

AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE CITY OF LAKE ELSINORE AND CR&R INCORPORATED, FOR THE COLLECTION, TRANSPORTATION, RECYCLING, COMPOSTING AND DISPOSAL OF SOLID WASTE, RECYCLABLES, COMPOSTABLES, YARD WASTE, CONSTRUCTION DEBRIS, TEMPORARY BINS AND ROLLOFF BIN SERVICES

This Amendment No. 1 the Franchise Agreement ("Amendment No. 1") is entered into as of July 1, 2016, by and between the City of Lake Elsinore, a municipal corporation ("City") and CR&R, Incorporated, a California corporation ("Grantee").

RECITALS

A. The City and Grantee have entered into that certain Agreement Between the City of Lake Elsinore and CR&R Incorporated, DBA Lake Elsinore Environmental, for the Collection, Transportation, Recycling, Composting, and Disposal of Solid Waste, Recyclables, Compostables, Yard Waste, Construction Debris, Temporary Bins, and Roll-off Bin Services, dated as of June 9, 1992 and revised as of June 18, 1992 (the "Franchise Agreement").

B. The purpose of this Amendment No. 1 is to comply with the requirements of Assembly Bill 1826 that the City adopt an organic waste and recycling program. Grantee, as City's sole refuse franchisee, desires to develop and implement the City's organic waste and recycling program (the "Organics Recycling Program") and provide services reasonably necessary to implement the program.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, City and Grantee agree as follows:

1. Section II of the Franchise Agreement, Definitions, is hereby amended to add the following:

F. Organic Waste

"Organic Waste" shall mean food waste, green waste, landscape and pruning waste, compostables, nonhazardous wood waste and soiled paper waste that is mixed in with food waste. Organic Waste does not include waste types specified as "Special Wastes."

2. Subpart B.5 of Section V of the Franchise Agreement, Services Provided by Grantee, is hereby amended as to the category "Green Container" to read as follows:

GREEN CONTAINER:

Grass Clippings
Leaves
Twigs
Tree Trimmings
Weeds
Lumber
Manure
Food Scraps/Food Waste

3. Subsection B. of Section V of the Franchise Agreement, Services Provided by Grantee, is hereby amended to add the following:

6. Effective January 1, 2017, Grantee shall direct all residential Organic Waste generated within the City Limits to its Anaerobic Digester Processing Facility (AD Facility) located in Perris, California. All Organic Waste processed in the AD Facility shall be diverted from the landfill and receive diversionary credit. Costs for this service shall be as set forth in Exhibit C, Schedule of Rates. Grantee shall also make available a Kitchen Food Scrap Pail, upon individual customer request, to single family residential service customers. The first Food Scrap Pail will be provided at no cost. Additional or replacement Food Scrap Pails will be subject to the charges as set forth in Exhibit C, Schedule of Rates.

4. Subsection E. of Section V of the Franchise Agreement, Services Provided by Grantee, is hereby amended to add the following:

4. Effective January 1, 2017, Multi-Family, Commercial and Industrial customers will have the option of diverting their organic waste through the Organics Recycling Program provided by Grantee. These services will require a separate Grantee provided bin or cart depending upon the individual customer's organic waste generation rates. All Organic Waste will be collected in separate Organic Waste collection vehicles. Organic Waste will be processed at Grantee's Anaerobic Digestion Facility located in Perris, California. Organic waste shall be diverted from the landfill and receive full diversionary credit. These new services will meet all State of California Organics Recycling requirements as provided in Assembly Bill 1826. The costs for these services shall be charged as provided in Exhibit C, Schedule of Rates.

5. Subsection L of Section V of the Franchise Agreement, Services Provided by Grantee, is hereby amended to add the following:

9. Grantee shall arrange to remove and dispose of illegally discarded materials within 20 feet of the public right of way in the City. This service shall be completed within two (2) business days from its observation by the Grantee or a request for removal from the City, as the case may be. Illegally discarded materials must not be on private property. Abandoned vehicles or appliances larger than conventional household furniture as well as hazardous, special and/or bio-hazardous wastes are exempt from the above service requirements, provided however that of these exempted items shall be immediately reported to the City.

6. Subsection B of Section VI of the Franchise Agreement, AB 939 Compliance, is hereby amended in its entirety to read as follows:

B. Composting

Grantee shall collect all Organic Waste set out for collection and shall deliver all such materials to Grantee's Anaerobic Digestion Facility located in Perris, California.

7. Section VI of the Franchise Agreement, AB939 Compliance, is hereby amended to add the following:

C. Mandatory Commercial Recycling

Grantee shall implement recycling and organic diversion programs for commercial entities in accordance with the requirements of AB 341 (Mandatory Commercial Recycling) and AB 1826 (Organic Waste). Grantee and City shall use its best efforts to bring commercial entities that meet the criteria of AB 341 and AB 1826 in compliance with State Law. Recyclable materials collected from those accounts shall be processed and diverted away from the landfill. If these customers desire to commence a source separated recycling program, a recycling container shall be provided by Grantee and customers shall be charged as set forth Exhibit C, Schedule of Rates.

8. Subsection C of Section XXIII of the Franchise Agreement, Indemnification and Insurance, is hereby amended in its entirety to read as follows:

C. AB 939 Indemnification.

Grantee agrees to protect, defend, with counsel approved by City, and indemnify City against all fines or penalties imposed by CalRecycle in the event the source reduction and recycling goals of AB 939, the disposal reduction goals of SB 1016, the commercial recycling goals of AB 341 or the organic diversion goals of AB 1826 are not met by the City with respect to the waste stream collected under this Franchise Agreement providing that CR&R is negligent and at fault. City shall use commercial reasonable efforts to assist Grantee in the implementation of existing or new recycling and organics diversion programs which are imposed by CalRecycle.

9. Exhibit C, Schedule of Rates to the Franchise Agreement (and updates thereto), is hereby replaced by the amended Exhibit C, Schedule of Rates, attached hereto as Attachment 1 and incorporated herein as though set forth in full.

10. Except for the changes specifically set forth herein, all other terms and conditions of the Franchise Agreement and any unnumbered amendments thereto shall remain in full force and effect.

[Remainder of page intentionally left blank; signatures on next page.]

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be executed on the respective dates set forth below.

"CITY"

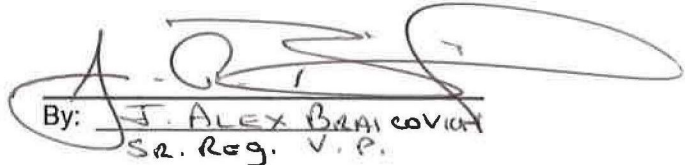
CITY OF LAKE ELSINORE,
a municipal corporation


Grant Yates, City Manager

Date: 7/14/16

"GRANTEE"

CR&R INCORPORATED,
a California corporation

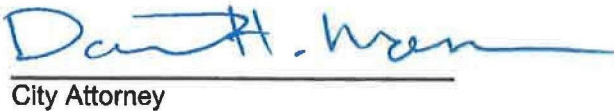

By: J. ALEX BRANCOVICH
Sr. Reg. V.P.

Date: JULY 1, 2016

ATTEST:


City Clerk

APPROVED AS TO FORM:


City Attorney

ATTACHMENT NO. 1

Exhibit C - Schedule of Rates

[To be attached]

EXHIBIT "C"

Schedule of Rates
(effective July 1, 2016, unless otherwise noted)

3 Fully automated single family residential refuse collection, recycling, composting, transfer and disposal:

Monthly Rate: \$ 24.37 *

4 Fully automated single family residential additional refuse collection, recycling and composting container:

Monthly Rate: \$ 11.67 *

5 Single family residential additional bulky item pick up:

Per Pick Up (above the minimum of two per calendar year): \$ 11.71 *

* Senior Citizens 65 and older and Active Military Personnel deployed into a conflict zone are entitled to a 10% discount

6 Commercial, industrial, and multi-family residential refuse monthly bin rates (one 3 cubic yard bin) with the following pick ups per week:

1 x week	\$ 152.06
2 x week	\$ 273.24
3 x week	\$ 409.00
4 x week	\$ 544.72
5 x week	\$ 680.44
6 x week	\$ 816.16

7 Commercial, industrial, and multi-family residential refuse monthly bin rates (one 1-1/2 cubic yard bin) with the following pick ups per week:

1 x week	\$ 114.45
2 x week	\$ 215.72
3 x week	\$ 322.94
4 x week	\$ 430.15
5 x week	\$ 537.34
6 x week	\$ 644.72

8 Temporary 3 cubic yard bin rate: \$ 104.53 per bin

9 Redeliver and reinstatement rate: \$ 47.97 per occurrence

10 40 cubic yard roll-off bin rate: \$ 278.14 + MRF/landfill fees

11 10 cubic yard roll-off/lowboy bin rate: \$ 278.14 + MRF/landfill fees

12 Com Bin and RO Setup Fee \$ 40.80

13 Residential Cart Setup Fee \$ 20.14

14 Residential Delinquency Processing Fee \$ 39.00

Organic AD Rates

(Effective January 1, 2017 and subject to approval of Amendment No.1 to Franchise Agreement.)

Residential Rate per Home	\$	1.95
Additional Food Scrap Pail	\$	7.00
Anaerobic Digester Rate Per Ton	\$	72.50

Commercial, industrial, and multi-family residential non-food monthly bin rates (one 1-1/2 cubic yard bin) with the following pick ups per week:

1 x week	\$	135.72
2 x week	\$	259.35
3 x week	\$	388.83
4 x week	\$	518.30
5 x week	\$	647.75
6 x week	\$	777.38

Commercial, industrial, and multi-family residential food monthly bin rates (one 1-1/2 cubic yard bin) with the following pick ups per week:

1 x week	\$	182.81
2 x week	\$	353.53
3 x week	\$	530.10
4 x week	\$	706.66
5 x week	\$	883.20
6 x week	\$	1,059.92

Commercial, industrial, and multi-family residential non-food monthly bin rates (64-gallon cart) with the following pick ups per week:

1 x week	\$	36.13
2 x week	\$	72.26
3 x week	\$	108.39
4 x week	\$	144.52
5 x week	\$	180.65
6 x week	\$	216.78

Commercial, industrial, and multi-family residential food monthly bin rates (64-gallon cart) with the following pick ups per week:

1 x week	\$	48.46
2 x week	\$	96.92
3 x week	\$	145.38
4 x week	\$	193.84
5 x week	\$	242.30
6 x week	\$	290.76