section 3. Health and Welfare When On Leave.** The employees shall make suitable arrangements for continuation for Health and Welfare payments consistent with the Health and Welfare policy, or request discontinuance of his Health and Welfare before the leave is approved by both the Employer and the Union.

## **ARTICLE XVI. GENERAL PROVISIONS**

**Section 1. Provision Of Equipment.** The Employer agrees to furnish one set of good quality rain gear per year to each employee on or after October 1 of each year, and a pair of good quality gloves on an as-needed basis to each employee.

A. Employer and Employees will work collaboratively to establish a list of acceptable footwear that meets company standards for safety and employee goals for comfort.

B. No employee will be permitted to start work prior to his scheduled starting time without the expressed permission from his dispatcher.

C. No employee will use any truck other than his regular one unless specifically assigned one.

D. No employee shall accept employment from any other waste disposal or recycling business, except when they are on layoff from the Company.

E. The Employer shall provide each seniority employee five (5) sets of uniforms annually. Should an employee arrive to work not wearing a complete uniform, the Employer has the right to send him home without a day's pay. Employee shall be required to wear their uniforms during normal working hours. Uniforms will be considered pants and shirts. An employee may wear Company-issued hats or Union-issued hats.

**Section 2. Bulletin Boards.** The Company shall supply and install suitable bulletin boards at each barn or starting point for the posting of Union business and communications. The Employer shall post on said Boards, copies of the Seniority List, Health and Welfare and Pension communications, and other Company and Union business. A separate Bulletin Board shall be for bids and awards of bids only.

**Section 3. Safety Regulations.** The Employer will observe all State and Federal Safety Regulations.

## **ARTICLE XVII. PENSION**

### **Section 1 - Employer Contributions. For Working Foreman classification**

The Employer shall contribute to the Western Conference of Teamsters Pension Trust Fund, the provisions of which the undersigned parties agree to accept and to abide by the rules and regulations established or as may be established by the Trustees of such Trust Fund, the applicable sums listed below for each employee covered by this Agreement, from the first compensable hour.

***EFFECTIVE March 1, 2020***, the Employer shall pay an hourly contribution rate of Ten Cents (\$0.10) including PEER/84 during the probationary period as defined in Article X Seniority; but in no case for a period longer than ninety (90) calendar days from an employee's first day of hire. Contributions shall be made on the same basis as set forth in Article XVII Pension of the Agreement. After the expiration of the probationary period as defined in Article X Seniority; but in no event longer than ninety (90) calendar days from an employee's first date of hire, the contribution shall be increased to the full contractual rate.

***EFFECTIVE — March 1, 2020***, for employees working one hundred sixty (160) hours the monthly sum of \$507.86 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$2.92 from the first compensable hour. The basic hourly rate is \$2.73 per hour, plus \$.19 per hour to fund the PEER/84.

***EFFECTIVE- March 1, 2021***, for employees working one hundred sixty (160) hours, the monthly sum of \$627.86 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$3.67 from the first compensable hour. The basic hourly rate is \$3.42 per hour plus \$.25 per hour to fund the PEER/84.

***EFFECTIVE - March 1, 2022***, for employees working one hundred sixty (160) hours, the monthly sum of \$747.86 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$4.42 from the first compensable hour. The basic hourly rate is \$4.10 per hour plus \$.32 per hour to fund the PEER/84.

***EFFECTIVE - March 1, 2023***, for employees working one hundred sixty (160) hours, the monthly sum of \$867.86 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$5.17 from the first compensable hour. The basic hourly rate is \$4.79 per hour plus \$.38 per hour to fund the PEER/84.

***EFFECTIVE- March 1, 2024***, for employees working one hundred sixty (160) hours, the monthly sum of \$987.86 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$5.92 from the first compensable hour. The basic hourly rate is \$5.47 per hour plus \$.45 per hour to fund the PEER/84.

*Under no circumstances shall the Employer pay in excess of one hundred seventy-three point thirty-three (173.33) hours per month for any regular employee.*

The Employer agrees to remit these payments to the appropriate area administrative office by the date designated by that office and monies received after that date shall be considered delinquent.

It is understood by the parties that all hours worked includes vacation, paid sick leave, paid holidays, etc.

**Section 2 - Employer Contributions. For Baler, Utility, Laborer, Wash Rack, Laborer, & Sorter classifications.**

The Employer shall contribute to the Western Conference of Teamsters Pension Trust Fund, the provisions of which the undersigned parties agree to accept and to abide by the rules and regulations established or as may be established by the Trustees of such Trust Fund, the applicable sums listed below for each employee covered by this Agreement, from the first compensable hour.

***EFFECTIVE March 1, 2020***, the Employer shall pay an hourly contribution rate of Ten Cents (\$0.10) including PEER/84 during the probationary period as defined in Article X Seniority; but in no case for a period longer than ninety (90) calendar days from an employee's first day of hire. Contributions shall be made on the same basis as set forth in Article XVII Pension of the Agreement. After the expiration of the probationary period as defined in Article X Seniority; but in no event longer than ninety (90) calendar days from an employee's first date of hire, the contribution shall be increased to the full contractual rate.

***EFFECTIVE — March 1, 2020***, for employees working one hundred sixty (160) hours the monthly sum of \$450.00 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$2.59 from the first compensable hour. The basic hourly rate is \$2.40 per hour, plus \$.19 per hour to fund the PEER/84.

***EFFECTIVE- March 1, 2021***, for employees working one hundred sixty (160) hours, the monthly sum of \$570.00 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$3.15 from the first compensable hour. The basic hourly rate is \$2.90 per hour plus \$.25 per hour to fund the PEER/84.

***EFFECTIVE - March 1, 2022***, for employees working one hundred sixty (160) hours, the monthly sum of \$690.00 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$3.90 from the first compensable hour. The basic hourly rate is \$3.58 per hour plus \$.32 per hour to fund the PEER/84.

***EFFECTIVE - March 1, 2023***, for employees working one hundred sixty (160) hours, the monthly sum of \$810.00 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$4.65 from the first compensable hour. The basic hourly rate is \$4.27 per hour plus \$.38 per hour to fund the PEER/84.

***EFFECTIVE- March 1, 2024***, for employees working one hundred sixty (160) hours, the monthly sum of \$930.00 per month.

For employees who work less than one hundred sixty (160) hours in a month, the hourly rate of \$5.40 from the first compensable hour. The basic hourly rate is \$4.95 per hour plus \$.45 per hour to fund the PEER/84.

*Under no circumstances shall the Employer pay in excess of one hundred seventy-three point thirty-three (173.33) hours per month for any regular employee.*

The Employer agrees to remit these payments to the appropriate area administrative office by the date designated by that office and monies received after that date shall be considered delinquent.

It is understood by the parties that all hours worked includes vacation, paid sick leave, paid holidays, etc.

**Section 3 - P.E.E.R 84.** The contributions required to provide the Program for Enhanced Early Retirement will not be taken into consideration for benefit accrual purposes under the Plan. The additional contribution for the PEER must at all times be 6.5% of the basic contribution and cannot be decreased or discontinued at any time.

**Section 4 - Delinquent Contributions.** Action for delinquent contributions may be instituted by the Union or the Area Conference of Trustees. Employers who are delinquent must also pay all attorneys' fees and the cost of collection.

**Section 5 - Posting Notice.** The Employer shall post on Employee's Bulletin Board a duplicate copy of reporting form sent to the Administrator's office of payments made to the Western Conference of Teamsters Pension Trust Fund on behalf of the employees at the time payments are made.

**Section 6 - Supplemental Income 401 (k).** The Employer shall participate in the Supplemental Income 401 (k) Plan, a plan to conform to the requirements of Internal Revenue Code Section 401 (k) for certain tax exempt, employee contributory plans. The Employer's obligations to the Plan created by this Agreement are limited to the timely execution of the Plan's Subscriber Agreement and the timely payment of that portion of their wages employees elect to pay into the Plan on the form provided by the Plan.

## **ARTICLE XVIII. DRUG AND ALCOHOL POLICY**

1. The Employer and the Union are concerned about the use, possession and distribution of alcohol, illegal drugs, and controlled substances in the work environment. Such activities interfere with an employee's work performance, efficiency, safety, and health, and may adversely affect the work and safety of others.

2. The Employer strictly prohibits consumption, use, possession, transfer or sale of alcohol, illegal drugs, or controlled substances on the job or on Employer's property and strictly prohibits working or attempting to work while under the influence of alcohol or any illegal drug or controlled substance. Any employee violating this prohibition shall be subject to discipline up to and including discharge.

## **ARTICLE XIX. DRUG AND ALCOHOL TESTING**

**Section 1. Purposes.** The purpose of this policy is as follows:

- A. To establish and maintain a safe, healthy working environment for employees, customers and the public,
- B. To reduce the incidents of accidental injury to person or property, thereby minimizing Employer's exposure to liability,
- C. To reduce absenteeism, tardiness, and indifferent job performance, thereby improving Employer's productivity.
- D. To maintain a work environment free of alcohol and drug-related performance problems, accidents, and injuries, thereby decreasing health care costs and workers' compensation costs,
- E. To enable Employer to qualify for certain Federal/Governmental contracts requiring a drug-free workplace policy.
- F. To protect and enhance Employer's reputation.
- G. Testing of drug samples will be performed by a National Institute on Drug Abuse (NIDA), certified drug testing facility.
- H. Alcohol testing will be performed by the Medical Review Officer (MRO) at his/her facility and the employee will have no measurable alcohol in excess of Department of Transportation (DOT) levels. Any employee having levels greater than .02 but less than .04 will not be allowed to work that day. However, the employee will be scheduled for the following workday.

Employees are expected and required to report to work on time and in appropriate mental and physical condition for work. Employer's employees have the right to be provided a safe and healthy working environment. Drug and alcohol testing will help ensure that all



employees, regardless of position, report to work without being under the influence and remain free of such influence throughout all working hours.

**Section 2. Use, Possession or Sale of Drugs, Illegal Drugs, or Alcohol on the Job.** The manufacture, distribution, sale, purchase, sell or use drugs or alcohol while conducting Employer's business off Employer's premises during working hours or on Employer's premises is prohibited. Moderate consumption of alcohol at designated Employer's gatherings or under circumstances expressly authorized by a Corporate Officer of the Employer will be the only exception. Any employee engaging in the foregoing prohibited conduct will be subject to disciplinary action up to and including immediate termination.

**Section 3. On The Job Impairment.** All employees of the Employer are expected to report for work with no illegal drugs or their metabolites in their bodies exceeding NIDA levels, or alcohol in their bodies exceeding DOT levels. Compliance with these rules is considered an essential job qualification for all employees.

"**Alcohol**" means any alcohol or alcoholic beverage as defined in California Business and Professional Code Sections' 23003 and 23004.

"**Drug**" means any drug, other than alcohol, including but not limited to illegal drugs and prescriptions or over-the-counter drugs.

"**Illegal Drug**" means any controlled substance, drug, narcotic or immediate precursor which is specified or referenced in any provision of California Uniform Controlled Substance Act (Division 10 of the Health and Safety Code) which may subject an individual to criminal penalties, or a legal drug which has not been legally obtained or is being used by an individual for who it was not prescribed, manufactured, prescribed, or intended.

**Section 4. Enforcement of Rule Prohibiting On-The-Job Drug, Illegal Drug or Alcohol Impairment**

**Pre-Employment Alcohol/Drug Screening.** Prior to employment with Employer, all final candidates will be required, as a condition of employment, to pass an alcohol/drug screen test administered by an approved Employer's physician or medical facility. Any prospective employee refusing to submit to such examination will not be hired by Employer. Any prospective employee failing the alcohol/drug screen test will be rejected from further consideration for employment with Employer, for a minimum of six months.

**Special Circumstance Alcohol/Drug Screening.** All Employer's employees involved in on-the-job incidents such as accidents or injuries or physical altercation of sufficient force to create a hostile work environment or endanger the health and safety of another individual, will be required to submit to an alcohol/drug screen test immediately upon request by Employer. Refusal to submit to such a test amounts to insubordination and shall be sufficient ground for termination from Employer. At no time in this instance shall an employee transport him or herself to the medical facility. Instead, either a supervisor or another employee shall transport the individual to the medical facility. If the situation is life threatening, however, the ambulance will become the authority as to where the individual shall be transported. Should the employee be incapacitated as a result of the accident, the

Lab Testing Facility will determine whether or not it is appropriate to administer the test. Under these situations, the employee must report the circumstances of injury and damage as well as receive the drug/alcohol test at the medical facility within 24 hours, except if admitted to a medical facility. Any employee failing such a test will be subject to disciplinary action up to and including immediate dismissal from Employer.

**Reasonable Suspicion Alcohol/Drug Screening.** When Employer has a reasonable suspicion that an employee or group of employees is, or may be, impaired or affected on the job by alcohol or illegal drugs, an employee will be required to submit to an alcohol/drug screen test immediately upon request by Employer. After a determination has been made that a drug or alcohol test will occur, a supervisor, or their designee, will transport the employee(s) to the Testing Facility for blood alcohol, drug, and physical evaluations. Refusal to submit to such a test amounts to insubordination and shall be sufficient grounds for dismissal. Any employee failing such a test will be subject to disciplinary action up to and including immediate dismissal from Employer.

The term "reasonable suspicion" shall, for the purposes of this policy, be defined as follows: aberrant or unusual behavior of an individual employee which.

- 1) is observed by a company supervisor trained to recognize the symptoms of drug abuse, impairment, or intoxication, and
- 2) is the type of behavior which is a recognized and accepted symptom of intoxication or impairment caused by controlled substances or alcohol or addiction to or dependence upon said controlled substances.

For example, a reasonable suspicion may arise from obvious impairment of physical or mental ability such as slurred speech or difficulty maintaining balance, from unexplained significant deterioration in job performance or behavior, such as excessive absenteeism, from reports of on-the-job impairment verified by a trained supervisor, from employee admissions regarding drug use, or from any other evidence reasonably giving rise to suspicion of impairment. During this procedure, the employee has the right to Union representation.

**Scheduled/Random Drug Screening.** All personnel employed by Employer covered under the collective bargaining agreement will be subject to scheduled and random drug screen testing. Each employee shall be in a pool from which a random selection is made by an independent party. Any employee on vacation or on a leave of absence will not be subject to the pool testing while on leave. All other employees shall have an equal chance at selection and shall remain in the pool even after being tested. Upon return to work, all employees who were previously on vacation or leave of absence will be placed immediately into the pool.

The above affected employees will be required to submit to a drug screening test immediately upon request by Employer. Refusal to submit to such a test will amount to insubordination and shall be sufficient grounds for termination from Employer. Any employee failing such a test will be subject to disciplinary action up to and including immediate dismissal from Employer.

This Section will become effective in the event Federal or State legislation requires random testing.

**Collection.** Any time an employee is requested to take a drug and/or alcohol test, the employee will be required to sign an authorization form permitting the Occupational Medical Facility to collect the samples for National Institute on Drug Abuse (N.I.D.A) drug testing and alcohol testing, and to release the results to the Medical Review Officer (MRO), employee, and/or Employer. Refusal to cooperate will be considered insubordination and will subject the employee to discharge. On the initial test, all employees will provide urine samples for drug testing in their own privacy. Should an adulterated specimen be received at the Testing Facility, it may be necessary to observe the second attempt. All outer garments will be left behind when providing specimens, for example: jackets, purses, briefcases, etc. Wallets may be retained.

**Failing Test Results.** If an employee fails a test for drugs and/or alcohol on the initial screen, a second, more sophisticated test will be performed on the same specimen to confirm the results of the initial test. The test results of those employees who fail the second screen will be communicated directly to the Employer. "Failing test results": For the purposes of this policy, will mean those which exceed the acceptable levels, and which have been reviewed by the MRO. A current summary of the acceptable levels for drugs and alcohol may be obtained from the Human Resources Department and is also posted at the site.

#### **Section 5. Rehabilitation Leave.**

A. Employer encourages all employees to seek help for drug or alcohol problems. The Employer believes that seeking help before the problem becomes a disciplinary matter is beneficial for both the employee and Employer. Any employee with a drug or alcohol problem should contact the Human Resources Department or their Union representative. Each request for assistance will be treated as confidential and only those persons with a need to know will be made aware of such requests.

B. A seniority employee shall be permitted to take a reasonable "one-time" leave of absence for the purpose of undergoing treatment pursuant to an approved program of rehabilitation for drug or alcohol abuse, provided that the leave is requested prior to commission of any related act which subjects the employee to disciplinary action or an employee tests positive for drugs/alcohol during random testing or a D.O.T. physical. Such leave of absence shall not exceed a thirty (30) day period unless extended by mutual agreement for an additional thirty (30) days. Such leave shall be on a "onetime" basis and shall constitute a leave of absence. The leave will be without pay. Any cost of rehabilitation, over and above that paid for by the applicable health and welfare fund must be borne by the employee. After such a leave, further evidence of drug or alcohol abuse will be grounds for termination.

C. Upon successful completion of treatment and return to work, Employer will attempt to place the employee in his/her former classification or one of comparable status and pay, unless the nature of the employee's job duties are such that returning the employee to that classification represents a possible safety risk.

D. All employees returning to active employment from rehabilitation will be required to sign a "return to work agreement" providing:

1. For unannounced testing for a period of one (1) year to ensure that the employee has freed him/herself from the alcohol or drug problem,
2. That failure of such a test during this period shall be grounds for immediate termination; and,
3. That the employee must maintain an acceptable attendance and performance record upon their return to work.

E. No disciplinary action will be issued against any employee who comes forward to Employer with their drug or alcohol problem prior to violating the drug and alcohol policy. However, once a violation of the drug and alcohol policy occurs, Employer will take disciplinary action up to and including immediate termination.

F. Any employee suffering from an alcohol or drug problem who rejects treatment or who leaves a treatment program prior to being properly discharged from the program will be subject to immediate termination. No employee will be eligible for the use of rehabilitation leave more than one time.

**Section 6. Prescription Drugs.** Prescription drugs shall be used only in the manner, combination and quantity prescribed. No prescription drug shall be brought upon Employer premises by any person other than the person for whom the drug is prescribed by a licensed medical practitioner.

Following a positive finding of a drug screen test, any employee who claims that such positive result was due to his/her use of a prescription drug must provide the prescription for those drugs or the medication itself to the MRO within twenty-four (24) hours of notification.

**Section 7. Effective Date.** This policy will be effective February 29, 2008. Each present employee will be furnished a copy of this policy and will sign a receipt for the same. Later-hired employees will each be furnished a copy at or before the time of hiring and will also sign a receipt form for same.

Where the employee is required to take a physical examination and/or drug screen by the Employer, the Employer shall bear the cost of said examination.

The Employer shall pay for both the examination and the time involved in the examination of done during working hours.

## **ARTICLE XX. MANAGEMENT RIGHTS**

**Section 1. Reservation of Management Rights.** The Company reserves and retains solely and exclusively, all of its normal, inherent and common law rights to manage the business whether exercised or not, as such rights existed prior to the time any Union became the bargaining representative.

**Section 2. Listing of Management Rights.** The Company reserves the right to operate and manage all operations of the Company and to direct the workforce of the Company including, but not limited to, the right to plan, direct, and control operations; to establish work and quality standards; to perform periodic evaluations of employees; job performance and to make employment decisions based on the results of such evaluations; to determine and select the equipment to be used in the Company's operation, and from time to time, change or discontinue the use of any equipment and select new equipment for its operations, including equipment for new operations; to discontinue or move its business or operations in whole or in part; to determine and from time to time, redetermine the methods, processes and materials to be employed; determine the nature and format of the programs to be produced, purchased or presented, and determine the extent to which such programs will be produced or presented by its employees; the scheduling of productions and the methods, processes, and the means of productions; the right to hire, select, transfer, promote, suspend, and discharge employees; the right to promulgate and enforce reasonable rules; and the right to lay off employees from duty by seniority, because of lack of work or other legitimate reasons.

**Section 3. Recognition of Management Rights.** The Union recognizes the express provisions of this Agreement as constituting the only limitations, other than limitations of state and federal laws, upon the Company's right to manage its business. All management rights not curtailed or surrendered by this Agreement are reserved to the Company and the Company has the right to take any steps necessary to maintain efficient and profitable operations subject only to the express provisions of this Agreement.

The Union agrees to respect the rights of the Company to conduct and supervise its business as long as it does not conflict with wages, hours, terms and conditions of the Collective Bargaining Agreement.

**ARTICLE XXI. TERM OF AGREEMENT**

THIS AGREEMENT shall become effective retroactively to March 1<sup>st</sup> 2020 and shall remain in full force and effect until February 28, 2025 and may be renewed thereafter from year to year, either as is or with changes or amendments in the following manner: If neither party to this Agreement prior to sixty (60) days before February 28, 2025, or expiration of the Contract, notifies the other party in writing of its desire to rescind or make changes to amendments in said Contract as provided above, then said Contract shall automatically be extended and renewed for the following year, with the exception: In case of a national emergency this Contract may be reopened at any time with a sixty (60) day written notice.

**FOR THE EMPLOYER:**

**FOR THE UNION:**

**MT. DIABLO RECYCLING**

**TEAMSTERS LOCAL 315**

By: 

By: 

Title: C.A.O.

Title: Business Representative

Date: 2/18/21

Date: 2/18/21



## **EXHIBIT I-1: SAFETY TRAINING**

---

In accordance with Section 8.11.C, prior to the Commencement Date, the Contractor shall develop and secure written approval from the Authority on the Safety Training Plan that will be attached as Exhibit I-1.

*This page intentionally left blank.*

**EXHIBIT J:**  
**IRAN CONTRACTING CERTIFICATION**

---

*This page intentionally left blank.*

## EXHIBIT J: IRAN CONTRACTING CERTIFICATION

---

### CONTRACTOR'S IRAN CONTRACTING ACT CERTIFICATION

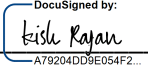
Pursuant to Contract Code Section 2200 et. Seq., ("Iran Contracting Act of 2010"), Contractor certifies that:

1. Contractor is not identified on the list created by the California Department of General Services ("DGS") pursuant to California Public Contract Code Section 2203(b) as a Person engaging in investment activities in Iran; and
2. Contractor is not a financial institution that extends Twenty Million Dollars (\$20,000,000) or more in credit to another Person, for 45 Days or more, if that Person will use the credit to provide goods or services in the energy sector in Iran and is identified on the DGS list made pursuant to Section 2203(b).

As used herein, "Person" shall mean a "Person" as defined in Public Contract Code Section 2202€.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY, that I am duly authorized to legally bind the Contractor to this Certification, which is made under the laws of the State of California.

Mt. Diablo Paper Stock \_\_\_\_\_ (Company Name)

By:  \_\_\_\_\_ (Signature)  
A79204DD9E054F2...

Name: Kish Rajan \_\_\_\_\_ (Printed Name)

Title: CEO \_\_\_\_\_

*This page intentionally left blank.*



**EXHIBIT K:  
PERFORMANCE BOND**

---

Performance Bond to be attached prior to Commencement Date.

*This page intentionally left blank.*

**EXHIBIT L:  
RESERVED**

---

*This page intentionally left blank.*

**EXHIBIT M:**  
**CAPITAL REQUIREMENTS AND SPECIFICATIONS**

---

*This page intentionally left blank.*

## EXHIBIT M: CAPITAL REQUIREMENTS AND SPECIFICATIONS

### Mount Diablo Paper Stock, Inc. (MDR)

On-Site Rolling Stock				
Description	Date Acquired	Quantity	Identification #	Remaining Life
Excavator	08/31/22	1	375	5
Forklift	05/09/11	1	364	0
Forklift	05/09/11	1	214	0
Loader	12/15/14	1	344	0

On-Road Equipment				
Description	Date Acquired	Quantity	Identification #	Remaining Life

Site-related				
Description	Date Acquired	Quantity	Identification #	Remaining Life
MRF - Baler	12/31/21	1	Baler 1	12
MRF - Baler	12/31/21	1	Baler 2	4
MRF - Baler	12/31/21	1	Baler 3	2
Forklift Accessory	09/10/18	1		0
Loader Accessory	08/14/08	1		0
Loader Engine	02/01/18	1	347	0
Loader Transmission	05/01/18	1	347	0
MRF - Sorting Equipment	10/01/18	1	Fine Screen Discs	1
MRF - Sorting Equipment	03/31/19	1	OCC Discs	2
MRF - Sorting Equipment	12/31/21	1	Phase 1 Fire System	36
MRF - Sorting Equipment	12/31/21	1	Phase 1 System	12
MRF - Sorting Equipment	12/31/21	1	Phase 1 System II	4
MRF - Sorting Equipment	12/31/21	1	Phase 1 System III	2
MRF - Sorting Equipment	09/01/22	1	Phase 2 System	13
MRF - Sorting Equipment	09/01/22	1	Phase 2 System II	5
MRF - Sorting Equipment	09/01/22	1	Phase 2 System III	3



*This page intentionally left blank.*

**EXHIBIT N:  
RECYCLABLE MATERIALS CHARACTERIZATION STUDY  
METHODOLOGY**

---

*This page intentionally left blank.*

## **EXHIBIT N: RECYCLABLE MATERIALS CHARACTERIZATION STUDY METHODOLOGY**

---

The following Exhibits (N-1 through N-3) describe protocols related to the Recyclable Materials Characterization Study requirements under Section 7.9 of the Agreement that will be used to quantify: i) Contractor's compliance with its performance standards to achieve the minimum Effective Recovery Rate of Recyclable Materials, pursuant to Section 8.15; and, ii) the amount of the Annual Recyclable Materials Revenue Sharing Payment to be paid to the Authority in accordance with Section 9.7.

*This page intentionally left blank.*

**EXHIBIT N-1:  
RECYCLABLE MATERIALS CHARACTERIZATION  
PROTOCOL**

---

*This page intentionally left blank.*



# **EXHIBIT N-1:**

## **RECYCLABLE MATERIALS CHARACTERIZATION STUDY PROTOCOL**

### **1. General**

Contractor shall conduct studies to measure the composition of Recyclable Materials and Recyclable Materials Processing Residue (collectively "Characterization Study") on at least an annual basis, in accordance with this exhibit and Section 7.9 of the Agreement. Each Characterization Study shall be comprised of two parts: i) characterization of the composition of Recyclable Materials in the initial Characterization Study sample ("Recovery Study"); and, ii) characterization of a Residue sample taken from the Residue sorted during the Recovery Study portion ("Residue Study"). Contractor shall conduct at least one (1) Characterization Study per year to obtain final aggregated results from the most recent four (4) Characterization Studies (collectively "Aggregated Characterization Results"), in accordance with this Exhibit. Contractor's costs to conduct the Annual Characterization Studies required under this Agreement shall be handled in accordance with Section 7.9.D.

### **2. Schedule**

The Contractor shall conduct and complete the first three (3) Characterization Studies in accordance with the timeline set forth in Section 7.9.B. Thereafter, Contractor shall complete the Annual Characterization Study, and any additional Characterization Studies, in accordance with this Exhibit, no later than September 1 of each calendar year, unless otherwise mutually agreed to by the Parties.

No later than January 1 of each calendar year, the Contractor shall submit its proposed schedule for the performance of the Characterization Study for that calendar year. The Authority shall review and approve the proposed schedule, and such approval shall not be unreasonably withheld.

The Authority, and designees, shall be permitted to observe each Characterization Study, and Contractor shall make adjustments to the schedule in order to accommodate observation of the Characterization Study by the Authority or its designees.

Except as otherwise provided in Section 7.9.B, the Contractor shall perform a Characterization Study not less than one (1) time per calendar year, on a schedule approved in accordance with this subsection. Materials will be gathered and stored over a period of five (5) consecutive days, and the Characterization Study sorting that material will be completed in one (1) Day. Contractor shall characterize at least one hundred (100) Tons of the Authority's Recyclable Materials per Characterization Study and at least two hundred (200) pounds of the Residue from per Residue Study. The one hundred (100) Tons of Recyclable Materials per Characterization Study and the two hundred (200) lbs. of Residue per Characterization Study shall be selected in accordance with the sampling approach set forth in Exhibit N-1.4 below. The Parties understand and agree that due to the Contractor's aggregation of Recyclable Materials over a five (5) consecutive Day period, the Authority may require the Contractor to re-weigh the Recyclable Materials on the Day of the Characterization Study prior to performing the Characterization Study in order to determine the actual weight of the Recyclable Materials prior to performing the Characterization Study.

### **3. Study Planning and Preparation**

Contractor and the Authority shall meet as needed and communicate prior to each Characterization Study to confirm details on methodology, conduct site visits, provide documentation related to the Characterization Study. Upon Authority request, Contractor shall provide background information related

## **EXHIBIT N-1:**

# **RECYCLABLE MATERIALS CHARACTERIZATION STUDY PROTOCOL**

to the Characterization Study, which may include, but is not limited to: copies of written methodology, maps and facility schematics, equipment details, and data collection templates to be used. Contractor shall notify the Authority in advance of the Characterization Study if the Authority representatives are required to conduct an additional safety training prior to observing the study. Contractor and Authority shall agree upon the methods of communication to be used during the day of the Characterization Study.

#### **4. Sample Selection and Frequency**

A. **Sample Selection.** For each Characterization Study, the Contractor shall collect five (5) representative samples over a five (5) Day period of at least twenty (20) Tons each, for a total sample size of no less than one hundred (100) Tons per Characterization Study. Contractor shall ensure the sample selected is representative of the Authority's Service Area, statistically valid, and adequately randomized, in accordance with the following:

1. Loads from at least five (5) distinct days of service shall be segregated and stored in an area that is protected from weather and sufficiently distanced from any other materials to ensure the Recyclable Materials are not mixed or otherwise contaminated by other materials, and the Authority may require the Contractor provide documentation evidencing such.
2. Samples shall include materials from the proposed ratios in the Contractor's sample selection plan ("Sample Selection Plan") approved by the Authority in advance of each Characterization Study that will include:
  - a. Materials from both Commercial and Residential routes, and
  - b. Materials from Cart and Bin serviced routes, and
  - c. Materials collected from a range of the Service Area.
3. No less than one hundred (100) Tons of Recyclable Materials from the Authority's Service Area will be stored and sampled.

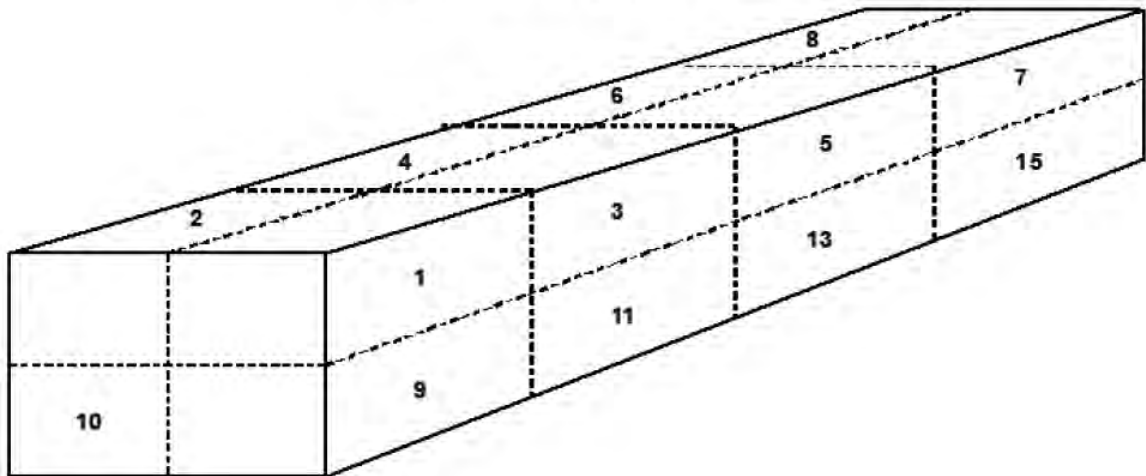
Contractor shall include the proposed Sampling Selection Plan for each Characterization Study to document its specific sample selection plan and provide its Sampling Selection Plan to the Authority along with its annual Schedule in accordance with Section 2, and no less than ten (10) Business Days prior to the Characterization Study. Authority shall review and approve the sampling plan and schedule, at its sole discretion.

B. **Residue Study Sample.** During each Characterization Study Day, Contractor shall select a sub-sample from the pile of Processing Residue resulting from the Recovery Study, in order to perform the Residue Study portion of each Characterization Study. Contractor shall collect a sample of at least two hundred (200) lbs. per Characterization Study for further sorting in the Residue Study. The two hundred (200) lb. sample for the Residue Study shall be collected in such a manner that is representative of the samples processed during the full Recovery Study. Contractor shall mix, spread, and select areas of the of the Processing Residue pile that ensure adequate randomization and representative sampling, in accordance with Contractor's Sample Selection Plan.

## EXHIBIT N-1: RECYCLABLE MATERIALS CHARACTERIZATION STUDY PROTOCOL

Contractor shall visually transpose a grid of sixteen (16) cells over the Processing Residue pile, as demonstrated in the sample cell map in Figure 1 below. Contractor shall randomly select three (3) samples from different cells of the pile using a random number generator to select the cell numbers. The sampling crew manager shall assist the loader operator in locating the appropriate cell for each sample using the sample cell map in Figure 1 below. After the loader operator has extracted the material in the selected cell, the sample shall be placed on a tarp.

Figure 1: Sixteen (16) Cell Grid



- C. **Sample Storage and Facility Arrangements.** Contractor shall ensure that the Authority’s material is segregated from any other materials stored or Processed at the Approved Recyclable Materials Facility. Contractor shall ensure each sample is labeled and that no additional material is added to that area that is not part of the Authority’s Characterization Study. Contractor shall inform all staff and users of the Approved Facility this requirement and monitor the area for compliance. Contractor shall obtain, transfer (if applicable), label, segregate, and store the material in accordance with its proposed sampling plan, set forth in Exhibit G.
- D. **Sampling Documentation.** Contractor shall maintain records demonstrating how Contractor selected its samples, including, but not limited to list of samples, Tonnage, receipts or load weight tickets, route selection information, photographic evidence of storage conditions prior to and after delivery of samples, and a description of how the Contractor ensured that a statistically valid and representative sample was selected.

### 5. Equipment and Supplies

- A. **Scale Standards.** Scales used in during the Characterization Study shall be certified by American Scales, unless otherwise agreed upon by the Parties, and any scale certifications required by Applicable Law. Within ten (10) days prior to the first Characterization Study Day,

## **EXHIBIT N-1:**

# **RECYCLABLE MATERIALS CHARACTERIZATION STUDY PROTOCOL**

Contractor shall submit documentation from its the most recent scale certification. Contractor shall ensure that scales are properly calibrated within 30 days of the Characterization Study. Contractor shall ensure that the scale and area under the floor scale are free of debris prior to calibration or weighing of any material.

Contractor shall use the following types and number of scales for the Characterization Study:

1. Scale house scale
2. Floor scale

### **B. Containers.**

1. **Container List.** Contractor shall use a sufficient number and type of containers or receptacles to contain the material sorted during the Characterization Study. Within ten (10) days prior to the Characterization Study, Contractor shall provide the Authority with a list of containers to be labeled and weighed during the Characterization Study.
2. **Container Tare Weights.** During the day of the Characterization Study, the Contractor shall weigh each container to be used in the Characterization Study while empty to obtain a baseline tare weight. Contractor shall weigh, document, and maintain inventory of these containers. Before the start of each Characterization Study, all containers will be tared over a calibrated scale.

Contractor shall ensure that the Authority or its designees are able to observe and record the weighing and labeling of each container. Contractor shall re-weigh containers upon Authority request.

- C. **Sorting Equipment.** Contractor shall utilize the same type and level of sorting equipment across each Characterization Study. In the event that a piece of equipment is no longer operational, has been replaced, or has otherwise changed, Contractor shall notify the Authority immediately and shall propose a plan to ensure adequate level of service, for the Authority's approval, at its sole discretion. If the Authority does not approve this plan and the Contractor cannot provide a sufficient level of service in accordance with this Exhibit, the Authority may initiate the resolution process specified in Section 8 of this Exhibit N-1.

## **7. Daily Study Methodology**

### **A. Facility Conditions and Inspection.**

1. **Pre-Study Walk Through.**
  - a. On each day of the Characterization Study, the Contractor shall conduct a pre-Characterization Study walk through, including inspecting for the following:
    - i. The facility, including, but not limited to, ensuring that all lines, conveyors, bunkers, silos, drum feeders, holding containers, material holding or storage areas, floors, sorting station areas, are swept and free of debris.

## **EXHIBIT N-1:**

# **RECYCLABLE MATERIALS CHARACTERIZATION STUDY PROTOCOL**

- ii. All containers are free of debris, have been tared and labeled in accordance with Section 6 above, and have been placed at their proper sorting stations.
    - iii. If any material is remaining in the balers from prior facility activity outside of the Characterization Study that cannot practically be removed prior to the sorting, such bales shall be clearly marked to distinguish it from Authority material and a holding area for such material shall be identified.
    - iv. Final storage areas for sorted materials are established, clear of any material, and properly labeled or otherwise designated for the Authority's sorted materials.
    - v. Scales have been calibrated and are free of any debris, on, around, or under the scale.
  - b. Contractor shall prepare and complete a pre-Characterization Study checklist to document the review for each Characterization Study Day. Contractor shall maintain a record of the completed pre-audit walk through checklist, including indication of completion by activity, relevant notes, time-stamped photographic evidence, date and time of inspection, list of people in attendance for the inspection, and the signature of the inspector certifying accuracy of the inspection.
  - c. If any areas are found unsatisfactory for the Characterization Study during the inspection the Contractor shall promptly correct the issue prior to loading material or commencing any sorting activities. For example, if the Contractor or Authority representative observe remaining material on a sort line, Contractor shall remove the material and document the issue and resolution. Contractor shall take timestamped photographic evidence of the unsatisfactory condition and a photo of the area after the issue has been remedied. Contractor shall make a detailed note on the checklist regarding the issue and remedy taken.
2. **Post-Study Walk-Through.** Contractor shall develop a post-Characterization Study walkthrough checklist to document inspection of the facility after sorting has been completed, and submit the proposed checklist to the Authority with its methodology for approval. Upon completion of each Characterization Study Day, Contractor shall utilize the post-Characterization Study walkthrough checklist to conduct a final inspection of the facility. If inspection conditions or timing differ between the Recovery Study and the Residue Study, Contractor shall clearly note that on its post-Characterization Study checklist; and, shall conduct two inspections: one prior to commencing the Residue Study and one upon full completion of the Characterization Study Day. Upon observation of unsatisfactory conditions, Contractor shall record written and photographic evidence of the issue and correct the deficiency. For example, if material remained on the sort line, the Contractor shall clean up and weigh that material to be included in the Characterization Study. Contractor shall clearly document this request in writing and obtain written approval from the Authority, in the Authority's sole discretion. Contractor shall take timestamped photographs of each component of the checklist during the inspection, and any corrections made.

## **EXHIBIT N-1: RECYCLABLE MATERIALS CHARACTERIZATION STUDY PROTOCOL**

Contractor shall maintain records of the completed checklist, notes, and timestamped photographs, to be provided to the Authority with its Characterization Study results.

- B. Staffing.** Contractor shall provide consistent and adequate staffing for the Characterization Study, in accordance with its proposed staffing plan below:

**Figure 2. Characterization Study Staffing Plan**

### 100 TON SORT STUDY - LABOR

<b>FOREMEN</b>	2
<b>MECHANICS</b>	2
<b>ROLL OF DRIVER</b>	1
<b>HEAVY EQ. OPERATORS</b>	2
<b>FORKLIFT OPERATORS</b>	3
<b>BALER OPERATORS</b>	2
<b>HMI OPERATOR</b>	1
<b>FLOOR GUYS</b>	4
<b>SORTERS</b>	24
<b>TOTAL</b>	<b>41</b>

Staff shall operate the facility in accordance with the standards set forth in this Agreement. Staff follow the following standard break schedule: one (1) thirty (30) minute lunch break and two (2) fifteen (15) minute breaks.

Contractor shall provide staffing in accordance with this plan for each Characterization Study conducted during the Term of the Agreement, including overall number of staff as well as staff per individual sorting station. Contractor shall ensure that staffing remains consistent across Characterization Study Days, as well as on an hourly basis throughout each Characterization Study Day. Contractor shall provide the Authority with a schedule information such as planned break times and lunch breaks that may impact the level of staffing at given times of the day. Contractor shall be solely responsible for making arrangements for and providing this level of staffing throughout the entire Characterization Study. In accordance with 2.6.E of the agreement, an event of labor unrest shall not be considered an excuse from performance of the Contractor’s Characterization Study requirements. Further, because the Authority is paying for a full Day of staffing and the Characterization Study will be conducted in less than a full Day shift, the Contractor shall re-run the Processing Residue after the first Recovery Study and prior to selecting the sample for the Residue Study so long as staffing will not be required to work more than a full Day shift.

- C. Recyclable Materials Recovery Study Sorting.**

The Parties understand and agree that it is of the utmost importance to conduct each Characterization Study in the same manner to evaluate the Contractor’s Effective Recovery

## **EXHIBIT N-1:**

# **RECYCLABLE MATERIALS CHARACTERIZATION STUDY PROTOCOL**

Rate, further described in Exhibit N-2. As such, the Contractor shall perform each Characterization Study in accordance with this section unless deviation is approved in writing by the Executive Director, which shall not be unreasonably withheld.

- 1.. **Material Sorting and Weighing.** Contractor shall sort materials into the required Recovered Recyclable Materials commodity categories listed in the Commodity Study Template attached to Exhibit N-3, as further described below.
  - a. During the five (5) Day period leading up to the Characterization Study Day, each individual Collection vehicle selected for the Characterization Study will be weighed at the Contractor's scale house prior to entering the MRF and a scale ticket will be generated. The Collection vehicle will be directed to a location in the Approved Recyclable Materials Processing Facility that is sufficiently separate from all other materials received while the Recyclable Materials are being aggregated in advance of the Characterization Study, in accordance with Section 4.A.1 of this Exhibit. Each Collection vehicle shall also be tared after unloading. Recyclable Materials will be set aside in a bunker and the total weight of the materials will be recorded in a log sheet that records the truck number, route and tared weight of each Collection vehicle and the scale ticket will be retained. The total sum of the materials shall be no less than one hundred (100) Tons. Additionally, on the Characterization Study Day, the Authority may require the Contractor to re-weigh the material to validate the weight of the Recyclable Materials prior to beginning the Characterization Study.
  - b. On the Characterization Study Day, the Contractor shall Process the Characterization Study material Contractor at a rate that does not exceed thirty-five (35) Tons per hour, in accordance with the system design acceptance testing, utilizing at least the following equipment and sorters:
    1. Metering Bin: provide an even, steady flow of material into the system.
    2. Pre-Sort Line: no fewer than six (6) sorters are pre-sorting materials and items that are non-Residue are put into their bunkers by material type.
    3. Old Corrugated Cardboard (OCC) Separator: separates cardboard from smaller two-dimensional paper, three-dimensional containers, and the fraction that is 2"-6" fraction and the cardboard is directed into a bunker.
    4. Conveyor 6/7: no fewer than two (2) sorters separate remaining cardboard that the OCC Separator missed, film, metals, etc., and other recyclable materials.
    5. Debris Roll Screen (below OCC Separator): separates fines (including glass) from two-dimensional paper and three-dimensional containers, and the glass is directed into a bunker.
    6. Polishing Screen #1: separates materials (6" to 12") into different fractions: two-dimensional mixed paper, three-dimensional containers, and fines and the paper is dropped into a bunker.



## **EXHIBIT N-1:**

# **RECYCLABLE MATERIALS CHARACTERIZATION STUDY PROTOCOL**

7. Polishing Screen #2: separates materials (2" to 6") into different fractions: two-dimensional mixed paper, three-dimensional containers and fines and the paper is dropped into a bunker.
8. NRT Optical Sorter #1: uses high-resolution color detection to identify and separate HDPE.
9. Conveyor 42: at least one (1) sorter separates color HDPE into a bunker, natural HDPE into a bunker and any Residue into the Residue bunker.
10. NRT Optical Sorter #2: uses near-infrared technology to identify and separate PET into a bunker.
11. Conveyor 46: at least one (1) sorter separates Contaminants.
12. NRT Optical Sorter #3 w/ AI: uses artificial intelligence to remove contaminants.
13. Post-sort to separate Contaminants. (Conveyor 22- contaminates, cardboard and any metals and 23 – cardboard, Contaminants and aluminum) that includes at least four (4) sorters on each conveyor and the cardboard, metals, and aluminum are moved into their respective bunkers.
14. Magnet: separates ferrous from non-ferrous metals and each are moved into their respective bunkers.
15. Conveyor 35: at least one (1) sorter separates any Contaminants, batteries, non-ferrous and cardboard, and non-ferrous metals and cardboard are moved into their respective bunkers.
16. NRT Optical Sorter #4: uses near-infrared technology to separate Contaminants from the rest of the stream.
17. Conveyor 50: Sorter separates Contaminants from the rest of the stream.
18. NRF Optical Sorter #5: uses transmissive technology to separate contaminants and aluminum.
19. Eddy Current Separator: identifies and separates aluminum.
20. Conveyor 46: at least one (1) sorter separates all Contaminants from aluminum and the aluminum is directed into a bunker.
21. Conveyor 68: Last chance conveyor where at least two (2) sorters separate PET, HDPE color and natural, and aluminum from the rest of the stream prior to the remaining material becoming Residue, and the PET, HDPE color and natural, and aluminum are moved into their respective bunkers.
22. Balers: compresses Recovered materials into bales.
23. Following the initial Recovery Study conducted in accordance with the parameters above, and prior to selecting the Residue Study sample, the Contractor shall re-run the Processing Residue over the Processing line.

## **EXHIBIT N-1:**

# **RECYCLABLE MATERIALS CHARACTERIZATION STUDY PROTOCOL**

c. After Recyclable Materials are Processed and the initial Processing Residue is re-run, the sorted commodities will be moved from their bunkers to the baler. Each baled material will be weighed, photo documented, and the weight will be recorded in the log sheet. Glass will be weighed in the previously tared container trailer the weight will be recorded in the log sheet. The Contractor will pre-tare a vehicle and Processing Residue will be placed inside the Contractor's vehicle and weighed through the scale house, with a scale ticket generated. One 200-pound sample of Residue will be selected in accordance with Section 4.B of this Exhibit N-1. The total weight will be weighed using the floor scale, photo documented, and recorded in the logbook. Once sorted into potentially recoverable commodities and unrecoverable items. These piles will be weighed using the floor scale and recorded.

### **2. Other Requirements.**

- a. Sweepings. The Contractor shall ensure all fines/Residues that fall off the Processing line after completion of the initial Recovery Study are swept, consolidated, and added to the Residue to be re-run prior to selecting the sample for the Residue Study. Then, all sweepings at the conclusion of the Recovery Study will be weighed and counted as Residue.
- b. Shrinkage. The Contractor shall calculate shrinkage as the difference in weight of the inbound stream compared to the sum of all outbound streams and record shrinkage on the log sheet.
- c. Bags. Contractor shall dispose of bagged materials as bags are considered Residue; provided, however, that any bags that have been broken or are otherwise torn or uncinched prior to the pre-sort and prior to conducting the Residue Study will be manually shaken to liberate the contents and separate the film plastic from the rest of the stream.
- d. Liquids. The Contractor shall manage liquids on the Processing line to maximize capture of the containers during the Recovery study. Glass bottles that contain liquid are expected to break over the line and plastic bottles that contain liquid are expected to either burst during Processing or during baling. Liquids that are released during Processing shall be counted as shrinkage and liquids that remain prior to baling will be counted in the final weight and moisture of the commodities or Residue.
- e. Moisture. The Contractor shall count escaped moisture as shrinkage, capture, or Residue, as noted in subsection d above.
- f. Hazardous materials/sharps. During Load inspection, all Recyclable Materials Delivered will be load checked for Unpermitted Waste and/or Excluded Waste per the requirements of Section 5.2, weight, and removed from the weight of the Recyclable Materials Delivered for the Characterization Study.

### **D. Residue Study Sorting**

1. **Sorting Process**. Contractor shall place the Residue from the sub-sample selected in accordance with subsection N-1.5 onto a sorting table in batches of approximately

## **EXHIBIT N-1:**

# **RECYCLABLE MATERIALS CHARACTERIZATION STUDY PROTOCOL**

twenty-five (25) pounds. The Contractor will hand sort each batch, removing items into the same categories as in the Recyclable Materials Recovery Study described above.

After each batch is sorted, the Contractor will examine and sort materials into recoverable commodities or unrecoverable items. All remaining materials will be collected and considered Residue for the purposes of the Characterization Study.

After sorting, the categories of materials will be separately weighed, logged, and reported in the testing results. During the Residue Study sorting process, the Contractor shall take photographs and make and record visual observations regarding the marketability or recoverability of the Recyclable Materials in the Residue sample. The recorded observations shall be provided to the Authority with the results of the Characterization Study.

## **8. Results and Documentation.**

### **A. Results and Records.**

1. At the end of each Characterization Study, Contractor shall provide the Authority with the Characterization Study tracking sheets, including the weight of the inbound materials, weights of all recovered materials, and waste characterization records. The Contractor shall also make available handwritten data collection sheets, scale house tickets, route/truck info, photos and tare lists.
2. Within ten (10) Days of the conclusion of each Characterization Study, Contractor shall provide the Authority with Characterization Study Results, including, at a minimum, a completed version of the results file described Exhibits N-2 and N-3. Upon Authority request, Contractor shall provide supporting documentation to verify the quarterly Characterization Study results. In the event the results are incomplete or inaccurate, Contractor shall, at its sole expense, promptly correct the results, which shall not be an excuse from meeting the required submission timeline set forth in this section.

### **B. Disputes and Delays.**

1. If the Authority does not dispute the performance of a Characterization Study performed by the Contractor in accordance with this Exhibit N-1 or the results of such Characterization calculated in accordance with Exhibit N-2, the Authority shall process the results for approval in accordance with Section 7.9.
2. If the Authority disputes the performance or results of a Characterization Study conducted by the Contractor, the Authority reserves the right to:
  - a. Require modification(s) to Contractor's proposed Characterization Study results by providing any reasonably substantiated adjustment(s) and supporting documentation, or
  - b. Require Contractor to conduct a subsequent Characterization Study, performed in accordance with Exhibit N-1 and N-2.
3. If required under subsection 2.B, such subsequent replacement Characterization Study shall be performed by Contractor no later than four (4) weeks after the determination

## **EXHIBIT N-1:**

# **RECYCLABLE MATERIALS CHARACTERIZATION STUDY PROTOCOL**

that a replacement Characterization Study is required, unless otherwise mutually agreed upon between the Parties. The Authority shall be invited to observe this subsequent Characterization Study. The Characterization Study results from the most recently completed undisputed Characterization Study shall remain in full force until the results of the second subsequent Characterization Study have been approved by the Authority. Except as otherwise specified, the results of the subsequent Characterization Study and the disputed Characterization Study shall be averaged and the averaged results shall be aggregated with the prior three (3) Characterization Studies and become effective at the beginning of the next calendar quarter. Notwithstanding the foregoing, if the results of the subsequent Characterization Study deviate by greater than ten percent (10%) from the disputed Characterization Study, the Authority reserves the right to nullify the Study and exclude it from the aggregated data used in relation to Exhibit N-3.

4. If a subsequent Characterization Study is required pursuant to subsection B.2.b above, the responsibility costs shall be determined, as follows:
  - a. If the Authority observed that the Contractor's performance of the disputed Characterization Study was negligent or not in compliance with this Exhibit N-1, Contractor shall conduct the subsequent Characterization at Contractor's sole cost.
  - b. If the dispute was not due to the conditions under subsection B.4.A above, the costs shall be allocated as follow:
    - i. If the results of the subsequent Characterization Study deviate less than five percent (5%) from the results of the prior disputed Characterization Study, the Authority shall be responsible for paying the costs of the subsequent Characterization Study, where the Authority shall remit payment to the Contractor in an amount not to exceed the per Characterization Study cost identified in Exhibit E-1.
    - ii. If the results of the subsequent Characterization Study deviate between five percent (5%) to ten percent (10%) from the disputed Characterization Study, the Contractor and the Authority shall share equally in the costs of the Characterization Study, where the Authority shall remit payment to the Contractor in an amount not to exceed fifty percent (50%) of the per Characterization Study cost identified in Exhibit E-1.
    - iii. If the results of the subsequent Characterization Study deviate greater than ten percent (10%) from the disputed study, the Contractor's performance of the subsequent Characterization Study shall be at Contractor's sole expense.
5. The Contractor and the Authority shall I have the right to request additional Characterization Studies over the term of the Agreement, in accordance with Section 7.9.D. The process and cost allocation for such additional studies shall be handled in accordance with Section 7.9.D.

## **EXHIBIT N-1:**

### **RECYCLABLE MATERIALS CHARACTERIZATION STUDY PROTOCOL**

6. In the event the Contractor needs to reschedule a Characterization Study or the Characterization Study is otherwise delayed, the Contractor shall notify the Authority and submit a request for delay containing the reason for delay, start and anticipated end of delay, proposed new schedule, and plan to ensure the rescheduled Characterization Study is as similar to the originally scheduled study as possible (e.g., weather conditions). The Authority shall review such request for approval, which shall not be reasonably withheld. The Contractor and the Authority shall meet and confer, if needed, to ensure the Characterization Study is completed within a mutually agreed upon timeframe.

**EXHIBIT N-2:  
RECYCLABLE MATERIALS COMPOSITION AND RECOVERY  
RATE CALCULATION**

---

*This page intentionally left blank.*



## EXHIBIT N-2: RECYCLABLE MATERIALS COMPOSITION AND RECOVERY RATE CALCULATION

---

### 1. General.

Pursuant to Section 7.9 of the Agreement, the Contractor shall document and submit the results of its Characterization Studies conducted in accordance with Exhibit N-1, for Authority approval. This Exhibit N-2 establishes the format and process for documenting and calculating the results of the Recovery Study, Residue Study, and associated calculation of Effective Recovery Rate (collectively “Characterization Study Report”). The process for the annual Recyclable materials Revenue Sharing Calculation is included separately as Exhibit N-3.

The Contractor shall submit the results of its Characterization Study Report via e-mail in a file format acceptable to the Authority, using standard report template designated by or approved by the Authority. The Executive Director may, from time to time during the Term, review, and request changes to the Contractor’s Characterization Study Report submission, format, or content and Contractor shall not unreasonably deny such requests.

### 2. Recyclable Materials Composition Results

- A. **Detailed Weight Log.** For each Characterization Study Contractor shall provide a detailed log of the weight of the Recyclable Materials, each container and material weighed during the Recovery Study portion, including, at a minimum: the specific material type, categorization (Recyclable or Residue), container number or type, gross weight (lbs.), tare weight (lbs.), net weight (lbs.), and notes taken during the Characterization Study.
- B. **Recovery Study Summary.** The Contractor shall provide a summary report of the total pounds of material weighed and the relative composition of materials from the Recovery Study in each category. The summary sheet will also include calculation of total inbound sample, weight of material sorted by material type, total weight of material sorted; which shall be used to calculate: the difference between the inbound sample and material sorted shrinkage, the percentage composition of each material type, and the overall percentage of materials categorized as Diversion or Residue. An example results summary for the Recovery Study is attached to Exhibit N-3.

### 3. Residue Study Results

- A. **Detailed Weight Log.** For each Characterization Study Contractor shall provide a detailed log of each material sorted and weighed during the Residue Study portion, including, at a minimum: the specific material type, categorization (Recyclable or Residue), container number or type, gross weight (lbs.), tare weight (lbs.), net weight (lbs.), and any notes taken during the Residue Study.
- B. **Residue Study Summary.** The Contractor shall provide a summary report of the total pounds of material weighed during the Residue Study in each category, and the relative composition of the materials. The summary sheet will also include calculation of total sample size, weight of material sorted by material type, total weight of material sorted; which shall be used to calculate: the difference between the inbound sample and material sorted “shrinkage,” the percentage composition of each material type, and the overall percentage of materials categorized as Diversion or Residue.

## EXHIBIT N-2: RECYCLABLE MATERIALS COMPOSITION AND RECOVERY RATE CALCULATION

---

### 4. Effective Recovery Rate Results

After each Characterization Study, the Contractor shall calculate the Capture Rate of each material Recovered and the aggregated Effective Recovery Rate of Recyclable Materials (variable L below). The key factors and calculations related to the Effective Recovery Rate are as follows:

- A = Total sample input for the Characterization Study (which shall be no less than 100 tons per Characterization Study)
- B = Pounds of Recovered Recyclable Materials, per material type, sorted and weighed during Recovery Study.
- C = Total sample size sorted and weighed (sum of B for all material types)
- D = Shrinkage, calculated as the total sample input (A) minus the total of all material sorted (sum of B for each material type). Shrinkage is considered separately from Residue for the purposes of the Characterization Study. Shrinkage is not considered in the Effective Recovery Rate.
- E = Recovered Commodity Composition by material type is calculated as (B) divided by (A), per material type.
- F = Aggregated Recovered Commodity Composition for each material type, calculated as the sum of (B) from the current plus each of the three (3) previous Characterization Studies, by material type, divided by the sum of (A) from the current plus each of the three (3) previous Characterization Studies.
- G = Total Sorted Residue, which is the residue sorted and weighed during the Recovery Study, from which the Residue Study sub-sample of 200 lbs. per Characterization Study will be collected.
- H = Residue Study Sample is the approximately two hundred (200) pound sample, per Characterization Study, taken from the total sorted Residue (G) for further sorting during the Residue Study.
- I = Residue Study Composition is the pounds of each material type sorted during the Residue Study divided by the Residue Study sample (H).
- J = Estimated Amount Disposed from Residue is the calculated amount of Recyclable Materials that were captured as Residue rather than sorted for Recovery during the Characterization Study, which shall be calculated as the Residue Study Composition (I) for each Recyclable Material type, divided by the Total Sorted Residue (G).
- K = Guaranteed Recovery Rate is the Contractor's minimum guaranteed material Recovery rate, as proposed by the Contractor in Exhibit N-4 and in accordance with Section 8.15.
- L = Effective Recovery Rate is calculated, for each given Recyclable Material type, as the material properly sorted and Recovered during the Recovery Study (B), divided by the estimated total amount of that Recyclable Material that was available. The amount of available material is calculated as the amount of that material type sorted in the Recovery Study (B) plus the estimated amount Disposed from Residue (J).

## **EXHIBIT N-2: RECYCLABLE MATERIALS COMPOSITION AND RECOVERY RATE CALCULATION**

---

- M = Material Recovery Standard of Performance. The Contractor's performance metric shall be calculated the difference between the effective recovery rate (L) and the Contractor's guaranteed Recovery Rate (K).
- O = Adjusted Effective Recovery Rate. If the Contractor does not meet its Guaranteed Recovery Rate for a given material type (i.e., Material Recovery Standard of Performance [M] is less than zero), The Contractor's Guaranteed Capture Rate for the material type that given item shall be used to calculate the Aggregated Characterization Results that will be converted into a composition weighing and used to calculate the Contractor's Recyclable Material Revenue Sharing payment to the Authority, in accordance with Exhibit N-3.

*This page intentionally left blank.*

**EXHIBIT N-3:  
RECYCLABLE MATERIALS REVENUE SHARING  
CALCULATION**

---

*This page intentionally left blank.*

## EXHIBIT N-3: RECYCLABLE MATERIALS REVENUE SHARING CALCULATION

---

### 1. General

In accordance with Section 9.7 of the Agreement, Contractor shall remit to the Authority a portion of the projected value associated with the Contractor's Recovery of the Authority's Recyclable Materials Delivered under this Agreement. Such projected value shall be calculated in accordance with this Exhibit N-3 ("Revenue Sharing Calculation").

The Contractor shall submit the results of its Revenue Sharing Calculation via e-mail in a file format acceptable to the Authority, using a standard report template designated by or approved by the Authority. The Executive Director may, from time to time during the Term, review, and request changes to the Contractor's Revenue Sharing Calculation submission, format, or content, and Contractor shall not unreasonably deny such requests.

The Contractor shall be responsible for preparing the proposed Revenue Sharing Calculation for the Authority's review, with the exception of Rate Year One that will be prepared by the Authority, as specified in Section 3 of this Exhibit. Contractor shall submit its Revenue Sharing Calculation results for Authority approval in accordance with Sections 9.7, 10.2, and 10.3 of the Agreement.

### 2. Revenue Sharing Calculation

For the purposes of this Exhibit N-3, the following terms and definitions shall be used to illustrate the Revenue Sharing Calculation factors, unless otherwise specified or adjusted in accordance with Exhibit N-3.3 through N-3.5.

- A. **Recyclable Materials Commodity (or Commodity).** The category of Recovered Recyclable Materials to be included in the Revenue Sharing Calculation, derived from the categories of Recyclable Materials sorted during the Characterization Study.
- B. **Market Index or Indices.** The index to be used to determine the price for each Recyclable Materials Commodity, as defined in Section N-3.6 and labeled as Section (B) of the Revenue Sharing Calculation Report.
  - 1. **Refund Value.** The additional dollar per Ton value for each Recyclable Materials Commodity type for a given calendar quarter, as applicable, which shall be the sum of the following:
    - a. **California Refund Value (CRV).** The additional value of an eligible Recyclable Materials Commodity, using the CP Commingled rate, as determined by CalRecycle under the State's Beverage Container Recycling Program, established by the Beverage Container Recycling and Litter Reduction Act passed of 1986 and related Applicable Law and implementing regulations.
    - b. **Other Refund Value.** Any additional value that may be applicable to the Recovery of a Recyclable Materials Commodity type, such as credits, reimbursements, payments, or other benefits available through an Extended Producer Responsibility Program or otherwise received by the Contractor.
  - 2. **Annual Commodity Index Value.** The Annual Commodity Index Value for each Recyclable Materials Commodity type shall be calculated as the average of the



## EXHIBIT N-3: RECYCLABLE MATERIALS REVENUE SHARING CALCULATION

---

Quarterly Commodity Value for the prior four (4) calendar quarters for each Recovered Recyclable Materials Commodity, on a dollars per Ton basis.

- C. **Recovered Commodity Composition.** The Recovered Commodity Composition is the percentage of each Recyclable Material Commodity type Recovered, relative to the Authority's Total Annual Tons. The Recovered Commodity Composition shall be determined by the Characterization Study set forth in Exhibit N-1 and calculated per Exhibit N-2 and/or adjusted in accordance with Section 4 of Exhibit N-2 and Section 4.F.2 of this Exhibit, except as otherwise specified in Exhibit N-3.3 and Exhibit N-3.4 below.
- F. **Tonnage.**
1. **Total Annual Tons.** The Total Annual Tons equals the total Tons of Recyclable Materials Accepted at the Approved Recyclable Materials Processing Facility, for the prior four (4) quarters, as reported by the Contractor (except as otherwise specified in Exhibit N-3.3 through N-3.4)
  2. **Annual Recovered Commodity Tons.** For a given Recyclable Materials Commodity type, the Annual Recovered Commodity Tons is equal to the Total Annual Tons multiplied by the Recovered Commodity Composition percentage for that Recyclable Materials Commodity type. In the event that the Recovered Commodity Composition percentage is lower than the Contractor's Guaranteed Recovery Rate, then the Contractor's Guaranteed Recovery Rate shall be used to calculate the Annual Commodity Recovered Commodity Tons.
- D. **Calculated Revenue**
1. **Annual Commodity Revenue.** For a given Recyclable Materials Commodity type, the Annual Commodity Revenue equals the Annual Recovered Commodity Tons multiplied by the Annual Commodity Value for that Recyclable Materials Commodity type.
  2. **Total Annual Commodity Revenue.** The Total Annual Commodity Revenue is the sum of the Annual Commodity Revenue for all Recyclable Materials Commodity types.
- E. **Contractor Revenue Percentage.** The Contractor Percentage shall be the percentage of the Total Annual Commodity Revenue that the Contractor retains in accordance with Section 9.7. The Contractor Percentage, as of the Effective Date of this Agreement, shall be twenty-five percent (25%).
- F. **Authority Revenue Percentage.** The Authority Revenue Percentage equals one (1) minus the Contractor Revenue Percentage. The Authority Revenue Percentage, as of the Effective Date of this Agreement, shall be seventy-five percent (75%).
- G. **Contractor Recyclable Materials Revenue Share.** The Contractor's Recyclable Materials Revenue Share shall be equal to the Contractor Revenue Percentage multiplied by the Total Annual Commodity Revenue; or, as one (1) minus the Authority Annual Recyclable Materials Revenue Sharing Payment.
- H. **Annual Recyclable Materials Revenue Sharing Payment.** The Recyclable Materials Revenue Sharing Payment due to the Authority, to be paid by the Contractor on an annual basis in accordance with Section 9.7, equals the Authority Revenue Percentage multiplied by the Total Annual Commodity Revenue.

## EXHIBIT N-3: RECYCLABLE MATERIALS REVENUE SHARING CALCULATION

---

### 3. Rate Year One Process

- A. **Rate Year One Payment Due to Authority.** The first Revenue Sharing Calculation shall be performed by the Authority on or before December 31, 2026, to establish the amount of the initial Annual Recyclable Materials Revenue Sharing Payment to be paid by the Contractor to the Authority, in accordance with Section 9.7 and 7.9.B, for Rate Year One that is a sixteen (16) month period. This amount shall be divided equally into sixteen (16) installments, and that amount shall be paid to the Authority for the sixteen- (16-) month period that is Rate Year One and as it is adjusted during Rate Period One, the Contractor's payment shall be adjusted accordingly based on the remaining months in Rate Year One. The first payment to the Authority shall be due by April 15, 2027, for the month of March 2027, and no later than the fifteenth (15<sup>th</sup>) day of the month each month thereafter.
- B. **Rate Year One Revenue Sharing Calculation.** Prior to submission of the Contractor's Proposal, Exhibit G, the Authority conducted a preliminary Revenue Sharing Calculation based on the data most recently available to the Authority. The Rate Year One Revenue Sharing Calculation will be calculated in largely the same manner, with the following adjusted to reflect the time period between the Effective Date and Commencement Date, as data is available. The Authority shall conduct the Revenue Sharing Calculation for Rate Year One. The 12-month values for the Rate Year One Revenue Sharing Calculation shall be derived as follows:
1. **RY 1 Total Annual Tons.** The Total Tons for the Rate Year One Revenue Sharing Calculation shall be the Tons of the Authority's Recyclable Materials from the most recently completed four (4) calendar quarters prior to the time the Rate Year One Revenue Sharing Calculation is calculated, based on data available to the Authority.
  2. **RY 1 Recovered Commodity Composition.** The Recovered Commodity Composition percentage for Rate Year One shall be provided by the Authority for each Recyclable Materials Commodity, which shall reflect the results of the first Characterization Study to be performed in accordance with Section 7.9.B. The Recovered Commodity Composition percentage for future Rate Years will be modified when the final results of each subsequent Characterization Study are available and approved by the Authority, as further described below.
  3. **RY 1 Quarterly Commodity Value.** The Quarterly Commodity Values will be updated as follows for Rate Year One:
    - a. **RY 1 Commodity Index Price.** The Commodity Index Prices for Rate Year One shall be updated to reflect the average Market Index data available for the most recent four (4) calendar quarters prior to the Rate Year One Revenue Sharing Calculation.
    - b. **RY 1 Refund Value.** The Refund Value for Rate Year One shall be updated to reflect the latest available data for California Redemption Value (CRV) amounts as averaged from the prior four (4) calendar quarters, as specified in Section 2.B.1.A of this Exhibit. If any "Other Refund Values" were made available to the Contractor between the submittal of Contractor's Proposal and the Commencement of Services, a dollar per Ton amount shall be applied based on

## EXHIBIT N-3: RECYCLABLE MATERIALS REVENUE SHARING CALCULATION

---

available data at the time the Rate Year One Revenue Sharing Calculation is calculated.

4. **RY 1 Contractor Recyclable Materials Revenue Share.** The Contractor's Recyclable Materials Revenue Share shall be equal to the Contractor Revenue Percentage multiplied by the Total Annual Commodity Revenue, where the Total Annual Commodity Revenue shall be calculated in accordance with Section 2, utilizing the updated calculation factors specified above.
5. **RY 1 Annual Recyclable Materials Revenue Sharing Payment.** The Annual Recyclable Materials Revenue Sharing Payment due to the Authority for Rate Year One shall be calculated as the Authority Revenue Percentage multiplied by the Total Annual Commodity Revenue, where the Annual Commodity Revenue will be calculated in accordance with Section 2, utilizing the updated calculation factors specified above. The annual Recyclable Materials Revenue Share shall then be divided by twelve (12) to reflect a monthly amount that shall be paid to the Authority in sixteen (16) installment payments, described in Section 9.7, over Rate Year One.

### 4. Rate Year Two Process

- A. **Rate Year Two Payment Due to Authority.** The Contractor shall conduct the Revenue Sharing Calculation for Rate Year Two no later than June 30, 2027, to establish the amount of the Annual Recyclable Materials Revenue Sharing Payment to be paid by the Contractor to the Authority, in accordance with Section 9.7 and 7.9.B for Rate Year Two. This amount shall be divided by twelve (12) to reflect a monthly amount that shall be paid to the Authority for the twelve- (12-) month period that is Rate Year Two, in accordance with the payment procedures of Section 9.7 of the Agreement.
- B. **Rate Year Two Revenue Sharing Calculation.** The Rate Year Two Revenue Sharing Calculation shall be conducted in accordance with the approach in Section 2, with the following factors for Rate Year Two:
  1. **RY 2 Total Annual Tons.** The Total Annual Tons for the Rate Year Two Revenue Sharing Calculation shall be the total Tons from the most recent four (4) quarters of Tonnage data available to the Authority prior to June 20, 2027.
  2. **RY 2 Recovered Commodity Composition.** The Recovered Commodity Composition percentage for Rate Year Two shall be derived from the average of the most recently available Characterization Study data that shall be at least three (3) Characterization Studies, which may include the composition data used for the Rate Year One calculation under Section 3 and results from Characterization Studies completed by the Contractor in accordance with Exhibit N-1 between March 1, 2027 and June 20, 2027.
  3. **RY 2 Quarterly Commodity Index Value.** The average Commodity Index Prices for Rate Year Two shall be updated based on the Market Index data from the most recently completed four (4) calendar quarters before September 30, 2027. The Refund Values for Rate Year Two shall be updated to reflect the most recent four (4) quarters of California Redemption Value (CRV) data from CalRecycle, and any available data sources related to Other Refund Values applicable to the Contractor, if any.

## EXHIBIT N-3: RECYCLABLE MATERIALS REVENUE SHARING CALCULATION

---

5. **RY 2 Contractor Recyclable Materials Revenue Share.** The Contractor's Recyclable Materials Revenue Share shall be equal to the Contractor Revenue Percentage multiplied by the Total Annual Commodity Revenue, where the Total Annual Commodity Revenue shall be calculated in accordance with Section 2 of this Exhibit N-3, utilizing the updated calculation factors specified above.
6. **RY 2 Annual Recyclable Materials Revenue Sharing Payment.** The Annual Recyclable Materials Revenue Sharing Payment due to the Authority for Rate Year One shall be calculated as the Authority Revenue Percentage multiplied by the Total Annual Commodity Revenue, where the Annual Commodity Revenue will be calculated in accordance with Section 2 of this Exhibit N-3, utilizing the updated calculation factors specified above. The annual Recyclable Materials Revenue Share shall then be divided by twelve (12) to reflect a monthly amount that will be paid to the Authority in twelve (12) installment payments, described in Section 9.7, over Rate Year Two.

### 5. Annual Process

- A. **Rate Year Three and Annual Payment Due to Authority.** The Contractor shall conduct the Revenue Sharing Calculation for Rate Year Three between July 1 and October 31, 2027. Each Rate Year thereafter the Contractor shall conduct the Revenue Sharing Calculation no later than September 30 of each Rate Year to establish the amount of the Annual Recyclable Materials Revenue Sharing Payment to be paid by the Contractor to the Authority, in accordance with Section 9.7, and 7.9.B as applicable, for Rate Year Three and each Rate Year thereafter. This amount shall be divided by twelve (12) to reflect a monthly amount that shall be paid to the Authority for the twelve- (12-) month period of the applicable Rate Year, in accordance with the payment procedures of Section 9.7 of the Agreement.
- B. **Annual Revenue Sharing Calculation.** Commencing Rate Year Three, and annually thereafter, the Contractor shall be responsible for completing the Revenue Sharing Calculation for the applicable Rate Year. Contractor shall conduct the calculation in accordance with the standard annual calculations described in Section 2, utilizing updated values as follows:
  1. **Total Annual Tons.** The Total Annual Tons for the annual Revenue Sharing Calculation shall be the total Tons from the most recent four (4) quarters of Tonnage data reported by the Contractor.
  2. **Recovered Commodity Composition.** The Recovered Commodity Composition percentage shall be based on the average of the composition results of the prior four (4) Characterization Studies conducted by the Contractor in accordance with Section 7.9 and Exhibit N-1.
  3. **Quarterly Commodity Value.** The average Commodity Prices used for the annual Revenue Sharing Calculation shall be updated to reflect the quarterly Market Index data from the most recent four (4) calendar quarters. The average Refund Values for the annual Revenue Sharing Calculation shall be updated to reflect the most recent four (4) quarters of California Redemption Value (CRV) data from CalRecycle, and any available data sources related to Other Refund Values applicable to the Contractor, if any.

## **EXHIBIT N-3: RECYCLABLE MATERIALS REVENUE SHARING CALCULATION**

---

5. **Contractor Recyclable Materials Revenue Share.** The Contractor's Recyclable Materials Revenue Share shall be equal to the Contractor Revenue Percentage multiplied by the Total Annual Commodity Revenue, where the Total Annual Commodity Revenue shall be calculated in accordance with Section 2 of this Exhibit N-3, utilizing the updated calculation factors specified above.
  
6. **Annual Recyclable Materials Revenue Sharing Payment.** The Annual Recyclable Materials Revenue Sharing Payment due to the Authority shall be calculated as the Authority Revenue Percentage multiplied by the Total Annual Commodity Revenue, where the Annual Commodity Revenue will be calculated in accordance with Section 2 of this Exhibit N-3, utilizing the updated calculation factors specified above. The annual Recyclable Materials Revenue Share shall then be divided by twelve (12) to reflect a monthly amount that will be paid to the Authority in twelve (12) installment payments, described in Section 9.7, over each Rate Year.

## EXHIBIT N-3: RECYCLABLE MATERIALS REVENUE SHARING CALCULATION

### 6. Recyclable Materials Commodity Indices

Unless otherwise specified by the Authority, the following Market Indices shall be used for the purposes of the Revenue Sharing Calculation conducted in accordance with this Exhibit.

**Table N-3.1. Recovered Recyclable Materials Commodity Indices**

Commodity	Index Information				CRV Applied
	Name	Region	Material	Column	
Aluminum	Secondary Market Pricing (SMP)	Los Angeles	Metals Aluminum Cans (Sorted, Baled, ¢/lb del.)	Regional Average	Yes
Film Plastic	Secondary Market Pricing (SMP)	Los Angeles	Plastics LLDPE-Stretch Film (Baled, ¢/lb, picked up)	Regional Average	No
Three-Mix Glass	Secondary Market Pricing (SMP)	Los Angeles	Glass 3 Mix (\$/ton del. As recyclable or disposable)	Regional Average	Yes
HDPE-Colored	Secondary Market Pricing (SMP)	Los Angeles	Plastics Colored HDPE (Baled, ¢/lb, picked up)	Regional Average	Yes
HDPE-Clear/Natural	Secondary Market Pricing (SMP)	Los Angeles	Plastics Natural HDPE (Baled, ¢/lb, picked up)	Regional Average	Yes
Mixed Paper	Secondary Market Pricing (SMP)	San Francisco	PS 54 Mixed Paper (MP)	Regional Average	No
Mixed Rigid Plastics 1-7	Secondary Market Pricing (SMP)	Los Angeles	Plastics Comingled (#1-7, Baled, ¢/lb, picked up)	Regional Average	No
OCC	Secondary Market Pricing (SMP)	Los Angeles	OCC (11)	Regional Average	No
News #8	Secondary Market Pricing (SMP)	Los Angeles	PS 56 Sorted Residential Papers & news (SPRN)	Regional Average	No
PET	Secondary Market Pricing (SMP)	Los Angeles	Plastics PET (Baled, ¢/lb, picked up)	Regional Average	Yes
Scrap Metal	Secondary Market Pricing (SMP)	Los Angeles	Metals Steel Cans (Sorted, Loose Price, \$/ton del.)	Regional Average	No
Tin Cans	Secondary Market Pricing (SMP)	Los Angeles	Metals Steel Cans (Sorted, Loose Price, \$/ton del.)	Regional Average	No
Wood	N/A	N/A	N/A	N/A	No
Residue	N/A	N/A	N/A	N/A	No

*This page intentionally left blank.*



**EXHIBIT N-4:  
EFFECTIVE RECOVERY RATE CALCULATION**

---

*This page intentionally left blank.*

**Central Contra Costa Solid Waste Authority (CCCSWA)  
Recycling Services Agreement with Mt. Diablo Paper Stock, Inc. (dba Mt. Diablo Recycling)**

**1. Characterization Study Summary (Recovery Study)<sup>(1)</sup>**

Material	Type	1st Study	2nd Study	3rd Study	4th Study	4-Study Results
<b>Material Weights (Lbs.)</b>						
Total Sample Input (lbs.)		200,050	206,000	201,000	197,000	804,050
Material	Type					
Aluminum	Recyclable	1,230	1,293	1,361	1,266	5,150
Glass-Mixed	Recyclable	33,451	33,073	33,006	33,948	133,478
HDPE-Colored	Recyclable	1,474	2,274	1,905	1,119	6,773
HDPE-Natural	Recyclable	406	653	680	630	2,369
Mixed Paper	Recyclable	18,040	18,050	18,011	18,050	72,151
Mixed Rigid	Recyclable	2,968	2,938	2,911	2,945	11,762
OCC	Recyclable	50,350	57,968	55,550	56,673	220,542
ONP	Recyclable	7,807	12,360	9,496	14,535	44,199
PET	Recyclable	2,696	3,929	4,010	2,971	13,606
Scrap Metal	Recyclable	6,404	5,962	5,447	5,343	23,157
Tin Cans	Recyclable	1,902	2,006	1,815	1,655	7,378
Polypropylene	Recyclable	-	-	-	-	-
[Other]						-
[Other]						-
[Other]						-
Residue	Residue	52,784	53,723	49,013	50,887	206,407
Shrinkage	Shrinkage	20,537	11,771	17,794	6,977	57,079
<b>Total Sorted</b>		<b>200,050</b>	<b>206,000</b>	<b>201,000</b>	<b>197,000</b>	<b>804,050</b>

<b>Material Composition (%)</b>						
Material	Type	1st Study	2nd Study	3rd Study	4th Study	4-Study Results
Aluminum	Recyclable	0.61%	0.63%	0.68%	0.64%	0.64%
Glass-Mixed	Recyclable	16.72%	16.05%	16.42%	17.23%	16.60%
HDPE-Colored	Recyclable	0.74%	1.10%	0.95%	0.57%	0.84%
HDPE-Natural	Recyclable	0.20%	0.32%	0.34%	0.32%	0.29%
Mixed Paper	Recyclable	9.02%	8.76%	8.96%	9.16%	8.97%
Mixed Rigid	Recyclable	1.48%	1.43%	1.45%	1.49%	1.46%
OCC	Recyclable	25.17%	28.14%	27.64%	28.77%	27.43%
ONP	Recyclable	3.90%	6.00%	4.72%	7.38%	5.50%
PET	Recyclable	1.35%	1.91%	2.00%	1.51%	1.69%
Scrap Metal	Recyclable	3.20%	2.89%	2.71%	2.71%	2.88%
Tin Cans	Recyclable	0.95%	0.97%	0.90%	0.84%	0.92%
Polypropylene	Recyclable	0.00%	0.00%	0.00%	0.00%	0.00%
[Other]		0.00%	0.00%	0.00%	0.00%	0.00%
[Other]		0.00%	0.00%	0.00%	0.00%	0.00%
[Other]		0.00%	0.00%	0.00%	0.00%	0.00%
Residue	Residue	26.39%	26.08%	24.38%	25.83%	25.67%
Residue (Shrinkage)	Shrinkage	10.27%	5.71%	8.85%	3.54%	7.10%

Check Total	100.00%	100.00%	100.00%	100.00%	100.00%
Recyclable	63.35%	68.21%	66.76%	70.63%	67.23%
Residue	26.39%	26.08%	24.38%	25.83%	25.67%
Shrinkage	10.27%	5.71%	8.85%	3.54%	7.10%

<sup>(1)</sup> This is for demonstrative purposes only. The actual Characterization Studies will be performed and results updated in accordance with Section 7.9 and Exhibit N.

**Central Contra Costa Solid Waste Authority (CCCSWA)**  
**Recycling Services Agreement with Mt. Diablo Paper Stock, Inc. (dba Mt. Diablo Recycling)**

**2. Characterization Study Summary (Residue Study)<sup>(1)</sup>**

Material	Type	1st Study	2nd Study	3rd Study	4th Study	Total
<b>Material Weights (lbs.)<sup>(2)</sup></b>						
Total Sample Input (lbs.)		182.00	175.98	175.54	166.00	699.5
Sorted Commodity	Type					Total
Aluminum	Recyclable	0.18	0.17	0.17	0.19	0.70
Glass-Mixed	Recyclable	7.80	7.24	6.54	6.02	27.60
HDPE-Colored	Recyclable	0.05	0.05	0.04	0.05	0.18
HDPE-Natural	Recyclable	-	-	-	-	-
Mixed Paper	Recyclable	6.24	6.73	6.54	6.99	26.50
Mixed Rigid	Recyclable	0.63	0.66	0.58	0.65	2.53
OCC	Recyclable	6.87	7.18	6.31	7.03	27.39
ONP	Recyclable	3.87	4.18	3.31	4.03	15.39
PET	Recyclable	0.09	0.09	0.08	0.09	0.36
Scrap Metal	Recyclable	0.11	0.12	0.10	0.12	0.45
Tin Cans	Recyclable	0.11	0.12	0.10	0.12	0.45
Polypropylene	Recyclable	-	-	-	-	-
[Other]		-	-	-	-	-
[Other]		-	-	-	-	-
[Other]		-	-	-	-	-
Residue	Residue	80.13	83.73	73.62	81.95	319.43
Shrinkage	Shrinkage	75.91	65.71	78.14	58.78	278.54
<b>Total Sorted (lbs.)</b>		<b>182.00</b>	<b>175.98</b>	<b>175.54</b>	<b>166.00</b>	<b>699.53</b>

<b>Material Composition (%)</b>						
Material <sup>(3)</sup>	Type	1st Study	2nd Study	3rd Study	4th Study	Total
Aluminum	Recyclable	0.10%	0.10%	0.09%	0.11%	0.10%
Glass-Mixed	Recyclable	4.29%	4.11%	3.73%	3.63%	3.95%
HDPE-Colored	Recyclable	0.02%	0.03%	0.02%	0.03%	0.03%
HDPE-Natural	Recyclable	0.00%	0.00%	0.00%	0.00%	0.00%
Mixed Paper	Recyclable	3.43%	3.82%	3.73%	4.21%	3.79%
Mixed Rigid	Recyclable	0.35%	0.38%	0.33%	0.39%	0.36%
OCC	Recyclable	3.77%	4.08%	3.60%	4.23%	3.92%
ONP	Recyclable	2.13%	2.38%	1.89%	2.43%	2.20%
PET	Recyclable	0.05%	0.05%	0.05%	0.06%	0.05%
Scrap Metal	Recyclable	0.06%	0.07%	0.06%	0.07%	0.06%
Tin Cans	Recyclable	0.06%	0.07%	0.06%	0.07%	0.06%
Polypropylene	Recyclable	0.00%	0.00%	0.00%	0.00%	0.00%
[Other]		0.00%	0.00%	0.00%	0.00%	0.00%
[Other]		0.00%	0.00%	0.00%	0.00%	0.00%
[Other]		0.00%	0.00%	0.00%	0.00%	0.00%
Residue	Residue	44.03%	47.58%	41.94%	49.37%	45.66%
Residue (Shrinkage)	Shrinkage	41.71%	37.34%	44.51%	35.41%	39.82%
Check Total		100.00%	100.00%	100.00%	100.00%	100.00%

By Type	Recyclable	14.26%	15.08%	13.55%	15.22%	14.52%
By Type	Residue	44.03%	47.58%	41.94%	49.37%	45.66%
By Type	Shrinkage	41.71%	37.34%	44.51%	35.41%	39.82%

<sup>(1)</sup> This is for demonstrative purposes only. The actual Characterization Studies will be performed and results updated in accordance with Section 7.9 and Exhibit N.

**Central Contra Costa Solid Waste Authority (CCCSWA)  
Recycling Services Agreement with Mt. Diablo Paper Stock, Inc. (dba Mt. Diablo Recycling)**

**3. Effective Recovery Rate Calculation <sup>(1)</sup>**

Material Type	Category	4-STUDY AGGREGATED RESULTS (%)			4-STUDY AGGREGATED RESULTS (lbs.)			EFFECTIVE RECOVERY RATE		
		Actual Recovery Study %	Residue Study % <sup>(7)</sup>	Composition Study %	Material Recovered/Sorted (lbs.)	Est. Disposed From Residue (lbs.)	Material Composition (lbs.)	Capture Rate <sup>(2)</sup>	Guaranteed Capture Rate <sup>(3)</sup>	Performance Difference <sup>(4)</sup>
Aluminum	Recyclable	0.64%	0.10%	0.67%	5,150	265	5,415	95.1%	95.0%	0.1%
Glass-Mixed	Recyclable	16.60%	3.95%	17.89%	133,478	10,396	143,873	92.8%	92.5%	0.3%
HDPE-Colored	Recyclable	0.84%	0.03%	0.85%	6,773	68	6,841	99.0%	95.0%	4.0%
HDPE-Natural	Recyclable	0.29%	0.00%	0.29%	2,369	0	2,369	100.0%	95.0%	5.0%
Mixed Paper	Recyclable	8.97%	3.79%	10.21%	72,151	9,982	82,133	87.8%	87.5%	0.3%
Mixed Rigid	Recyclable	1.46%	0.36%	1.58%	11,762	953	12,715	92.5%	92.5%	0.0%
OCC	Recyclable	27.43%	3.92%	28.71%	220,542	10,316	230,857	95.5%	87.5%	8.0%
ONP	Recyclable	5.50%	2.20%	6.22%	44,199	5,797	49,996	88.4%	87.5%	0.9%
PET	Recyclable	1.69%	0.05%	1.71%	13,606	136	13,742	99.0%	95.0%	4.0%
Scrap Metal	Recyclable	2.88%	0.06%	2.90%	23,157	170	23,327	99.3%	92.5%	6.8%
Tin Cans	Recyclable	0.92%	0.06%	0.94%	7,378	170	7,548	97.7%	92.5%	5.2%
Polypropylene <sup>(6)</sup>	Recyclable	0.00%	0.00%	0.00%	0	0	0	0.0%		0.0%
[Other]	Recyclable	0.00%	0.00%	0.00%	0	0	0	0.0%		0.0%
[Other]	Recyclable	0.00%	0.00%	0.00%	0	0	0	0.0%		0.0%
[Other]	Recyclable	0.00%	0.00%	0.00%	0	0	0	0.0%		0.0%
Residue	Residue	25.67%	45.66%	14.96%	206,407	120,316	120,316			
Shrinkage	Shrinkage	7.10%	39.82%	13.05%	57,079	104,917	104,917			

Inputs/Assumptions	
Composition Study Inputs (lbs.) <sup>(5)</sup>	4-Study Sample (lbs.)
Composition Study Input	804,050
Total Composition Captured	540,564
Tons Residue Produced	206,407
Shrinkage	57,079

Comparison of Aggregated Study Results vs. Single Study Results				
Capture Rate (Last 4 Studies)		Capture Rate (1st Study)		
		1st Study	<--Drop Down Menu	
Available Material	93.39%	92.38%	Available Material	
Inbound Material	67.23%	63.35%	Inbound Material	
Residue based on Inbound	32.77%	36.65%	Residue based on Inbound	

<sup>(1)</sup> This sheet includes aggregated information from the Recovery Study and the Residue Study as an example of the calculation for the "Effective Recovery Rate" described in Section 7.9 and Exhibit N of the Agreement.

<sup>(2)</sup> The "Capture Rate" in Column H demonstrates the calculation of the Effective Recovery Rate in accordance with Section 8.15 and Exhibit N-2 of the Recycling Services Agreement.

<sup>(3)</sup> The "Guaranteed Capture Rate" in column I is the Capture Rate proposed by the Contractor in its proposal forms. This column would be updated with the final negotiated guaranteed capture rate proposed by the proposer.

<sup>(4)</sup> The Performance Difference demonstrates the Contractor's aggregated performance compared to the guaranteed capture rate. The composition values are based on the total sum of material weights from four prior Characterization Studies (rather than an average).

<sup>(5)</sup> These inputs pull directly from the Recovery Study and Residue Study. The "Tons of Residue Produced" reflects the material sorted as Residue during the Recovery Study, excluding shrinkage.

**Central Contra Costa Solid Waste Authority (CCCSWA)  
Recycling Services Agreement with Mt. Diablo Paper Stock, Inc. (dba Mt. Diablo Recycling)**

**4. Revenue Sharing Calculation <sup>(1)</sup>**

Recyclable Materials Commodity	Market Index Information <sup>(2)</sup>				CRV Applied	Quarter 1				Quarter 2				Quarter 3				Quarter 4				Annual Commodity Value(\$/Ton)	Recovered Commodity Composition (%) <sup>(3)</sup>	Annual Tons 40,000.00	Annual Commodity Revenue	Contractor Revenue Share 25%	Annual Authority Revenue Sharing Payment
	Name	Region	Material	Column		Index Date	Index Price	Index Unit	\$/Ton	Index Date	Index Price	Index Unit	\$/Ton	Index Date	Index Price	Index Unit	\$/Ton	Index Date	Index Price	Index Unit	\$/Ton						
Aluminum	Secondary Market Pricing (SMP)	Los Angeles	Metals Aluminum Cans (Sorted, Baled, €/lb. del.)	Regional Average	Yes	3/30/2024	\$ 0.63	per pound	\$ 1,250.00	6/29/2024	\$ 0.78	per pound	\$ 1,550.00	9/30/2024	\$ 0.78	per pound	\$ 1,550.00	9/30/2024	\$ 0.78	per pound	\$ 1,550.00	\$ 1,475.00	0.64%	256.22	\$ 1,197,841.67	\$ 299,460.42	\$ 898,381.25
	CA REFUND VALUE					1/1/2024	\$ 1.60	per pound	\$ 3,200.00	4/1/2024	\$ 1.60	per pound	\$ 3,200.00	7/1/2024	\$ 1.60	per pound	\$ 3,200.00	7/1/2024	\$ 1.60	per pound	\$ 3,200.00	\$ 3,200.00					
	OTHER REFUND VALUE						\$ -	per pound	\$ -		\$ -	per pound	\$ -		\$ -	per pound	\$ -		\$ -	per pound	\$ -	\$ -					
Three-Mix Glass	Secondary Market Pricing (SMP)	Los Angeles	Glass 3 Mix (\$/ton del. As recyclable or disposable)	Regional Average	Yes	3/30/2024	\$ (32.50)	per ton	\$ (32.50)	6/29/2024	\$ (32.50)	per ton	\$ (32.50)	9/30/2024	\$ (32.50)	per ton	\$ (32.50)	9/30/2024	\$ (32.50)	per ton	\$ (32.50)	\$ (32.50)	16.60%	6,640.26	\$ 262,290.36	\$ 65,572.59	\$ 196,717.77
	CA REFUND VALUE					1/1/2024	\$ 0.04	per pound	\$ 72.00	4/1/2024	\$ 0.04	per pound	\$ 72.00	7/1/2024	\$ 0.04	per pound	\$ 72.00	7/1/2024	\$ 0.04	per pound	\$ 72.00	\$ 72.00					
	OTHER REFUND VALUE						\$ -	per pound	\$ -		\$ -	per pound	\$ -		\$ -	per pound	\$ -		\$ -	per pound	\$ -	\$ -					
HDPE-Colored	Secondary Market Pricing (SMP)	Los Angeles	Plastics Colored HDPE (Baled, €/lb., picked up)	Regional Average	Yes	3/30/2024	\$ 0.16	per pound	\$ 310.00	6/29/2024	\$ 0.11	per pound	\$ 210.00	9/30/2024	\$ 0.11	per pound	\$ 210.00	9/30/2024	\$ 0.11	per pound	\$ 210.00	\$ 235.00	0.84%	336.92	\$ 100,739.83	\$ 25,184.96	\$ 75,554.88
	CA REFUND VALUE					1/1/2024	\$0.03	per pound	\$ 64.00	4/1/2024	\$0.03	per pound	\$ 64.00	7/1/2024	\$ 0.03	per pound	\$ 64.00	7/1/2024	\$ 0.03	per pound	\$ 64.00	\$ 64.00					
	OTHER REFUND VALUE						\$ -	per pound	\$ -		\$ -	per pound	\$ -		\$ -	per pound	\$ -		\$ -	per pound	\$ -	\$ -					
HDPE-Clear/Natural	Secondary Market Pricing (SMP)	Los Angeles	Plastics Natural HDPE (Baled, €/lb., picked up)	Regional Average	Yes	3/30/2024	\$ 0.25	per pound	\$ 500.00	6/29/2024	\$ 0.30	per pound	\$ 590.00	9/30/2024	\$ 0.41	per pound	\$ 820.00	9/30/2024	\$ 0.41	per pound	\$ 820.00	\$ 682.50	0.29%	117.87	\$ 87,991.70	\$ 21,997.92	\$ 65,993.77
	CA REFUND VALUE					1/1/2024	\$0.03	per pound	\$ 64.00	4/1/2024	\$0.03	per pound	\$ 64.00	7/1/2024	\$ 0.03	per pound	\$ 64.00	7/1/2024	\$ 0.03	per pound	\$ 64.00	\$ 64.00					
	OTHER REFUND VALUE						\$ -	per pound	\$ -		\$ -	per pound	\$ -		\$ -	per pound	\$ -		\$ -	per pound	\$ -	\$ -					
Mixed Paper	Secondary Market Pricing (SMP)	San Francisco	PS 54 Mixed Paper (MP)	Regional Average	No	3/30/2024	\$ 45.00	per ton	\$ 45.00	6/29/2024	\$ 60.00	per ton	\$ 60.00	9/30/2024	\$ 55.00	per ton	\$ 55.00	9/30/2024	\$ 55.00	per ton	\$ 55.00	\$ 53.75	8.97%	3,589.38	\$ 192,929.11	\$ 48,232.28	\$ 144,696.83
Mixed Rigid Plastics	Secondary Market Pricing (SMP)	Los Angeles	Plastics Comingled (#1-7, Baled, €/lb., picked up)	Regional Average	No	3/30/2024	\$ 0.02	per pound	\$ 30.00	6/29/2024	\$ 0.02	per pound	\$ 30.00	9/30/2024	\$ 0.02	per pound	\$ 30.00	9/30/2024	\$ 0.02	per pound	\$ 30.00	\$ 30.00	1.46%	585.14	\$ 17,554.13	\$ 4,388.53	\$ 13,165.60
OCC	Secondary Market Pricing (SMP)	Los Angeles	OCC (11)	Regional Average	No	3/30/2024	\$ 82.50	per ton	\$ 82.50	6/29/2024	\$ 92.50	per ton	\$ 92.50	9/30/2024	\$ 82.50	per ton	\$ 82.50	9/30/2024	\$ 82.50	per ton	\$ 82.50	\$ 85.00	27.43%	10,971.53	\$ 932,580.40	\$ 233,145.10	\$ 699,435.30
ONP (News)	Secondary Market Pricing (SMP)	Los Angeles	PS 56 Sorted Residential Papers & news (SPRN)	Regional Average	No	3/30/2024	\$ 57.50	per ton	\$ 57.50	6/29/2024	\$ 62.50	per ton	\$ 62.50	9/30/2024	\$ 62.50	per ton	\$ 62.50	9/30/2024	\$ 62.50	per ton	\$ 62.50	\$ 61.25	5.50%	2,198.80	\$ 134,676.62	\$ 33,669.16	\$ 101,007.47
PET	Secondary Market Pricing (SMP)	Los Angeles	Plastics PET (Baled, €/lb., picked up)	Regional Average	Yes	3/30/2024	\$ 0.11	per pound	\$ 215.00	6/29/2024	\$ 0.13	per pound	\$ 252.60	9/30/2024	\$ 0.12	per pound	\$ 240.00	9/30/2024	\$ 0.12	per pound	\$ 240.00	\$ 236.90	1.69%	676.88	\$ 999,687.26	\$ 249,921.81	\$ 749,765.44
	CA REFUND VALUE					1/1/2024	\$0.62	per pound	\$ 1,240.00	4/1/2024	\$0.62	per pound	\$ 1,240.00	7/1/2024	\$ 0.62	per pound	\$ 1,240.00	7/1/2024	\$ 0.62	per pound	\$ 1,240.00	\$ 1,240.00					
	OTHER REFUND VALUE						\$ -	per pound	\$ -		\$ -	per pound	\$ -		\$ -	per pound	\$ -		\$ -	per pound	\$ -	\$ -					
Scrap Metal	Secondary Market Pricing (SMP)	Los Angeles	Metals Steel Cans (Sorted, Loose Price, \$/ton del.)	Regional Average	No	3/30/2024	\$ 172.50	per ton	\$ 172.50	6/29/2024	\$ 155.00	per ton	\$ 155.00	9/30/2024	\$ 155.00	per ton	\$ 155.00	9/30/2024	\$ 155.00	per ton	\$ 155.00	\$ 159.38	2.88%	1,152.01	\$ 183,601.41	\$ 45,900.35	\$ 137,701.06
Tin Cans	Secondary Market Pricing (SMP)	Los Angeles	Metals Steel Cans (Sorted, Loose Price, \$/ton del.)	Regional Average	No	3/30/2024	\$ 172.50	per ton	\$ 172.50	6/29/2024	\$ 155.00	per ton	\$ 155.00	9/30/2024	\$ 155.00	per ton	\$ 155.00	9/30/2024	\$ 155.00	per ton	\$ 155.00	\$ 159.38	0.92%	367.02	\$ 58,493.48	\$ 14,623.37	\$ 43,870.11
Polypropylene	Secondary Market Pricing (SMP)	Los Angeles	N/A	Regional Average	No	3/30/2024	\$ 0.04	per pound	\$ 80.00	6/29/2024	\$ 0.06	per pound	\$ 120.00	9/30/2024	\$ 0.06	per pound	\$ 110.00	9/30/2024	\$ 0.06	per pound	\$ 110.00	\$ 105.00	0.00%	-	\$ -	\$ -	\$ -
Residue + Shrinkage	N/A	N/A	N/A	N/A	No	N/A	N/A	N/A	\$ -	N/A	N/A	N/A	\$ -	N/A	N/A	N/A	\$ -	N/A	N/A	N/A	\$ -	32.77%					
<b>Total</b>																						<b>\$ 4,168,385.98</b>	<b>\$ 1,042,096.49</b>	<b>\$ 3,126,289.48</b>			

ADJUSTED CAPTURE RATES, AS APPLICABLE <sup>(4)</sup>										
Material Type, Category	Last 4 Studies					1st Study				
	Adjusted Recover %	Adjusted Recovered (lbs.)	Adjusted Disposed from Residue (lbs.)	Adjusted Material Composition (lbs.)	Adjusted Capture Rate	Adjusted Recovered (lbs.)	Adjusted Disposed from Residue (lbs.)	Adjusted Material Composition (lbs.)	Adjusted Capture Rate	
Aluminum	Recyclable	0.64%	5,150	265	5,415	95.1%	1,230	73	1,303	94.4%
Glass-Mixed	Recyclable	16.60%	133,478	10,396	143,873	92.8%	33,451	3,142	36,593	91.4%
HDPE-Colored	Recyclable	0.84%	6,773	68	6,841	99.0%	1,474	18	1,493	98.8%
HDPE-Natural	Recyclable	0.29%	2,369	0	2,369	100.0%	406	0	406	100.0%
Mixed Paper	Recyclable	8.97%	72,151	9,982	82,133	87.8%	18,498	2,055	20,554	90.0%
Mixed Rigid	Recyclable	1.46%	11,762	953	12,715	92.5%	2,968	256	3,224	92.1%
OCC	Recyclable	27.43%	220,542	10,316	230,857	95.5%	50,350	2,768	53,118	94.8%
ONP	Recyclable	5.50%	44,199	5,797	49,996	88.4%	8,430	937	9,366	90.0%
PET	Recyclable	1.69%	13,606	136	13,742	99.0%	2,696	37	2,732	98.7%
Scrap Metal	Recyclable	2.88%	23,157	170	23,327	99.3%	6,404	46	6,450	99.3%
Tin Cans	Recyclable	0.92%	7,378	170	7,548	97.7%	1,902	46	1,948	97.7%
Polypropylene <sup>(6)</sup>	Recyclable	0.00%	0			0.0%	0			0.0%
[Other]	Recyclable	0.00%	0				0			
[Other]	Recyclable	0.00%	0				0			
[Other]	Recyclable	0.00%	0				0			
Residue	Residue	25.67%	206,407	168,154	168,154		51,703	42,326	42,326	
Shrinkage	Shrinkage	7.10%	57,079	104,917	104,917		20,537	30,582	30,582	

	Capture Rate			
	Last 4 Studies		1st Study	
	Actual	Adjusted Rev Share	Actual	Adjusted Rev Share
Available Material	93.39%	93.39%	92.38%	93.16%
Inbound Material	67.23%	67.23%	63.35%	63.89%
Residue based on Inbound	32.77%	32.77%	36.65%	36.11%

<sup>(1)</sup> This sheet reflects an example of the Recyclable Materials Revenue Sharing Calculation, as described in Exhibit N-3, Section 9.7 and Exhibit N-3.  
<sup>(2)</sup> The Market Index values reflect the index values for each quarter of 2023, as reported by the Market Index source outlined in columns C-G.  
<sup>(3)</sup> The Composition Study percentage is for demonstrative purposes only. The actual Characterization Studies will be performed and results updated in accordance with Section 7.9 and Exhibit N.  
<sup>(4)</sup> If the Contractor does not meet the minimum guaranteed Effective Recovery Rate and/or Capture Rate in accordance with Section 8.15 and this Exhibit N-4, the Revenue Sharing Calculation shall be based on the Contractor's actual results or the actual results inclusive of the adjusted minimum Capture Rates, whichever is greater.

**EXHIBIT O:**  
**MARKETED RECOVERED MATERIALS STANDARDS**

---



*This page intentionally left blank.*

## EXHIBIT O: MARKETED RECOVERED MATERIAL STANDARDS

---

### 1. Recovered Materials Standards

- A. **General.** The Contractor shall meet standards for the quality of Recovered Materials (herein referred to as “Recovered Materials Quality Standards”) at all times during the Term to ensure that there is effective Recovery of materials and that quality commodities are produced by the Approved Recyclable Materials Processing Facility and marketed by the Contractor.

All measurements of percentage in the Recovered Materials Quality Standards are by weight and the samples for testing the Recovered Materials Quality Standards (unless otherwise noted) will be randomly selected from Recovered Materials prepared by the Contractor for sale.

- B. **Fiber Products.** Contractor is required to produce all fiber products of sufficient quality to attract the highest market prices for which similar products, produced by other local materials recovery facilities that process single-stream Recyclable Materials, are sold. The Contractor’s operation of the Approved Recyclable Materials Processing Facility shall consistently produce fiber products that achieve Residue and contamination standards that meet, or exceed, the market requirements to attract the highest current market price for the specified products. Fiber Product Grades Include:

1. Sorted Residential Papers & News: No more than 1.5% prohibitive materials by weight or moisture in excess of 12%
2. Mixed Paper #54: No more than 1.5 -2% prohibitive materials by weight or moisture in excess of 12%
3. OCC Grades (11, 11.5, 12): No more than 1-5% prohibitive materials by weight or moisture in excess of 12%
4. Office Pack #1: No more than 1-5% prohibitive materials by weight or moisture in excess of 12%

- C. **Container Glass Product.** Glass product sold by the Contractor shall consistently contain at least eighty-nine percent (89%) usable glass by analysis of the end user that receives and processes the glass product.

- D. **Aluminum Product.** Aluminum sorted and sold shall contain less than two percent (2%) non-aluminum contamination and moisture in excess of four percent (4%). Not more than five percent (5%) of the aluminum cans fed into the Approved Recyclable Materials Processing Facility system shall be Disposed as Residue.

- E. **PET Product.** PET product sorted and sold shall contain less than two percent (2%) non-PET contaminants. Not more than five percent (5%) of qualifying PET containers fed into the Approved Recyclable Materials Processing Facility system shall be Disposed as Residue.

- F. **HDPE Product.** HDPE product shall be sorted into natural and colored components. The HDPE-Natural (HDPE-Natural) product shall contain less than three percent (3%) non-HDPE, no more than two percent (2%) of HDPE color and zero tolerance for any metals. The HDPE-Colored (HDPE-Colored) product shall contain less than five percent (5%) non-HDPE and zero

## EXHIBIT O: MARKETED RECOVERED MATERIAL STANDARDS

---

tolerance for any metals. Not more than five percent (5%) of qualifying HDPE containers that are fed into the Approved Recyclable Materials Processing Facility system shall be Disposed as Residue.

- G. **Polypropylene Product.** The Polypropylene product shall contain less than five percent (5%) non-polypropylene, except for other non PP or HDPE plastic content which cannot exceed fifteen percent (15%). Not more than ten percent (10%) of qualifying polypropylene containers that are fed into the Approved Recyclable Materials Processing Facility system shall be Disposed as Residual.
- H. **Mixed Rigid Plastics Product.** Mixed rigid plastics shall be Recovered and marketed to meet specifications that will support marketability of the product in the then-current market conditions.

### 2. Marketed Recovered Materials Commodities

- A. **Recovered Recyclable Materials Commodities.** Contractor shall market Recovered Recyclable Materials in the commodity categories listed in this Section. If the Contractor wants to modify the commodity categories during the Term of the Agreement, the Contractor shall request approval from the Authority, and such approval shall be obtained before changes are implemented. Recovered Recyclable Materials commodity categories shall include, at minimum:
1. Fiber
    - a. Old corrugated Cardboard (OCC)
    - b. Mixed paper (MP)
    - c. Office Pack
    - d. Newsprint
  2. Metals
    - a. Aluminum
    - b. Tin, steel, and bi-metal
    - c. Scrap metal
  3. Plastics
    - a. PET
    - b. HDPE Natural
    - c. HDPE Color
    - d. Polypropylene
    - e. Mixed rigid plastics
    - f. LDPE
  4. Mixed Glass Containers

## **EXHIBIT P: LOAD CLASSIFICATION**

---

In accordance with Section 5.1, prior to the Commencement Date, the Contractor, the Authority and/or the Franchised Collector and Designated Facilities will develop a mutually agreed upon Load classification plan that will be attached as Exhibit P.

*This page intentionally left blank.*

## **EXHIBIT Q: ALLOCATION METHODOLOGY**

---

In accordance with Section 5.4.C, prior to the Commencement Date, the Contractor shall develop and secure written approval from the Authority on the Allocation Methodology that is consistent with Section 12.6 and will be attached as Exhibit Q.

*This page intentionally left blank.*



## **EXHIBIT R: DISASTER RESPONSE PLAN**

---

In accordance with Section 7.4, prior to the Commencement Date, the Contractor shall develop and secure written approval from the Authority on the Disaster Response Plan that will be attached as Exhibit R.

*This page intentionally left blank.*