

AMENDMENT NO. 2 TO THE AGREEMENT BETWEEN THE CITY OF LAKE ELSINORE AND CR&R INC., FOR THE COLLECTION, TRANSPORTATION, RECYCLING, COMPOSTING AND DISPOSAL OF SOLID WASTE AND CONSTRUCTION DEBRIS AND FOR PROVIDING TEMPORARY BIN/ROLLOFF SERVICES

The Amendment No. 2 to the Franchise Agreement (“Amendment No. 2”) is made and entered into as of December __, 2023 by and between the City of Lake Elsinore, municipal corporation (hereinafter referred to as “City”) and CR&R Incorporated (hereinafter referred to as “Grantee”).

RECITALS

A. 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 along with that certain Amendment No. 1 thereto dated as of July 1, 2016 in order to comply with the requirements of Assembly Bill 1826 (hereinafter referred to collectively and inclusive of prior revisions amendments as the “Agreement”).

B. Th State of California has found and declared that the amount of Solid Waste generated in California, coupled with diminishing disposal capacity and interest in minimizing potential environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement aggressive integrated waste management programs, and the State has, through enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000, et seq.) and subsequent related legislation including, but not limited to: the Jobs and Recycling Act of 2011 (AB 341), the Event and Venue Recycling Act of 2004 (AB 2176), SB 1016 (Chapter 343, Statutes of 2008), the Mandatory Commercial Organics Recycling Act of 2014 (AB 1826), and the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), directed the responsible State agency, and all local agencies, to promote a reduction in landfill disposal and to maximize the use of feasible waste reduction, reuse, recycling, and composting options in order to reduce the amount of material that must be disposed.

C. SB 1383 establishes regulatory requirements for jurisdictions, Generators, haulers, solid waste facilities, and other entities to support achievement of State-wide organic waste disposal reduction targets.

D. Regulations implementing SB 1383 require the City to implement collection programs, meet processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, the City has chosen to delegate some of its responsibilities to the Grantee, acting as the City’s designee, and Grantee desires to take on these responsibilities.

E. The City Council of the City adopted Ordinance No. 1464 (hereinafter “the Ordinance”) on December 14, 2021 to implement SB 1383 by amending Chapter 8.16 of the Lake Elsinore Municipal Code.

F. The City and Grantee now desire to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the promises made and recited herein, the parties do hereby enter into this Amendment No. 2 as follows:

AMENDMENT

1. DEFINITIONS.

1.1 The first paragraph of Section II (Definitions) of the Agreement is amended in its entirety as follows:

“Whenever any term used in this Franchise Agreement has been defined by Chapter 8.16 of the Lake Elsinore Municipal Code or Division 30, Part 1, Chapter 2 of the California Public Resources Code, the definitions in the Municipal Code or Public Resources Code shall apply unless the term is otherwise defined in this Agreement. In the event of any conflict between the defines definitions in the Municipal Code and the definitions in the Public Resources Code, the definitions in the Lake Elsinore Municipal Code shall control.”

1.2 Section II (Definitions) of the Agreement is amended to add or amend, as applicable, the following definitions:

“**Compost**” has the same meaning as in 14 CCR Section 17896.2(a)(4).

“**Compostable Plastics**” or “**Compostable Plastic**” means plastic materials that meet the ASTM D6400 standard for compostability, or as otherwise described in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

“**Diversion** (or any variation thereof including “Divert”)” means activities which reduce or eliminate Discarded Materials from Disposal, including, but not limited to, source reduction, Reuse, salvage, Recycling, and composting.

“**Excluded Waste**” means Hazardous Substance, Hazardous Waste, Infectious Waste, Designated Waste, volatile, corrosive, Medical Waste, infectious, regulated radioactive waste, and toxic substances or material that Facility operator(s) reasonably believe(s) would, as a result of or upon acceptance, Transfer, Processing, or 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 or accepted at the Facility by permit conditions, waste that in Grantee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Grantee or City to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code.

“Facility” or “System Facility” or “Solid Waste Facility” means a Solid Waste Facility, as defined in Public Resources Code section 40194, that for the purposes of this Agreement is designated by the City to be used by the Grantee for the processing, recovery and/or disposal of Solid Waste, including Recyclable Materials and Organic Waste.

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

“Performance-based Compliance Approach” means the method of complying with the SB 1383 Regulations through implementation of a collection system, programs, and policies in accordance with 14 CCR, Division 7, Chapter 12, Article 17, or as otherwise defined by 18982(a)(52.5), and all associated requirements.

“Process” or “Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste 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).

“Recyclable Material” means the same thing as Non-Organic Recyclables, they are a subset of Source Separated Recyclable Materials.

“Recycle” or “Recycling” means the process of Collecting, sorting, cleansing, treating, and reconfiguring materials for the purpose of returning them to the economic mainstream in the form of raw material for new, Reused, or reconstituted products that meet the quality standards necessary to be used in the marketplace. 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 gasification or transformation as defined in Public Resources Code Section 40201.

“Reuse” or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

“Service Level” refers to the number and size of a Generator’s Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

“Solid Waste” has the same meaning as defined in Chapter 8.16 of the Lake Elsinore Municipal Code and includes for purposes of the Agreement, Organic Waste and Recyclable Materials, unless the context clearly indicates otherwise.

“Source Separated” has the same meaning as defined in Chapter 8.16 of the Lake Elsinore Municipal Code, and includes for the purposes of the Agreement, separation of materials by the Generator, Property Owner, Property Owner’s employee, property manager, or property manager’s employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste and other Solid Waste for the purposes of Collection and Processing.

“SSBCOW” means the same thing as Source Separated Blue Container Organic Waste.

“SSGCOW” means the same things as Source Separated Blue Container Organic Waste.

“Standard Compliance Approach” means the method for complying with the SB 1383 Regulations through implementation of a collection system pursuant to 14 CCR, Division 7, Chapter 12, Article 3, and all associated program and policy requirements

“Yard Trimmings” means types of SSGCOW resulting from normal yard and landscaping installation, maintenance, or removal that the Generators Source Separate and set out in Green Containers for Collection for the purpose of Processing by the Grantee.

2. **SB 1383 SERVICES.** A new paragraph N (SB 1383 Services) is added to Section V (Services Provided by Grantee) of the Agreement to read as follows:

“N. SB 1383 Services. Grantee shall provide all SB 1383-related services required by, and subject to, the provisions of Exhibit E, which is incorporated as though set forth in full. In the event of any conflict between Exhibit E and any of Grantee’s other service obligations under the Agreement, the requirements of Exhibit E shall control.”

3. **NEW EXHIBIT.** A new Exhibit E (Provided Services) is hereby added to the Agreement and incorporated as though set forth in full, to read as set forth in Exhibit E attached to this Amendment No. 2.

4. **PROCUREMENT.** A new paragraph O (Procurement) is added to Section V (Services Provided by Grantee) of the Agreement to read as follows:

“O. Procurement. Grantee agrees to coordinate and cooperate with the City to meet its Organic Waste produce procurement target, as required by SB 1383 Regulations.”

5. **CONTAINERS.** A new paragraph P (Container Requirements) is added to Section V (Services Provided by Grantee) to read as follows:

“P. Container Requirements. Grantee shall use the Grantee-provided Collection containers that are currently located at Generators’ premises or provide Generators with collection containers from Grantee’s current inventory.

No later than January 1, 2036, Grantee shall provide all Generators with collection containers that comply with the container color requirements specified in this Agreement or as otherwise specified in the SB 1383 Regulations. If an existing container breaks or is otherwise rendered non-functional on or after January 1, 2022, the Grantee shall replace the non-functional container with a container that complies with the color requirements of the SB 1383 Regulations. Notwithstanding this paragraph, the Grantee is not required to replace functional containers, including containers purchased prior to January 1, 2022, that do not comply with the color requirements of this Agreement prior to the end of the useful life of those containers, or prior to January 1, 2036, whichever comes first.”

6. **IDENTIFICATION OF FACILITIES.** A new paragraph Q (Identification of Facilities) is added to Section V (Services Provided by Grantee) of the Agreement to read as follows:

“Q. Identification of Facilities. If using a Standard Compliance Approach, Grantee shall identify the Facilities to which they will transport Organic Waste as required by the SB 1383 Regulations.”

7. **ROUTE COLLECTION VEHICLES.** A new paragraph R (Identification of Facilities) is added to Section V (Services Provided by Grantee) of the Agreement to read as follows:

“R. Route Collection Vehicles. Route Collection vehicles used by Grantee under this Agreement may be powered by Renewable Natural Gas (RNG) whether generated by Grantee’s Anaerobic Digestion Facility or purchased. Upon City's request, Grantee shall obtain and provide the

City with a written certification by an authorized representative certifying that the in-vessel digestion facility produces the RNG in quantities corresponding to City's Organics Wastes collected by Grantee consistent with the requirements of 14 CCR Section 18993.1(h). Grantee shall maintain records of the amount of RNG purchased and shall report this information to the City on a biannual basis. Grantee shall allow the City to report this RNG usage toward the City's fulfillment of its annual recovered Organic Waste product procurement target in accordance with 14 CCR Section 18993.1.

8. INDEMNIFICATION. Subsection C of Section XXII of the Agreement is hereby amended in its entirety to read as follows:

“C Diversion Indemnification.

“Grantee’s duty to defend and indemnify herein includes payment of all fines and/or penalties imposed by Cal Recycle, subject to the restrictions set forth in Public Resources Code Section 40059.1, if the requirements of AB 939, AB 341, AB 1826, and/or SB 1383 and corresponding regulations are not met by the Grantee with respect to Solid Waste collected under this Agreement, and such failure is: (i) due to the failure of Grantee to meet its obligations under this Agreement, or, (ii) due to Grantee delays in providing information that prevents Grantee or City from submitting reports required by AB 939, AB 341, AB 1826, and/or SB 1383 and corresponding regulations in a timely manner. The foregoing indemnity is expressly conditioned upon the City’s implementation of required programs or activities, requested by the Grantee, which are within the City’s authority and ability to implement and which would be effective as a means to increase diversion and maintain compliance with State regulations. The provisions of this paragraph shall survive the termination or expiration of this Agreement.”

9. FORCE MAJEURE. Section XXV.A. (Force Majeure) of the Agreement is amended in its entirety as follows:

“A. Force Majeure.

“Subject to the notice provisions set forth in this paragraph, Grantee shall not be in default under this Franchise Agreement in the event that any services provided under this agreement by Grantee are temporarily interrupted or discontinued for any of the following reasons: riots, wars, sabotage, civil disturbances, insurrections, explosions, pandemics or pandemic related issues, natural disasters such as floods, earthquakes, landslides and fires, strikes, lockouts, and other labor disruptions and disturbances or other catastrophic events which are beyond the reasonable control of the Grantee. Other catastrophic events do not include the financial inability of the Grantee to perform or failure of

the Grantee to obtain any necessary permits or licenses from other governmental agencies. In the event a labor disturbance or disruption interrupts Grantee services, as required under this Franchise Agreement, City may elect to exercise its rights under Sections CI, XIII and XIV of this Agreement. Within ten (10) days of the force majeure event, Grantee shall notify the City in writing of the specific nature of the force majeure event, how it affects Grantee's performance under the Agreement, and the actions Grantee is taking to mitigate the impact of the force majeure event. Grantee shall thereafter notify the City every thirty (30) days of the continuation of the force majeure event, how it affects Grantee's performance under the Agreement, and the actions Grantee is taking to mitigate the impact of the force majeure event.”

10. GENERAL PROVISIONS.

- 10.1 Remainder Unchanged. Except as specifically modified and amended in this Amendment No. 2, the Agreement remains in full force and effect and binding upon the parties.
- 10.2 Integration. This Amendment No. 2 constitutes the entire understanding and agreement of the parties and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the transaction discussed in this Amendment No. 2.
- 10.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.
- 10.4 Effective Date. This Amendment No. 2 shall not become effective until December __, 2023.
- 10.5 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Amendment No. 2.
- 10.6 References. All references to the Agreement include all their respective terms and provisions. All defined terms utilized in this Amendment No. 2 have the same meaning as provided in the Agreement, unless expressly stated to the contrary in this Amendment No. 2.

[SIGNATURE BLOCK ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 on the date and year first-above written.

CITY OF LAKE ELSINORE

CR&R INCORPORATED

Jason Simpson
City Manager

By: _____
Clifford Ronnenberg
Chairman and CEO

ATTEST:

By: _____
David Ronnenberg
COO and Secretary

Candice Alvarez, MMC
City Clerk

APPROVED AS TO FORM:

Barbara Leibold
City Attorney

EXHIBIT E
PROVIDED SERVICES

I. Three-Container Collection Program

A. General. As of the effective date of this agreement, Grantee shall provide a three-container Collection program for the separate Collection of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste as specified in this Agreement, using containers that comply with the requirements of this Agreement and SB 1383 Regulations. Grantee shall not knowingly Collect Blue, Green, or Gray Containers that include Prohibited Container Contaminants.

B. Source Separated Recyclable Materials Collection (Blue Container or Lid).

1. Grantee shall provide Blue Containers to Generators for Collection of Source Separated Recyclable Materials and shall provide Source Separated Recyclable Materials Collection service, Grantee shall transport the Source Separated Recyclable Materials to a Facility that recovers the materials designated for Collection, in accordance with SB 1383 Regulations.

2. Source Separated Recyclable Materials that are to be accepted for Collection in the Source Separated Recyclable Materials Collection program include the following: (i) Non-Organic Recyclables such as: aluminum, glass bottles and jars, rigid plastics (marked # 1 through # 7), tin and bi-metal cans; and (ii) SSGCOW such as: Paper Products, Printing and Writing Papers.

C. SSGCOW Collection (Green Container).

1. Grantee shall provide Green Containers to Generators for Collection of SSGCOW and shall provide SSGCOW Collection service. Grantee shall transport the SSGCOW to a Facility in accordance with SB 1383 Regulations.

2. SSGCOW that are to be accepted for Collection in the SSGCOW Collection program include the following: Food Scraps, Food-Soiled Paper, Yard Trimmings, wood/dry lumber and Compostable Plastics. Carpets, Non-Compostable Paper, textiles, and Prohibited Container Contaminants shall not be Collected in the Green Containers. Yard Trimmings that are to be accepted for Collection in the SSGCOW Collection program include the following: green trimmings, grass, weeds, flowers, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees weighing no more than 50lbs, and other types of SSGCOW resulting from normal yard and landscaping installation, maintenance, or removal, provided all SSGCOW fits inside the Green Container with the lid closed and does not exceed 150 pounds.

3. Grantee may Collect compliant Compostable Plastics in the Green Containers for Processing. At least two (2) months prior to the commencement of the Collection of Compostable Plastics in the SSGCOW program, Grantee shall provide written notification to the City whether the Facility can or cannot Process and recover these Compostable Plastics in accordance with SB 1383 Regulations. If the Facility can process and recover Compostable Plastics, and Grantee elects to Collect Compostable Plastics in the Green Container, then Grantee

shall provide annual written notification to the City that the Facility has and will continue to have the capabilities to Process and recover the Compostable Plastics. If the Facility cannot process and recover Compostable Plastics, then Grantee will not Collect Compostable Plastics in the Green Container. It is also understood that Grantee proposes to process the City's organics through its Anaerobic Digester Facility (AD). AD Facilities do not accept compostable plastics at the current time.

4. Grantee may require Generators to place Food Waste in plastic bags or other wrappings and put the bagged or wrapped Food Waste in the Green Container. At least two (2) months prior to the commencement of the use of plastic bags for the Food Waste program, Grantee shall provide written notification to the City that allowing the use of bags does not inhibit the ability of the City to comply with SB 1383 Regulations, and that the Facility can Process and remove plastic bags when it recovers SSGCOW. Grantee may provide annual written notification to the City that the Facility has and will continue to have the capabilities to Process and remove plastic bags when it recovers SSGCOW. It is also understood that Grantee proposes to process the City's organics through its Anaerobic Digester Facility (AD). AD Facilities do not accept plastic bags or other wrappings at the current time.

D. Gray Container Waste Collection. Grantee shall provide Gray/Black Containers or Lids to Generators for Collection of Gray/Black Container Waste and shall provide Gray/Black Container Waste Collection service. Grantee shall transport the Gray/Black Container Waste to a Facility in accordance with the SB 1383 Regulations. Grantee may allow carpets, and textiles to be placed in the Gray/Black Containers. Prohibited Container Contaminants shall not be Collected in the Gray/Black Containers.

II. Contamination Monitoring

A. Route Reviews and Waste Evaluations. **As of the effective date of this agreement,** Grantee shall be responsible for contamination monitoring on all of its routes consistent with the requirements of the SB 1383 Regulations. Grantee may elect to use either Route Reviews or Waste Evaluations; provided however, that if Grantee complies with SB 1383 Regulations using a Performance-based Compliance Approach, it must use Waste Evaluations. Grantee may fulfill its contamination monitoring obligations in any reasonable manner not inconsistent with the SB 1383 Regulations and this Agreement.

1. Route Reviews. Grantee shall conduct any and all Hauler Route Reviews for Prohibited Container Contaminants in Collection Containers as follows:

a. Route Reviews shall be done in a manner that is deemed safe by the Grantee; is approved by the City; is conducted in a manner that results in all Hauler Routes being reviewed annually and is consistent and in accordance with SB 1383 Regulations.

b. Containers may be randomly selected along the Hauler Route, and nothing herein shall be construed to require Hauler to inspect every container on a Hauler Route every year.

c. Upon finding Prohibited Container Contaminants in the container, Grantee shall follow the contamination monitoring noticing procedures paragraph B.3 of this Section II.

d. Grantee shall maintain all applicable records required under SB 1383 Regulations, and report to the City on an annual basis on contamination monitoring activities, route reviews and/or waste evaluations, and actions taken.

2. Waste Evaluations. Grantee shall conduct any and all Waste Evaluations in compliance with the requirements of 14 CCR Section 18984.5(c), and as follows:

a. Grantee shall allow the City or its representatives to observe Grantee's Waste Evaluations. The City shall have the right hire a third party for this purpose.

b. If Grantee uses a Standard Compliance Approach, Grantee shall conduct Waste Evaluations at least once per year and in two distinct seasons of the year.

c. If Grantee uses a Performance-Based Compliance Approach, Grantee shall conduct Waste Evaluations at least twice per year for the Blue and Green Containers and at least once per quarter for the Gray/Black Containers.

d. Waste Evaluations must include samples of Source Separated Recyclable Materials, SSGCOW, and Gray/Black Container Waste.

e. Waste Evaluations shall include samples from each Container type serviced by the Grantee and shall include samples taken from different areas in the City that are representative of the City's waste stream.

f. Waste Evaluations shall include at least the minimum number of samples specified in SB 1383 Regulations.

g. Grantee shall Transport all of material Collected for sampling to a sorting area at a permitted Solid Waste Facility where the presence of Prohibited Container Contaminants for each Container type shall be measured to determine the ratio of Prohibited Container Contaminants present in each material stream by weight. To determine the ratio of Prohibited Container Contaminants, the Grantee shall use the following protocol:

i. The Grantee shall take one sample of at least a 200 pounds from the material Collected from each material stream for sampling.

ii. The 200-pound sample shall be randomly selected from different areas of the pile of Collected material for that material stream.

iii. For each 200-pound sample, the Grantee shall remove any Prohibited Container Contaminants and determine the weight of Prohibited Container Contaminants.

iv. The Grantee shall determine the ratio of Prohibited Container Contaminants in the sample by dividing the total weight of Prohibited Container Contaminants by the total weight of the sample.

h. When the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measured sample for any material stream, Grantee shall, within fifteen (15) working days of the waste evaluation, notify all Generators on the sampled Hauler Route of their requirement to properly separate materials into the appropriate Containers. The Grantee may provide this information by placing a written notice on the Generators' Containers or the gate or door of the Premises; and/or by mail, email, or electronic message to the Generators. The format of the warning notice shall be approved by the City. If using a Performance-Based Compliance Approach, Grantee shall also notify the City with the same fifteen (15) working days and shall allow representatives of the City and/or CalRecycle to oversee Grantee's next scheduled quarterly sampling of the Gray Containers.

3. Material Exceptions. Organic Waste that is textiles, carpet, hazardous wood waste, human waste, pet waste, or material subject to a quarantine on movement issued by a County agricultural commissioner is not required to be measured as Organic Waste when calculating the amount of Organic Waste present in the Gray Container Waste.

4. Alternative Methods. Nothing contained herein shall prohibit Grantee from meeting its compliance requirements by any alternative methods or procedures, provided it complies with SB 1383, the SB 1383 Regulations, and/or any other applicable law, as may be amended from time to time.

B. Actions upon Identification of Prohibited Container Contaminants. Upon finding Prohibited Container Contaminants in a Container, Grantee shall follow the protocols set forth in this Section.

1. Record Keeping. Grantee's driver or other representative shall record each occurrence of Prohibited Container Contaminants in a written log or in an on-board computer system including date, time, Generator's address, and type of container (Blue, Green, or Gray/Black Container).

2. Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Generator's container, Grantee shall provide the Generator a courtesy information notice. The courtesy information notification shall: (i) inform the Generator of the observed presence of Prohibited Container Contaminants; (ii) include the date and time the Prohibited Container Contaminants were observed; (iii) include information on the Generator's requirement to properly separate materials into the appropriate containers, and the accepted and prohibited materials for Collection in the Blue Container, Green Container, and/or Gray/Black Container; (iv) inform the Generator of the courtesy pick-up of the contaminated materials on this occasion with information that following three consecutive instances of Prohibited Container Contaminants within a twelve-month time period, Grantee may assess contamination Processing fees. Grantee shall leave the information notice attached to or adhered to the Generator's contaminated containers; at the Premises' door or gate; or, subject to City's approval, may deliver the notice by mail, e-mail, text message, or other electronic message.

3. Notice of Assessment of Contamination Processing Fees. If the Grantee observes Prohibited Container Contaminants in a Generator's Container on more than three consecutive occasions within a twelve-month time period, and issued courtesy information notices on each of those occasions, the Grantee may impose a contamination Processing fee of \$35.00 (which will be adjusted annually pursuant to the same CPI Index used for annual rate adjustments). Grantee shall notify the City in its annual report of Generators for which contamination Processing fees were assessed. Grantee shall leave a contamination Processing fee notice attached to or adhered to the Generators' contaminated containers; at the Premises' door or gate; or, subject to City's approval, may deliver the notice by mail, e-mail, text message, or other electronic message. The contamination Processing fee notice shall describe the specific material(s) of issue, explain how to correct future set outs, and indicate that the Generator may be charged a contamination Processing fee on their next bill. The format of the contamination Processing fee notice shall be approved by the City.

C. Disposal of Contaminated Materials. If the Grantee observes Prohibited Container Contaminants in a Generator's Container(s), Grantee may dispose of the Container's contents, provided Grantee complies with the noticing requirements in subsection A above.

III. Education and Outreach

A. Grantee shall create all applicable education materials and conduct all education programs and activities as provided by and in accordance with the SB 1383 Regulations. Grantee shall cooperate and coordinate with the City on public education activities.

B. Grantee will assist the City to develop, and update annually, a list of Food Recovery Organizations and Food Recovery Services operating within the City. The list shall be posted and maintained on both the Grantee's City-specific website and the City's website, and update the list annually. The list shall include, at a minimum, the following information about each Food Recovery Organization and each Food Recovery Service: (i) Name and physical address; (ii) Contact information; (iii) Collection service area; and (iv) an indication of types of Edible Food the Food Recovery Service or Food Recovery Organization can accept for Food Recovery.

C. Grantee shall assist City to provide Commercial Edible Food Generators on an annual basis with the following information: (i) Information about the City's Edible Food Recovery program; (ii) Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 7, Chapter 12, Article 10; (iii) Information about Food Recovery Organizations and Food Recovery Services operating within the City, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and (iv) Information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

D. The Grantee may provide the information required above by including it with regularly scheduled notices, education materials, billing inserts, or other information disseminated to commercial businesses.

E. Grantee shall comply with all applicable public education and outreach record keeping and reporting requirements as provided by the SB 1383 Regulations.

IV. Inspections and Enforcement

As of the effective date of this agreement, Grantee shall conduct, to the extent delegable, and/or assist City to conduct all inspections and enforcement required by the SB 1383 Regulations. Grantee shall maintain all required records from inspection and enforcement in accordance with the SB 1383 Regulations. If a Performance-based Compliance Approach is used, City agrees to only grant waivers if at least ninety percent (90%) of Single-Family Generators and ninety percent (90%) of Commercial Generators (including Multi-Family Generators) participate in the three-Container Collection program.

V. Generator Waiver Program Coordination

A. General. In accordance with SB 1383 Regulations and the Lake Elsinore Municipal Code, the City may grant waivers (de minimis, physical space or Collection frequency) to Generators that impact the scope of Grantee's provision of service for those Generators. Waivers issued shall be subject to compliance with SB 1383 Regulatory requirements, pursuant to 14 CCR Section 18984.11.

B. Requests Submitted to Grantee. Generators may submit requests for waivers to Grantee. Within fifteen (15) working days of receiving such a request, Grantee shall: (i) inspect the applicant's premises and verify the accuracy of the information found in the application; and (ii) submit the application, Grantee's recommendation, and any supporting documents to the City. The City shall retain final approval authority regardless of the Grantee's recommendation. Grantee shall report information regarding waivers reviewed on a quarterly basis.

C. Grantee Change in Generators' Service Levels. The City shall notify Grantee within fifteen (15) days of any decision to approve a waiver request, and whether such decision will change the service level or Collection service requirements for the Generator. Grantee shall have ten (10) working days to modify the Generator's service level and billing statement, as needed.

D. Reverification of Waivers. It shall be the responsibility of the Grantee to verify that the Generators with de minimis, physical space constraint, or Collection frequency waivers continue to meet the waiver requirements set forth in this Section. Grantee shall conduct such reverifications of waivers through inspection of each Generator's premises and review of applicable records at least once every five (5) years for de minimis and physical space constraint waivers. Grantee shall maintain a record of each waiver verification and provide a quarterly report to the City documenting the waiver reverifications performed and recommendations to the City on those waivers that Grantee concludes are no longer warranted. The City shall make a final determination of the waiver eligibility of Generators.

E. Grantee Recordkeeping of Generators Granted Waivers. Upon Grantee request, no more than two (2) times per year, the City shall provide Grantee an updated listing of waivers approved by the City, including the Generators' names, mailing address, service address,

and type of waiver. Grantee shall maintain waiver-related records and report on waiver verifications, as required herein.