

**AMENDMENT NO. 4
TO EXCLUSIVE FRANCHISE AGREEMENT FOR THE PROVISION OF
SOLID WASTE & RECYCLING SERVICES**

THIS AMENDMENT (“Amendment”) by and between the CITY OF CYPRESS, a California municipal corporation and charter city (“City”) and VALLEY VISTA SERVICES, INC., a California corporation, doing business as Valley Vista Services of Orange County (“Collector”) is effective as of November 22, 2021 (“Effective Date”).

RECITALS

A. City granted to Collector an exclusive solid waste and recycling franchise by entering into that certain Exclusive Franchise Agreement for the Provision of Solid Waste & Recycling Services dated September 22, 2014 (“Agreement”), wherein Collector agreed to provide solid waste and recycling collection services to City residents and businesses.

B. Effective January 1, 2022, Senate Bill 1383, the Short-Lived Climate Pollutant Reduction Act of 2016, and the regulations adopted pursuant thereto located in Chapter 12 of Title 14 of the California Code of Regulations (commencing with section 18981.1) (“Organics Laws”), require the City to adopt enforceable mechanisms to mandate that organic waste generators, haulers, and other entities subject to the requirements of the Organics Laws comply with the requirements of such laws. Furthermore, 14 CCR 18981.2(b) provides that the City may designate a private entity to fulfill the City’s responsibilities under the Organics Laws, including through a contract with the City’s waste hauler. The amendments provided herein are intended to comply with the Organics Laws and to delegate certain City responsibilities to the Collector, as authorized in state law.

C. The original term of the Agreement was from July 1, 2015, to June 30, 2025. The Agreement has been previously amended three times with Amendment No. 2 extending the term of the Agreement until June 30, 2027. City and Collector now wish to further extend the term of the Agreement until June 30, 2037.

D. Finally, City and Collector wish to make additional revisions to the Agreement to adjust service rates to account for additional costs resulting from the Organics Laws.

TERMS

1. **Recitals.** The recitals set forth above are incorporated herein by this reference.

2. **Contract Changes.** The Agreement is amended as follows:

2.1 **Definitions.** The following definitions are hereby added to Article 1 of the Agreement:

1.17.5 CITY FEE

“City Fee” means “City Compliance and Monitoring Fee” as defined in Section 9.04 of this Agreement.

1.20.5 COMMERCIAL EDIBLE FOOD GENERATOR

“Commercial Edible Food Generator” includes a Tier One or a Tier Two Commercial Edible Food Generator. For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators.

1.25.5 CONTAINER CONTAMINATION

“Container Contamination” means a Container, regardless of color, that contains Prohibited Container Contaminants; or as otherwise defined in 14 CCR section 18982(a)(55).

1.33.3 FOOD FACILITY

“Food Facility” has the same meaning as in Section 113789 of the Health and Safety Code.

1.33.5 FOOD RECOVERY

“Food Recovery” means actions to collect and distribute food for human consumption which otherwise would be disposed.

1.33.7 FOOD RECOVERY ORGANIZATION

“Food Recovery Organization” means an entity that 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 Health and Safety Code;
- b) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; or
- c) A nonprofit charitable temporary Food Facility as defined in Section 113842 of the Health and Safety Code.

1.33.8 FOOD RECOVERY SERVICE

“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.

1.40.5 KITCHEN CADDY

“Kitchen Caddy” means a 2-gallon receptacle that provides daily storage of food waste.

1.43.5 NONPROFIT

“Nonprofit” means an entity that is exempt from federal income taxation pursuant to Internal Revenue Code Section 501(c)(3) and applicable California law.

1.47.5 ORGANICS WAIVER

“Organics Waiver” means a waiver from Organics Recycling requirements available to Customers pursuant to the City’s municipal code and in accordance with 14 CCR Section 18984.11.

1.50.5 PROCUREMENT CREDIT

“Procurement Credit” is defined in Section 18.04.1 of this Agreement.

1.50.7 PROHIBITED CONTAINER CONTAMINANTS

“Prohibited Container Contaminants” has the same meaning as in 14 CCR Section 18982(a)(55).

1.59.5 ROUTE REVIEW

“Route Review” means a visual inspection of Containers along a hauler route for the purpose of determining Container Contamination and in accordance with 14 CCR 18984.5(b), and may include mechanical inspection methods such as the use of cameras.

1.64.3 STATE ORGANICS LAWS

“State Organics Laws” means Senate Bill 1383, the Short-Lived Climate Pollutant Reduction Act of 2016, and the regulations adopted pursuant thereto located in Chapter 12 of Division 7 of Title 14 of the California Code of Regulations (commencing with section 18981.1), including any amendments thereto.

1.64.6 TIER ONE COMMERCIAL EDIBLE FOOD GENERATOR

“Tier One Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following:

- a) A supermarket, as defined in 14 CCR Section 18982(a)(71).
- b) A grocery store, as defined in 14 CCR Section 18982(a)(30), with a total facility size equal to or greater than 10,000 square feet.
- c) A food service provider, as defined in 14 CCR Section 18982(a)(27).

- d) A food distributor, as defined in 14 CCR Section 18982(a)(22).
- e) A wholesale food vendor, as defined in 14 CCR Section 18982(a)(76).

1.64.7 TIER TWO COMMERCIAL EDIBLE FOOD GENERATOR

“Tier Two Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following:

- a) A restaurant, as defined in 14 CCR Section 18982(a)(64), with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
- b) A hotel, as defined in 14 CCR Section 18982(a)(34), with an on-site Food Facility and 200 or more rooms.
- c) A health facility, as defined in 14 CCR Section 18982(a)(32), with an on-site Food Facility and 100 or more beds.
- d) A large venue, as defined in 14 CCR Section 18982(a)(39).
- e) A large event, as defined in 14 CCR Section 18982(a)(38).
- f) A state agency with a cafeteria with 250 or more seats or a total cafeteria facility size equal to or greater than 5,000 square feet.
- g) A local education agency, as defined in 14 CCR Section 18982(a)(40), with an on-site Food Facility.

1.67.7 WASTE EVALUATION

“Waste Evaluation” means the method of minimizing Container Contamination described in 14 CCR 18984.5(c).

2.2 Definition of “Organic Waste.” Section 1.47, “Organic Waste,” is hereby replaced with the following revised definition:

“Organics” or “Organic Waste” means Solid Waste containing material originated from living organisms and their metabolic waste products including, but not limited to, food, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges. “Biosolids,” “Digestate,” “Paper Products,” and “Printing and Writing Paper” have the same meaning as in 14 CCR Section 18982(a).

2.3 Extension of Term. Section 2.02, “Term & Extended Term,” shall be modified as follows (~~strikethrough~~ represents deleted language while underline is added language):

“Unless earlier terminated in accordance with Article 13 of this Agreement, this Agreement shall continue in full force and effect ~~until~~ from and after July 1, 2015, and through and including the close of business on June 30, ~~2027~~ 2037.”

~~City reserves the right, in its sole and unfettered discretion, to extend the term of this Agreement, under its then existing terms and conditions, for a maximum of two (2) one year extended terms. City shall give notice of its intention to extend the term, or any extended term, of this Agreement in writing not later than six (6) calendar months prior to expiration of the term or any extended term of the Agreement.”~~

2.4 Revisions to Article 9. Article 9, entitled “Charges and Rates,” shall be modified as follows (~~bold strikethrough~~ represents deleted language while ***bold underlined italics*** represents added language):

ARTICLE 9. CHARGES AND RATES

9.01 INITIAL RATES

The rates that Collector may charge Customers *under this Agreement* ~~through the Rate Year ending June 30, 2018~~ shall not exceed the maximum rates set forth in Exhibit 1, *except as adjusted pursuant to Article 9.*

9.02 Schedule of Future Adjustments

Beginning with the Rate Year starting July 1, ~~2018~~ *2022* ~~and ending on June 30, 2019~~ and for all subsequent Rate Years, the maximum rates shown in Exhibit 1 may be adjusted upon request as described in this Section 9. The Collector shall submit its request in writing directly to City staff or via certified mail, on or before *the March 15 prior to the July 1 when the rate change will take effect, 2018 and each succeeding year.* Failure to submit a written request by March 15th of each year shall result in Collector waiving the right to request such an increase for the subsequent Rate Year. Missed rate adjustments may not be added to rate adjustment applications in ensuing years. The rates shall decrease automatically in accordance with Section 9 if either the disposal gate fee or the Consumer Price Index decreases. Rate adjustment calculations shall be separately performed for Residential Cart rates (Exhibit 2A), Commercial Bin and Cart rates (Exhibit 2B), Roll-off Box and Temporary Service rates (2C), and Other Service rates.

9.02.1 Cost Component and Rate Adjustment Indexes

The approved rates consist of the following cost components, followed by the initial weightings of each component. Each cost components may be adjusted by the change in the corresponding index as provided below. See Section 9.02.2 for detailed rate adjustment procedures.

	Cost Component	% of Costs (1)	Rate Adjustment Index	Starting Index
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		Residential	Commercial	Roll-Offs		
A.	Collection	75% <u>46%</u>	80%	100%	Consumer Price Index - All Urban Consumers, All items – Los Angeles – Riverside – Orange County, CA capped at 3.5% <u>plus 85% of any increase in CPI above 3.5%.</u> ⁽²⁾	CPI as of February 2016. Initial CPI index will be 241.059. <u>The CPI index is 281.347.</u>
B.	Disposal	20% <u>37%</u>	20%	100%	Actual change at Orange County Landfills as per waste disposal agreement with City of Cypress.	Initial index will be \$32.36. <u>The index is \$35.67.</u>
C.	Green Waste	5% <u>17%</u>	20%	n/a	<u>Consumer Price Index – All Urban Consumers, All items – Los Angeles – Riverside – Orange County, CA capped at 5% plus 85% of any increase in CPI above 5%.</u> ⁽³⁾ Actual change in the per ton posted gate rate at Grand Central Recycling & Transfer.	Initial index will be \$25.00 per ton. <u>The CPI index is 281.347.</u>
D.	Other Service (including MRF Service)	n/a	n/a	100%	Consumer Price Index - All Urban Consumers, All items – Los Angeles – Riverside – Orange County, CA capped at 3.5% <u>plus 85% of any increase in CPI above 3.5%.</u> ⁽²⁾	CPI as of February 2016. Initial CPI index will be 241.059. <u>The CPI index is 281.347.</u>

(1) Weightings may be adjusted for the rate adjustment following, and based upon results from each audit per Section 8.04.1.

(2) For example, if the published annual CPI for the region is 6.2%, Collector could request the full 3.5% and 85% of the difference, as shown in the following table:

<u><i>Published Regional CPI</i></u>	<u><i>6.2%</i></u>
<u><i>Franchise Cap</i></u>	<u><i>3.5%</i></u>
<u><i>Difference (6.2% - 3.5%)</i></u>	<u><i>2.7%</i></u>
<u><i>85% of Difference</i></u>	<u><i>2.295%</i></u>
<u><i>TOTAL CPI (3.5% + 2.295%)</i></u>	<u><i>5.795%</i></u>

(3) For example, if the published annual CPI for the region is 6.2%, Collector could request the full 5% and 85% of the difference, as shown in the following table:

<u><i>Published Regional CPI</i></u>	<u><i>6.2%</i></u>
<u><i>Franchise Cap</i></u>	<u><i>5%</i></u>
<u><i>Difference (6.2% - 5%)</i></u>	<u><i>1.2%</i></u>
<u><i>85% of Difference</i></u>	<u><i>1.02%</i></u>
<u><i>TOTAL CPI (5% + 1.02%)</i></u>	<u><i>6.02%</i></u>

9.02.2 Rate Adjustment for Residential Services and Commercial Refuse Services

Residential Cart rates and Commercial Bin and Cart rates will be adjusted using the same method, but will be calculated separately due to the differences in the weightings of the Collection and Disposal components for each Customer type, as listed in Section 9.02.1.

Step One – Calculate the percentage increase or decrease in Collection, Disposal, and Green Waste Component indices listed in Section 9.02.1. The increase or decrease in the Collection Component index and Green Waste Component index will be based on the twelve (12) month period ending February prior to the July 1 when the rate change will take effect.

The Disposal index will be based on the actual percentage change in the gate rates at Orange County Landfills as per the then-existing waste disposal agreement with the City of Cypress for the twelve (12) month period ending June 30 prior to the July 1 when the rate change will take effect. ~~The Green Waste index will be based on the posted gate rate at Grand Central Recycling.~~

The percentage increase for the Collection Component Index shall not exceed 3.5% plus 85% of any increase in CPI above 3.5% for any Rate Year (see chart in Section 9.02.1). The percentage increase for the Green Waste Component index shall not exceed 5% plus 85% of any increase in CPI above 5% for any Rate Year (see chart in Section 9.02.1).

Step Two – ~~For rate adjustments prior to the first audit (see Section 8.04.1)~~. Cost components are weighted as listed in Section 9.02.1. For subsequent rate adjustments, the relative weightings of the Collection and Disposal cost components will be determined by the most recent audit conducted per Section 8.04.1.

Multiply the percentage changes for the Collection and Disposal cost components, as determined in Step One, by that component's weighting as a percentage of total cost.

Step Three – Multiply the weighted permitted percent change from Step Two by the existing maximum Residential Cart, Commercial Bin and Carts Services rates to determine the increase or decrease in maximum rates. Then add (subtract) the change in rates to (from) the existing maximum rates to determine the new maximum rates. See Exhibits 2A and 2B for examples of rate adjustments procedures.

9.02.3 Rate Adjustment for Roll-Off Box & Other Services

Roll-off box rates and Other Services rate adjustments will be calculated separately for the Collection (Pull), Disposal, and MRF Service Component, as listed in Section 9.02.1.

Step One – Calculate the percentage increase or decrease in Collection and Disposal Component indices listed in Section 9.02.1. The increase or decrease in the Collection and MRF Service Component index will be based on the twelve (12) month period ending February prior to the July 1 when the rate change will take effect.

The Disposal index will be based on the actual percentage change in the gate rates at Orange County Landfills as per the then-existing waste disposal agreement with the City of Cypress for the twelve (12) month period ending June 30 prior to the July 1 when the rate change will take effect. The percentage increase for the Collection and MRF Service Component Indices shall not exceed 3.5% plus 85% of any increase in CPI above 3.5% for any Rate Year (see chart in Section 9.02.1).

Step Two – ~~For rate adjustments prior to the first audit (see Section 8.04.1).~~ Cost components are weighted as listed in Section 9.02.1. For subsequent rate adjustments, the relative weightings of the Collection and Disposal cost components will be determined by the most recent audit conducted per Section 8.04.1.

Multiply the percentage changes for the Collection, MRF Service and Disposal cost components, as determined in Step One, by that component's weighting as a percentage of total cost.

Step Three – Multiply the weighted permitted percent change from Step Two by the existing maximum roll-off pull rate, roll-off per ton disposal, roll-off per ton C&D Processing, and other rates. Then add (subtract) the change in rates to (from) the existing maximum rates to determine the new maximum rates. See Exhibits 2C for examples of rate adjustments procedures.

9.02.4 Rate Adjustment for Source-Separated Single-Stream Recycling for Commercial and Multi-Family Premises

The rates for Source-Separated Single-Stream Recycling Collection for Commercial and Multi-Family Premises shall not exceed ~~50%~~ 75% of rates for Commercial and Multi-Family Refuse Collection.

9.02.5 Rate Adjustment for Green Waste Collection for Commercial and Multi-Family Premises

The rates for Green Waste Collection for Commercial and Multi-Family Premises shall be calculated as described in Section 9.02.2 except that the Green Waste Component index will be used instead of the Disposal Component index.

9.03 EXTRAORDINARY ADJUSTMENT

Collector may petition the City in writing at reasonable times other than that allowed under Section 9.02 for an adjustment in the maximum rates due to (i) extraordinary circumstances beyond Collector's control, or (ii) due to new programs and services requested by City as provided herein. Collector shall provide documentation and analysis to the satisfaction of City of the reasons for such adjustment. Petitions regarding extraordinary circumstances beyond the Collector's control shall satisfy all of the following conditions: (i) materially alters Collector's operations or overall costs; (ii) could not reasonably have been foreseen by a prudent operator; and (iii) by all reasonable expectations will continue for a period of at least six (6) months. ~~Such changes shall not include changes in the market value of Recyclables or inaccurate estimates by the Collector of its cost of operations.~~

Collector's request shall contain substantial proof and justification to support the need for the adjustment. For each request brought pursuant to this section Collector shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to City with support for assumptions made by Collector in preparing the estimate. Collector shall also submit a schedule showing how its total costs and total revenues have changed over the past two years for the services provided under this Contract.

The City may request from the Collector such further information as it deems necessary to fully evaluate the request and make its determination. City may request a copy of the Collector's annual financial statements in connection with the City's review of Collector's rate adjustment request. City shall review the Collector's request and, in City Council's sole judgment and absolute, unfettered discretion, make the final determination as to whether an adjustment to the maximum rates will be made, and, if an adjustment is permitted, the appropriate amount of the adjustment. City Council may consider increases or decreases in the Collector's total revenues and total cost of services when reviewing an extraordinary rate adjustment request.

The City and Collector may make changes in the service levels under the Franchise sufficient to avoid the need for a rate adjustment. ~~Extraordinary rate adjustments shall only be effective after approval by City Council and may not be applied retroactively.~~

9.04 CITY'S COMPLIANCE AND MONITORING FEE

Collector shall charge and collect from all Customers for whom Collector is responsible for billing and collection a City Compliance and Monitoring Fee (“City Fee”) equal to one and a half percent (1.5%) of the total service charge for each Customer, and remit the City Fee to the City on a quarterly basis in accordance with a schedule to be determined by the Contract Officer. The City Fee is in addition to and separate from the rates charged by Collector and shall not be considered part of Collector’s rate for purposes of calculating rate adjustments under this Article 9. Each quarterly remission of the City Fee to City by Collector shall be accompanied by an accounting explaining the basis for the amount of the City Fee collected. City may, upon request of the Contract Officer, audit any and all of Collector’s records to determine whether the City Fee has been properly collected and remitted. If the City Fee is not timely submitted, or the City has reasonable grounds to believe that the full amount of the City Fee has not been remitted, City may withhold from any amount of fees collected by City on behalf of Collector an amount of such fees equal to the amount of the City Fee that City reasonably believes is owned to City by Collector until the time that City is reasonably satisfied that Collector has made full payment of the City Fee to the City.

2.5 Organics Recycling Requirements. A new Article 18, entitled “Organics Recycling,” is hereby added to the Agreement and shall read in its entirety as follows:

ARTICLE 18. ORGANICS RECYCLING

18.01 COLLECTION AND RECYCLING

18.01.1 Organics Recycling Program

Collector shall provide an Organics Recycling program to all Customers that meets or exceeds the requirements of State Organics Laws, the City’s municipal code, and all other applicable state laws. In the event of any conflict between such authorities, the strictest requirement shall apply, as reasonably determined by the Contract Officer. Such requirements shall include, but are not limited to:

- (a) Providing Solid Waste Services, including Organics Recycling, that comply with 14 CCR Sections 18984.1, 18984.2, and 18984.3;
- (b) Providing Customers with Containers that comply with the color requirements specified in Article 3 of Chapter 12 of Division 7 of Title 14 of the California Code of Regulations; and
- (c) Placing labels on each Container or Container lid provided to Customers in compliance with 14 CCR Section 18984.8.

18.01.2 Indemnification/Guarantee

Collector specifically acknowledges that Collector’s obligation to indemnify and hold City harmless under Section 12.03 (The Act Indemnification and Guarantee) of this Agreement also applies with regard to all fines and penalties imposed on City by

CalRecycle resulting from Collector's failure to comply with State Organics Laws, including by not limited to Collector's failure to perform any of its obligations stated in this Article 18.

18.01.3 Organics Containers – “Kitchen Caddies”

- (a) In accordance with a schedule determined by the Contract Officer, Collector shall provide one Kitchen Caddy per unit to all Customers that reside in single-family residential units and receive a Green Waste Container, and shall provide one Kitchen Caddy per unit to Customers that reside in Multi-Family Premises that have a dedicated Organic Waste Container on site.
- (b) For Multi-Family Premises, Collector shall deliver the Kitchen Caddies to the designated owner or manager of the units with instructions to distribute them to each Customer.
- (c) At the time Collector delivers the Kitchen Caddies, Collector shall also provide each unit with ten collection bags to be placed in the Kitchen Caddy, as well as educational materials regarding use of the Kitchen Caddy. Customers shall be responsible for providing subsequent bags for Kitchen Caddies.
- (d) Collector is only required to provide one Kitchen Caddy per unit. Kitchen Caddy replacements shall be the responsibility of the Customer. Collector shall make replacement Kitchen Caddies available for purchase by Customer; however, Customers shall not be required to purchase replacement Kitchen Caddies from Collector.

18.02 REPORTING

18.02.1 Details of Organics Program

Collector shall collect, preserve, and report information regarding its Organic Waste Recycling program in sufficient detail to allow City to comply with the initial and annual reporting obligations under 14 CCR Section 18994.1 and 18994.2, and all other reporting requirements imposed by CalRecycle or state law, including but not limited to (i) the type of collection program used by Collector (i.e., 3-cart, 2-cart, etc.), (ii) the type or types of Solid Waste collected in each Container, and (iii) the number of Customers receiving collection service by program type. Such information shall be provided in a format acceptable to the Contract Officer and shall be provided in accordance with a reporting schedule established by the Contract Officer and reasonably calculated to ensure compliance with the City's reporting obligations under State Organics Laws.

18.02.2 Facilities and Disposal Reporting

Upon written request of the Contract Officer, and then annually thereafter in accordance with a schedule established by the Contract Officer, Collector shall report to City the facilities to which it will transport Organic Waste, non-organic Recyclable Material, and other Solid Waste.

Collector shall subsequently report to City, for Organic Waste, non-organic Recyclable Materials, and other Solid Waste, the tons delivered to each facility, tons of Solid Waste diverted, and residual tons disposed in the form and format the Contract Officer requires.

18.03 FOOD RECOVERY

18.03.1 Annual Contribution to Food Recovery Organizations

Collector shall donate a minimum of \$5,000 on a yearly basis to Nonprofit Food Recovery Organizations, and shall provide City with evidence of such donation upon request by the Contract Officer.

18.04 PROCUREMENT

18.04.1 Collector Purchase of Recycled Natural Gas

- (a) Collector shall notify the Contract Officer in writing if it has purchased Recycled Natural Gas (“RNG”) fuel for any vehicle that is hauling Solid Waste in the City within 30 days of purchase.
- (b) All credits towards the City’s procurement obligations under 14 CCR 18993.1 or any other related procurement obligations (“Procurement Credits”) that are available to the City for RNG purchased by Collector for vehicles hauling Solid Waste in the City shall accrue to the City and not to any other agency.
- (c) Collector shall provide, upon request by the Contract Officer, all paperwork necessary for obtaining and documenting Procurement Credits for RNG.

18.04.2 Collector Purchase of Biomass Electricity

- (a) Collector shall notify the Contract Officer in writing if it has purchased any Biomass Electricity within 30 days of purchase at any of its facilities and what fair share percentage is applicable to the City.
- (b) The fair share Procurement Credit for such purchases shall be applied to the City and not another agency.
- (c) Collector shall provide, upon request by the Contract Officer, all paperwork necessary for obtaining and documenting Procurement Credits for Biomass Electricity.

18.05 CAPACITY PLANNING

18.05.1 Capacity Guarantee

- (a) Collector guarantees and shall ensure that there is sufficient facility capacity for all Organic Waste collected in the City.

- (b) Collector represents that, as of the date of execution of Amendment No. 4 to this Agreement, Collector will bring Organic Waste to Grand Central Material Recovery Facility.
- (c) In the event Collector intends to take Organic Waste to a different facility, Collector shall report such intention to the City in writing and shall obtain approval from the City prior to changing facilities.

18.05.2 Plans for New Organics Processing Facility

- (a) No later than January 1, 2023, Collector shall provide City with detailed plans, drawings, and specifications for construction of an Organic Waste processing facility, to be constructed by Collector.
- (b) Such plans shall also include a schedule for completion of the facility, including milestones for completion of environmental review, completion of pre-construction engineering and design, and start and completion dates for construction.
- (c) Collector shall provide City with written updates to the schedule on a semi-annual basis identifying if any of the milestones have changed.
- (d) The new facility shall be completed and fully operational no later than December 31, 2026, unless such deadline is extended by the Contract Officer.

18.06 PUBLIC EDUCATION AND OUTREACH

18.06.1 Modification of Public Education and Outreach Program

Collector shall modify its Public Education and Outreach Program, described in Section 6.03 of this Agreement, to include public outreach and education regarding Organics Recycling and Collector's Organics Recycling program. Collector, with collaboration from the City and CalRecycle, shall create a premier pro-Organics campaign for Cypress residents and businesses to bolster enthusiasm and drive participation levels. Such modifications to the Public Education and Outreach Program shall include the following:

- (a) "How-to" Packets. Collector shall incorporate Organics Recycling educational materials into its existing "How-to" packets for new Customers, as described in Section 6.03.1.
- (b) Container Labels and Stamps. Collector shall place stickers and/or labels and hot stamps on Organics Recycling Containers in accordance with CalRecycle regulations and model formats, including but not limited to 14 CCR Section 18984.8, and consistent with the requirements of Section 6.03.1 and 7.06.1 of this Agreement.
- (c) Annual Newsletter. The annual newsletter, described in Section 6.03.1 of this Agreement, shall include discussions regarding Organics Recycling.
- (d) Corrective Action Notice. The corrective action notification, described in Section 6.03.1, shall be modified by Collector to incorporate an Organics Recycling section.

- (e) Website. Collector shall include on its City-specific webpage, as described in Section 6.03.1, a separate section for Organics Recycling including discussions on Single Family (Two Carts and Green Waste Can), Condominium (Two Carts), Multi-Family and Commercial (Bins and Separate Organics Cart) options.

Collector shall also include on its City-specific webpage a link to the City's online application page for Organics Waivers.

Collector shall also develop a Frequently Asked Questions (FAQ) section providing answers to frequently asked questions about Organics Recycling and include this section on its City-specific webpage.

- (f) Mobile Application. If the Collector develops a mobile application, as described in Section 6.03.1 of this Agreement, it shall include an Organics Recycling component in the application.

- (g) Collector Representative. The Collector Representative, described in Section 6.03.3, shall incorporate Organics Recycling educational information into the promotion and education materials and presentations provided to civic groups, school assemblies, homeowners' associations, Multi-Family and Commercial Premises, and provided as part of demonstrations and civic events.

During calendar year 2022, in accordance with a schedule determined by the Contract Officer, the Collector Representative shall visit high priority sites and provide a list to the Contract Officer of the proposed sites for preapproval. All such high-priority site visits shall be documented and such documentation shall be provided to the City for inclusion into the City's annual report to CalRecycle.

- (h) Community Events; Community Festival. If directed by the Contract Officer to attend community events, community workshops, and family fun days, pursuant to Section 6.03.4 of this Agreement, Collector shall promote and provide information on Organics Recycling at such events.

At a minimum, Collector shall attend the Cypress Community Festival event with a booth each year pursuant to Section 6.03.4.

- (i) Social Media. For any posts made by Collector on a social media platform, including but not limited to Twitter, Instagram, YouTube, and Facebook, Collector shall tag the City's account on the same media platform. The Collector shall document and list the number of social media posts made regarding Organics Recycling in its reporting to the City for CalRecycle.

18.06.2 Multi-Family/Commercial Contacts by Telephone

During calendar year 2022, Collector shall contact every Multi-Family and Commercial Premises in the City not yet receiving separate organics collection to introduce the program requirements, assess service conditions and individual needs, answer Customer questions, and facilitate subscribing to the new service. Organics Waives and other exemptions from Organics Recycling service shall be systematically discouraged unless CalRecycle's narrow criteria are met, which include space constraints, and/or impracticality for small quantity generators qualifying for de minimis exemptions.

18.06.3 Multi-Lingual Messaging

Collector shall collaborate with the City and CalRecycle's regional staff to ensure that the multi-lingual literature and materials distributed in the City are clear and effective in carrying the message of Organic Waste Recycling and community-based Food Recovery.

18.07 MONITORING, ENFORCEMENT, AND EXEMPTIONS

18.07.1 Route Review and Waste Evaluations

- (a) In order to minimize Container Contamination, Collector shall either perform Route Reviews or Waste Evaluations, as directed by the Contract Officer.
- (b) Route Reviews. If the Contract Officer directs Collector to perform Route Reviews, such reviews shall be conducted in such a manner as to ensure City's compliance with 14 CCR Section 18984.5(b). In accordance with a schedule established by the Contract Officer, Collector shall provide a written report to the Contract Officer detailing the number of Route Reviews conducted by Collector and evaluating the results of the Route Review in a format acceptable to the Contract Officer and including sufficient details to allow City to comply with its reporting requirements under State Organics Laws, including but not limited to 14 CCR 18984.6. All hauler routes shall be reviewed annually, as required by State Organics Laws. However, if State Organics Laws are amended to require additional Route Review, Collector shall adjust its number and frequency of Route Reviews to meet such requirements.
- (c) Waste Evaluations. If the Contract Officer directs Collector to perform Waste Evaluation, such evaluations shall be conducted in such a manner as to ensure City's compliance with 14 CCR Section 18984.5(c). For Waste Evaluations, the Collector shall inspect at least 5% of the Containers per route or the amount of Containers required by the State Organics Laws, whichever amount is greater. In accordance with a schedule established by the Contract Officer, Collector shall provide a written report to the Contract Officer documenting the Waste Evaluations conducted by Collector and evaluating the results of the Waste Evaluations in a format acceptable to the Contract Officer and including sufficient details to allow City to comply with its reporting requirements under State Organics Laws, including but not limited to 14 CCR 18984.6.

18.07.2 Violations

- (a) Collector shall assist the City in the delivery of notices, reporting and tracking violations, and delivering targeted educational materials to locations where Container Contamination is found.
- (b) Collector shall use any online databases or reporting systems created or used by the City for this purpose.
- (c) Nothing in the Agreement authorizes Collector to impose civil penalties on, or to maintain an action to impose civil penalties against, a Customer.

18.07.3 Exemptions from Organic Recycling

- (a) Collector shall assist the City in evaluating requests for exemptions under State Organics Laws from the Organics Recycling requirements, including Organics Waivers, and provide its recommendation regarding waiver applications in a written format determined by the Contract Officer.
- (b) Collector shall also assist the City in estimating the tons of Organic Waste that was not recycled due to issuance of an Organics Waiver by the City.

2.6 New Exhibit 1 – Initial Service Rates. Subject to Section 2.7 of this Amendment, Exhibit 1 of this Amendment shall hereby replace Exhibit 1 of the Agreement.

2.7 Effective Date. The Amendment No. 4 shall not be effective and operative until the rates described in Exhibit 1 of this Amendment have been approved by the City Council after the completion of a Proposition 218 public hearing, without a majority of Customers protesting the adoption of such rates pursuant to Proposition 218. Further, Collector shall not utilize the rates described in Exhibit 1 of this Amendment until such rates have been approved by the City Council, without a majority of Customers protesting the adoption of such rates pursuant to Proposition 218, as determined at the sole and absolute discretion of the City Council after the completion of the Proposition 218 public hearing.

3. Continuing Effect of Agreement. Except as amended by this Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by this Amendment to the Agreement.

4. Affirmation of Agreement; Warranty Re Absence of Defaults. City and Collector each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Collector represents and warrants to City that, as of the date of this Amendment, City is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to Collector that, as of the date of this Amendment, Collector is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

5. Adequate Consideration. The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment.

6. Authority. The persons executing this Amendment on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute

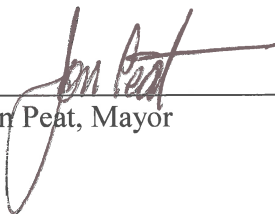
and deliver this Amendment on behalf of said party, (iii) by so executing this Amendment, such party is formally bound to the provisions of this Amendment, and (iv) entering into this Amendment does not violate any provision of any other agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 4 on the date and year first-above written.

CITY:

CITY OF CYPRESS, a municipal corporation




Jon Peat, Mayor

ATTEST:



Alisha Farnell, City Clerk


APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP


Fred Galante, City Attorney

COLLECTOR:

VALLEY VISTA SERVICES, INC., a California corporation, doing business as Valley Vista Services of Orange County

By: 
Name: DAVID PEREZ
Title: PRESIDENT

By: 
Name: CHRISTOPHER PEREZ
Title: TREASURER / CFO
Address: 17445 E. RAILROAD ST.
INDUSTRY, CA 91788

Two corporate officer signatures required when Collector is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. COLLECTOR'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO COLLECTOR'S BUSINESS ENTITY.

Exhibit 1

RESIDENTIAL SECTOR SERVICES

COLLECTION SERVICE CATEGORIES	MAXIMUM RATES	
RESIDENTIAL CART SERVICE – One each of 96-gallon capacity: refuse, recycling, and green waste carts – weekly collection; billing provided by City billing Agent.	21.11	Per Month
Additional Refuse Cart(s) – Each.	6.23	Per Month
Additional Green Waste Cart(s) – Each after first 2.	31.17	Per Month
First Additional Green Waste Cart and All Additional Recycling Carts will be free of charge.	No Charge	
Cart Delivery (addition, removal or exchange) beyond two (2) per type per customer.	31.17	Per Trip
Cart Replacement Due to Customer Damage.	62.34	Per Event
On-Call Bulky Waste / E-Waste (Up to two (2) items per year.)	No Charge	
On-Call Bulky Waste / E-Waste (beyond two (2) per year.)	62.34	Per item
Annual Holiday Tree Collection	No Charge	
Cart Roll-Out Service – Incremental Charge (in addition to base charge in line A).	31.17	Per Month

COMMERCIAL & MULTI-FAMILY SECTOR SERVICES

REFUSE – STANDARD BIN SERVICE

COLLECTION SERVICE CATEGORIES AND MAXIMUM RATES (STANDARD BIN SERVICE)							
Container Size	Pickups per Week						
	1 X	2 X	3 X	4 X	5 X	6 X	Extra Dump
2 Cubic Yards	135.15	233.14	311.32	389.51	465.18	541.79	53.03
3 Cubic Yards	145.84	241.30	330.12	414.98	497.17	583.35	53.03
4 Cubic Yards	199.84	326.16	396.24	465.00	535.05	625.35	53.03
Locking Bin Fee	20.02	26.69	33.36	40.04	56.71	53.38	53.03
96 Gal Cart	26.52	n/a	n/a	n/a	n/a	n/a	13.26

REFUSE – BIN COMPACTOR SERVICE

COLLECTION SERVICE CATEGORIES AND MAXIMUM RATES (BIN COMPACTOR SERVICE)							
Container Size	Pickups per Week						
	1 X	2 X	3 X	4 X	5 X	6 X	
2 Cubic Yards	265.16	464.03	623.13	795.48	928.06	1,060.64	
3 Cubic Yards	291.68	477.29	662.90	828.62	994.35	1,166.70	
4 Cubic Yards	318.19	490.55	702.67	861.77	1,060.64	1,272.77	
Locking Bin Fee	22.02	29.36	36.70	44.04	51.38	58.72	

RECYCLING SERVICE

COLLECTION SERVICE CATEGORIES AND MAXIMUM RATES @ 75% OF STANDARD BIN SERVICE RATES (STATE MANDATED RECYCLING SERVICE UNDER AB 341)							
Container Size	Pickups per Week						
	1 X	2 X	3 X	4 X	5 X	6 X	Extra Dump
3 Cubic Yards	109.38	180.98	247.59	311.24	372.88	437.51	40.22
96 Gal Cart	19.89	n/a	n/a	n/a	n/a	n/a	13.41

GREEN WASTE SERVICE

COLLECTION SERVICE CATEGORIES AND MAXIMUM RATES <i>(STATE MANDATED GREEN WASTE SERVICE UNDER AB 1826/SB 1383)</i>							
Container Size	Pickups per Week						
	1 X	2 X	3 X	4 X	5 X	6 X	
2 Cubic Yards	90.63	130.51	188.80	271.89	317.20	362.51	
3 Cubic Yards	99.69	151.04	226.57	302.09	339.86	392.72	
4 Cubic Yards	135.94	226.57	271.89	332.30	377.62	415.37	
Locking Bin Fee	22.02	29.36	36.70	44.04	51.38	58.72	
96 Gal Cart	79.65	n/a	n/a	n/a	n/a	n/a	

ORGANIC/FOOD WASTE SERVICE

COLLECTION SERVICE CATEGORIES AND MAXIMUM RATES <i>(STATE MANDATED ORGANIC/FOOD WASTE SERVICE UNDER AB 1826/SB 1383)</i>							
Container Size	Pickups per Week						
	1 X	2 X	3 X	4 X	5 X	6 X	
2 Cubic Yards	184.09	317.54	424.04	530.51	633.57	737.92	
3 Cubic Yards	198.64	328.64	449.63	563.39	677.15	794.52	
4 Cubic Yards	272.18	444.23	539.69	633.32	728.75	851.74	
Locking Bin Fee	22.02	29.36	36.70	44.04	51.38	58.72	
64 Gal Cart	95.56	n/a	n/a	n/a	n/a	n/a	

ROLL-OFF BOX & COMPACTOR COLLECTION SERVICES

COLLECTION SERVICE CATEGORIES	MAXIMUM RATES
Roll-Off Box or Compactor Service up to 6 Tons	553.85 Per Pull
Roll-Off C&D Service Up to 6 Tons	715.73 Per Pull
C&D MRF Fee	62.10 Per Ton
Daily Rental (After 7 days with no dump)	12.24 Per Day
Dead Run	36.72 Per Incident
Overload Container	46.30 Per Ton

TEMPORARY – CLEAN-UP BIN SERVICES

COLLECTION SERVICE CATEGORIES	MAXIMUM RATES
3-Yard Bin: Delivery and Removal (1 st Dump included)	146.88
3-Yard Bin: Additional Dump	61.20 Each
Dead Run	12.24 Per Incident
Daily Rental (After 7 days with no dump)	6.12 Per Day

ANCILLARY SERVICES & MISCELLANEOUS FEES

SERVICE CATEGORIES & FEES	MAXIMUM RATES
On-Call Bulky Waste – Commercial Premises	67.03 Per Item
On-Call Bulky Waste / E-Waste – Multi-Family Premises (Up to two (2) items per year.)	No Charge
On-Call Bulky Waste / E-Waste – Multi-Family Premises (Beyond two (2) items per year.)	67.03 Per Item
On-Call E-Waste & U-Waste Collection & Recycling – Commercial & Multi-Family Premises	67.03 Per Item
Household Hazardous Waste Collection – Multi-Family Premises	67.03 Per Item
Emergency Service	67.03 Per Hour
Maximum Late Fee	6.42% Per Annum
Bin Washing Service beyond Once a Year	No Charge