EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

AMENDED AND RESTATED CONTRACT FOR THE COLLECTION AND TRANSPORTATION OF MUNICIPAL SOLID WASTE, RECYCLABLE MATERIALS, AND COMPOSTABLES AND THE OPERATION OF THE NAPA MATERIALS DIVERSION FACILITY

BETWEEN

THE CITY OF NAPA

AND

NAPA RECYCLING & WASTE SERVICES, LLC

APRIL 2023

19510838.1

EXHIBIT A

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RECITALS

A. The State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from landfilling, have created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program. The State has also found that the recycling or reuse of solid waste will conserve not only landfill capacity but water, energy and other natural resources. The State has, through enactment of the California Integrated Waste Management Act of 1989 and amendments thereto (hereinafter referred to as the "Act"), and Sections 39730.5 through 39730.8 of the California Health and Safety Code, regarding emissions, and amendments thereto, directed the responsible state agency, and all local agencies, to promote recycling and to maximize the use of feasible source reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed of by land disposal.

B. The City concurs in the aforementioned findings and declarations of the State of California.

C. The City has implemented comprehensive recycling programs for residential, commercial and other operations in the City, which entail collection of Recyclable Materials, Yard Trimmings, Residential Co-Collected Food Scraps and Yard Trimmings, Commercial Food Scraps and Source Separated Construction and Demolition Debris and processing of these and other materials at City's Materials Diversion Facility. These recycling and composting operations are integral and important components of the City's strategy for implementing the Act and are

incorporated into the City's Source Reduction and Recycling Element which, in turn, has been incorporated into the Napa County Integrated Waste Management Plan.

D. In July 2004, City issued a Request for Proposals for Diversion Services and Residual Municipal Solid Waste Management (hereinafter referred to as "RFP") seeking proposals from qualified firms to provide collection of Municipal Solid Waste, Recyclable Materials, and Yardwaste and operation of the Napa Materials Diversion Facility (which entails processing materials for reuse and recycling, marketing of such materials, and transporting nonrecyclable residue for disposal.) Contractor made an independent investigation, satisfactory to it, of the conditions and circumstances surrounding the RFP and addenda, if any, the work to be performed by it, the recycling and source reduction programs then in effect in the City and other Participating Agencies, the Materials Diversion Facility site and facilities, and equipment then installed in the Materials Diversion Facility, the environmental documents associated with the Materials Diversion Facility as well as the permits governing its adoption, the Source Reduction and Recycling Elements adopted by each of the Participating Agencies, and the Agreement between the NVWMA and the operator of the transfer station.

E. City evaluated all proposals submitted and determined that the Contractor proposed to provide such services in a manner and on terms which were in the best interests of the City and its residents, taking into account the qualifications and experience of the Contractor, the Contractor's demonstrated commitment to recycling, the fact that Contractor took no exceptions to the draft contract included in the RFP and the cost of providing such services.

F. The City and Contractor entered into a contract for Collection and Transportation of Municipal Solid Waste, Recyclable Materials, and Yardwaste and operation of the Napa Materials Diversion Facility on December 7, 2004 (City Agreement No. 8687, hereinafter referred to as the "Initial Agreement") The effective date of the Initial Agreement was January 14, 2005. The Contractor's obligation to collect Municipal Solid Waste, Recyclable Materials and Yardwaste and to operate the Materials Diversion Facility began on October 1, 2005 at 12:01 a.m.

G. The parties executed the First Amendment to the Initial Agreement on March 1, 2005 to replace seven (7) conventional diesel fuel collection vehicles with seven (7) collection vehicles powered by engines using compressed natural gas ("CNG").

H. The parties executed the Second Amendment to the Initial Agreement on July 6, 2010 to formalize agreements made among the parties and an affiliate of Contractor that had been summarized in a signed "Joint Summary Report" dated April 9, 2007. These agreements were required as a result of several changed conditions that occurred between 2006 and 2010 including the following: Northern Recycling Operations and Waste Services, LLC (an Affiliated Entity of Contractor, hereinafter referred to as "Northern") competed for and was awarded a 15-year contract to operate the Transfer Station owned by the Napa-Vallejo Waste Management Authority (hereinafter "NVWMA") of which City is a member. Northern's proposal to the NVWMA (which was incorporated into the Northern-NVWMA contract) included several provisions that were not contemplated by the terms of the Initial Agreement that could potentially harm the City if not addressed in the Second Amendment, including

(i) Northern's use of some of the personnel and equipment that were already contractually committed to City pursuant to the Initial Agreement, (ii) Northern committing to divert twenty-five percent (25%) of incoming tonnage to the Transfer Station in year one of the Northern-NVWMA contract, thirty percent (30%) by year three, and thirty-five percent (35%) by year five which had the potential to put the Northern's Transfer Station operations in direct competition with the City's MDF for processing recyclable materials from the Napa Valley-Vallejo wasteshed.

I. On March 19, 2010, the NVWMA approved an amended and restated contract with Northern that included reducing the required diversion level from twenty-five percent (25%) to fourteen percent (14%) of the inbound tonnage at the Transfer Station.

J. Another changed condition addressed in the Joint Summary Report was the deployment of balers for recycled materials, and collection of the baled materials, by other Affiliated Entities of Contractor within a ten-mile radius of the MDF. Such diversion of recyclable materials from the MDF would have been financially detrimental to City.

K. The Second Amendment to the Initial Agreement also deleted the diversion incentives described in Section 12.04 which were no longer workable given Northern's operation of the Transfer Station (resulting in there being no independent third party to verify tonnages delivered to the Transfer Station by Contractor on behalf of City) and Northern's scope of work for the NVWMA that included separation of mixed construction and demolition waste from City and other NVWMA member jurisdictions.

L. The Second Amendment also documented the parties' agreements on operational changes that had evolved since Contractor commenced City Collection operations and processing of materials at the MDF on October 1, 2005.

M. The parties executed the Third Amendment to the Initial Agreement on July 30, 2014 to create new incentives to financially compensate Contractor when diversion of specified materials is increased, to add the Recycle More Program, and to document changes in operational procedures put into place since the Second Amendment was signed.

N. On April 16, 2014 the City exercised its right pursuant to Section 3.03 to extend the Initial Agreement by a period of one year, to December 31, 2016.

O. On October 20, 2016 the City exercised its right pursuant to Section 3.03 to extend the Initial Agreement by another period of one year, to December 31, 2017.

P. On November 7, 2017 the City exercised its right pursuant to Section 3.03 to extend the Initial Agreement by another period of one year, to December 31, 2018.

Q. The parties now desire to amend the Initial Agreement and extend the existing term through December 31, 2031.

R. Since 2005, the Contractor has performed the scope of services contained in the Initial Agreement and has thoroughly investigated and analyzed the new scope of services and it has full knowledge concerning the conditions, circumstances and costs encompassing this Amendment and the work to be performed by it under this Contract. Contractor hereby enters into the 2022 Amendment with full knowledge concerning the

conditions, circumstances and costs encompassing the Contract, and the work to be performed by Contractor under the Contract.

S. The City elected to negotiate with Contractor to extend the existing term of the Initial Agreement and to amend the Initial Agreement consistent with the non-binding Memorandum of Understanding, as amended November 13, 2017 and executed by the Public Works Director and Contractor's General Manager/Managing Member, in order to continue the high quality of service the City has received from Contractor.

T. The 2018 Amendment allowed the City to leverage the competitive process by which the Contractor was selected and the terms of the Initial Agreement were established in order to manage costs and continue to receive a high level of service from the Contractor. In particular, the Amendment was valuable to the City and its rate payers as, based on the Contractor's agreement to maintain the vehicles and equipment for a fourteen year working life, rather than the ten year industry standard, the Amendment provided a total of twenty-six years of service with only two major cycles of vehicles and equipment. The Amendment also resulted in reduced air emissions from the conversion of Contractor's entire fleet of heavy refuse and recycling vehicles to one hundred percent CNG vehicles. In negotiations, the Contractor has also met the City's challenge to bring additional flow of compostable organic material in order to generate revenue to offset the costs of this Amendment and it agrees to maintain this flow for a minimum of ten years.

U. Additionally, the Amendment allowed the City to continue to receive the benefits of the Initial Agreement, such as the preservation and improvement of the

incentives and performance based compensation structure and the use of the Contractor's Customer Service Office and storage facility at no cost to the City.

V. The 2018 Amendment contemplated the estimated compensation to the Contractor for the City's Covered Aerated Static Pile (CASP) composting system and associated stormwater management improvements, but the parties agreed additional supplemental payments would be required once the permit and regulatory requirements were established. In January and April 2020, respectively, the CASP and stormwater management improvements became operational. This 2022 Amendment memorializes changes to the compensation and operational terms necessitated by the successful operation of the CASP and associated stormwater management improvements as well as refinements to other Contract terms.

W. Finally, the City elected to negotiate with Contractor based on Contractor's representation, after due investigation, that the costs outlined in ARTICLE 12. and Attachment T are the final, all-inclusive costs for Contractor's compensation unless otherwise specifically enumerated in the Contract.

NOW, THEREFORE, in consideration of the mutual promises contained in this Contract, and for other good and valuable consideration, the parties agree as follows:

ARTICLE 1. DEFINITIONS

1.01 Definitions. Unless the context otherwise requires, capitalized terms used in this Contract shall have the meanings set forth in the definitions contained in Attachment A.

ARTICLE 2. REPRESENTATIONS AND WARRANTIES OF CONTRACTOR

2.01 Corporate Status. Contractor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California, and is qualified to do business in the State of California.

2.02 Corporate Authorization. Contractor has the authority to enter into and perform its obligations under this Contract. The Members of Contractor have taken all actions required by law, the limited liability company agreement dated as of September 23, 2004 including any amendments thereto, or otherwise to authorize the execution of this Contract.

2.03 Contract Duly Executed. The persons signing this Contract on behalf of Contractor have been authorized to do so and this Contract constitutes a legal, valid and binding obligation of Contractor.

2.04 No Conflict with Applicable Law or Other Documents. Neither the execution and delivery by Contractor of this Contract, nor the performance by Contractor of its obligations hereunder (i) conflicts with, violates or will result in a violation of any existing applicable law; or (ii) conflicts with, violates or will result in a breach or default under any term or condition of any existing judgment, order or decree of any court, administrative agency or other governmental authority, or of any existing contract or instrument to which Contractor is a party, or by which Contractor is bound.

2.05 No Litigation. There is no action, suit, proceeding, or investigation at law or in equity, before or by any court or governmental entity, pending or threatened against Contractor, or otherwise affecting Contractor, wherein an unfavorable decision,

ruling, or finding, in any single case or in the aggregate, would materially adversely affect Contractor's performance hereunder, or which, in any way, would adversely affect the validity or enforceability of this Contract, or which would have a material adverse effect on the financial condition of Contractor.

2.06 Financial Condition. During the 2004 Request For Proposal Process, Contractor made available to City information on the financial condition of its Members. In addition, Contractor has provided a copy of its audited financial statements to the City annually since 2006. Contractor recognizes that City has relied on this information, and continues to rely on this information, in evaluating the sufficiency of Contractor's financial resources to perform this Contract. To the best of Contractor's knowledge, this information is complete and accurate, does not contain any material misstatement of fact and does not omit any fact necessary to prevent the information provided from being materially misleading.

2.07 Expertise. Contractor has the expertise and professional and technical capability to perform all of its obligations under this Contract.

2.08 Contractor's Investigation. Prior to submitting its original proposal to the City in 2004, Contractor conducted an independent investigation and analysis, the results of which were satisfactory to Contractor, of the conditions and circumstances surrounding the Contract, its content and preparation, and the work to be performed by Contractor under the Contract. The original 2004 Contract accurately and fairly represented the intentions of Contractor, and Contractor entered into this Contract on the basis of that independent investigation and analysis. Since October 2005, Contractor has performed the scope of services contained in the Contract and has

thoroughly investigated and analyzed the new scope of services associated with operation and maintenance of new particulate enclosures, an organics receiving building and organics pre-processing equipment, the construction, acceptance and operation of the new Covered Aerated Static Pile (CASP) composting system described in Articles 6 and 12 and Attachments F, G, H, J, N and T, and full scale rollout of the Commercial Food Scrap Collection program described in Attachment B. Based upon this experience, Contractor hereby enters into this 2022 Amendment with full knowledge concerning the conditions and circumstances encompassing the Contract, and the work to be performed by Contractor under the Contract.

2.09 Statements and Information in Proposal. The Proposal submitted to City by Contractor as part of the 2004 Request for Proposals process, and information submitted to City supplementary thereto, does not contain any untrue statement of a material fact nor omit to state a material fact necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading. Contractor took no exceptions to the draft contract language contained in the RFP. Contractor's 2004 proposal is included in Attachment MM to the Initial Agreement.

ARTICLE 3. TERM OF AGREEMENT

3.01 Effective Date. The Effective Date of this Contract shall be October 18, 2022. The Initial Agreement Effective Date was January 14, 2005.

3.02 Term. The Term of the Contract is hereby extended to end at midnight on December 31, 2031, unless earlier terminated.

3.03 Conditions to Effectiveness of Agreement.

A. Obligation of City to Perform. The obligation of the City to perform under this Contract is subject to satisfaction, on or before the Effective Date, of each of the conditions set out below, each of which may be waived in whole or in part by City:

1. Accuracy of Representations. The representations and warranties made by Contractor in ARTICLE 2. of this Contract shall be true and correct on and as of the Effective Date.

2. Absence of Litigation. There shall be no litigation pending on the Effective Date in any court challenging the execution of this Contract or seeking to restrain or enjoin its performance.

3. Furnishing of Bond and Guaranty. Contractor has furnished the performance bond required by Section 11.03 and the guaranty required by Section 14.18, each meeting the requirements of this Contract.

4. Furnishing of Evidence of Insurance. Contractor has furnished satisfactory evidence of insurance required by Section 11.02A.1 and 11.02A.2.

5. Effectiveness of City's Approval. The approval of this Contract by City shall have become effective, pursuant to California law, on or before the Effective Date.

City may waive the satisfaction of the conditions described in Section 3.03.A.3 and 4, allow this Contract to become effective, and exercise its rights and remedies under this Contract for Contractor's failure to furnish the bond, the guaranty, or the evidence of insurance.

B. Obligation of Contractor to Perform. The obligation of Contractor to perform under this Contract is subject to the satisfaction on or before the Effective Date of both of the conditions set forth below, each of which may be waived in whole or in part by Contractor.

1. Absence of Litigation. There shall be no litigation pending on the Effective Date in any court challenging the execution of this Contract, or seeking to enjoin its performance.

2. Effectiveness of City's Approval. The approval of this Contract by the City shall have become effective, pursuant to California law.

C. Notice. If either party wishes to assert that a condition for its benefit has not been satisfied and has not been waived, it must deliver written notice to that effect to the other party on the Effective Date. If no such notice is received, the Contract will become effective on the Effective Date.

Each party is obligated to perform in good faith the actions, if any, which this Contract requires it to perform before the Effective Date and to cooperate towards the satisfaction of the conditions set forth above.

ARTICLE 4. COLLECTION OF MUNICIPAL SOLID WASTE, RECYCLABLE MATERIALS AND COMPOSTABLES

4.01 Scope of Work – General. Contractor shall (a) collect Municipal Solid Waste ("MSW") generated at Residential Premises, Commercial and Business Establishments, City facilities and other events and locations within the City and deliver it to the Transfer Station or other disposal site approved by City, and (b) collect Recyclable Materials, Yard Trimmings, Food Scraps and other items specified in Attachments B-1 and B-2 placed for collection by participating Residential Customers, Commercial and Business Customers, City facilities and other events and locations within the City and deliver it to the Materials Diversion Facility.

The work to be done by Contractor includes the furnishing of all labor, supervision, equipment, materials, supplies and all other items necessary to perform the services required in a thorough, workmanlike and efficient matter, so that residents, businesses and institutions within the City are provided reliable, courteous and high-quality services at all times. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Contractor of the duty to furnish all others that may be required, whether enumerated or not.

Contractor shall perform all work in accordance with Attachments B-1 and B-2, all provisions of which are incorporated herein whether or not such provisions are specifically referred to in any other section of this Contract. In addition, to the extent that Contractor's 2004 proposal includes promises to perform services in addition to, or at a higher standard of service than those required by the 2004 Request for Proposals,

those promises are incorporated into this Contract and Contractor hereby ratifies its agreement to perform as promised.

4.02 Implementation Plan. The parties recognized that significant planning and preparation would be required to ensure a successful initiation of collection operations by Contractor on October 1, 2005. To that end, Contractor's proposal to City contained a detailed implementation plan including the tasks to be completed and a schedule for completion. The plan was successfully executed by Contractor, with coordination and oversight by City, in 2005 and 2006. The implementation plan was Attachment C-1 and C-2 to the 2004 contract and has been deleted by the 2018 Amendment. For the implementation of the 2018 and 2022 Amendment, Contractor will adhere to the implementation plan and replacement schedule outlined in Attachment C.

Contractor shall diligently adhere to the implementation plan and shall meet periodically, whenever City requests, to review progress. Failure to adhere to the implementation plan, including its schedule, shall constitute a breach of this contract which, if uncured, shall constitute a default under Section 13.01.

4.03 Residential MSW Collection.

A. Regular Collections. Contractor shall collect all MSW generated at Residential Premises within the City and placed for collection at curbside, and at sideyard/backyard locations by occupants who are eligible for such collection under regulations adopted by City from time to time. MSW shall be collected from such Premises at the frequencies and in the manner described in Attachment B-1, Section 2.

4.04 Commercial/Business MSW Collection. Contractor shall collect all MSW generated at Commercial and Business Establishments within the City and placed for collection. MSW shall be collected from such Premises at the frequencies and in the manner described in Attachment B-1, Section 3.

4.05 City Sponsored Special Events. Contractor shall collect all MSW, Recyclable Materials, and Compostable Materials generated at Premises owned and/or operated by the City and City shall be billed at the Commercial rates for these services as described in Article 8. Contractor shall provide collection services at up to twenty (20) City-sponsored events. The cost for this service is included in Contractor's Operating and Capital Cost Payment.

4.06 Diversion Programs.

A. Residential Recycling. The Contractor shall collect Recyclable Materials and commingled Yard Trimmings/Food Scraps generated at participating Residential Premises, placed for collection in authorized containers (to be provided by Contractor) at the curbside. Contractor shall also collect Recyclable Materials and commingled Yard Trimmings/Food Scraps generated at Residential Premises, placed for collection at backyard or sideyard locations by occupants who are eligible for backyard or sideyard collection under regulations adopted by the City from time to time.Recyclable Materials and commingled Yard Trimmings/Food Scraps shall be collected from Residential Premises at the frequencies and in the manner described in Attachment B-1, Section 2.

B. Commercial/Business Recycling. Contractor shall collect Recyclable Materials and Yard Trimmings/Wood from participating Commercial and

Business Establishments at the frequencies and in the manner described in Attachment B-1, Section 3.03.

C. City Sponsored Special Events. Contractor shall collect Recyclable Materials and Yard Trimmings from Premises owned or operated by the City and City shall be billed at the Commercial rates for these services as described in Article 8. Contractor shall collect Recyclable Materials and Food Scraps at up to twenty (20) City-sponsored events at the frequencies and in the manner described in Attachment B, Section 4.01 – 4.03. The cost for collection of Recyclable Materials and Food Scraps at City-sponsored events is included in Contractor's Capital and Operating Cost payment.

D. Food Scrap Recycling. Contractor shall implement commingled Yard Trimmings/Food Scrap collection and diversion for Residential Customers as provided in Attachment B-1, Section 2.03 - 2.03.3. Contractor shall provide Food Scrap collection and diversion for Commercial and Business Establishments as described in Attachment B-2, Section 3.08 – 3.08.3; and at City facilities and events as provided in Attachment B-1, Sections 4.01 and 4.02.

4.07 School District Facilities MSW Collection and Recycling. In 2004, the City entered into a Memorandum of Understanding with the Napa Valley Unified School District ("School District") pursuant to which the School District is to receive MSW, Recyclable Materials, Yard Trimmings/Wood and Food Scrap collection services from Contractor, as well as certain entitlements to free use of the MDF. Contractor will furnish services to School District facilities as provided in, and will otherwise comply with, Attachment E.

4.08 Other Services and Special Services.

A. Other Services. Contractor shall provide other collection services as requested by waste generators in the City on an on-call basis, including drop box service described in Attachment B, Section 3.09.

B. Special Services. Contractor shall provide the following special services as described in Attachment B, Section 5.

- Bulky Item Collections
- Semi-Annual Yard Trimmings Cleanup
- Special Events Collections
- Collection and Recycling of Used Oil and Used Oil Filters at Residences
- Holiday Greenery Collection and Recycling
- Recycle More Collection Services including but not limited to, Electronic Waste Collection and Recycling

4.09 Hours of Collection. Collection of MSW, Recyclable Materials and/or Yard Trimmings may occur only within hours authorized by the City. Contractor may not collect MSW, Recyclable Materials, Food Scraps or Yard Trimmings earlier than 6:00 a.m. local time or later than sunset, except that collections in commercial districts at Premises that are at least 100 feet from Residential Premises may begin at 4 a.m. If noise and/or nuisance issues are occurring as a result of the collection(s), then City will notify Contractor, and Contractor shall make good faith efforts to reroute collection at the designated location(s) to occur after 6:00 a.m., and/or make other accommodations to avoid or minimize noise and/or nuisance issues at the designated location(s).

Collection at certain School District sites may occur only between 6 a.m. and 8 a.m., as provided in Attachment E.

4.10 Collection Standards.

A. Care of Private Property. Contractor shall use due care when handling solid waste, Food Scrap, Yard Trimmings and recycling containers. Containers shall not be thrown from trucks, roughly handled, damaged or broken. Containers shall be returned to the collection point upright, with lids properly closed.

Contractor shall ensure that its employees close all gates opened by them in making collections, unless otherwise directed by the Customer, and avoid crossing landscaped areas and climbing or jumping over hedges and fences.

City shall refer complaints about damage to private property, including common areas in common-area subdivisions, to Contractor. Contractor shall promptly repair, or arrange for the repair of, all damage to private property caused by its employees.

B. Noise. All collection operations shall be conducted as quietly as possible and shall conform to any federal, state, County and City noise level regulations. The noise level during the stationary compaction process shall not exceed 75 decibels at a distance of 25 feet from the collection vehicle. The City may conduct random checks of noise emission levels to ensure such compliance.

4.11 Litter Abatement.

A. Minimization of Spills. Contractor shall use due care to prevent MSW, Recyclable Material, Food Scraps or Yard Trimmings from being spilled or

scattered during the collection or transportation process. If any MSW, Recyclable Material, Food Scraps or Yard Trimmings are spilled, Contractor shall promptly clean up all spilled materials whether on private or public property. Each collection vehicle shall carry a broom and shovel at all times for this purpose.

Contractor shall not transfer loads from one vehicle to another on any public street or private roadway, unless it is necessary to do so because of mechanical failure or damage to a collection vehicle which renders it inoperable.

B. Clean Up. The Contractor shall clean up litter in the immediate vicinity of any MSW, Recyclable Materials, Food Scraps or Yard Trimmings storage area (including the areas where collection containers or bins and debris boxes are delivered for collection) whether or not Contractor has caused the litter. Contractor shall notify the Customer and the City after the second occurrence. City will require the Customer to accept and pay for increased service (i.e., a larger bin or more frequent collections) or direct Contractor to bill the Customer for any additional clean ups required, at rates established by City, or both.

C. Clean Up of Illegal Dumping. Contractor shall respond to all calls from City regarding spilled or illegally dumped MSW, Recyclable Materials, Food Scraps, Yard Trimmings or Bulky Items during regular work hours and, in emergencies, at night and on weekends. Contractor shall collect and deliver such material to the Transfer Station (or, in the case of Recyclable Materials, Food Scraps and Yard Trimmings, to the Materials Diversion Facility) provided such material does not exceed in volume the amount which can be collected by a two-person crew utilizing a pick up truck or collection vehicle.

D. Covering of Loads. Contractor shall place covers on all open debris boxes during transport to the Transfer Station or Materials Diversion Facility and, if required by City's Storm Water Best Management Practices, while in use by Customers.

4.12 Hazardous Waste

A. General. Contractor shall be aware of, and comply with, all laws and regulations relating to the handling and transportation of Hazardous Wastes and hazardous materials, including those regarding training and documentation. If Contractor observes any substances which it believes to contain Hazardous Waste within the City, including but not limited to in containers designed for MSW, Recyclable Materials, Food Scraps and Yard Trimmings, Contractor shall not collect such Hazardous Waste but shall immediately notify the appropriate regulatory agencies and the City. The preceding sentence does not apply to the collection of Electronic Waste components that are classified as Hazardous Waste (currently CRTs and LCDs) or used oil and oil filters pursuant to this Contract.

B. Notice to Customers. Contractor shall notify all Customers at least once a year of (i) the prohibition against the set out and delivery to Contractor of Hazardous Waste and (ii) the obligation of each Customer to provide for the proper handling and disposition of Hazardous Waste. To the extent that Contractor has actual knowledge of the existence of such Hazardous Waste in a container placed for collection, Contractor shall not collect such container. Contractor shall, prior to leaving the location where such Hazardous Waste has been observed, leave a tag at least 2" x

6" which informs the customer why the collection was not made and lists the telephone number for the Napa County Department of Environmental Management.

C. Contractor to Segregate and Dispose. In the event Contractor inadvertently collects any Hazardous Waste and during the course of transportation and disposition becomes actually aware that it has collected such Hazardous Waste, Contractor shall segregate Hazardous Waste, and shall arrange for its transport and disposal to a properly permitted recycling, treatment or disposal facility of Contractor's choosing. Contractor shall be solely responsible for the transport and disposition of all Hazardous Waste that is collected by the Contractor. Contractor will cooperate with City attempts to locate and collect from the responsible Customer.

D. Operating Procedures and Employee Training. Contractor shall establish, implement and maintain written operating procedures designed to ensure Contractor's utilization of techniques generally accepted in the waste hauling industry for cities of the size and nature of the City of Napa, to handle and dispose of Hazardous Waste and its compliance with the provisions of this Section 4.12. Contractor shall establish, implement and maintain an employee training program and shall ensure that employees responsible for the identification of Hazardous Waste are fully trained. Contractor shall maintain documentation which describes the training received by its employees.

E. Household Hazardous Waste. City shall participate with appropriate regulatory and governmental agencies for the collection and proper disposal of Household Hazardous Waste generated within the City, but nothing in this Contract shall be construed as requiring the City (or, except as otherwise provided for herein, the

Contractor) to establish a specific program or to expend a specific amount of funds for such purpose.

4.13 City's Right to Change Scope of Work. City may, without amending this Contract, direct Contractor to cease performing one or more of the types of services described in the Contract, may direct Contractor to modify the scope of one or more of such services, may direct Contractor to perform additional collection service, and may similarly modify Contractor's obligations under other provisions of this Contract.

The types of changes that City may direct include, but are not limited to, increases or decreases in the number of routes for collection of specific materials, changes in the types of Recyclable Materials to be collected as the wastestream changes, addition of new diversion programs, modification, expansion, cessation of specific programs, pilot programs, use of new technology, innovative services, new collection methods, different types of services and/or new requirements for Customers.

If such changes cause an increase or decrease in the cost of performing the services, an equitable adjustment in the Contractor's compensation shall be made. The method for determining the amount of such an adjustment shall be as set forth in Section 12.13. Contractor will continue to perform the new or changed service while the appropriate adjustment in compensation is being determined.

ARTICLE 5. TRANSPORTATION OF MATERIALS

5.01 Transportation and Disposal of MSW. Contractor shall transport and deliver all MSW collected pursuant to this Contract to the Transfer Station, or to such other disposal site designated by the City.

Contractor shall cooperate with the operator(s) of the Transfer Station with regard to operations therein, including by way of example, complying with directions from the operator to unload collection vehicles in designated areas, accommodating to maintenance operations and construction of new facilities, cooperating with the operator's hazardous waste exclusion program, and cooperating with the operator's tonnage tracking system.

5.02 Transportation of Recyclable Materials, Yard Trimmings, Co-Collected Yard Trimmings/Food Scraps, Source-Separated Food Scraps and Source-Separated Construction and Demolition Debris. Contractor shall transport and deliver all Recyclable Materials, Yard Trimmings, Co-Collected Yard Trimmings/Food Scraps, all Source-Separated Food Scraps and all Source-Separated Construction and Demolition Debris to the Materials Diversion Facility unless otherwise directed by City.

5.03 Transportation of Mixed Construction and Demolition Debris.

Contractor shall transport and deliver all mixed Construction and Demolition Debris to the Transfer Station for processing unless otherwise directed by City.

5.04 Transportation of Processed Recyclables and Compost. Contractor shall transport and deliver all Recovered Materials processed at the Materials Diversion Facility and all compost produced at the Materials Diversion Facility to a purchaser or a

Person who will use the materials in a process or product, such that the City and Participating Agencies will receive credit for Diversion under the Act.

5.04.1 Transportation of Compost Overs to Potrero Hills Landfill. Contractor shall transport Compost Overs to the Potrero Hills Landfill, or other landfill pre-approved in writing by the City in its sole discretion, for use as Alternative Daily Cover as described in Attachment B-3. City reserves the right to direct Contractor to cease delivery of Compost Overs to the Potrero Hills Landfill or to redirect this material to another facility at any time.

5.05 Transportation of Residue. Unless otherwise directed by City, all Residue (i.e. materials which cannot be diverted) will be transported from the Materials Diversion Facility to the Transfer Station, with the following exception:

5.06 Transportation of Compostable Materials to Zamora Compost Facility. As approved by the City, Contractor shall transport a portion of Compostable Materials delivered to the Napa MDF to the Zamora Compost Facility located in Yolo County, or other compost facility pre-approved in writing by the City in its sole discretion, and shall compost said materials at that facility as further described in Attachment B-3. City reserves the right to direct Contractor to cease transportation of all or a portion of the Compostable Materials from the MDF to the Zamora Facility, and to direct Contractor to cease processing of such materials at the Zamora Facility, at any time.

5.07 Transportation of Hazardous Materials. If Contractor encounters at the Materials Diversion Facility, any Hazardous Materials which cannot be accepted at the

Transfer Station, it shall arrange for their transport and disposal to a properly permitted recycling, treatment or disposal facility of Contractor's choosing.

5.08 General. Contractor shall use due care to prevent Residue, Compostable Materials or Recovered Materials from being spilled or scattered during transport from the Materials Diversion Facility. All vehicles hauling materials from the Materials Diversion Facility shall be enclosed or have other appropriate covering as approved by City. If any Residue, Compostable Materials or Recyclable Materials are spilled, Contractor shall immediately clean up all spilled materials, whether on private or public property.

No Recyclable Materials, Food Scraps or Yard Trimmings which have been delivered to the Materials Diversion Facility already separated, and no materials which have been processed at the Materials Diversion Facility for Recycling, may be disposed of (1) on land, or (2) through Transformation, without the prior written consent of City. Processed Yard Trimmings (compost) shall not be used for Alternative Daily Cover at solid waste landfills without City's prior written consent.

No materials of any kind may be disposed of on land at any location other than by delivery to the Transfer Station. No materials of any kind may be disposed of in water or in the atmosphere.

ARTICLE 6. OPERATION OF MATERIALS DIVERSION FACILITY

6.01 Scope of Work – General. Contractor shall arrange for the design, furnishing and installation of new processing equipment as described in Attachment F, Sections 2 and 3. Contractor shall accept, process and arrange for Diversion of materials described in Attachment F that are delivered to the Materials Diversion Facility.

The work to be done by Contractor includes the furnishing of all labor, supervision, equipment, materials, supplies and all other items necessary to perform the services required in a thorough, workmanlike and efficient matter. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Contractor of the duty to furnish all others that may be required, whether enumerated or not.

Contractor shall perform all work in accordance with Attachment F, all provisions of which are incorporated herein whether or not such provisions are specifically referred to in any other section of this Contract. In addition, to the extent that Contractor's 2004 proposal included promises to perform services in addition to, or at a higher standard of service than those required by the 2004 Request for Proposals, those promises are incorporated into this Contract and Contractor hereby ratifies its agreement to perform as promised.

Contractor shall comply with all MDF Operating Regulations as set forth in Attachment EE, which may be revised from time to time by the City.

6.02 Implementation Plan. The parties recognize that substantial planning and preparation will be required to ensure an orderly upgrade and refurbishment of Materials Diversion Facility processing equipment and operations by Contractor. To that end, Contractor has prepared a detailed implementation plan addressing the steps Contractor will take, and the schedule on which it will take them, for continued processing and operations of Materials Diversion Facility. The implementation plan is attached as Attachment C-2 and includes:

- Design and layout of new and refurbished processing equipment;
- Procurement of new and refurbished processing equipment;
- Securing of government approvals, as necessary to allow for installation and operation of new equipment;
- Installation and testing of processing equipment;
- Procurement of mobile equipment, materials and supplies;
- Hiring and training personnel; and
- Submission of the health and safety plan, the sampling and analysis plan, and the Hazardous Waste Exclusion Plan required by Attachment F.

Contractor shall diligently adhere to the implementation plan and shall meet periodically, at City's request, to review progress. Failure to adhere to the implementation plan, including its schedule, shall constitute a breach of this Contract which, if uncured, shall constitute a default under Section 13.01.

The specific plans and other materials required to be submitted by the implementation plan are subject to City's review and approval. City will take actions, make decisions, and provide directions to Contractor in accordance with the schedule and time allowances set forth in Attachment C-2, so as not to delay Contractor's adherence to the implementation plan schedule.

6.03 Receipt of Recyclable Materials/Compostables. Contractor shall accept for processing materials delivered to the Materials Diversion Facility by (1) Contractor, (2) the County and its Designated Hauler, (3) the other Participating Agencies and their Designated Haulers, (4) residents of and businesses operating within the City or within the other Participating Agencies, (5) entities with which the City has entered into a contract for use of the Materials Diversion Facility, and (6) any other materials delivered to the Materials Diversion Facility by the public, private businesses, other haulers and other public agencies.

City may at any time, and from time to time, require Contractor to accept for processing materials delivered from outside the Primary Service Area. Unless and until it does so, however, Contractor shall not accept any materials which originate outside the Primary Service Area. City has no obligation to Contractor to allow materials from outside the Primary Service Area to be accepted at the Materials Diversion Facility.

Acceptance of materials from outside the Primary Service Area shall, if allowed by City, never be permitted to interfere with processing of materials delivered by or on behalf of the Participating Agencies or their Designated Haulers. To that end, and by way of example and not limitation, City may direct that materials from outside the Primary Service Area not be accepted during peak hours. Vehicles carrying materials from outside the Primary Service Area shall be refused entry during such periods.

Contractor may use the Materials Diversion Facility only for the receipt and processing of materials delivered by Persons described in this section and for storage, maintenance and repair of vehicles and equipment used in collection of MSW from within the City (and within Zone 1 of Napa County if Contractor is also the County's

Designated Hauler and City approves such use) and for activities directly related to and directly supportive of these operations. Contractor may not use the Materials Diversion Facility, or permit it to be used, for any other purpose without City's prior written consent, which may be granted or withheld in City's sole discretion.

6.04 Receipt and Processing of Materials From Transfer Station.

A. Acceptance of Materials. Contractor shall accept for processing the following materials delivered from the Transfer Station pursuant to the City-Northern Agreement in Attachment AA: (a) Yard Trimmings, (b) Co-Collected Food Scraps, Soiled Paper Products and Yard Trimmings, (c) Recyclable Materials and (d) DRTS New Materials.

B. Materials Diversion Facility Processing Areas. Compostables (including Yard Trimmings, Food Scraps, Soiled Paper Products and Yard Trimmings, Co-Collected Food Scraps, Soiled Paper Products and other organic materials suitable for composting) will be delivered to the Composting Area. The following materials will be delivered to the Clean MRF: Pre-Processed, Baler-Ready Recyclable Materials; Pre-Processed, Market-Ready Recyclable Materials (including carpet underpadding); DRTS Pre-Sorted Mixed Recyclable Materials; and DRTS New Materials.

C. Eligibility For Additional Payment. Compostables delivered from the Transfer Station and DRTS Pre-Sorted Mixed Recyclable Materials (including DRTS Pre-Sorted Mixed Recyclable Materials delivered under emergency circumstances as described in Attachment AA) will be included in the tonnage used to calculate Contractor's eligibility for an Additional Payment under Section 12.05, and the amount of any such Additional Payment. The following materials delivered from the Transfer

Station to the Clean MRF will not be included in the tonnage used to calculate Contractor's eligibility for an Additional Payment under Section 12.05, nor the amount of any such payment: Pre-Processed, Baler-Ready Recyclable Materials; Pre-Processed, Market-Ready Recyclable Materials; and DRTS New Materials.

D. Effect on Maximum Capacity of Clean MRF. Delivery of the following materials from the Transfer Station to the Clean MRF will reduce the Maximum Capacity of the Clean MRF and Contractor's obligation to provide processing capacity is accordingly reduced: Pre-Processed, Baler-Ready Recyclable Materials; Pre-Processed, Market-Ready Recyclable Materials; and DRTS New Materials. For example, if 1,500 Tons of Pre-Processed, Baler-Ready Recyclable Materials, Pre-Processed, Market-Ready Recyclable Materials and DRTS New Materials are delivered from the Transfer Station in a given calendar year, the Tons will not be included in the calculations used in determining Contractor's eligibility for the Additional Payment for that year, but the Maximum Capacity of the Clean MRF for that year will be reduced from 46,800 Tons to 45,300 Tons.

E. Characterization of the Materials. The quantity of DRTS Pre-Sorted Mixed Recyclable Materials delivered by Northern from the DRTS to the Materials Diversion Facility is not to exceed ten percent (10%) of the total Tons delivered by Northern in a single calendar year and residue in these materials is not to exceed one percent (1%). A characterization of the DRTS Pre-Sorted Mixed Recyclable Materials will be conducted by the City using labor provided by Contractor pursuant to Attachment F, Section 6.8. The City will provide independent oversight of the sort using City employees, independent contractors, or agents of City to determine the "Average

Per Ton Market Value" of the material (as described in Attachment Six of the Northern Agreement in Attachment AA) and the percent residue remaining after the material is sorted. The City shall prescribe the sampling technique and protocol, the size and number of samples, the sorting methodology, the method for weighing sorted materials, the method for inputting the data and the protocol used to calculate the following: (a) the percent of each material in the mix; (b) the Quarterly Average Materials Revenue Received for each type of material in the mix, and (c) the percent residue. The City envisions that the characterization will be conducted by collecting samples of the mixed materials in sample boxes and manually sorting the material such that the sorting belts at the Materials Diversion Facility are not impacted. The City reserves the right to change the sampling methodology and protocol, and also to utilize or substitute any sorting labor it chooses (including but not limited to City forces, third parties, independent contractors, interns and other agents of the City) to conduct the characterization. Once the "Average Per Ton Market Value" of the material mix is established, additional characterizations may be conducted at frequencies determined at the sole discretion of the City. Contractor will cooperate fully with City in conducting all characterizations of DRTS Pre-Sorted Recyclable Materials. If Contractor has already performed the characterizations required by Attachment F, Section 6.8 for other City-directed purposes, City may conduct additional characterizations using non-Contractor labor, or may compensate Contractor for performing additional characterizations. The number of Tons of material delivered from the Transfer Station will be based solely on MDF scalehouse records.

F. Contractor Cooperation Regarding Northern Agreement.

Additional terms related to the processing, delivery and pricing of Yardwaste (as defined in Northern Agreement) and Pre-Processed, Baler-Ready Recyclable Materials, Pre-Processed, Market-Ready Recyclable Materials, DRTS Pre-Sorted Mixed Recyclable Materials and DRTS New Materials are contained in the agreement between the City and Northern in Attachment AA. Contractor will cooperate with City and Northern to accomplish the purpose of that agreement. Contractor and Affiliated Entities will not employ any artifice, business structure or other stratagem to circumvent or undermine the spirit and purpose of this Contract or the spirit and purpose of the City-Northern agreement. Nothing in the City-Northern agreement is intended to relieve Contractor of its duties and responsibilities described in this Contract to market the Materials Diversion Facility and to encourage new and repeat customers to bring materials directly to the Materials Diversion Facility.

6.05 Use of Personnel and Equipment. Contractor will not permit Northern or any other Affiliated Entity to use any of Contractor's equipment or personnel to deliver Compostables or Pre-Processed, Baler-Ready Recyclable Materials, Pre-Processed, Market-Ready Recyclable Materials, DRTS Pre-Sorted Mixed Recyclable Materials, DRTS New Materials or any other materials from the DRTS to the Materials Diversion Facility. Contractor and all Affiliated Entities (including Northern) agree not to install, provide, lease or operate a high capacity baler that is capable of creating export bales within a five (5) mile radius of the entrance to the Materials Diversion Facility. The five (5) mile radius is shown on the map in Attachment BB. Contractor and Affiliated Entities may, for other business purposes, install, provide, lease and operate small balers,

which are limited to a vertical "downstroke" type of baler with a single ram and that would produce bales not exceeding 800 pounds each (assuming corrugated cardboard is the material being baled), at private businesses as long as all of the following conditions are met:

A. Materials Delivered to Materials Diversion Facility. All of the Recyclable Materials and all other materials baled are directly delivered to the Materials Diversion Facility for final marketing.

B. NCRWS Baled Materials. If the baled materials are delivered to the Materials Diversion Facility by NCRWS or its subcontractor, pursuant to NCRWS's collection contract with the County of Napa, the Tons of such baled materials shall be delivered to the Clean MRF area for processing and shall be included in the tonnage used to calculate Contractor's eligibility for the Additional Payment under Section 12.05 and to calculate the amount of any such payment. The pricing contained in the City's Memorandum of Understanding with the County of Napa dated May 3, 2005 (City Agreement No 8782, County of Napa Agreement No 6430) as amended July 21, 2015 and December 19, 2017, shall apply to this baled material.

C. No Baling of Committed Materials. The baler(s) are not used to bale any materials committed to be delivered by Northern from the Transfer Station to the Materials Diversion Facility pursuant to the agreement between the City and Northern in Attachment AA.

D. No Baling of DRTS New Materials. The baler(s) are not used to bale any DRTS New Materials as defined in Attachment A and in the City's Agreement with Northern in Attachment AA.

E. Balers Not To Be Used to Circumvent Agreements. The baler(s) are not used to in any way to circumvent, undermine or defeat the purpose of this Contract or the agreement between the City and Northern in Attachment AA.

Attachment CC contains a list submitted by Contractor in 2018 of the small balers installed or operated by Affiliated Entities at private businesses within a five (5) mile radius of the entrance to the Materials Diversion Facility . Contractor shall update the list and submit a new list to City on July 1, October 1, January 1 and April 1 of each year of the Term. Contractor will submit the list even if there have been no additions or deletions to the list since the last submittal.

Contractor shall make the decision as to whether to re-bale any baled materials received at the Materials Diversion Facility or to market the baled material directly. Contractor shall make reasonable business efforts and act in good faith to maximize the revenue from the sale of such material.

6.06 Guaranteed Additional Compostables. Contractor shall secure and guarantee delivery of an additional 30,000 Tons of Compostables per year beginning in calendar year 2018 and continuing for the duration of the Contract. These additional Compostables will be measured by inbound tonnage over and above an annual Compostables of 40,680 Tons per calendar year, so the guarantee will thus be 70,680 inbound Tons per calendar year. Failure of Contractor to deliver the minimum 70,680 Tons of Compostables will result in a financial penalty to the Contractor of $15 per Ton (as indexed annually from Year 2 (2019) through Year 5 (2022) by 2.5% and beginning Year 6 (2023) by Price Index CUURA422SA0L1E – All Urban Customers) for each Ton under the 70,680 Tons guarantee beginning in calendar year 2018 and continuing for

the duration of the Contract. Both City and Contractor recognize that permit limitations imposed by regulatory agencies such as the Bay Area Air Quality Management District on the Materials Diversion Facility may limit the maximum amount of Compostables that may be received and composted on site at the Materials Diversion Facility. To the extent that Contractor is limited by regulatory permit limits, the City agrees not to apply the $15 per Ton (as adjusted) financial penalty unless the amount of Compostables received at the Material Diversion Facility falls under 95 percent of the maximum allowable tonnage for composting processing area. For example, if the Materials Diversion Facility's air permit only allows for a maximum 65,000 Tons of Compostables to be received and processed in a calendar year, Contractor will not be subject to the penalty unless the annual inbound Compostables tonnage fell below 61,750 tons. While the City retains sole final authority to establish gate fees for the Materials Diversion Facility (as described in Section 14.21 of this Contract), the City agrees to meet and confer with Contractor prior to establishing any increase to the self-haul public or contractual users of Materials Diversion Facility that exceeds 3% in a given calendar year.

6.07 Days and Hours of Operation. Contractor shall operate the Materials Diversion Facility every day of the year except New Year's Day, Easter Sunday, Thanksgiving and Christmas Day ("the holidays"). Minimum and maximum hours of operation are set out in Attachment F, Section 2.6.

6.08 Installation of New Processing Equipment. Contractor shall arrange for the equipment listed on Attachments M-2 and M-3 to be installed in the Materials Diversion Facility by an appropriately licensed California contractor. Although the City

believes that, as a charter city, it is exempt from certain provisions of state statutes governing the contracting requirements for general law cities, unless the City approves an exception (pursuant to Attachment F, Section 8.1 of this Agreement), the contract between Contractor and the installation contractor shall be subject to all provisions of California law applicable to public works contained in the Public Contract Code and Labor Code, including the requirement that the installation contractor pay workers prevailing wages as determined by the California Department of Industrial Relations (DIR). City has received a DIR determination of such wages. The contract shall require the installation contractor to carry at least $2 million in general liability insurance and to name Contractor and City as additional insureds.

Prior to January 1, 2023, Contractor shall arrange for new equipment installed by or for it in the Materials Diversion Facility to be tested as necessary to demonstrate that such equipment functions properly, has been installed in accordance with manufacturers' specifications, and meets performance standards included in contracts between Contractor and the manufacturer/vendor/installation contractor. Contractor will not accept such equipment until it is satisfied that the requirements of this paragraph are met and will provide City a written assurance that they have been met prior to acceptance.

Upon acceptance, Contractor will provide City a copy of all warranties and O&M manuals applicable to the installed equipment.

Upon acceptance of the installed equipment, Contractor will perform the overall Facility acceptance testing as described in Attachment H.

Contractor will own the equipment installed, subject to City's right to purchase provided in Section 7.05.

6.09 Materials Diversion Operations. Contractor will conduct the following operations at the Materials Diversion Facility:

- Clean Materials Recovery Facility;
- composting;
- wood processing;
- source separated construction and demolition debris processing.

Contractor will conduct each of these operations, and others identified in Attachment F, as described in Attachment F.

6.10 Permits. City and Contractor shall comply with the terms of all permits and approvals from governmental agencies applicable to the Materials Diversion Facility, including those listed on Attachment G.

If new operating permits and approvals (or amendments to the permits and approvals obtained by City) become necessary, by virtue of Contractor's operations, it will be the responsibility of Contractor and City to obtain them. City will assist the Contractor in obtaining them provided that the operations which give rise to the need for them are in compliance with this Contract and in the best interests of City, in City's judgment. Contractor shall apply for permits in its own name or in the name of the City (or both), as directed by the City from time to time. Contractor shall submit a draft of all applications for operating permits (and for subsequent renewals or modifications thereof) to the City for its review and approval prior to filing an application with the permitting agency. Contractor shall keep the City fully informed at all times on the

status of all permit applications, including meetings with agency staff and hearings on permit applications before the agency's governing board. Contractor shall not agree to permit terms or conditions on any permit without the prior written consent of the City. Copies of all permits issued in Contractor's name and originals of all permits issued in the City's name (and any renewals or amendments) shall be delivered to the City promptly, and in any case within five (5) working days of their receipt by Contractor.

Contractor shall keep all licenses, permits and approvals governing the Materials Diversion Facility in force and shall comply with their terms, including any which may require improvements or modifications in operating procedures.

The City will be responsible for all costs associated with obtaining new or modified current permits and any new annual fees that are not already part of existing permit or regulatory fees applicable to the MDF at the time of the 2021 Contract Amendment. Contractor shall be solely responsible for paying any fines or penalties imposed by governmental agencies for Contractor's noncompliance with any permit terms or its failure to obtain necessary permits.

6.11 Delivery of Residue to Transfer Station. Contractor shall deliver all non-recyclable and non-compostable Residue from the operations at the Materials Diversion Facility to the Transfer Station. If Contractor identifies a potential non-disposal beneficial use of Residue, Contractor will provide all relevant information to the City in order to make an informed decision about redirecting such Residue materials to an alternate, fully permitted facility or use. Contractor shall not deliver Residue, or any identified portion of Residue, to a facility other than the Transfer Station without prior written permission from the City.

6.12 Hazardous Materials

A. Handling of Hazardous Materials. Contractor shall not cause or permit any Hazardous Material to be generated, brought onto, used or stored on, under or about the Materials Diversion Facility by Contractor or its agents, employees, contractors, or invitees, except for (a) limited quantities of standard office and janitorial supplies containing chemicals categorized as Hazardous Material, (b) paint and solvents used in painting Contractor vehicles, (c) lubricants and other substances used in maintenance and repair of Contractor vehicles, (d) de minimus amounts of Household Hazardous Waste and used oil and oil filters collected by Contractor from within the City, (e) electronic waste delivered by City and County residents, and (f) freon and mercury switches contained in Bulky Goods delivered to the Materials Diversion Facility. All such items shall be properly handled and disposed of.

B. Notice of Release or Investigation. If either party becomes aware of (a) any actual or threatened release of any Hazardous Material on, under, or about the Materials Diversion Facility or (b) any inquiry, investigation, proceeding, or claim by any government agency or other person regarding the presence of Hazardous Material on, under, or about the Materials Division Facility, such party shall give the other party written notice of the release or investigation within five (5) days after learning of it and shall simultaneously furnish to the other party copies of any claims, notice of violation, reports, or other writings prepared or received by that party that concern the release or investigation.

C. Indemnification. Except for the City's unlawful misconduct or sole negligence, Contractor shall indemnify, defend, and hold harmless City, along with its

City Council, officers, agents, and employees, with respect to all losses arising out of or resulting from the release of any Hazardous Material on, under or about the Materials Diversion Facility or the violation of any Environmental Law by Contractor, its agents, employees, contractors, or invitees after October 1, 2005 and before the expiration of the term of this Agreement. This indemnification includes, without limitation: (a) losses attributable to diminution in the value of the Materials Diversion Facility; (b) all other liabilities, obligations, penalties, fines, claims, actions (including remedial or enforcement actions of any kind and administrative or judicial proceedings, orders, or judgments), damages (including consequential and punitive damages), and costs (including attorney, consultant, and expert fees and expenses) resulting from the release or violation. This indemnification shall survive the expiration or termination of this Agreement for a period of three (3) years.

D. Remediation Obligations. If the presence of any Hazardous Material results in contamination of the Materials Diversion Facility, Contractor shall promptly take all necessary actions to remove or remediate such Hazardous Material, consistent with any order or decree issued by any regulatory agency having jurisdiction over the Materials Diversion Facility. This provision does not limit the indemnification set forth in Section 6.12.C.

6.13 Hazardous Waste Exclusion Program. Contractor shall, upon commencement of operations at the Materials Diversion Facility, implement a Hazardous Waste Exclusion Program ("HWEP") in a diligent, reasonable and non-discriminatory manner. If CalRecycle or the California EPA require additional measures to be incorporated into the HWEP, Contractor shall comply with such additional

measures. Contractor shall temporarily store materials discovered through the HWEP (or otherwise) that cannot be processed at the Materials Diversion Facility or accepted at the Transfer Station in the appropriate storage areas provided at the Materials Diversion Facility for this purpose. Contractor shall arrange and pay for the safe and lawful disposal of such waste.

The operator of the Transfer Station is required to conduct its own independent HWEP which will entail checking of loads delivered from the Materials Diversion Facility by Contractor. If the operator of the Transfer Station rejects material delivered to the Transfer Station, Contractor shall remove and dispose of it in a safe and lawful manner, at its sole expense. Contractor shall also be solely responsible for reimbursing the Transfer Station operator for costs of testing and disposal of waste which the Transfer Station operator initially accepts but subsequently discovers may not be legally disposed of at the Disposal Facility, to the extent that such reimbursement is required by the contract between the City and the operator of the Transfer Station.

All Hazardous Waste which is transported from the Materials Diversion Facility shall be transported by Department of Toxic Substances Control registered hazardous waste haulers which have been determined by Contractor to meet the training, financial responsibility and other requirements of the Health and Safety Code. Contractor shall complete, provide to the hauler, and maintain copies of applicable hazardous waste manifests for all Hazardous Waste transported from the Materials Diversion Facility, as required by applicable laws and regulations.

Contractor shall furnish monthly a report showing the amount of each type of Hazardous Waste delivered from each of the Participating Agencies, separately by

jurisdiction, the amount recycled, the amount incinerated, and the amount disposed, including the name and address of the Disposal Site.

6.14 Other Operating Procedures and Standards. In addition to the foregoing, Contractor shall conduct its operations in accordance with the requirements of CalRecycle (currently codified at 14 California Code of Regulations Division 7) and as they may be amended or superseded, and with the procedures and standards in Attachment F.

6.15 Modifications. Contractor may not make any modifications to the Materials Diversion Facility without first obtaining City's written consent, which City may grant or withhold in its sole discretion, as further described in Attachment F. As a condition to its consent to modifications, City may impose any requirements it considers desirable, including a requirement that Contractor provide plans and specifications for the proposed modifications, comply with laws and insurance requirements, employ contractors approved by (or selected by) City, and provide City with a surety bond, letter of credit or other financial assurance that the cost of the modifications will be paid when due.

6.16 Utilities. Contractor will be responsible for the cost of all utilities provided to the Materials Diversion Facility including but not limited to water, sewer, and janitorial services. Until or unless the City takes over electricity utility charges directly, Contractor will pay for electricity charges with an estimated monthly reimbursement from the City to be reconciled on an annual basis with actual electricity charges per Reconciliation Review process described in ARTICLE 12. and Attachment U.

6.17 Taxes. The City annexed the Materials Diversion Facility as non-contiguous annexation in March 2014 so there are currently no property taxes assessed to the City. However, if any property taxes are assessed to the Materials Diversion Facility during the term of this Contract, the City will pay any and all real property taxes and assessments levied against the Materials Diversion Facility. If Contractor receives a demand from the County that it pay a possessory interest tax pursuant to California Revenue and Taxation Code Section 107, it shall promptly notify City, which shall have the right to contest such assessment. Contractor shall cooperate with City if City does contest such assessment.

If Contractor is required to pay a possessory interest tax, it shall do so, but City shall reimburse Contractor for the amount paid within thirty (30) days after receiving a demand for payment from Contractor, accompanied by evidence of its payment of the tax.

Contractor will pay any and all other taxes imposed in connection with its operation of the Materials Diversion Facility, including personal property taxes and income taxes.

6.18 Marketing of Recovered Materials and Compost.

A. Marketing Efforts. Contractor shall use its best efforts in marketing and promoting the sale of all Recovered Materials. As used in this Section 6.18 “Recovered Materials” includes finished compost. Contractor shall employ its best marketing strategy in effecting disposition of Recovered Materials, and shall use its best efforts to obtain the best possible prices for Recovered Materials consistent with prevailing conditions in the market, whether foreign or domestic. Contractor will exert at

least the same effort in marketing the Recovered Materials from the Materials Diversion Facility as it does in marketing materials which it markets for its own account as Principal or as an agent/broker for any third party.

B. Marketing Plan. Contractor shall annually submit to City on or before February 1 of each year, a plan for marketing of Recovered Materials for the forthcoming year. The marketing plan shall include the following:

1. Quantities: estimated quantities of Recovered Materials which Contractor expects to market during the year broken down by the type and grade of material. The number of categories and level of detail required in the report will be subject to City approval.

2. Prices: estimated unit market values and total sales revenue for each category.

3. Marketing: advertising and sales promotion strategy and budget, including that for hard to sell materials, as required by Attachment F.

C. Marketing Duties. Contractor shall perform all of the following:

1. Storage. Contractor shall suitably store all Recyclable Materials and Recovered Materials to protect against theft, deterioration, contamination or other damage. As provided in Section 11.02, Contractor shall insure all Recyclable Materials and Recovered Materials while in its possession, and during shipment prior to transfer of title, against fire, theft and other casualty losses. Contractor shall ship all Recovered Materials offsite within times specified in Attachment F.

2. Certificate of End Use. Contractor will obtain documentation from the purchasers/recipients of Recovered Materials establishing that they have been acquired for uses that will allow the Recovered Materials to qualify as having been diverted from disposal for purposes of the Act. The documentation shall be sufficient in form and content to satisfy CalRecycle that the materials have been diverted.

3. No Warranties. Contractor shall not make any warranties or representations regarding the Recovered Materials other than those, if any, specifically authorized by the City to be made and will include in all sales contracts a disclaimer of warranties by City, if required to do so by City.

4. Delivery. Contractor will be responsible for effecting delivery to purchasers unless the terms of sale require the purchaser to arrange for delivery. In addition, Contractor upon request shall load compost and soil onto vehicles of all members of the public.

5. Disposition Costs When No Markets Exist. Due to market cycles and fluctuations, some or all of the Recovered Materials may have no, or negative, market value (i.e., an end user will accept the materials but will charge a fee for doing so). If users are willing to accept them only on condition of payment, Contractor may propose alternative markets or permitted facilities for beneficial, non-disposal use of Recovered Materials to the City to have such materials recycled. The City will consider these options and may grant written permission to Contractor to pursue alternate markets or destination facilities other than the Transfer Station. In the event that the City approves an alternate use of Recovered Materials when the total negative costs exceeds $0 per Ton, the City will reimburse Contractor for 100% of the

actual negative costs (combined transportation and per Ton tip fee and/or processing fee) greater than $0 per Ton of negative costs and up to $47 per Ton. For the Negative Value Materials (Recovered Materials with any net negative costs including and/or processing/tipping fees to have Recovered Materials picked up at the Materials Diversion Facility or delivered to the user's facility) with a negative cost between $47 per Ton and up to $57 per Ton, Contractor will pay for 100% these costs with no reimbursement from the City.

If the total negative cost of Recovered Materials exceeds $57 per Ton (inclusive of transportation costs for Recovered Materials to user), the City will consider the proposal and provide written permission (or denial) to Contractor to pursue the alternate market/use of the Negative Value Materials exceeding $57 per Ton. If the City has approved a negative value use of Recovered Materials $57 per Ton or greater (meaning any negative costs above $57 per Ton, inclusive of transportation cost, tipping fee or processing charge), the City will reimburse Contractor for 100% of the actual negative costs (combined transportation and per Ton tip fee and/or processing fee) greater than $57 per Ton of negative costs. For example, if the City-approved Negative Value Materials for a beneficial use was a total negative cost of $65 per Ton, the City would pay Contractor a total of $55 per Ton (100% City reimbursement from $0 to 47 per Ton, Contractor responsibility with no City reimbursement between $47 per Ton and $57 per ton and additional City reimbursement between negative cost of $57 per Ton and $65 per Ton in this example). Attachment MM has been added to this Contract to present five representative scenarios and sample calculations to further illustrate the meaning and intent of this Contract provision for disposition of costs when no markets exist.

If costs of disposition exceed the limits set forth above in this Section and no alternate markets or beneficial use is available, Contractor may request City's approval to dispose of unmarketable Recovered Materials as MSW. If City grants such approval, Contractor shall transport the materials to the Transfer Station. If City instead directs Contractor to continue to arrange for the materials to be recycled or be directed to an alternate beneficial use other than landfill disposal, City shall reimburse Contractor of the per-Ton cost incurred in their disposition as set forth above.

6. CalRecycle Regulations. Contractor shall comply with all regulations of CalRecycle and any successor agencies that administer the California Beverage Container Recycling and Litter Reduction Act, including but not limited to regulations concerning (1) tracking of tonnages and material types, (2) calculation and allocations of tonnages of each type of material marketed and reported, (3) preparation of all documentation required for transactions involving materials with California Redemption Value (CRV), and (4) all reports prepared for and tracking of funds received for CRV materials, including but not limited to DR-6 and DR-7 reports, as set forth in Public Resources Code Division 12.1, Section 14500 *et seq*, and all regulations relating thereto. Contractor shall be solely responsible for all allocations and calculations of tonnages marketed and all tonnages and pounds reported under each category in the DR-6 and DR-7 reports to CalRecycle.

D. Title and Risk of Loss. Title to, and risk of loss of, Recyclable Materials shall be with Contractor upon delivery to the Materials Diversion Facility. Contractor shall keep the Recyclable Materials and Recovered Materials on site free from liens and other claims of Contractor's creditors.

E. Relationship of Parties. The parties to this Contract intend and hereby agree that their relationship shall be that of independent contractors with respect to the marketing of Recovered Materials. Nothing contained herein shall be construed to create any employment, partnership, joint venture, co-ownership or agency relationship between the parties, and Contractor shall not by any action allow any presumption to arise that a relationship of partnership or agency exists between the parties.

F. Limits on Modes of Disposition. City may direct Contractor to stop delivering Recovered Materials for uses that do not qualify as diversion for purposes of the Act, if uses that do qualify are feasibly available.

6.19 Contractor Reports. On or before the twentieth (20th) day of each month, Contractor shall submit to City a report showing the information required in Attachment R under the heading "Monthly MDF Reports". On or before the twentieth (20th) day of each month, Contractor shall also submit the information required in Attachment DD "MDF Monthly Materials Paid Sales Report" as it may be revised from time to time by the City. The information in Attachment DD shall be reported for the Materials Sales Month that includes the twenty-first (21st) day of each month through the twentieth (20th) day of the following month. The Attachment DD reporting is required for all Materials Diversion Facility materials shipped or transported out of the Materials Diversion Facility on or after May 1, 2008. For example, the MDF Monthly Materials Paid Sales Report submitted on May 20th of a given year would include information for MDF materials sales deposits for the time period of March 21st through April 20th (the previous Materials Sales Month). The information shall be submitted in electronic

sortable format (e.g. Excel pivot table or equivalent) that is compatible with City computer hardware and software. The current reporting format is shown in Attachment DD. Said reporting format may be changed from time to time by the City. Each load shall be identified by, and tracked and reported using the Materials Diversion Facility weight ticket number for that load. The City reserves the right to request additional information from Contractor as described in sections of the Contract including, but not limited to, Section 6.19, Section 9.04 and Section 14.11.

A. Information to Be Provided. The information to be provided includes but is not limited to the "Content" list for each and every materials sales transaction as shown in Attachment DD. The City has made software changes to the Soft Pak Scale System to add fields so that to the extent possible, the information in the Content list may be recorded in the Soft Pak Scale System and then submitted electronically. If certain required fields are not able to be entered and tracked in the Soft Pak Scale System, Contractor shall record and submit the information for which there is not yet a field in Soft Pak (e.g. amount of Broker Fee and to whom it was paid) either using a different electronic format or in hard copy format. In the event it is not possible for the City to add fields to the Soft Pak System for all of the information in the "Content" list in Attachment DD, Contractor shall continue to record and submit the information using a different electronic format or in a hard copy format.

B. Copies of All Purchase Orders. Contractor shall submit, on or before the twentieth (20th) day of each month, scanned copies (in electronic PDF format) of all Purchase Orders for loads shipped out of the Materials Diversion Facility

during the prior calendar month. Copies of Purchase Orders shall be submitted as part of the monthly Attachment DD Reports.

C. Buyer and Broker Information Sheets. Contractor shall complete and sign, under penalty of perjury, a Buyer/Broker Information Sheet as shown in Attachment FF for each buyer of materials from the Materials Diversion Facility and for each broker handling or involved in any materials sales transaction for materials being sold from the Materials Diversion Facility . Contractor submitted the Buyer/Broker Information Sheets for current buyers and brokers within sixty (60) days of the date of the Third Amendment. (The Third Amendment was executed July 30, 2014. The sixty (60) day period ended September 28, 2014.) Contractor shall report any material change in the information submitted for a buyer or broker within ten (10) calendar days of learning of the material change, by submitting a revised Buyer/Broker Information Sheet to the City. Should Contractor desire to make arrangements with a new buyer or broker, Contractor shall submit a Buyer/Broker Information Sheet to the City scalehouse attendants a minimum of forty-eight (48) hours prior to the first shipment of materials outbound from the Materials Diversion Facility to that buyer and/or broker. If this requirement is not met, City may, in its sole discretion, delay the shipment until the requirement is met, and/or direct Contractor to offload the material to prohibit shipment of the material until such time as the requirement is met.

D. Semi-Annual Materials Sales Aging Report. On or before May 15 and November 15 of each year, City will review current materials sales data and will provide Contractor with a list of outstanding materials sales shipments (shipped more than 60 days prior) for which payment has not been received. Contractor shall provide

to City the following information about each outstanding shipment within 45 days (on or before July 1 for the list dated May 15 and on or before January 1 for the list dated November 15): status of the load and date payment is expected; collection activities undertaken to date; collection activities planned to be undertaken by Contractor and on what dates; and if applicable, description and reason(s) why Contractor is recommending that the transaction be "written off" the books as "uncollectible".

E. Weekly Finished Bale Count At Materials Diversion Facility. Contractor shall conduct weekly counts of finished bales of materials stored on-site at the Materials Diversion Facility prior to shipment to buyers and/or brokers. The past practice of the parties has been for Contractor to make a scanned (electronic PDF) copy of the handwritten bale count (listing the number of finished bales of each material type) and send it via electronic mail to the City as an information item. Contractor agrees to continue this practice and to send such handwritten bale count information to City within two (2) business days after the bale count is conducted.

F. Annual Inventory of Materials On Site At Materials Diversion Facility. Contractor shall conduct a physical inventory of all materials on site at the Materials Diversion Facility as of the close of business on June 30 of each year, and shall submit a report of the annual inventory to the City on or before July 10 of each year. The physical inventory shall include a count of all finished bales, all materials in bunkers, hoppers, roll off boxes and other storage containers, and of all materials loose on the Materials Diversion Facility floor, recorded by material type. For loose materials, Contractor shall include in the report the method and calculations used to estimate the quantity of each type of material (e.g. "X" cubic yards of mixed paper at a conversion

factor of "Y" is estimated to be "Z" Tons). Contractor shall notify City at least fourteen (14) calendar days in advance of the annual inventory of the date and time the inventory will be conducted. City shall have the right, but not the obligation, to send an employee or other agent or representative to be present and to observe the inventory process. In years when June 30 falls on a weekend day, Contractor shall conduct the annual inventory at the close of business on the last sorting day of the month of June.

G. Report of Materials Sales Transactions With Affiliated Entities. Contractor shall provide an Agreed-Upon Procedures Report listing all materials sales transactions with Affiliated Entities at the same time that Contractor submits a copy of its audited financial statements to the City. The Agreed-Upon-Procedures Report shall be prepared by Contractor's Certified Public Accountant as described in Attachment LL and shall contain the information listed in Attachment LL. Contractor shall provide City with additional information about the listed transactions within fifteen (15) business days of any City request. City shall pay Contractor the annual cost for preparation of the Agreed-Upon-Procedures Report, not to exceed Two Thousand Five Hundred dollars ($2,500) annually.

H. City-Directed Sale of Materials To Non-Affiliated Entities. In the event the City's review of materials sales data submitted by Contractor shows that materials are being marketed to an Affiliated Entity, City may, in its sole discretion direct Contractor to sell one of the materials that is being marketed to an Affiliated Entity, to a non-Affiliated Entity. In such event, City shall notify Contractor that City intends to direct the sale of a specified material to a non-affiliated third party. Contractor shall provide City with a list of the non-Affiliated Entity buyers for the specified material. City may

select one of the listed buyers and will then request that Contractor fill out a Buyer/Broker Information Sheet (Attachment FF) for that buyer. City may then direct Contractor to ship the next two (2) loads of the specified material (e.g. scrap metal) to the City-selected non-Affiliated Entity. The City may direct the sale of two (2) loads of one type of material to a non-Affiliated Entity a total of two (2) times per calendar year. The data concerning this sales transaction shall be recorded and reported by Contractor in the normal manner as required by this Contract.

I. City-Directed Price Quotes and Sale of Materials. In addition to the provisions of Subsection H above, City shall have the right to direct Contractor to obtain price quotes from buyers and/or brokers (other than those to whom Contractor is selling a specified material) once each calendar year, for up to two (2) types of materials each year. If so directed by City, Contractor shall obtain a minimum of three (3) price quotes for each material type. At least one (1) of the quotes must be from a non-Affiliated Entity. If the quotes are more favorable than the prices and terms Contractor is receiving from its current buyer and/or broker, City will discuss with Contractor the reasons for the price difference and compare the terms. City may direct Contractor to give Contractor's current buyer or broker for the specified material an opportunity to match or exceed the more favorable price and terms offered by the new buyer or broker. In the event Contractor's current buyer or broker refuses or is unable to match the more favorable price and/or terms, City may direct Contractor to sell the materials to the new buyer or broker. In such event City may direct Contractor to complete a Buyer/Broker Information Sheet (Attachment FF) for the new buyer and to ship up to the next ten (10) loads to the new buyer. The data concerning these sales transactions shall

be recorded and reported by Contractor in the normal manner as required by this Contract. City may utilize the provisions of this Subsection "I" for two (2) materials at one time, or may utilize the provisions for a single material type and later in the calendar year utilize the provisions for a second material type.

J. Payment to Contractor For Enhanced Materials Sales Reporting. Beginning February 1, 2011, Contractor was paid for an additional 0.25 full-time equivalent (FTE) of a Customer Service Representative (CSR) position in order to complete the enhanced materials sales data reporting required in this Section 6.19. Beginning August 1, 2014 Contractor was and shall continue to be paid for another 0.25 FTE of a CSR position to complete the reporting required by this Section 6.19. This shall be paid as part of Contractor's Capital and Operating Cost Payment described in Section 12.03.

K. Retention of Records. Contractor shall retain records for all materials sales transactions for a period of three (3) years after the date of receipt or issuance. Such records shall include but not be limited to, Purchase Orders, bookings, copies of checks received in payment for materials, receipts, invoices and other documentation showing the payments, costs and deductions charged by brokers, end markets and processors for freight, shrinkage, packaging, contamination, demurrage, storage and all other charges and costs affecting the final revenue received for the materials, as specified by the City. Records of allocation of materials and calculations used by Contractor to determine the quantities of each type of material listed on the Attachment R and Attachment DD reports as marketed from the Materials Diversion Facility, shall also be maintained by Contractor. Contractor may, at its option, maintain

these records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner.

L. Requests For Additional Information. City may request additional information regarding any Attachment R Report and any Attachment DD Report. Such request shall be in writing and shall describe the information requested with reasonable specificity. Contractor shall furnish the requested information to City within thirty (30) days from the date of the request.

M. Use of Information. City may use records provided pursuant to this Section for any purpose including, but not limited to review by City employees, auditors, contractors or other agents, and review by CalRecycle, its successor or other agencies. Such records and documents may not be considered proprietary by Contractor.

6.20 City Use of Office. City shall have exclusive use of approximately three hundred ninety four (394) square feet of the office space as shown on Attachment M-1.C. In addition ten (10) parking spaces will be reserved for the exclusive use of City staff and invitees. Contractor shall provide, at no charge to City, utilities to this portion of the building, including water, sewer, heat and light, as well as janitorial and building maintenance services. City will provide, at its expense, telephones and other communications equipment, furniture, computers, office supplies.

6.21 Origin Reporting by Jurisdiction. Contractor shall assist City in compiling tonnage data by jurisdiction so that City can provide users of the Materials Diversion Facility with data they are required to submit to CalRecycle.

6.22 Use of Materials Diversion Facility by Designated Hauler for County. If Contractor is also selected by Napa County to provide collection services, it may use the Facility for storage, servicing and maintenance of collection vehicles and equipment used to provide service to County if, but only if, the County and City agree on terms for such use and in compliance with such terms.

6.23 City Access to Materials Diversion Facility. In addition to City's rights under other provisions of this Contract, City and its agents shall have the right at all reasonable times to enter the Materials Diversion Facility to (a) inspect the Materials Diversion Facility , (b) allow prospective future operators and others engaged in municipal solid waste management/recycling to tour the Materials Diversion Facility , (c) serve or post notices required by law or that City considers necessary for protection of City or the Materials Diversion Facility , (d) perform repairs which City is required to make under this Contract, (e) make repairs or alterations to or replacements of the Materials Diversion Facility that City considers necessary or desirable in accordance with the terms of this Contract, (f) take possession due to a default by Contractor, (g) perform any obligations of Contractor that Contractor fails to perform. In addition, City employees/agents may enter the City-office portions of the administrative offices at the MDF shown on Attachment M at any time and without prior notice.

6.24 Proposed Biomass Gasification Plants at Materials Diversion Facility. At the time of this 2021 Contract Amendment, the City and Contractor have had extensive discussions regarding the operating and capital costs for two, one megawatt (MW) biomass gasification plants at the Materials Diversion Facility. To this end, Contractor has developed preliminary operating and capital costs for analysis and

planning purposes. If the City and Contractor agree on the final operating and capital cost for the two biomass gasification plants, the Parties will propose an amendment to this Contract, subject to approval by the City Council, by which the final cost will be added to the compensation spreadsheets contained in Attachment T to this Contract.

The two biomass gasification plants would utilize Wood Waste and suitable portions of Yard Trimmings as feedstock for power generation at the Materials Diversion Facility. Such power will be used at the Materials Diversion Facility or sold.

Although the specifics of an amendment to this Contract, which would fully describe the installation, financing and operations of the proposed biomass gasification plants, have not yet been finalized, the City and Contractor have reached a conceptual agreement on the basic framework for such an amendment and the details of the basic framework are included in Attachment F.

6.25 Proposed Anaerobic Digestion to Biofuel System at Materials Diversion Facility. At the time of the 2021 Contract Amendment, the City and Contactor have had extensive discussions regarding the installation and operation of an Anaerobic Digestion (AD) to biofuel system at the Materials Diversion Facility. The proposed 44,000 Tons per year AD to biofuel system would receive pre-processed Compostables and Packaged Organics to be processed into renewable compressed natural gas, electrical power and “digestate.” The digestate would be collected by Contractor for composting in the CASP. The fuel created by the AD Facility would supply the Contractor's collection vehicles.

In 2014, the City was awarded a $3 million competitive grant from the California Energy Commission (CEC) for the proposed AD to biofuel system. If the City and

Contractor agree on the final terms for the installation and operation of the AD Facility, the Parties will propose an amendment to this Contract, subject to approval by the City Council. Although the specifics of an amendment to this Contract, which would describe the installation and operations of the proposed AD Facility, have not yet been finalized, the City and Contractor have reached a conceptual agreement on the basic framework for such an amendment and the details of the basic framework are included in Attachment F.

ARTICLE 7. EQUIPMENT AND PERSONNEL

7.01 General. Contractor shall furnish all equipment necessary to perform safely and efficiently the services required by this Contract except for the equipment furnished by the City for use at the Materials Diversion Facility which is listed on Attachment M-1.A and recycling containers listed on Attachment M-1.B.

Purchases of replacement equipment shall be made consistent with Attachments K, L and T. Contractor shall not purchase equipment with a cost in excess of $10,000 without City's prior approval.

If Contractor enters into any financial transactions with an Affiliated Entity for the provision of labor, equipment, supplies, services, or capital related to the furnishing of services under this Contract, or for the purchase of Recyclable Materials or sale of Recovered Materials, that relationship shall be disclosed to City, and in the financial reports submitted to City. In such event, the City's rights to inspect records and obtain financial data shall extend to such Affiliated Entity. The provisions of Section 14.04 shall apply to any proposed subcontractor, whether the proposed subcontractor is an Affiliated Entity or other Person.

A. Management and Use of Equipment.

1. Exclusive Use At MDF. Except as expressly permitted herein, Contractor shall not utilize any of the equipment listed in Attachments K, L and M, or any equipment that Contractor is required by this Contract to provide in the future, for any purpose other than operation of the MDF. Said equipment shall not be used for operation of the Transfer Station by Contractor's affiliated company, Northern, for any

operations of NCRWS, or for operations by any other Affiliated Entity. Equipment that shall not be used for any other purpose includes but is not limited to: the MDF water truck, forklift and loader; office equipment; computers; printing and postage resources; and collection equipment such as trucks, roll off boxes, carts and bins.

2. Equipment Identification. All equipment provided by Contractor for operations pursuant to this Contract, including but not limited to vehicles, carts, roll off boxes, bins and rolling stock in the MDF shall be specially marked to indicate that the equipment belongs to Napa Recycling and Waste Services, LLC and is for use solely in the City of Napa. Such painted markings shall be easily visible and recognizable from a distance of one hundred (100) feet as distinguishing Contractor's equipment from that of all other Affiliated Entities, including but not limited to Northern, NCRWS, and 600 Tower Road (DBA Valley Recycling). As part of the markings described herein, Contractor shall consecutively number all three hundred fifty (350) roll off boxes committed by Contractor to City operations as listed in Attachment L. These roll off boxes shall be numbered from 001 to 350 in numbers easily discernable from a distance of one hundred (100) feet. All vehicles and equipment owned by each of Contractor's Affiliated Entities including but not limited to vehicles and roll off boxes shall also be uniquely painted to identify the vehicles and equipment as belonging to each of the Affiliated Entities. Such painted markings shall be easily discernable from a distance of one hundred (100) feet. Contractor completed the above-described painting

and marking by September 30, 2010 and will maintain compliance as equipment is replaced within sixty (60) days of replacement.

3. Accommodation of Affiliate Computer. Contractor may install and operate the local computer owned by Northern and used to store and manipulate data from operation of the Transfer Station in the offices of the MDF. If it does so, Contractor shall be responsible for all maintenance, repair and replacement of the computer, shall carry insurance on it, and shall hold the City harmless for any damage to or destruction of it.

4. No Storage of Other Affiliate Property. Except as provided under the lease between City and NCRWS for storage of NCRWS equipment (City Agreement No 8891), Contractor shall not install or store any other personal property, including but not limited to computers, printers, fax machine, office equipment or any other items that are not specifically dedicated to operations for the City required by this Contract, without the prior written consent of the City. If the City approves the installation or storage of any such equipment at the MDF, Contractor agrees to be fully responsible for maintenance, repair and replacement of all such equipment, to carry insurance on all such equipment, and to hold the City harmless for any damage to or destruction of such equipment.

7.02 Vehicles.

A. General. Contractor shall provide collection and auxiliary vehicles of the type, size and configuration, and in the quantities shown on Attachment K. The one food composting collection CNG vehicle purchased in 2015 shall be replaced with a new and unused vehicle of suitable design and construction for arduous heavy-duty

service by January 1, 2026, as described in Article 12, Attachment T, and Attachment K. Contractor will be compensated for vehicles as set forth in Article 12 and Attachment T. If the Contractor determines that it needs additional or replacement vehicles to perform the scope of work, Contractor is solely responsible for purchasing any additional or replacement vehicles at no additional cost to the City. All vehicles acquired during the Term shall also be new and unused. If it becomes necessary during the Term, a used vehicle may be placed into service on a temporary basis (i.e., no more than 90 days) provided that it is safe, in good operation condition, and equivalent in design and capacity to vehicles in regular service. All vehicles shall comply with all laws and regulations including but not limited to the California Air Resources Board regulations for diesel-fueled solid waste collection vehicles codified at 13 CCR Section 2020 *et seq*.

B. Vehicle Identification. Name of City and Contractor, Contractor's local telephone number, and a unique vehicle identification number for each vehicle shall be prominently displayed on all vehicles. City shall approve all details, including size, color and location of text, I.D. numbers and logo.

C. Cleaning and Maintenance.

1. General. Contractor shall maintain all of its equipment used in providing service under this Contract in a safe, neat, clean and operable condition at all times.

2. Cleaning. The exterior and interior of vehicles used in the collection of MSW, Recyclable Materials and Compostables shall be thoroughly washed by Contractor at least once every working day and thoroughly steam cleaned at least once every week. City may inspect vehicles at any time to determine compliance with

sanitation requirements and aesthetic conditions. Contractor shall make vehicles available to the Napa County Local Enforcement Agency for inspection, at any frequency it requests.

3. Painting. All vehicles used in collection of MSW, Recyclable Materials and Compostables shall be repainted by Contractor at least once every two years, unless the City determines that repainting specific vehicles at that frequency is not necessary because the vehicle's appearance is satisfactory or unless the City determines that repainting a specific vehicle earlier (due to graffiti, wind damage, etc.) is necessary to ensure that the vehicle gives the appearance of having been repainted within the preceding twenty four (24) months.

4. Maintenance. Contractor shall (i) inspect each vehicle daily to ensure that the vehicle and all equipment is operating properly. Vehicles which are not operating properly shall be taken out of service until they are repaired and do operate properly; and (ii) perform or cause to be performed all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Contractor shall keep accurate records of all vehicle maintenance, recorded according to part or vehicle I.D., date, and mileage, and shall make such records available to the City upon request.

5. Repairs. Contractor shall repair, or arrange for the repair of, all vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all vehicles and equipment in a safe and operable condition. If an item of repair is covered by a warranty, Contractor shall obtain warranty performance. Contractor shall maintain accurate records of repair,

which shall include the part or vehicle I.D., date/mileage, nature of repair and the signature of a maintenance supervisor that the repair has been properly performed.

6. Storage. Contractor shall arrange to store all vehicles and other equipment in safe and secure location(s), including 600 Tower Road. Vehicles will be stored at the Materials Diversion Facility or at another location arranged by Contractor and approved by City. Facilities used for storage shall comply with all zoning and land use requirements applicable to the facility. City shall have access to the facility at all times.

D. Operation. Vehicles shall be operated in compliance with the California Vehicle Code and all applicable safety regulations and local ordinances. Vehicles shall be operated only by employees of Contractor who are appropriately licensed by the California Department of Motor Vehicles. Contractor shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by state or local weight restrictions on vehicles. Contractor is solely responsible for paying any fines imposed by the California Highway Patrol, or other regulatory agencies, for violation of these requirements.

E. CNG Vehicles & Refurbishment Plan. Contractor purchased seven compressed natural gas ("CNG") vehicles in 2005 and will now refurbish these seven vehicles and one conventional diesel engine vehicle for use in its commercial and residential fleet as shown on Attachment K. Once the vehicles were received and street-ready, the Contractor submitted its CNG vehicle invoices to the City. The City was awarded grant funds from the Bay Area Air Quality Management District ("BAAQMD"), provided these invoices to BAAQMD and requested distribution of

$315,000 in grant funds pursuant to a Funding Agreement between the City and BAAQMD ("Funding Agreement"). Upon receipt of the grant funds the City remitted them, in a lump sum form, to the Contractor. The seven 2005 CNG vehicles and one conventional diesel engine vehicle will be refurbished by January 1, 2021, will be refurbished for a second time by January 1, 2027, and will continue to be operated through the duration of the Contract as further described in Article 12, Attachment T, and Attachment K. All costs associated with refurbishment and replacement of vehicles are set forth in Article 12 and Attachments K and T.

7.03 MSW, Recycling and Compostables Containers.

A. General. Contractor shall furnish (and deliver to Customers) all containers for storage of (i) MSW, (ii) Recyclable Materials and (iii) Compostables, the type and size of which are shown in Attachment B, and quantities of which are shown on Attachment L. Contractor shall extend the life of the current containers through maintenance and will replace containers with new and unused containers in accordance with the quantities, color, labeling, identification, and schedules shown in Attachments B and L. The type, size and number of containers shall be sufficient to contain, with the lid closed, all MSW, Recyclable Materials and Compostables generated between collections.

B. Repair and Replacement. In addition, to replacing containers in accordance with the quantities, color, labeling, identification, and schedules shown in Attachments B and L, Contractor shall repair or replace all containers damaged by collection operations, or which do not meet vendors' warranties, or as identified by customer or City. City shall have sole and final discretion to determine if the condition

of containers meets the standards set forth in this Contract, and Contractor will respond in a timely manner to address and resolve any container issue(s) identified by the City. When Contractor replaces containers, it must provide a bill of sale and any associated warranty to the City within sixty days of purchase. City will provide Contractor a fixed annual payment for container replacement as described Article 12 and Attachments T and L. If Contractor purchases replacement containers at a cost in excess of the 14-year aggregate of fixed annual payments (as documented by the aggregate dollar value of the bills of sale submitted by Contractor to the City), the Contractor will own the additional replacement containers purchased at a cost in excess of the 14-year aggregate of fixed annual payments.

C. Cleaning, Painting and Maintenance of Contractor-Furnished Containers. Contractor shall maintain all Contractor-furnished containers in a functional condition and so as to present an attractive appearance. Such containers shall be painted and repainted as requested by City. Contractor-furnished containers that have been painted or marked with graffiti shall be repainted or removed from the Premises by Contractor within twenty-four (24) hours of notification by the Customer or City. At the same time as such containers are removed, they shall be replaced by like-sized containers furnished by Contractor without evidence of graffiti. Contractor shall clean and maintain all Contractor-furnished containers in a safe and sanitary condition

and whenever the City, or another agency with jurisdiction as a regulator, determines that cleaning is required to abate a health concern or nuisance condition.

7.04 Materials Diversion Facility Equipment.

A. General. City will provide the equipment listed on Attachment M-1. Contractor shall provide all other equipment, sufficient in number and capacity to perform safely and efficiently the work required by this Contract including but not limited to the equipment listed on Attachment M-2. Contractor shall maintain all existing equipment in good working order and all equipment furnished by Contractor shall be new and unused or refurbished as of January 1, 2021 in accordance with Articles 6 and 12 and Attachments F, H, J, M-1, M-2, and T. All equipment shall be suitable in design and construction for arduous, heavy-duty service in a materials recovery/composting operation and shall comply with all applicable laws and regulations.

B. Mixed C&D Equipment; Temporary Replacements. Equipment initially furnished exclusively for processing Mixed C&D Debris may be used rather than new. If Mixed C&D Debris processing commences, new equipment may be required as provided in Attachment F.

All equipment acquired during the Term shall also be new and unused. If it becomes necessary during the Term, a used piece of equipment may be placed into service on a temporary basis (i.e., no more than 90 days) provided that it is safe, in good operation condition, and equivalent in design and capacity to the equipment it is temporarily replacing.

7.05 City Right to Purchase Equipment, Sales of Equipment. The City shall have the right, but not the duty, to purchase any or all equipment, including vehicles, owned by Contractor at the expiration or earlier termination of this Contract, at its net book value as shown on Contractor's financial statements, which shall be no greater than the purchase price less the accumulated depreciation allowed for such equipment in payments of Contractor's compensation pursuant to Article 12. Prior to November 1, 2005, Contractor delivered to the City properly signed UCC-1 Financing Statements and all other documents necessary or appropriate for the City to secure its purchase options and file, or allow the City to file, such Statements and other documentation as provided in California Commercial Code. As new or replacement equipment is purchased, similar documentation covering it shall be provided by Contractor within thirty (30) days of purchase.

Upon the City's exercise of its option to purchase, Contractor will sign and deliver bills of sale or other documents reasonably requested by City to evidence the transfer of title to all equipment purchased.

If Contractor wishes to lease (rather than purchase) the equipment which it is to furnish, it shall request City's permission to do so and provide to City, for its approval, complete and accurate copies of all equipment leases which it proposes to enter into. The leases must provide that the lessor will, if requested, consent to their assignment to City without charge upon the expiration or earlier termination of this Contract and must provide adequate mechanisms for the City to acquire title to equipment if desired.

If Contractor sells vehicles or other equipment during the Term, its undepreciated value will be removed from the calculation of Contractor's Payment. If the equipment was

fully depreciated before its sale, the revenue received by Contractor from its sale shall be reported to City and deducted from Contractor's Payment.

7.06 Personnel.

A. General. Contractor shall furnish such competent and qualified drivers, laborers, mechanical, supervisory, clerical, managerial and other personnel as may be necessary to provide the services required by this Contract in a safe, efficient, reliable and courteous manner. The minimum complement of employees which Contractor will provide for the scope of work described in this Contract shall be as set forth on Attachment N.

Attachment N shows the personnel complement at the Materials Diversion Facility at the Baseline throughput (80,550 Tons per year). The parties recognize that throughput rates may be greater than Baseline and additional personnel may be required. The Contractor will add personnel as needed to operate the Materials Diversion Facility, without any increase in compensation, except as provided in Section 12.05.

1. General Manager and Controller. Contractor commits to provide seventy-five percent (75%) of one full-time equivalent (FTE) for both the General Manager and Controller positions. The annual work hours of the General Manager, currently Greg Kelley, are seventy-five percent (75%) of one FTE. Contractor agrees the General Manager position will be held by Greg Kelley unless the City approves, in writing, a substitution of another General Manager. Contractor further agrees that the annual work hours provided by the General Manager to the City shall not be reduced below seventy-five percent (75%) of one FTE without the written

consent of the City. For purposes of this Contract one FTE equals two thousand eighty (2080) work hours per year. The annual work hours of the Controller, currently Ken Lydon, are seventy-five percent (75%) of one FTE. Contractor agrees the Controller position will be held by Ken Lydon unless the City approves, in writing, substitution of another Controller. Contractor further agrees that the annual work hours provided by the Controller to the City shall not be reduced below seventy-five percent (75%) of one FTE without the written consent of the City. In order to accommodate the work being performed by the General Manager and the Controller for Affiliated Entities as described herein, those two (2) management employees may utilize their office space at the MDF for such work.

B. Driver Qualifications. All drivers shall be trained and qualified in the operation of waste collection vehicles and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles. Each driver shall carry his/her license during work hours.

C. Uniforms. Contractor shall require its drivers, and all other employees who come into contact with the public in the City during working hours, to wear standardized uniforms bearing the Contractor's name, and to carry an identification badge or other means of identifying the employee. The City shall have the right to approve the style and color of the uniforms. Such uniforms shall present a freshly cleaned appearance. Employees shall be instructed to present employment identification cards to City staff, customers, security guards and law enforcement officers upon request, during work hours.

D. Safety Training. Contractor shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection or processing of MSW, Recyclable Materials and Compostables, or who are otherwise directly involved in such collection or processing.

E. No Gratuities. Contractor shall not permit its employees to demand or solicit, directly or indirectly, any additional compensation or gratuity from members of the public for the collection of MSW, Recyclable Materials and Compostables under this Contract.

F. Employee Conduct and Courtesy. Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. Contractor shall regularly train its employees in customer courtesy, shall prohibit the use of loud or profane language, and shall instruct collection crews to perform the work as quietly as possible. If any employee is found not to be courteous or not to be performing services in the manner required by this Contract, Contractor shall take all necessary corrective measures, including, but not limited to, transfer, discipline or termination. If City has notified Contractor of a complaint related to discourteous behavior, Contractor shall, upon request of City, reassign the employee to duties not entailing contact with the public while the Contractor is pursuing its investigation or disciplinary process.

G. Provision of Recycling/Public Education Supervision. Contractor shall designate one qualified employee as supervisor of recycling and public education activities. The supervisor will devote all of his or her time to these activities.

Contractor shall notify City, in writing, of the name of the supervisor prior to commencing operations and whenever there is a change in the staffing of the position.

H. New Hiring. Contractor shall hire and maintain the necessary complement of employees in order to perform all operations. Contractor shall conduct a background check of each applicant which will, at a minimum, include a check of his/her driving record through the Department of Motor Vehicles, record of criminal convictions, and references. All applicants shall be required to take a standard test for use of illegal drugs and alcohol as a condition of employment. Drivers shall be required to demonstrate proficiency in the English language; at least one person proficient in spoken English shall be on every collection vehicle when that vehicle is in service. Contractor will furnish City with a copy of its training manual and schedule of training of new employees; City may require Contractor to include specific topics in such manual and training program. City may attend and observe any safety or operational training classes. Nothing in this Section 7.06.H shall be construed to give City control over the selection or supervision of Contractor's employees.

I. Ongoing Training and Testing. Contractor shall provide regular safety training on an ongoing basis and shall conduct random drug and alcohol testing of employees in safety-sensitive positions in compliance with regulations issued by the U.S. Department of Transportation.

J. Use of Workers Not Employed by Contractor. If Contractor engages any workers through an independent contractor, such as an employment agency, it shall ensure that such contractor or agency:

1. Complies with the nondiscrimination requirements imposed on Contractor by Section 14.10;

2. Maintains Comprehensive General Liability, workers compensation and Employer's Liability insurance covering such workers in the amount required by Section 11.02A and with policies meeting the other requirements of Section 11.02.

Contractor is responsible for providing qualified and competent workers, whether as direct employees or through workers furnished by an independent contractor. Contractor is also responsible for providing sufficient training to all workers so that they can perform the work in a safe and competent manner and are thoroughly familiar with the work which Contractor is required to perform and the standards it is required to meet, under this Contract.

All drivers, mechanics, sorters, supervisory and managerial workers shall be direct employees of Contractor.

ARTICLE 8. BILLING, ACCOUNT, CUSTOMER, AND OTHER COLLECTION-RELATED SERVICES

8.01 Collections Account Billing.

A. General. Contractor shall: (i) bill customers for MSW and Recyclable Materials collection at the rates established by the City Council from time to time; (ii) coordinate with City's lockbox vendor on matching billings with payments received and identification of returned checks, miscued items and unreadable checks; (iii) establish and maintain courier services for daily forwarding to City's lockbox vendor of payments received in cash and for advance payment of temporary accounts; (iv) establish and maintain a separate credit card system for account payment directly into a City-designated account; (v) provide a full customer service center within City limits (not including City-annexed MDF property); (vi) maintain accurate billing and payment records; (vii) establish billing and collection procedures; and (viii) notify the City of delinquent accounts monthly. Contractor shall adhere to the billing frequencies, provisions regarding format of bills, policies and terms in the Billing Protocol attached as Attachment Q.

B. City Inserts. City may direct Contractor to produce and insert mailers with billings relating to City-sponsored events and integrated waste management activities, to the extent that the mailer does not increase Contractor's normal postage cost for billing. If a postage increase is incurred for said mailing, the City will be responsible for the actual amount of the increase. Any implementation of electronic billing shall include a mechanism to provide insert information that would have been sent out through mailed bills.

C. Delinquent Accounts.

1. Contractor shall be responsible for collecting delinquent charges for services it renders to customers. Contractor shall employ measures, consistent with federal and California laws regulating the collection of debts, to obtain payment of charges including use of its own employees to obtain judgments in Small Claims Court and to enforce such judgments. Contractor shall not (1) assign delinquent accounts to a third party collection agency, or (2) initiate a Small Claims Court action without prior written approval from City.

2. If City elects to assume responsibility for collection of delinquent charges, Contractor shall designate a representative to attend administrative or other hearings as scheduled by City to address delinquent charges for services rendered to any customer by Contractor and/or legal proceedings initiated by the City to collect such charges. Contractor's representative shall provide the customer's account records to the City, together with any other documents requested by the City.

3. If a customer's check is returned, Contractor must note the returned check in the Contractor's customer billing database and provide written notice to customer within 5 business days of receiving notice of the returned check from the bank.

4. Contractor shall be responsible for developing and managing an equipment pull list specifying Containers for accounts that are over 90 days delinquent. Contractor shall implement a process to remove all Containers for those accounts over 90 days delinquent and prioritize the equipment removal of those with the

highest as well as oldest outstanding balances. Contractor shall have a route supervisor verify monthly that drivers are not servicing delinquent accounts that have had equipment pulled.

5. Contractor may suspend or terminate waste collection services provided to any Premises for accounts over 90 days delinquent if the Contractor has fulfilled the requirements set forth in Section 8.01. If Contractor suspends or terminates waste collection services for an account, Contractor must note the suspension or termination in the Contractor's customer billing database.

D. Use of Subcontractor. Contractor may delegate billing-related responsibilities under Subsections A, B, and C to a qualified, experienced and financially responsible firm as a subcontractor, with City's prior written approval.

8.02 Collections Billing Records. Contractor shall keep records of all billing documents and customer account records including, but not limited to, invoices, customer payment coupons mailed with the invoice and collection notices, for a period of three (3) years after the date of receipt or issuance. Contractor may, at its option, maintain those records in electronic machine-readable form or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner.

8.03 Collections Monthly Reports. On a monthly basis, Contractor shall provide the City with the reports outlined below concerning the billing, accounts receivable, delinquent accounts, sales journal, and month-end accounting. The City has

the discretion to request additional reports and to direct Contractor to modify format and content.

A. Accounts Receivable Aging Report consisting of a listing by account of the amounts billed and payments received during the prior month in an Excel document file format. This report shall be submitted to the City on or before the twelfth (12th) day of each month.

B. Cash Receipts Journal consisting of a listing in date order of each payment recorded (including cash, credit card and electronic payments received and all payments reported by the lockbox), customer account number, customer service address and amount received during the prior month. This report shall be submitted to the City on or before the twelfth (12th) day of each month.

C. Delinquent Account Reports which includes an Account Stop List, Payment Plan List, Monthly Update List, and Third Party Collection Agency Report. These reports shall be submitted to the City by the fifth (5th) of every month. These reports will include, in customer account order, the customer name, service address, account number and amount delinquent (i.e., not paid within thirty (30) days) during the prior month. Additionally, the Delinquent Account Reports must include:

1. Account Stop List shall include the list of accounts over 90-days delinquent which had equipment pulled and account stopped within the past calendar month. Contractor must provide separate lists for residential and commercial accounts;

2. Payment Plan List shall include the accounts currently under a payment plan and the associated terms of such payment plan. Contractor must provide separate lists for residential and commercial accounts;

3. Monthly Update List shall include a comprehensive list of all accounts that are over 90-days delinquent including noting which accounts became 90-days delinquent within the past calendar month. Contractor must provide separate lists for residential and commercial accounts; and

4. Third Party Collection Agency Report shall include all new assignments of delinquent accounts to Third party collections, as well as any payments received on accounts.

D. Sales Report consisting of the "Sales Journal" report providing customer payments received during the prior month including any adjustments. The Sales Report shall be submitted to the City on or before the twelfth (12^{th}) day of each month.

E. Month End Accounting Report comparing deposits posted in the Contractor's customer billing database, the deposits received by bank, and the associated variances. Variances on the month end accounting report shall include the customer account number, but if the account number is not available at time or report it shall be provided to the City in the following month. The Month End Accounting Report shall be submitted to the City on or before the twelfth (12th) of each month.

8.04 City Access to Collections Billing Information. Contractor shall provide City with prompt access to all current and up-to-date billing information necessary to allow the City to collect delinquent bills pursuant to the Municipal Code. In addition, Contractor cooperated fully and actively with City staff to effectuate transfer of billing information to the City electronically by January 1, 2006.

Since September 28, 2014, the Contractor has provided and will continue to provide City with read-only real time 24-hour access to all information in Contractor's customer billing database. City shall not have the ability or the right to alter or change any of the data in Contractor's customer billing database. Only the following City personnel shall have access to Contractor's customer billing database: the Materials Diversion Administrator, the Management Analyst/Materials Diversion Analyst, the Waste Prevention Specialist, Code Enforcement Officer, two Accountants, the Finance Manager and an Accounting Technician. Contractor has and will continue to cooperate and consult with City to determine the best mode of read-only access (e.g. via a new workstation located at the MDF, using wireless remote access or an alternative form of access). Contractor has and will continue to provide City with access to Contractor's computer hardware and software to the extent required to establish City's read-only real time access. Hardware and software that may be required includes a computer workstation, other appropriate hardware to be located at the MDF, software (including a minimum of three (3) and a maximum of six (6) Soft-Pak software licenses) and programming required to interface with Contractor's customer billing database. If additional hardware, software or installation is needed in the future, City shall pay the reasonable costs (as determined by City's IT Manager) for the required hardware,

software and installation. City may elect to pay Contractor directly for hardware, software and installation costs (in which case City shall pay Contractor the actual costs plus a three percent (3%) profit); or City may elect to purchase the required equipment, software and installation services directly and/or utilize City's own personnel to perform the installation.

8.05 Gatehouse Account Management and Billing. Historically, the Contractor has managed all MDF Gatehouse accounts. As of July 1, 2018, the City assumed responsibility from the Contractor of management of MDF Gatehouse accounts. While the City assumed this management responsibility, the Contractor continues to be responsible for printing and mailing invoices and statements to Gatehouse account holders. The City is responsible for all other management pertaining to the MDF Gatehouse accounts. By June 15, 2018, the Contractor provided any information pertaining to MDF Gatehouse accounts necessary for the City to comprehensively assume the MDF Gatehouse account management functions. The Contractor shall provide timely and adequate responses to any City questions or requests for information pertaining to MDF Gatehouse accounts that are submitted both before and after the City assumes responsibility for the MDF Gatehouse accounts. While account questions from MDF Gatehouse customers shall be referred to the City after July 1, 2018, the Contractor shall provide customer service to MDF Gatehouse customers that contact the business office or customer service center with general questions or requests for information that are not specific to an individual account. Additionally, if City representatives are not available to accept in-person customer payments from MDF Gatehouse accounts, Contractor will accept in-person payments

for MDF Gatehouse accounts and will then provide the customer payments to the City for processing.

8.06 Public/Customer Service and Accessibility.

A. Business Office and Customer Service Center. Contractor shall establish and maintain a business office at the Materials Diversion Facility (or at a location in the City) for purposes of carrying out its obligations under this Contract. Contractor shall also provide a full customer service center within the City limits (not including City-annexed MDF property).

B. Customer Service Center Hours. Contractor's business office and customer service center shall be open to the public from 8:30 a.m. to 5 p.m. Monday through Friday with telephone access available from 8:00 am to 5 p.m. Monday through Friday. The business office and customer service center may be closed on Saturdays, Sundays and holidays as defined.

C. Availability of Representative. A knowledgeable representative of the Contractor shall be available at both the office and customer service center during office hours to communicate with the City and members of the public in person and by telephone and to assist customers making payment in person. While payments for Collection Accounts will only be taken at the customer service center, the City and the Contractor will work collaboratively to ensure that Gatehouse account payments can be accepted at both the customer service center and business office.

D. Telephone. Contractor shall maintain a telephone in operation at its office during business hours. Incoming calls will be answered as directed by City.

Contractor shall install telephone equipment sufficient to handle the volume of calls typically experienced on the busiest weekday. Contractor shall also maintain an emergency telephone number for use during other than normal business hours and shall provide that number to City. Contractor shall have a representative, or an answering service to contact such representative, available at the emergency telephone number during hours when the office is closed. Contractor shall arrange for the regular telephone number to be listed in all telephone directories generally distributed in the City and on all Contractor's bills and invoices.

Contractor must ensure that telephone calls to it from locations within the City are billed as "local calls" by all telephone companies.

Contractor shall establish a direct tie line between the City and its office to allow the City to transfer service calls received by it directly to the Contractor and to accept calls forwarded to it by Contractor.

If City receives complaints that Customers are unable to reach Contractor's office by phone, or are subject to excessive waiting time "on hold" prior to reaching a customer service representative, City may require that Contractor install additional telephone lines.

E. Correspondence. Contractor shall respond to all written correspondence from City or customers within five (5) business days.

F. Maps, Schedules, Consumer Information. Contractor shall furnish the City with maps and schedules for all collection routes, and shall update such

maps and schedules whenever a change occurs. Contractor shall have current maps and schedules available for inspection by the public at its business office.

In addition, Contractor shall prepare brochures containing information about the collection of MSW, Recyclable Materials and Compostables including: schedules of collections, curbside procedures, etc. Contractor shall distribute such brochures to the occupants of all Residential Premises and Commercial and Business Establishments at least annually. Brochures shall be revised and distributed if there is any material change in the information and, in any event, at least once each year of the Term, prior to January 1 of each calendar year. Information cards shall also be mailed to City residents or businesses upon request.

Contractor will submit drafts of the maps, schedules and brochures to City prior to distribution and will incorporate City's comments in the final version distributed to the public.

8.07 Service Complaints. Contractor shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of, all Customer complaints relating to service and billing. Contractor shall record in a separate log, the format of which is approved by the City, all complaints, noting the name and address of complainant, date and time of complaint, nature of complaint, and nature and date of resolution. This complaint log shall be provided monthly to the City. In addition, Contractor shall compile a summary statistical table of the complaint log (or a copy of the log if requested by City) and submit the table, or copy, to City by the 20th day of each month.

Contractor shall respond to all complaints from Customer within eight (8) working hours of its receipt of notice of the complaint. In particular, if a complaint involves a failure to collect MSW from a Premises, as required by this Contract, Contractor shall collect the MSW in question within such eight (8) hours period, provided it has been placed for collection in accordance with the City's Municipal Code.

8.08 City's Right to Direct Termination of Service to Premises. The City may direct the Contractor to suspend or terminate waste collection services provided to any Premises if the Owner or occupant thereof (or other party responsible for payment) is delinquent in payment of such bills or for other cause as determined by City. Contractor will promptly implement City directions to suspend or terminate service. City shall indemnify and hold Contractor harmless from any liability or costs associated with Contractor's suspending or terminating service in response to directions of the City pursuant to this Section.

8.09 Change in Collection Schedule. Contractor shall obtain written approval from City prior to any change in collection operations which results in a change in the day on which collection occurs at Residential Premises. Contractor will comply with the requirements in Attachment B regarding notice to customers of changes in operations.

8.10 Report of Accumulation of MSW or Unauthorized Dumping. Contractor shall direct its drivers to note (1) the addresses of any Premises at which they observe that MSW is accumulating and is not being placed for collection and (2) the address, or other location description, at which MSW has been dumped in an apparently unauthorized manner. Contractor shall deliver the address or description to City within two (2) working days of such observation.

ARTICLE 9. RECORD KEEPING, REPORTING AND INSPECTIONS

9.01 General. Contractor recognizes that maintenance of accurate and complete records of its operations and timely submission to City of accurate and complete reports is an essential aspect of the service to be provided by it under this Contract.

9.02 Record Keeping. Contractor shall maintain accurate records of (i) personnel, (ii) equipment, (iii) collection operations, (iv) operations of the Materials Diversion Facility, (v) disposal of MSW and MDF Residue, (vi) customer service, (vii) billing and payment, (viii) sale of Recyclable Materials and Compost, (ix) financial matters, (x) any information necessary to report to any regulating agency, and (xi) other matters in such detail and format necessary to compile the reports required by this Contract, including Attachment R.

9.03 Reporting. Contractor shall compile and submit complete and accurate reports required by this Contract, including Attachment R, in the format and at the frequencies specified.

9.04 Inspection by City. The City shall have the right, but not the obligation, to observe and inspect all of the Contractor's operations involved in providing services under this Contract to determine whether Contractor is performing in accordance with this Contract and applicable laws and regulations. Contractor shall cooperate fully with such inspections. In connection therewith, the City shall have the right to enter any of Contractor's facilities, speak to any of Contractor's employees and receive a response to any inquiries directed to such employees, and review and make copies (at City's expense), of all of Contractor's operational and business records related to this

Contract. If City so requests, Contractor shall make specified personnel available to accompany City employees on inspections.

City may periodically investigate Contractor's financial status to determine Contractor's financial capacity to continue to perform in accordance with this Contract. Such investigations will be done at the sole expense of City, using such City employees or independent agents as City deems appropriate. Contractor will cooperate during such investigations and will make available for inspection such records as the City, or its agent, may request.

Contractor shall maintain a complete roster of employees providing service under this Contract. The roster shall contain the name, social security number, job classification and such other information as City may require. The City may inspect the roster, and make a copy thereof at its expense, at any time during business hours.

9.05 Compliance Reporting. Contractor shall submit monthly, quarterly and annual reports to the City documenting the disposition of MSW and shall format such reports so that they may be used by the City for City's compliance with the reporting requirements of the Act, SB 1383 or any other subsequently enacted federal, state or local laws or regulations governing integrated waste management.

9.06 Route Audits. At least once every six (6) month period, beginning in 2006, Contractor shall conduct an audit, during the months of January and July of all collection routes for MSW, Recyclable Materials, and Compostables. The audit shall include, at a minimum, the route number, identification number of vehicles servicing each route, number and types of accounts serviced by route and by truck, number and sizes of containers collected together with the frequency of collection by route and by

truck, weight of MSW, Recyclable Materials, and Compostables by route and by truck, and any pertinent operational details. Results of the route audit shall be delivered to City in their entirety, including, but not limited to, maps of routes with each route numbered, survey sheets, logs, route lists, forms used to gather information, and the like, within ten (10) working days of completion of the audit, and in no event later than February 20 for the audit conducted in January and August 20 for the audit conducted in July, whether undertaken directly by Contractor or on behalf of Contractor by another party.

9.07 SB 1383 Route Reviews. As required by SB 1383, route reviews will be conducted by Contractor annually utilizing container lid flips for each route (or as these requirements may be revised by CalRecycle in the future). Route reviews will be inspected by route type (Commercial, Multi-Family and Residential) and by container type (black/grey, blue and green/brown), and documented via digital or photographic image(s) and recorded into a spreadsheet accessible to CalRecycle. At minimum, route review documentation will include the following:

- The name or account name of each Customer (i.e., person or entity)
- A description of the Contractor route and the addresses where prohibited container contaminants were found.
- Dates route review were conducted.
- Person or persons conducting the action.
- Findings regarding compliance, including educational materials issued.
- Relevant evidence supporting the findings (e.g., photographic images).

9.08 Reporting Information Required by Bond Indenture. City issued revenue bonds in 2016, the proceeds of which were used to finance the costs of acquisition and construction of capital improvements at the Materials Diversion Facility. The bond indenture requires City to furnish annually to the bond trustee information about the City's solid waste system. In order to assist the City in satisfying this obligation, Contractor will provide the following financial information and operating data to City in substantially the form and substance in which this information appeared in the official statement for the bonds:

A. The Tons of solid waste (including refuse, solid waste, recyclables, and Compostables) collected by Contractor in City.

B. Representative residential and commercial rates, and the amount of decrease or increase from the previous year's rates.

C. A summary of doubtful accounts.

D. The number of customers and the amount of revenue by account type (e.g., residential, commercial, drop box).

E. A list of the 10 largest collection service customers billed by the Contractor on behalf of the City.

F. Audited Financial Statements of Contractor (including the SAS 114 Letter and the SAS 115 Letter, if issued), prepared in accordance with Generally Accepted Accounting Principles and audited in accordance with Generally Accepted Auditing Standards showing the results of Contractor's operations for City under this Agreement.

Contractor will furnish this information to City on or before March 10 of each year. The information furnished shall cover the immediately preceding calendar year (e.g. in the case of the documents due March 10, 2018, the information will cover calendar year 2017).

As required by federal securities laws, City will make the information described in this section available to the public through deposit in certain publicly-accessible municipal securities information repositories. Accordingly, Contractor agrees that its obligations under this section are necessary and reasonable in order to protect City and its interests, and expressly agrees that monetary damages would be inadequate to compensate City for any breach of Contractor's obligations under this Section 9.08. Accordingly, Contractor agrees and acknowledges that any such breach or threatened breach will cause irreparable injury to City and that, in addition to any other remedies that may be available, in law, at equity, under this Agreement or otherwise, City shall be entitled to obtain injunctive relief against the breach or threatened breach by Contractor of its obligations under this section, or the continuation of any such breach, without the necessary of City proving actual damages.

9.09 Reporting Required by Regulating Agencies. Contractor will comply with all reporting and record keeping requirements from any regulating agency related to this Contract, such as reporting to CalRecycle as may be required by the Act or SB 1383. Contractor will provide City with copies of any such reports submitted, and such reports shall not replace or reduce the Contractor's responsibility to submit any reports required by this Contract, including Attachment R.

ARTICLE 10. INDEPENDENT CONTRACTOR

10.01 Contractor an Independent Contractor. In the performance of services under this Contract, the Contractor shall be, and is, an independent contractor, and is not an agent or employee of the City. Contractor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons assisting Contractor in the performance of Contractor's services hereunder. Contractor shall be solely responsible for all matters relating to the payment of its employees, including compliance with social security, withholding and all other regulations governing such matters, and shall be solely responsible for Contractor's own acts and those of Contractor's employees and other agents.

10.02 No Partnership or Joint Venture Created. Nothing in this Contract shall be construed as creating a partnership or joint venture between the City and Contractor, or as giving the City a duty to supervise or control the acts or omissions of any person performing services or work under the Contract.

10.03 No Entitlement to Benefits. Neither Contractor nor its officers, employees, agents or subcontractors shall be entitled to any retirement benefits, workers' compensation benefits or any other benefits which accrue to any City employees, and Contractor expressly waives any claim it may have to acquire to such benefits.

ARTICLE 11. INDEMNITY, INSURANCE, BOND

11.01 Indemnification. Contractor shall indemnify, defend and hold harmless City, its officers, employees and agents, from and against any and all loss, liability, penalty, forfeiture, claim, demand, action, proceeding or suit, of any and every kind and description, whether judicial, quasi-judicial or administrative in nature including, but not limited to, injury to and death of any person and damage to property or for contribution or indemnity claimed by third parties (collectively, the "Claims"), arising out of or occasioned in any way by, directly or indirectly, Contractor's performance of, or its failure to perform, its obligations under this Contract. The foregoing indemnity shall not apply to the extent that the Claim is caused solely by the negligence or intentional misconduct of City, its officers, employees or agents, but shall apply if the Claim is caused by the joint negligence of Contractor or other persons. Upon the occurrence of any Claim, Contractor, at Contractor's sole cost and expense, shall defend (with attorneys reasonably acceptable to City) City, its officers, employees, and agents. Contractor's duty to indemnify and defend shall survive the expiration or earlier termination of this Contract.

11.02 Insurance.

A. Types and Amounts of Coverage. Contractor shall procure from an insurance company or companies licensed to do business in the State of California and shall maintain in force at all times during the Term the following types and amounts of insurance:

1. Workers' Compensation and Employer's Liability. Contractor shall maintain workers' compensation insurance covering its employees in statutory amounts and otherwise in compliance with the laws of the State of California. Contractor shall maintain employer's liability insurance in an amount not less than One Million Dollars ($1,000,000) per accident or disease, with a policy limit of One Million Dollars ($1,000,000). Contractor shall not be obligated to carry workers compensation insurance if (i) it qualifies under California law and continuously complies with all statutory obligations to self-insure against such risks; (ii) furnishes a certificate of Permission to Self Insure issued by the Department of Industrial Relations; and (iii) furnishes updated certificates of Permission to Self Insure periodically to evidence continuous self insurance.

2. Comprehensive General Liability and Automobile Liability. Contractor shall maintain comprehensive general liability insurance with a combined single limit of not less than Five Million Dollars ($5,000,000) per occurrence and Five Million Dollars ($5,000,000) annual aggregate covering all claims and all legal liability for personal injury, bodily injury, death, and property damage, including the loss of use thereof, arising out of, or occasioned in any way by, directly or indirectly, Contractor's performance of, or its failure to perform, services under this Contract.

The insurance required by this subsection shall include the following coverage:

(i) Premises Operations (including use of owned and non-owned equipment);

(ii) Products–Completed Operations (including protection against liability resulting from use of Recyclable Materials by another person);

(iii) Personal Injury Liability with employment exclusion deleted;

(iv) Broad Form Blanket Contractual with no exclusions for bodily injury, personal injury or property damage (including coverage for the indemnity obligations contained herein);

(v) Owned, Non-Owned, and Hired Motor Vehicles;

(vi) Broad Form Property Damage; and

(vii) MCS-90 Endorsement as part of automobile liability

The comprehensive general liability insurance shall be written on an "occurrence" basis (rather than a "claims made" basis) in a form at least as broad as the most current version of the Insurance Service Office commercial general liability occurrence policy form (CG0001). If occurrence coverage is not obtainable, Contractor must arrange for "tail coverage" on a claims made policy to protect City from claims filed within four years after the expiration or termination of this Contract relating to incidents that occurred prior to such expiration or termination. Any excess or umbrella policies shall be on a "following form" basis.

3. Pollution Liability. Contractor shall maintain contractor's pollution liability insurance with limits in an amount of not less than Two Million Dollars ($2,000,000) per occurrence and Four Million Dollars ($4,000,000) annual aggregate covering claims for on-site, under-site, or off-site bodily injury and property damage as a result of pollution conditions arising out of its operations under this contract.

4. Hazardous Materials Storage and Transport. Contractor shall maintain insurance coverage of not less than One Million Dollars ($1,000,000) for

personal injury, bodily injury and property damage arising out of the sudden and accidental release of any hazardous materials or wastes during storage at the Materials Diversion Facility or transport of such materials by vehicles owned, operated or controlled by Contractor in the performance of the services required under this Contract.

5. Physical Damage. Contractor shall maintain comprehensive (fire, theft and collision) physical damage insurance covering the vehicles and equipment, including the biofilter media and processing equipment, used in providing service to City under this Contract, with a deductible or self-insured retention not greater than One Hundred Thousand Dollars ($100,000). Notwithstanding the foregoing, Contractor shall be allowed to self-insure for physical damage to its vehicles provided Contractor provides adequate audited financial information to City and City is reasonably satisfied that Contractor has the financial net worth to cover any losses. Contractor shall also maintain physical damage insurance covering Recyclable Materials and Recovered Materials against the perils described in Section 6.18C in an amount equal to fifty percent (50%) of the maximum estimated value of Recyclable Materials and Recovered Materials on site at the Materials Diversion Facility at any one time. The Contractor and City shall each be named as insureds and proceeds of insurance received shall be divided 5% to City and 95% to Contractor for damage to MDF Direct Sale Materials that are processed and sold directly from City MDF as finished product such as compost, gravel, topsoil, chipped wood, and wood mulch; and 70% to City and 30% for damage to Recyclable Materials and all other materials being sold, or planned to be sold into the secondary materials market, including but not limited to, all paper grades, all types of plastics, all types of metals, all biochar, and all glass.

B. Acceptability of Insureds. The insurance policies required by this section shall be issued by an insurance company or companies admitted to do business in the State of California, subject to the jurisdiction of the California Insurance Commissioner, and with a rating in the most recent edition of Best's Insurance Reports of size category VIII or larger and a rating classification of A+ or better.

C. Required Endorsements. Without limiting the generality of Sections 11.02.A and B, the policies shall contain endorsements in substantially the following form:

1. Workers' Compensation and Employers' Liability Policy.

"Thirty (30) days prior written notice shall be given to the City of Napa in the event of cancellation or non-renewal of this policy. Such notice shall be sent to:

CITY OF NAPA
Finance Department
P.O. Box 660
Napa, CA 94559-0660
Attention: Finance Director

"Insurer waives all right of subrogation against City and its officers and employees for injuries or illnesses arising from work performed for City."

2. Comprehensive General Liability Policy; Environmental Liability Policy; Hazardous Materials Policy.

(i) "Thirty (30) days' prior written notice shall be given to the City of Napa in the event of cancellation, reduction of coverage, or non-renewal of this policy. Such notice shall be sent to:

CITY OF NAPA
Finance Department
P.O. Box 660
Napa, CA 94559-0660
Attention: Finance Director

(ii) "The City of Napa, its officers, employees, and agents, are additional insureds on these policies."

(iii) "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by the City of Napa, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."

(iv) "Inclusion of the City of Napa as an insured shall not affect the City's rights as respects any claim, demand, suit or judgment brought or recovered against the Contractor. This policy shall protect Contractor and the City in the same manner as though a separate policy had been issued to each, but this shall not operate to increase the company's liability as set forth in the policy beyond the amount shown or to which the company would have been liable if only one party had been named as an insured."

3. Physical Damage Policy (applies only if Contractor uses insurance as a method of coverage).

(i) Notice of cancellation, reduction in coverage or non-renewal, as provided in Subsection C.2(i)).

(ii) Cross liability endorsement, as provided in Subsection C.2(iv).

(iii) Waiver of subrogation against City.

(iv) Proceeds to be paid to City, to the extent of loss of or damage to Recyclable Materials.

D. Delivery of Proof of Coverage. No later than sixty (60) days before the commencement of operations (i.e., on or before August 1, 2005), Contractor furnished City one or more certificates of insurance on a standard ACORD form substantiating that each of the coverages required hereunder are in force, in form and substance satisfactory to City. The certificates showed the type and amount of coverage, effective dates and dates of expiration of policies and shall be accompanied by all required endorsements. Contractor furnished renewal certificates to City to demonstrate maintenance of the required coverages throughout the Term.

No later than thirty (30) days before the Effective Date, October 18, 2022, of this Contract, Contractor shall furnish renewal certificates to City to demonstrate maintenance of the required coverages throughout the Term. Contractor shall continue to furnish renewal certificates to City to demonstrate maintenance of the required coverages throughout the Term. If City requests, copies of each policy, together with all endorsements, shall also be promptly delivered to City.

E. Other Insurance Requirements

1. In the event performance of any services is delegated to a subcontractor, Contractor shall require such subcontractor to carry the coverage and comply with the terms set forth in this Section 11.02. The liability insurance required by Subsection 11.02.A.2 shall cover all subcontractors or the subcontractor must furnish evidence of insurance provided by it meeting all of the requirements of this Section 11.02.

2. Contractor shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Contractor from any obligation under this Contract, including those imposed by Section ARTICLE 11. . If any claim is made by any third person against Contractor or any subcontractor on account of any occurrence related to this Contract, Contractor shall promptly report the facts in writing to the insurance carrier and to the City.

3. If Contractor fails to procure and maintain any insurance required by this Contract, City 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. Alternatively, the City may treat the failure as a Contractor Default.

4. City is not responsible for payment of premiums for or deductibles under any required insurance coverages. City is responsible to obtain insurance for and pay the premium for the organics pre-processing equipment which the City has previously purchased and installed.

11.03 Faithful Performance Bond. On or before January 4, 2005, Contractor filed with City a bond securing the Contractor's faithful performance of its obligations under this Contract. The principal sum of the bond was for Five Million Dollars ($5,000,000) in the form set out in Attachment S. The bond was executed by a surety admitted to issue surety bonds in the State of California, regulated by the California Insurance Commissioner and with a financial condition and record of service satisfactory to City.

The bond was extended, or replaced by a new bond in the same principal sum, for the same term (i.e., twenty-four (24) months) and in the same form, bi-annually thereafter and the term of the current bond shall be not less than twenty-four (24) months, or until December 31, 2031, whichever occurs first.

No later than thirty (30) days before the Effective Date, Contractor must provide evidence of a bond that is in effect and secures the Contractor's faithful performance of its obligations under this Contract. The principal sum of the bond shall be for Five Million Dollars ($5,000,000) and the bond will continue to adhere to the same requirements as listed above.

Not less than ninety (90) days before the expiration of the bond, the Contractor shall furnish either a replacement bond or a continuation certificate substantially in the form attached as Attachment S-2, executed by the surety.

It is the intention of this Section that there be in full force and effect at all times a bond securing the Contractor's faithful performance of the Contract, throughout its Term.

11.04 Alternative Security. City may, in its sole discretion, allow Contractor to provide alternative security in the amount set forth in Section 11.03, in the form of (a) a prepaid irrevocable standby letter of credit in form and substance satisfactory to City and approved by the City Attorney and issued by a financial institution acceptable to City, or (b) a certificate of deposit in the name of the City with a term satisfactory to City and with a financial institution acceptable to City.

11.05 Hazardous Waste Indemnification. Contractor shall indemnify, defend with Counsel approved by the City, protect and hold harmless the Indemnitees against all claims, of any kind whatsoever paid, incurred or suffered by, or asserted against Indemnitees arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Wastes at any place where Contractor stores or disposes of Hazardous Wastes pursuant to this Contract except to the extent that Contractor can demonstrate that such claim arises solely from Hazardous Wastes collected and deposited by City employees acting within the ordinary course and scope of their employment. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e)

of the Comprehensive Environmental Response, Compensation and Liability Act, ("CERCLA"), 42 U.S.C. Section 9607(e), and California Health and Safety Code Section 25364, to defend, protect, hold harmless and indemnify Indemnitees from liability.

11.06 Integrated Waste Management Act Indemnification. Contractor agrees to indemnify and hold harmless the Indemnitees against all fines and/or penalties imposed by CalRecycle or the Local Enforcement Agency (LEA): a) based on Contractor's failure to comply with laws, regulations or permits issued or enforced by the CalRecycle or the LEA; b) caused or contributed to by the Contractor's failure to perform obligations under this Contract. This indemnity obligation is subject to the limitations and conditions in Public Resource Code Section 40059.1 but is enforceable to the maximum extent allowable by that Section.

ARTICLE 12. COMPENSATION TO CONTRACTOR

12.01 General. The payments provided for in this Article are the full, entire and complete compensation due to Contractor from City for furnishing all labor, equipment, materials and supplies and all other things necessary to perform all of the services required by this Contract in the manner and at the time prescribed, and for fulfilling all of its obligations under this Contract, including but not limited to the collection of MSW, Recyclable Materials, Food Scraps, Yard Trimmings, Wood Material and Construction and Demolition Debris in accordance with Article 4, the transportation of such materials in accordance with Article 5, and the operation of the Materials Diversion Facility in accordance with Article 6. Such payments shall include all costs for the items mentioned above and also for all taxes (other than a possessory interest tax), insurance, bonds, overhead, profit and all other costs necessary or appropriate to perform the services in accordance with this Contract. Based upon its investigation and operating experience, Contractor warrants and guarantees that the capital and operating costs in Attachment T, Tables 1 through 16 (described more fully below) include all costs required to perform all the duties and responsibilities required by the 2022 Contract Amendment.

12.02 Summary of Contactor Compensation. City will pay Contractor base operating and capital cost payments as described in Section 12.03. In addition, City will pay Contractor various other payments throughout each calendar year for additional services not included in the base operating and capital cost payment. Table 12.1 below summarizes all of the anticipated payments City will make to Contractor.

12.03 Operating & Capital Cost Payments. City will pay Contractor the amount provided in this Section to cover the operating and capital costs incurred in performing the services required by this Contract, monthly in arrears. The Operating and Capital Cost Payment for the periods described below will be, or will be calculated, as follows:

A. January 1, 2018 through December 31, 2018. The Operating and Capital Cost Payment was Ten Million, Eight Hundred Fifty Eight Thousand, Four Hundred Twenty and 74/100 dollars ($10,858,420.74) which is equal to the annual Operating and Capital Cost Payment for calendar year 2018, as shown on Attachment T-1. This amount is based on the annual Operating and Capital Cost Payment with the CASP baseline throughput payment of One Hundred Twenty Nine Thousand and 67/100 dollars ($129,000.67) deducted from the baseline Operating and Capital Cost Payment for calendar year 2018. The amount also takes into account the annual reduction of One Hundred Twenty Five Thousand dollars ($125,000) for economies of scale achieved due to NRWS's sister company, NCRWS, being awarded the solid waste and recycling contract for the County of Napa for the same Term as this Agreement.

B. In addition to the baseline Operating and Capital Cost Payment for calendar year 2018, City paid Contractor One Million, One Hundred Six Thousand, Two Hundred Sixty Six and 72/100 dollars ($1,106,266.72) for Fuel and Electricity.

C. For calendar year 2018, City paid Contractor Two Hundred Twelve Thousand, Four Hundred Fifty One and 46/100 dollars ($212,451.46) for operating expenses, and Fifty One Thousand, Four Hundred Sixty Five dollars ($51,465) as

shown in Attachment T-5B for capital costs associated with Commercial Food Scrap Collection Program.

D. For calendar year 2018, City paid Contractor Five Thousand, Eight Hundred Fifty Seven and 97/100 dollars ($5,857.97) for operating expenses, and zero dollars ($0) as shown in Attachment T-6B for capital costs associated with Recycle More Program.

E. For calendar year 2018, City paid Contractor One Hundred Forty Six Thousand, Six Hundred Ten dollars ($146,610) for City's seventy (70) percent share of operating expenses of Two Hundred Nine Thousand, Four Hundred Forty Three dollars ($209,443) as shown in Attachment T-7 for operating costs associated with four "Partnership" sorting positions.

F. For calendar year 2018, City paid Contractor Ninety Three Thousand, One Hundred Eight and 20/100 dollars ($93,108.20) for City's seventy (70) percent share of capital expenses of Seventy Eight Thousand, Seventy Four and 71/100 dollars ($78,074.71) as shown in Attachment T-9A and for City's seventy (70) percent share of operating costs of Fifty Four Thousand, Nine Hundred Thirty Seven dollars ($54,937) as shown in Attachment T-9B for operating costs associated with City-approved Clean MRF Upgrade Options.

G. For the first half of calendar year 2018, the City paid Contractor Twenty Six Thousand, Seven Hundred Eighteen and 50/100 dollars ($26,718.50) for half of annual operating expenses of Fifty Three Thousand, Four Hundred Thirty Seven dollars ($53,437) and Four Thousand, Four Hundred Twenty Two and 50/100 dollars ($4,422.50) for half of the annual Eight Thousand, Eight Hundred Forty Five dollars

($8,845) for annual fuel costs as shown in Attachment T-10A associated with new Commercial Sunday Collection Service that began on July 1, 2018.

H. Additional One-Time Supplemental Payments in 2018. In addition to the payments discussed above, by August 31, 2018 the City paid Contractor (a) a One-Time Supplemental Payment for additional 95% of Direct Materials Sales between January 1, 2018 and March 31, 2018, capital and operating costs from July 1, 2017 through May 31, 2018, Fuel and Electricity Payment between January 1, 2017 through December 31, 2017, Commercial Food Scrap Route between January 1, 2018 through March 31, 2018, 70% of MRF Upgrade between January 1, 2018 through March 31, 2018, Recycle More Route between January 1, 2018 through March 31, 2018, 70% of the Partnership Program between January 1, 2018 through March 31, 2018, NVUSD costs between January 1, 2018 through March 31, 2018, and Allowance-Based programs January 1, 2018 through March 31, 2018 in the amount of One Million, Four Hundred Eighty Four Thousand, Nine Hundred Sixty One and 40/100 dollars ($1,484,961.40) described in Table 12.1; and (b) an “Additional Payment” for Over Baseline Tons processed during the period from January 1, 2017 through December 31, 2017 in the amount of Two Million, Eight Hundred Thirty Six Thousand, One Hundred Five and 01/100 dollars ($2,836,105.01) pursuant to Section 12.05.

I. Calendar Year 2019 (Year 2). The Operating and Capital Cost Payment for calendar year 2019 was Eleven Million, Four Hundred Sixty Five Thousand, Three Hundred Seventy Seven and 66/100 dollars ($11,465,377.66) which is equal to the annual Operating and Capital Cost Payment for calendar year 2019, as shown on Attachment T-1. This amount is based on the annual Operating and Capital

Cost Payment with the CASP baseline throughput payment of One Hundred Thirty Two Thousand, Four Hundred Fourteen and 96/100 dollars ($132,414.96) deducted from the baseline Operating and Capital Cost Payment for calendar year 2019 as operation of the Covered Aerated Static Pile (CASP) was not yet in operation during 2019. The amount also takes into account the annual reduction of One Hundred Twenty Five Thousand dollars ($125,000) for economies of scale achieved due to NRWS's sister company, NCRWS, being awarded the solid waste and recycling contract for the County of Napa for the same Term as this Agreement.

J. In addition to the baseline Operating and Capital Cost Payment for calendar year 2019, City paid Contractor One Million, Ninety Eight Thousand, Two Hundred Twenty-Four and 57/100 dollars ($1,098,224.57) for Fuel and Electricity as shown in Attachment T-1. In addition, the City made a one-time supplemental payment in the amount of One Hundred Forty Seven Thousand, Six Hundred Sixty Three and 61/100 dollars ($147,663.61) for additional Fuel and Electricity costs incurred by Contractor in 2019 (the payment included the 3% base profit margin).

K. For calendar year 2019, City paid Contractor Two Hundred Seventeen Thousand, Eight Hundred Twenty Six and 31/100 dollars ($217,826.31) for operating expenses associated with Commercial Food Scrap Collection Program as shown in Attachment T-5A as adjusted by annual labor and non-labor contract inflation escalators.

L. For calendar year 2019, City paid Contractor Six Thousand Four and 42/100 dollars ($6,004.42) for operating expenses as shown in Attachment T-6A associated with Recycle More Program.

M. For calendar year 2019, City paid Contractor One Hundred Fifty One Thousand, Six Hundred Ninety and 84/100 dollars ($151,690.84) for City's seventy (70) percent share of operating expenses of Two Hundred Sixteen Thousand, Seven Hundred One and 20/100 dollars ($216,701.20) as shown in Attachment T-7 for operating costs associated with four "Partnership" sorting positions.

N. For calendar year 2019, City paid Contractor Fifty Three Thousand, Twenty Three and 40/100 dollars ($53,023.40) for City's seventy (70) percent share of capital expenses of Seventy Five Thousand, Seven Hundred Forty-Seven and 71/100 dollars ($75,747.71) as shown in Attachment T-9A and Thirty Nine Thousand, Four Hundred Seventeen and 30/100 dollars ($39,417.30) for City's seventy (70) percent share of operating costs of Fifty Six Thousand, Three Hundred Ten and 43/100 dollars ($56,310.43) as shown in Attachment T-9B for operating costs associated with City-approved Clean MRF Upgrade Options.

O. For calendar year 2019, City paid Contractor Fifty Five Thousand, Two Hundred Ninety Five and 30/100 dollars ($55,295.30) for annual operating expenses of and Eight Thousand, Eight Hundred Forty Five dollars ($8,845.00) for half of annual Seventeen Thousand, Six Hundred Ninety dollars ($17,690.00) for annual fuel costs as shown in Attachment T-10A associated with the Commercial Sunday Collection Service.

P. **Calendar Year 2020 (Year 3).** The Operating and Capital Cost Payment for calendar year 2020 was Twelve Million, Nine Hundred Seventy Seven Thousand, Eight Hundred Fifty-Three and 06/100 dollars ($12,977,853.06) which is equal to the annual Operating and Capital Cost Payment for calendar year 2020, as

shown on Attachment T-1. This amount is based on the annual Operating and Capital Cost Payment with the CASP baseline throughput payment of Thirteen Million, One Hundred Five Thousand, Eight Hundred Fifty Three and 06/100 dollars ($13,105,853.06). The amount also takes into account the annual reduction of One Hundred Twenty Five Thousand dollars ($125,000) for economies of scale achieved due to NRWS's sister company, NCRWS, being awarded the solid waste and recycling contract for the County of Napa for the same Term as this Agreement. The amount also takes into account a Five Hundred dollar ($500) per month lease from the City to Contractor for the City's second floor office at the MDF administration building beginning on July 1, 2020 and ending on December 31, 2024, unless the parties agree to an extension. The lease rate will be increased by 2.5% annually beginning on January 1, 2022, subject to the terms of the lease. The City reserves the right to reoccupy the upstairs office space and cease the rental with a 90-day advance notice to Contractor. As of the execution of the 2022 amendment, the City has paid the Contractor Twelve Million, Ninety Two Thousand, Seven Hundred Ninety Two dollars ($12,092,792). By October 31, 2022, the City will pay Contractor a One-Time Supplemental Payment of Nine Hundred Forty-Four Thousand, Three Hundred Thirty-Eight and 90/100 dollars ($944,338.90) for the first year of full CASP and Stormwater operations (which includes 3% Base Profit Margin and interest set at the LAIF rate of 3.24%), which the City previously agreed to pay Contractor, but the parties were unable to quantify because the facilities had not yet been built or permitted.

Q. In addition to the baseline Operating and Capital Cost Payment for calendar year 2020, City paid Contractor One Million, Two Hundred Twenty Two

Thousand, One Hundred Fifty Eight and 52/100 dollars ($1,222,158.52) for Fuel and Electricity as shown in Attachment T-1. In addition, the Contractor provided a credit to the City for overpayment by City based on actual Fuel and Electricity costs during 2020 in the amount of Thirty-Eight Thousand, Five Hundred Nineteen and 52/100 dollars ($38,519.52).

R. For calendar year 2020, City paid Contractor Two Hundred Sixteen Thousand, Ten and 43/100 dollars ($216,010.43) for operating expenses associated with Commercial Food Scrap Collection Program as shown in Attachment T-5A as adjusted by annual labor and non-labor contract inflation escalators.

S. For calendar year 2020, City paid Contractor Six Thousand, One Hundred Fifty Four and 53/100 dollars ($6,154.53) for operating expenses as shown in Attachment T-6A associated with Recycle More Program.

T. For calendar year 2020, City paid Contractor One Hundred Fifty Six Thousand, Nine Hundred Forty Eight and 24/100 dollars ($156,948.24) for City's seventy (70) percent share of operating expenses of Two Hundred Twenty Four Thousand, Two Hundred Eleven and 77/100 dollars ($224,211.77) as shown in Attachment T-7 for operating costs associated with four "Partnership" sorting positions.

U. For calendar year 2020, City paid Contractor Ninety One Thousand, Seven Hundred Thirty Two and 83/100 dollars ($91,732.83) for City's seventy (70) percent share of capital expenses of Seventy Three Thousand, Three Hundred Twenty Eight and 71/100 dollars ($73,328.71) as shown in Attachment T-9A and for City's seventy (70) percent share of operating costs of Fifty Seven Thousand,

Seven Hundred Eighteen and 19/100 dollars ($57,718.19) as shown in Attachment T-9B for operating costs associated with City-approved Clean MRF Upgrade Options.

V. For calendar year 2020, City paid Contractor Fifty Seven Thousand, Two Hundred Eighteen and 33/100 dollars ($57,218.33) for annual operating expenses as shown in Attachment T-10A associated with the Commercial Sunday Collection Service.

W. Calendar Year 2021 (Year 4). The Operating and Capital Cost Payment for calendar year 2021 was Thirteen Million, Two Hundred Eighty Thousand, Seven Hundred Forty Eight and 25/100 dollars ($13,280,748.25) which is equal to the annual Operating and Capital Cost Payment for calendar year 2021, as shown on Attachment T-1. This amount is based on the annual Operating and Capital Cost Payment with the CASP baseline throughput payment of Thirteen Million, Four Hundred Eleven Thousand, Seven Hundred Forty Eight and 25/100 dollars ($13,411,748.25). The amount also takes into account the annual reduction of One Hundred Twenty Five Thousand dollars ($125,000) for economies of scale achieved due to NRWS's sister company, NCRWS, being awarded the solid waste and recycling contract for the County of Napa for the same Term as this Agreement. The amount also takes into account a Five Hundred dollar ($500) per month lease from the City to Contractor for the City's second floor office at the MDF administration building beginning on July 1, 2020 and ending on December 31, 2024, unless the parties agree to an extension.

X. In addition to the baseline Operating and Capital Cost Payment for calendar year 2021, City paid Contractor One Million, One Hundred Eighty Eight Thousand, Five Hundred Twenty Two and 14/100 dollars ($1,188,522.14) for Fuel and

Electricity as shown in Attachment T-1. In addition, the City made a one-time supplemental payment in the amount of One Hundred Eighty Six Thousand, Seven Hundred Ten and 47/100 dollars ($186,710.47) for additional Fuel and Electricity costs incurred by Contractor in 2021 (the payment included the 3% base profit margin).

Y. For calendar year 2021, City paid Contractor Two Hundred Twenty Eight Thousand, Five Hundred Fifty Seven dollars ($228,557) for operating expenses associated with Commercial Food Scrap Collection Program as shown in Attachment T5A as adjusted by annual labor and non-labor contract inflation escalators.

Z. For calendar year 2021, City paid Contractor Six Thousand, Three Hundred Eight and 39/100 dollars ($6,308.39) for operating expenses as shown in Attachment T-6A associated with Recycle More Program.

AA. For calendar year 2021, City paid Contractor One Hundred Sixty Two Thousand, Three Hundred Eighty Eight and 36/100 dollars ($162,388.36) for City's seventy (70) percent share of operating expenses of Two Hundred Thirty One Thousand, Nine Hundred Eighty Three and 37/100 dollars ($231,983.37) as shown in Attachment T-7 for operating costs associated with four "Partnership" sorting positions.

BB. For calendar year 2021, City paid Contractor Ninety Thousand, Nine Hundred Eighty Three and 10/100 dollars ($90,983.10) for City's seventy (70) percent share of capital expenses of Seventy Thousand, Eight Hundred Fourteen and 71/100 dollars ($70,814.71) as shown in Attachment T-9A and for City's seventy (70) percent share of operating costs of Fifty Nine Thousand, One Hundred Sixty One and 14/100 dollars ($59,161.14) as shown in Attachment T-9B for operating costs associated with City-approved Clean MRF Upgrade Options.

CC. For calendar year 2021, City paid Contractor Fifty Nine Thousand, Two Hundred Eight and 36/100 dollars ($59,208.36) for annual operating expenses as shown in Attachment T-10A associated with the Commercial Sunday Collection Service.

DD. Additional One-Time Supplemental Payment in 2021. By October 31, 2022, the City will pay Contractor a One-Time Supplemental Payment of Nine Hundred Thirty-Five Thousand, Three Hundred Fifty-Six dollars and 55/100 dollars ($935,356.55) for the second year of full CASP and Stormwater operations and related capital improvements (which includes 3% base profit margin), which the City previously agreed to pay Contractor, but the parties were unable to quantify because the facilities had not yet been built or permitted.

EE. Calendar Year 2022 (Year 5). The Operating and Capital Cost Payment for calendar year 2022 will be Thirteen Million, Five Hundred Fifty Two Thousand, Three Hundred Sixty Eight and 34/100 dollars ($13,552,368.34) which is equal to the annual Operating and Capital Cost Payment for calendar year 2021, as shown on Attachment T-1. This amount is based on the annual Operating and Capital Cost Payment with the CASP baseline throughput payment of Thirteen Million, Six Hundred Eighty Three Thousand, Five Hundred Eighteen and 34/100 dollars ($13,683,518.34). The amount also takes into account the annual reduction of One Hundred Twenty Five Thousand dollars ($125,000) for economies of scale achieved due to NRWS's sister company, NCRWS, being awarded the solid waste and recycling contract for the County of Napa for the same Term as this Agreement. The amount also takes into account a Five Hundred Twelve and 50/100 dollar ($512.50) per month lease from the City to Contractor for the City's second floor office at the MDF administration

building beginning on July 1, 2020 and ending on December 31, 2024, unless the parties agree to an extension.

FF. In addition to the baseline Operating and Capital Cost Payment for calendar year 2022, on a monthly basis, the City will pay the Contractor 1/12 of the annual total Fuel and Electricity cost for 2021 which is One Million, Three Hundred Seventeen Thousand, Seventy and 73/100 dollars ($1,317,070.73) as shown in Attachment T-1. The annual total Fuel and Electricity cost for 2021 is calculated based on the actual total Fuel and Electricity costs from October 2020 through September 2021. At the end of 2022, the parties will review the Contractor's actual documented costs (as verified by the City) for Fuel and Electricity costs incurred during 2022 and either (a) the City will make a one-time additional payment to the Contractor for additional Fuel and Electricity costs incurred by Contractor, or (b) the Contractor will provide a credit to the City for overpayment by City based on actual Fuel and Electricity costs during 2022. The payment will be made or credit applied during the first quarter of 2023.

GG. For calendar year 2022, City will pay Contractor Two Hundred Thirty Four Thousand, Four Hundred Ninety Five and 53/100 dollars ($234,495.53) for operating expenses associated with Commercial Food Scrap Collection Program as shown in Attachment T-5A as adjusted by annual labor and non-labor contract inflation escalators.

HH. For calendar year 2022, City will pay Contractor Six Thousand, Four Hundred Sixty Six and 10/100 dollars ($6,466.10) for operating expenses as shown in Attachment T-6A associated with Recycle More Program.

II. For calendar year 2022, City will pay Contractor One Hundred Sixty Eight Thousand, Seventeen and 55/100 dollars ($168,017.55) for City's seventy (70) percent share of operating expenses of Two Hundred Forty Thousand, Twenty Five and 07/100 dollars ($240,025.07) as shown in Attachment T-7 for operating costs associated with four "Partnership" sorting positions.

JJ. For calendar year 2022, City will pay Contractor Ninety Thousand, One Hundred Eighty Seven and 92/100 dollars ($90,187.92) for City's seventy (70) percent share of capital expenses of Sixty Eight Thousand, One Hundred Ninety Nine and 71/100 dollars ($68,199.71) as shown in Attachment T-9A and for City's seventy (70) percent share of operating costs of Sixty Thousand, Six Hundred Forty and 17/100 dollars ($60,640.17) as shown in Attachment T-9B for operating costs associated with City-approved Clean MRF Upgrade Options.

KK. For calendar year 2022, City will pay Contractor Sixty One Thousand, Two Hundred Sixty Seven and 73/100 dollars ($61,267.73) for annual operating expenses as shown in Attachment T-10A associated with the Commercial Sunday Collection Service.

LL. **Additional One-Time Supplemental Payment in 2022**. By October 31, 2022, the City will pay Contractor a One-Time Supplemental Payment of Seventy Four Thousand, Nine Hundred Ninety Six and 68/100 dollars ($74,996.68) per month (which includes 3% Base Profit Margin) for each month prior to the execution of the 2022 contract amendment for the third year of CASP and Stormwater operations and related capital improvements.

MM. Calendar 2023 (Year 6). The Operating and Capital Cost Payment for calendar year 2023 will include the following additional compensation for the SB 1383 Contract Amendment: (1) $647,329.23 for SB 1383 Expanded Commercial Collection costs as shown in Attachment T-5C; (2) $92,509.00 for SB 1383 Collection Capital costs as shown in Attachment T-5D; and (3) $788,525.45 for SB 1383 Enhanced Processing Costs, the escalated cost as shown in Attachment T-5C and based upon 2022 dollars shown in Attachment T-17; all of which have been escalated into 2023 dollars according to the terms of the 2022 Contract Amendment. The Operating and Capital Cost Payment for calendar year 2023 will be calculated as follows:

Labor related costs as adjusted for 2022 will be multiplied by one plus three point five percent (1.035).

On a monthly basis, the City will pay the Contractor 1/12 of the annual total Fuel and Electricity cost for 2022, which is calculated based on the actual total Fuel and Electricity costs from October 2021 through September 2022. At the end of 2023, the parties will review the Contractor's actual documented costs (as verified by the City) for Fuel and Electricity costs incurred during 2023 and either (a) the City will make a one-time additional payment to the Contractor for additional Fuel and Electricity costs incurred by Contractor, or (b) the Contractor will provide a credit to the City for overpayment by City based on actual Fuel and Electricity costs

during 2023. The payment will be made or credit applied during the first quarter of 2024.

Starting on January 1, 2023, and annually thereafter, the City will pay Contractor an additional One Hundred Thousand dollars ($100,000) for Stormwater Solutions contract costs for industrial stormwater treatment services. This non-labor operating cost. Starting in calendar year 2024, this cost will subject to the one plus two point five percent (1.025) escalator described in the next paragraph.

All other non-labor operating costs as adjusted for calendar year 2022 will be multiplied by one plus two point five percent (1.025). If the Non-Labor Index exceeds 5% for the twelve-month period ending on September 30, 2022, each party will be responsible for 50% of all the increase in excess of 5%. For example, if the Non-Labor Index is 8% to be applied to calendar year 2023, then the City would pay Contractor an additional 1.5% (50% above 5%) for all non-labor cost categories in Attachment T-1 and the adjustment factor would be increased from 1.025 (2.5%) to 1.04 (4%) for that given year.

Capital costs will be as shown on Attachment T.

The City's monthly lease to the Contractor for the City's second floor office at the MDF administration building ending on December

31, 2024 unless the parties agree to an extension. The lease rate of Five Hundred dollars ($500 per month will be increased by 2.5% annually beginning on January 1, 2022.

Compensation to Contractor will also be adjusted pursuant to the Reconciliation Review Process conducted during calendar year 2022 as described in Attachment U and U-1.

The Operating and Capital Cost Payment for calendar year 2023 is therefore the sum of:

Labor Related Costs (Adjusted)

Fuel and Energy Costs (Compared to Actuals)

Other operating Costs (Adjusted)

Capital Costs (Per Attachment T)

MDF City Office Space Lease

Reconciliation Review Process

NN. Calendar Year 2024 (Year 7). The Operating and Capital Cost Payment for calendar year 2024 will include the following additional compensation for the SB 1383 Contract Amendment: (1) $667,968.51 for SB 1383 Expanded Commercial Collection costs as shown in Attachment T-5C; (2) $90,457.00 for SB 1383 Collection Capital costs as shown in Attachment T-5D; and (3) $811,026.71 for SB 1383 Enhanced Processing Costs, the escalated cost as shown in Attachment T-5C and based upon 2022 dollars shown in Attachment T-17; and (4) $377,367.00 for SB 1383 Enhanced Processing Capital Costs as shown in Attachment T-17B; all of which will be

escalated into 2024 dollars according to the terms of the 2022 Contract Amendment. Starting in calendar year 2024, the Operating and Capital Cost Payment will also include Enhanced Processing Capital Costs. The Operating and Capital Cost Payment for calendar year 2024 will be calculated as follows:

Labor related costs as adjusted for 2023 will be multiplied by one plus three point five percent (1.035).

On a monthly basis, the City will pay the Contractor 1/12 of the annual total Fuel and Electricity cost for 2023, which is calculated based on the actual total Fuel and Electricity costs from October 2022 through September 2023. At the end of 2024, the parties will review the Contractor's actual documented costs (as verified by the City) for Fuel and Electricity costs incurred during 2024 and either (a) the City will make a one-time additional payment to the Contractor for additional Fuel and Electricity costs incurred by Contractor, or (b) the Contractor will provide a credit to the City for overpayment by City based on actual Fuel and Electricity costs during 2024. The payment will be made or credit applied during the first quarter of 2025.

All other non-labor operating costs as adjusted for calendar year 2023 will be multiplied by one plus two point five percent (1.025). If the Non-Labor Index exceeds 5% for the twelve-month period ending on September 30, 2023 each party will be responsible for

50% of all the increase in excess of 5%. For example, if the Non-Labor Index is 8% to be applied to calendar year 2024, then the City would pay Contractor an additional 1.5% (50% above 5%) for all non-labor cost categories in Attachment T-1 and the adjustment factor would be increased from 1.025 (2.5%) to 1.04 (4%) for that given year.

Capital costs will be as shown on Attachment T.

The City's monthly lease to the Contractor for the City's second floor office at the MDF administration building ending on December 31, 2024 unless the parties agree to an extension. The lease rate of Five Hundred dollars ($500) per month will be increased by 2.5% annually beginning on January 1, 2022.

Compensation to Contractor will also be adjusted pursuant to the Reconciliation Review Process conducted during calendar year 2024 as described in Attachment U and U-1.

The Operating and Capital Cost Payment for calendar year 2024 is therefore the sum of:

Labor Related Costs (Adjusted)

Fuel and Energy Costs (Compared to Actuals)

Other operating Costs (Adjusted)

Capital Costs (Per Attachment T)

MDF City Office Space Lease

Reconciliation Review Process

OO. Calendar Year 2025 (Year 8). The Operating and Capital Cost Payment for calendar year 2025 will include the following additional compensation for the SB 1383 Contract Amendment: (1) $689,279.73 for SB 1383 Expanded Commercial Collection costs as shown in Attachment T-5C; (2) $88,334.00 for SB 1383 Collection Capital costs as shown in Attachment T-5D; and (3) $834,188.09 for SB 1383 Enhanced Processing Costs, the escalated cost as shown in Attachment T-5C and based upon 2022 dollars shown in Attachment T-17; and (4) $367,593.00 for SB 1383 Enhanced Processing Capital Costs as shown in Attachment T-17B; all of which will be escalated into 2025 dollars according to the terms of the 2022 Contract Amendment. The Operating and Capital Cost Payment for calendar year 2025 will be calculated as follows:

Labor related costs as adjusted for 2024 will be multiplied by one plus three point five percent (1.035).

On a monthly basis, the City will pay the Contractor 1/12 of the annual total Fuel and Electricity cost for 2024, which is calculated based on the actual total Fuel and Electricity costs from October 2023 through September 2024. At the end of 2025, the parties will review the Contractor's actual documented costs (as verified by the City) for Fuel and Electricity costs incurred during 2024 and either (a) the City will make a one-time additional payment to the Contractor for additional Fuel and Electricity costs incurred by Contractor, or (b) the Contractor will provide a credit to the City for

overpayment by City based on actual Fuel and Electricity costs during 2025. The payment will be made or credit applied during the first quarter of 2026.

All other non-labor operating costs as adjusted for calendar year 2024 will be multiplied by one plus two point five percent (1.025). If the Non-Labor Index exceeds 5% for the twelve-month period ending on September 30, 2024 each party will be responsible for 50% of all the increase in excess of 5%. For example, if the Non-Labor Index is 8% to be applied to calendar year 2024, then the City would pay Contractor an additional 1.5% (50% above 5%) for all non-labor cost categories in Attachment T-1 and the adjustment factor would be increased from 1.025 (2.5%) to 1.04 (4%) for that given year.

Capital costs will be as shown on Attachment T.

The City's monthly lease to the Contractor for the City's second floor office at the MDF administration building ending on December 31, 2024 unless the parties agree to an extension. The lease rate of Five Hundred dollars ($500) per month will be increased by 2.5% annually beginning on January 1, 2022.

Compensation to Contractor will also be adjusted pursuant to the Reconciliation Review Process conducted during calendar year 2024 as described in Attachment U and U-1.

The Operating and Capital Cost Payment for calendar year 2025 is therefore the sum of:

Labor Related Costs (Adjusted)

Fuel and Energy Costs (Compared to Actuals)

Other operating Costs (Adjusted)

Capital Costs (Per Attachment T)

MDF City Office Space Lease (if lease is extended)

Reconciliation Review Process

PP. Calendar Year 2026 (Year 9). The Operating and Capital Cost Payment for calendar year 2026 will include the following additional compensation for the SB 1383 Contract Amendment: (1) $711,285.15 for SB 1383 Expanded Commercial Collection costs as shown in Attachment T-5C; (2) $86,136.00 for SB 1383 Collection Capital costs as shown in Attachment T-5D; and (3) $858,029.50 for SB 1383 Enhanced Processing Costs, the escalated cost as shown in Attachment T-5C and based upon 2022 dollars shown in Attachment T-17; and (4) $357,477.00 for SB 1383 Enhanced Processing Capital Costs as shown in Attachment T-17B; all of which will be escalated into 2026 dollars according to the terms of the 2022 Contract Amendment. The Operating and Capital Cost Payment for calendar year 2026 will be calculated as follows:

Labor related costs as adjusted for 2025 will be multiplied by one plus three point five percent (1.035).

On a monthly basis, the City will pay the Contractor 1/12 of the annual total Fuel and Electricity cost for 2025, which is calculated

based on the actual total Fuel and Electricity costs from October 2024 through September 2025. At the end of 2026, the parties will review the Contractor's actual documented costs (as verified by the City) for Fuel and Electricity costs incurred during 2025 and either (a) the City will make a one-time additional payment to the Contractor for additional Fuel and Electricity costs incurred by Contractor, or (b) the Contractor will provide a credit to the City for overpayment by City based on actual Fuel and Electricity costs during 2026. The payment will be made or credit applied during the first quarter of 2027.

All other non-labor operating costs as adjusted for calendar year 2025 will be multiplied by one plus two point five percent (1.025). If the Non-Labor Index exceeds 5% for the twelve-month period ending on September 30, 2025 each party will be responsible for 50% of all the increase in excess of 5%. For example, if the Non-Labor Index is 8% to be applied to calendar year 2025, then the City would pay Contractor an additional 1.5% (50% above 5%) for all non-labor cost categories in Attachment T-1 and the adjustment factor would be increased from 1.025 (2.5%) to 1.04 (4%) for that given year.

Capital costs will be as shown on Attachment T.

The City's monthly lease to the Contractor for the City's second floor office at the MDF administration building ending on December 31, 2024 unless the parties agree to an extension. The lease rate of Five Hundred dollars ($500) per month will be increased by 2.5% annually beginning on January 1, 2022.

Compensation to Contractor will also be adjusted pursuant to the Reconciliation Review Process conducted during calendar year 2024 as described in Attachment U and U-1.

The Operating and Capital Cost Payment for calendar year 2026 is therefore the sum of:

Labor Related Costs (Adjusted)

Fuel and Energy Costs (Compared to Actuals)

Other operating Costs (Adjusted)

Capital Costs (Per Attachment T)

MDF City Office Space Lease (if lease is extended)

Reconciliation Review Process

QQ. Calendar Year 2027 (Year 10). The Operating and Capital Cost Payment for calendar year 2027 will include the following additional compensation for the SB 1383 Contract Amendment: (1) $734,007.78 for SB 1383 Expanded Commercial Collection costs as shown in Attachment T-5C; (2) $83,921.00 for SB 1383 Collection Capital costs as shown in Attachment T-5D; and (3) $882,571.48 for SB 1383 Enhanced Processing Costs, the escalated cost as shown in Attachment T-5C and

based upon 2022 dollars shown in Attachment T-17; and (4) $347,006.00 for SB 1383 Enhanced Processing Capital Costs as shown in Attachment T-17B; all of which will be escalated into 2027 dollars according to the terms of the 2022 Contract Amendment. The Operating and Capital Cost Payment for calendar year 2027 will be calculated as follows:

Labor related costs as adjusted for 2026 will be multiplied by one plus three point five percent (1.035).

On a monthly basis, the City will pay the Contractor 1/12 of the annual total Fuel and Electricity cost for 2026, which is calculated based on the actual total Fuel and Electricity costs from October 2025 through September 2026. At the end of 2027, the parties will review the Contractor's actual documented costs (as verified by the City) for Fuel and Electricity costs incurred during 2026 and either (a) the City will make a one-time additional payment to the Contractor for additional Fuel and Electricity costs incurred by Contractor, or (b) the Contractor will provide a credit to the City for overpayment by City based on actual Fuel and Electricity costs during 2027. The payment will be made or credit applied during the first quarter of 2028.

All other non-labor operating costs as adjusted for calendar year 2026 will be multiplied by one plus two point five percent (1.025). If the Non-Labor Index exceeds 5% for the twelve-month period

ending on September 30, 2026 each party will be responsible for 50% of all the increase in excess of 5%. For example, if the Non-Labor Index is 8% to be applied to calendar year 2026, then the City would pay Contractor an additional 1.5% (50% above 5%) for all non-labor cost categories in Attachment T-1 and the adjustment factor would be increased from 1.025 (2.5%) to 1.04 (4%) for that given year.

Capital costs will be as shown on Attachment T.

The City's monthly lease to the Contractor for the City's second floor office at the MDF administration building ending on December 31, 2024 unless the parties agree to an extension. The lease rate of Five Hundred dollars ($500) per month will be increased by 2.5% annually beginning on January 1, 2022.

Compensation to Contractor will also be adjusted pursuant to the Reconciliation Review Process conducted during calendar year 2026 as described in Attachment U and U-1.

The Operating and Capital Cost Payment for calendar year 2027 is therefore the sum of:

Labor Related Costs (Adjusted)

Fuel and Energy Costs (Compared to Actuals)

Other operating Costs (Adjusted)

Capital Costs (Per Attachment T)

RR. Calendar Year 2028 (Year 11). The Operating and Capital Cost Payment for calendar year 2028 will include the following additional compensation for the SB 1383 Contract Amendment: (1) $757,471.39 for SB 1383 Expanded Commercial Collection costs as shown in Attachment T-5C; (2) $82,207.00 for SB 1383 Collection Capital costs as shown in Attachment T-5D; and (3) $907,835.20 for SB 1383 Enhanced Processing Costs, the escalated cost as shown in Attachment T-5C and based upon 2022 dollars shown in Attachment T-17; and (4) $336,169.00 for SB 1383 Enhanced Processing Capital Costs as shown in Attachment T-17B; all of which will be escalated into 2028 dollars according to the terms of the 2022 Contract Amendment. The Operating and Capital Cost Payment for calendar year 2028 will be calculated as follows:

Labor related costs as adjusted for 2027 will be multiplied by one plus three point five percent (1.035).

On a monthly basis, the City will pay the Contractor 1/12 of the annual total Fuel and Electricity cost for 2027, which is calculated based on the actual total Fuel and Electricity costs from October 2026 through September 2027. At the end of 2028, the parties will review the Contractor's actual documented costs (as verified by the City) for Fuel and Electricity costs incurred during 2027 and either (a) the City will make a one-time additional payment to the

Contractor for additional Fuel and Electricity costs incurred by Contractor, or (b) the Contractor will provide a credit to the City for overpayment by City based on actual Fuel and Electricity costs during 2028. The payment will be made or credit applied during the first quarter of 2029.

All other non-labor operating costs as adjusted for calendar year 2027 will be multiplied by one plus two point five percent (1.025). If the Non-Labor Index exceeds 5% for the twelve-month period ending on September 30, 2027 each party will be responsible for 50% of all the increase in excess of 5%. For example, if the Non-Labor Index is 8% to be applied to calendar year 2027, then the City would pay Contractor an additional 1.5% (50% above 5%) for all non-labor cost categories in Attachment T-1 and the adjustment factor would be increased from 1.025 (2.5%) to 1.04 (4%) for that given year.

Capital costs will be as shown on Attachment T.

The City's monthly lease to the Contractor for the City's second floor office at the MDF administration building ending on December 31, 2024 unless the parties agree to an extension. The lease rate of Five Hundred dollars ($500) per month will be increased by 2.5% annually beginning on January 1, 2022.

Compensation to Contractor will also be adjusted pursuant to the Reconciliation Review Process conducted during calendar year 2028 as described in Attachment U and U-1.

The Operating and Capital Cost Payment for calendar year 2028 is therefore the sum of:

Labor Related Costs (Adjusted)

Fuel and Energy Costs (Compared to Actuals)

Other operating Costs (Adjusted)

Capital Costs (Per Attachment T)

MDF City Office Space Lease (if lease is extended)

Reconciliation Review Process

SS. Calendar Year 2029 (Year 12). The Operating and Capital Cost Payment for calendar year 2029 will include the following additional compensation for the SB 1383 Contract Amendment: (1) $781,700.56 for SB 1383 Expanded Commercial Collection costs as shown in Attachment T-5C; (2) $79,771.00 for SB 1383 Collection Capital costs as shown in Attachment T-5D; and (3) $933,842.50 for SB 1383 Enhanced Processing Costs, the escalated cost as shown in Attachment T-5C and based upon 2022 dollars shown in Attachment T-17; and (4) $324,953.00 for SB 1383 Enhanced Processing Capital Costs as shown in Attachment T-17B, all of which will be escalated into 2029 dollars according to the terms of the 2022 Contract Amendment. The Operating and Capital Cost Payment for calendar year 2029 will be calculated as follows:

Labor related costs as adjusted for 2028 will be multiplied by one plus three point five percent (1.035).

On a monthly basis, the City will pay the Contractor 1/12 of the annual total Fuel and Electricity cost for 2028, which is calculated based on the actual total Fuel and Electricity costs from October 2027 through September 2028. At the end of 2029, the parties will review the Contractor's actual documented costs (as verified by the City) for Fuel and Electricity costs incurred during 2028 and either (a) the City will make a one-time additional payment to the Contractor for additional Fuel and Electricity costs incurred by Contractor, or (b) the Contractor will provide a credit to the City for overpayment by City based on actual Fuel and Electricity costs during 2029. The payment will be made or credit applied during the first quarter of 2030.

All other non-labor operating costs as adjusted for calendar year 2028 will be multiplied by one plus two point five percent (1.025). If the Non-Labor Index exceeds 5% for the twelve-month period ending on September 30, 2028 each party will be responsible for 50% of all the increase in excess of 5%. For example, if the Non-Labor Index is 8% to be applied to calendar year 2028, then the City would pay Contractor an additional 1.5% (50% above 5%) for all non-labor cost categories in Attachment T-1 and the adjustment

factor would be increased from 1.025 (2.5%) to 1.04 (4%) for that given year.

Capital costs will be as shown on Attachment T.

The City's monthly lease to the Contractor for the City's second floor office at the MDF administration building ending on December 31, 2024 unless the parties agree to an extension. The lease rate of Five Hundred dollars ($500) per month will be increased by 2.5% annually beginning on January 1, 2022.

Compensation to Contractor will also be adjusted pursuant to the Reconciliation Review Process conducted during calendar year 2028 as described in Attachment U and U-1.

The Operating and Capital Cost Payment for calendar year 2029 is therefore the sum of:

Labor Related Costs (Adjusted)

Fuel and Energy Costs (Compared to Actuals)

Other operating Costs (Adjusted)

Capital Costs (Per Attachment T)

MDF City Office Space Lease (if lease is extended)

Reconciliation Review Process

TT. Calendar Year 2030 (Year 13). The Operating and Capital Cost Payment for calendar year 2030 will include the following additional compensation for

the SB 1383 Contract Amendment: (1) $806,720.70 for SB 1383 Expanded Commercial Collection costs as shown in Attachment T-5C; (2) $77,248.00 for SB 1383 Collection Capital costs as shown in Attachment T-5D; and (3) $960,615.88 for SB 1383 Enhanced Processing Costs, the escalated cost as shown in Attachment T-5C and based upon 2022 dollars shown in Attachment T-17; and (4) $313,344.00 for SB 1383 Enhanced Processing Capital Costs as shown in Attachment T-17B; all of which will be escalated into 2030 dollars according to the terms of the 2022 Contract Amendment. The Operating and Capital Cost Payment for calendar year 2030 will be calculated as follows:

Labor related costs as adjusted for 2029 will be multiplied by one plus three point five percent (1.035).

On a monthly basis, the City will pay the Contractor 1/12 of the annual total Fuel and Electricity cost for 2029, which is calculated based on the actual total Fuel and Electricity costs from October 2028 through September 2029. At the end of 2030, the parties will review the Contractor's actual documented costs (as verified by the City) for Fuel and Electricity costs incurred during 2028 and either (a) the City will make a one-time additional payment to the Contractor for additional Fuel and Electricity costs incurred by Contractor, or (b) the Contractor will provide a credit to the City for overpayment by City based on actual Fuel and Electricity costs during 2030. The payment will be made or credit applied during the first quarter of 2031.

All other non-labor operating costs as adjusted for calendar year 2029 will be multiplied by one plus two point five percent (1.025). If the Non-Labor Index exceeds 5% for the twelve-month period ending on September 30, 2029 each party will be responsible for 50% of all the increase in excess of 5%. For example, if the Non-Labor Index is 8% to be applied to calendar year 2029, then the City would pay Contractor an additional 1.5% (50% above 5%) for all non-labor cost categories in Attachment T-1 and the adjustment factor would be increased from 1.025 (2.5%) to 1.04 (4%) for that given year.

Capital costs will be as shown on Attachment T.

The City's monthly lease to the Contractor for the City's second floor office at the MDF administration building ending on December 31, 2024 unless the parties agree to an extension. The lease rate of Five Hundred dollars ($500) per month will be increased by 2.5% annually beginning on January 1, 2022.

Compensation to Contractor will also be adjusted pursuant to the Reconciliation Review Process conducted during calendar year 2030 as described in Attachment U and U-1.

The Operating and Capital Cost Payment for calendar year 2030 is therefore the sum of:

Labor Related Costs (Adjusted)

Fuel and Energy Costs (Compared to Actuals)

Other operating Costs (Adjusted)

Capital Costs (Per Attachment T)

MDF City Office Space Lease (if lease is extended)

Reconciliation Review Process

UU. Calendar Year 2031 (Year 14). The Operating and Capital Cost Payment for calendar year 2031 will include the following additional compensation for the SB 1383 Contract Amendment: (1) $832,558.05 for SB 1383 Expanded Commercial Collection costs as shown in Attachment T-5C; (2) $74,637.00 for SB 1383 Collection Capital costs as shown in Attachment T-5D; and (3) $988,178.55 for SB 1383 Enhanced Processing Costs, the escalated cost as shown in Attachment T-5C and based upon 2022 dollars shown in Attachment T-17; and (4) $301,335.00 for SB 1383 Enhanced Processing Capital Costs as shown in Attachment T-17B; all of which will be escalated into 2031 dollars according to the terms of the 2022 Contract Amendment. The Operating and Capital Cost Payment for calendar year 2031 will be calculated as follows:

Labor related costs as adjusted for 2030 will be multiplied by one plus three point five percent (1.035).

On a monthly basis, the City will pay the Contractor 1/12 of the annual total Fuel and Electricity cost for 2030, which is calculated based on the actual total Fuel and Electricity costs from October 2029 through September 2030. At the end of 2031, the parties will

review the Contractor's actual documented costs (as verified by the City) for Fuel and Electricity costs incurred during 2029 and either (a) the City will make a one-time additional payment to the Contractor for additional Fuel and Electricity costs incurred by Contractor, or (b) the Contractor will provide a credit to the City for overpayment by City based on actual Fuel and Electricity costs during 2031. The payment will be made or credit applied during the first quarter of 2032.

All other non-labor operating costs as adjusted for calendar year 2030 will be multiplied by one plus two point five percent (1.025). If the Non-Labor Index exceeds 5% for the twelve-month period ending on September 30, 2030 each party will be responsible for 50% of all the increase in excess of 5%. For example, if the Non-Labor Index is 8% to be applied to calendar year 2030, then the City would pay Contractor an additional 1.5% (50% above 5%) for all non-labor cost categories in Attachment T-1 and the adjustment factor would be increased from 1.025 (2.5%) to 1.04 (4%) for that given year.

Capital costs will be as shown on Attachment T.

The City's monthly lease to the Contractor for the City's second floor office at the MDF administration building ending on December 31, 2024 unless the parties agree to an extension. The lease rate of

Five Hundred dollars ($500) per month will be increased by 2.5% annually beginning on January 1, 2022.

Compensation to Contractor will also be adjusted pursuant to the Reconciliation Review Process conducted during calendar year 2030 as described in Attachment U and U-1.

The Operating and Capital Cost Payment for calendar year 2031 is therefore the sum of:

Labor Related Costs (Adjusted)

Fuel and Energy Costs (Compared to Actuals)

Other operating Costs (Adjusted)

Capital Costs (Per Attachment T)

MDF City Office Space Lease (if lease is extended)

Reconciliation Review Process

12.04 Base Profit Margin. The City will pay Contractor an amount equal to three percent (3%) of the applicable Operating and Capital Cost Payment as the Contractor's base profit margin. This payment will be made monthly, concurrently with the Operating and Capital Cost Payment. For services not included in the base Operating and Capital Cost Payment, the three percent (3%) profit shall be added to certain services and not others, as described in Table 12.1 below.

12.05 Additional Payment For Throughput Over Baseline. If Contractor is required to process more than Eighty Thousand, Five Hundred Fifty (80,550) Tons during a calendar year, commencing with January 1, 2017, of Recyclable Materials,

Yard Trimmings, other Compostable Materials and C&D Debris, City will pay an Additional Payment, as follows:

A. **Expansion Capacity Level 1**. An Additional Payment will be made on a unit basis ($/ton) in accordance with the Unit Costs presented in the table below once the following two conditions are met in a given calendar year: (1) if the total Tons/year processed is greater than 80,550; and (2) if the Tons/year for each Processing Area is equal to or greater than 80% of the Baseline Tons/year for each Processing Area. The Additional Payment will be calculated as the number of Tons exceeding Baseline ton levels for each Processing Area up to the Expansion Capacity Level 1 tons shown in the table below multiplied by the Unit Cost ($/ton) for the applicable Processing Area. The Unit Costs shown in the Tables below are in 2017 dollars and will be adjusted annually beginning in 2018 (for calendar year 2017) as described in Section 12.05 E. NOTE: The Unit Cost shown in the Tables below for the Composting Area will be used once Contractor receives direction from City that all required permits have been received for Contractor to compost Food Scraps, Yard Trimmings and other Compostable Materials on site at the City MDF. Until that time, the following Unit Cost for the Composting Area shall be used: $26.85 per ton (in 2017 dollars) and will be adjusted annually beginning in 2018 (for calendar year 2017) as described in Section 12.05 E. See Sections 12.05 D and E for timing of the Additional Payment.

Expansion Capacity Level 1

	Baseline (Tons/Year)	Expansion Capacity Level 1 (Tons/Year)	Unit Cost ($/Ton) (In 2017$)
Composting Area	40,670	51,215	$26.85
Clean MRF	19,290	27,720	$76.73
Wood Processing	3,970	5,760	$23.03
Source Separated C&D Processing	16,620	19,493	$17.92
Total	80,550	104,188	

B. **Expansion Capacity Level 2**. An Additional Payment will be made on a unit basis ($/ton) in accordance with the Unit Costs presented in the table below if the total Tons/year processed is greater than 104,188. The Additional Payment will be calculated as the number of Tons exceeding Expansion Capacity Level 1 tons for each Processing Area as shown in the table below multiplied by the Unit Cost ($/ton) for each applicable Processing Area as shown in the table below.

Expansion Capacity Level 2

	Expansion Capacity Level 1 (Tons)	Expansion Capacity Level 2 (Tons)	Unit Cost ($/Ton) (2017$)
Composting Area	51,215	51,216 and above	$29.40
Clean MRF	27,720	27,721 and above	$79.28
Wood Processing	5,760	5,761 and above	$25.57
Source Separated C&D Processing	19,493	19,494 and above	$20.46
Total	104,188	104,189 and above	

C. **Optional Mixed C&D Processing**. If the City directs Contractor to implement a Mixed C&D Processing operation during the Term, the throughput bases

for the Additional Payment for Throughput Over Baseline described in Sections 12.05 A and B will be changed to those presented in the table below:

	Baseline (Tons/Year)	Expansion Capacity Level 1 (Tons)	Expansion Capacity Level 2 (Tons)
Composting Area	40,670	51,215	51,215 and above
Clean MRF	19,290	27,720	27,721 and above
Wood Processing	3,970	5,760	5,761 and above
Source Separated C&D Processing	16,620	19,493	19,494 and above
Mixed C&D Processing	4,250	9,455	9,456 and above
Total	84,800	113,643	113,644 and above

The unit costs presented in Sections 12.05 A and B shall remain unchanged. The Unit Costs for processing Mixed C&D shall be as follows, escalated in accordance with the terms of the Contract:

Expansion Capacity Level 1: $40.92/Ton (in 2017$)

Expansion Capacity Level 2: $35.80/Ton (in 2017$)

D. Payment. The Additional Payments, if any, will be made to Contractor on a monthly basis once the following two conditions are met: (1) the total Tons processed during the calendar year then in progress is greater than 80,550; and (2) the Tons processed in each Processing Area as of the date in question are equal to or greater than 80% of the Baseline Tons/year for each Processing Area. Once these two conditions are met, Contractor shall be paid Additional Payments as follows. Example: For tons processed in the Clean MRF Processing Area, the number of tons

over 19,290 but less than 27,721 will be multiplied by the Unit Cost shown in the Expansion Capacity Level 1 table above ($76.73/Ton in 2017$) and the number of Tons over 27,720 will be multiplied by the Unit Cost shown in the Expansion Capacity Level 2 table above ($79.28/Ton in 2017$). Once the above-described two conditions are met, Contractor shall prepare documentation showing achievement of the two conditions along with an invoice for the Additional Payment amount earned for the month, and will submit these to City for approval and payment. City will verify the calculations and tonnages and, upon approval, City will pay the invoice within sixty (60) calendar days of submittal. This process will be repeated on a monthly basis for the remainder of the calendar year. In the event the total amount of the Additional Payment for the previous calendar year exceeds the amount included in the City's adopted 2-year budget for this line item, City shall pay Contractor one hundred percent (100%) of the budgeted amount on or before March 1. City shall then have sixty (60) days to present a budget adjustment to the City Council to seek approval to pay the remaining balance to Contractor.

E. Annual Adjustment of Unit Costs Per Ton and Reconciliation of Additional Payments. The Unit Costs per Ton listed in the tables above for each type of material will be adjusted as of March 2018 by multiplying each amount above by 100% plus the change in the Producer Price Index – Finished Goods Less Food and Energy (Series ID WPUFD4131) between the annual average for calendar year 2016 and the annual average for calendar year 2017.

In subsequent years the payments will be adjusted by multiplying the Unit Costs/Ton then in effect by 100% plus the change in the index specified above between

the annual average of the second preceding calendar year and the annual average of the immediately preceding calendar year. For example, in March 2019 the Unit Costs/Ton will be adjusted to reflect the change in the index between that for 2017 and that for 2018.

The change in the specified PPI index is not usually available from the Bureau of Labor Statistics until late January or early February of the succeeding calendar year. Therefore, in February of each year, the City will calculate the total PPI-adjusted Additional Payments due to Contractor for the entire preceding calendar year and reconcile that total against the amount already paid to Contractor for the preceding calendar year. If the total PPI-adjusted Additional Payments due to Contractor is greater than the sum of the monthly Additional Payments already paid to Contractor, City will pay Contractor for the difference. Contractor shall submit an invoice for the amount owed and City will pay the invoice within two (2) weeks of submittal and will strive to complete payment on or before March 1.

In the event the total of the monthly Additional Payments already paid to Contractor exceeds the PPI-adjusted total Additional Payments due to the Contractor for the preceding calendar year, City will deduct the difference from Contactor's monthly Operating and Capital Payment for March of the year following the year for which the Additional Payment is being calculated.

F. Maximum Allowable Throughput at MDF. The maximum tons of throughput through the Processing Areas listed in the tables above for the Napa MDF shall be the number of tons allowed by the permits for the facility including, but not

limited to, the Solid Waste Facilities Permit, the Authority to Construct issued by the Bay Area Air Quality Management District, the permit(s), Waste Discharge Requirements and Stormwater Permit from the State Water Resources Control Board and the Regional Water Quality Control Board, and all other permits, laws and regulations under which the MDF is required to operate. In the event of a disagreement between Contractor and City concerning the number of Tons of throughput permitted under any or all of the MDF permits, (including the CEQA documents upon which the permits are based) the decision of the City shall govern and shall be final.

G. Eligibility of Materials. Materials received at the MDF that are eligible for the Additional Payment are defined as the "OB Tonnage". The OB Tonnage includes Tons of materials processed in the Composting Area, Clean MRF Area, Wood Processing Area and C&D Area with the following clarifications and exceptions. Metal appliances collected in roll off boxes are treated as "metal" and are eligible for the Additional Payment.

Inbound materials to the MDF from the Transfer Station are excluded. Materials received at the MDF for handling and transfer only, but not processing (e.g. Electronic Waste and Bulky Goods), are not included in the tonnage calculations for the Additional Payment. Materials collected by the Recycle More program are "transfer only" materials and are excluded. Materials received at the City MDF but already compensated by the City to Contractor by other methods (e.g., discarded carpet) shall also be excluded. Materials received at the City MDF that meet the definition of Pre-Processed, Baler-Ready Recyclable Materials; Pre-Processed, Market-Ready Recyclable Materials; and DRTS New Materials in this agreement are also excluded.

The eligibility of materials received at the MDF pursuant to the City's Agreement with Northern Recycling Operations and Waste Services, LLC shall be as stated in Section 6.04 of Attachment AA to that contract.

The net tonnage remaining after the above-described exclusions is the "OB Tonnage" and is the tonnage eligible for the Additional Payment.

H. Calculation of Additional Payment. Sample calculations for multiple scenarios for the Additional Payment are included in Attachment GG. The results of the examples are provided to illustrate the calculation methodology only. The variables in the examples, including sample tonnages and sample Unit Costs, are provided solely for illustration purposes and are not part of the Contract.

The parties have developed an Excel spreadsheet model to expedite calculation of the Additional Payment. The parties agree the Excel spreadsheet model was developed and is being used solely for the convenience of City and Contractor, but is not part of the Contract. In the event there is a difference or a discrepancy in the results of the Excel spreadsheet model calculations and calculations performed manually using the sample calculation methodology contained in Attachment GG, the City will work with Contractor to determine the source of the discrepancy or error. If a discrepancy remains after the parties' joint review, the City will use the results that follow the sample calculation methodology in making the final determination as to the amount of the Additional Payment earned by Contractor for the given calendar year.

12.06 Construction Management Fee. For City-approved subcontractor services for Modifications, as defined in Attachment F, Section 8.1.1, a 5% construction management fee will be added based on the total Modification cost approved by the

City, pursuant to Section 6.15 and Attachment F, Section 8.1.1. However, some direct pass-through costs are not subject to the 5% construction management fee, as determined by the City.

12.07 Incentives. Contractor shall be eligible to earn one, two or all three of the incentives described in this Section on an annual basis. The incentives are extra, non-guaranteed payments to reward the Contractor for achieving specific levels of performance as described herein. The incentives (if earned) shall be in addition to Contractor's Operating and Capital Cost Payment and other compensation described in Article 12. A description of each incentive, the method by which Contractor's eligibility for each incentive shall be determined, and the method by which the amount of each incentive payment (if earned) shall be calculated are contained in the following Attachments:

Targeted Incentive (TI)	Attachment V-1
Residue Reduction Incentive (RRI)	Attachment V-2
Collection Incentive (CI)	Attachment V-3

A sample glossary of the Soft Pak Scale System material and facility codes used in the incentive calculations appears in Attachment V-4.

A. Rounding Protocol. For the purpose of calculating the level of performance achieved by Contractor for each incentive the following protocols shall be used. All percentages shall be rounded to the nearest one-tenth of one percent. Decimal values ending in 0.01-0.04 shall be rounded down. Example: A result of 3.43%

would be rounded down to 3.4%. Decimal values ending in 0.05-0.09 shall be rounded up. Example: A result of 3.37% would be rounded up to 3.4%.

B. Cap On Incentives. The maximum amount that Contractor may earn annually for each incentive shall be as follows:

Targeted Incentive	$100,000 per year
Residue Reduction Incentive	$100,000 per year
Collection Incentive	$100,000 per year

The amount of the cap for each incentive shall be adjusted annually (up or down) in late January or early February by the PPI Finished Goods Less Food and Energy Series ID WPUFD4131 published by the Bureau of Labor Statistics. The adjusted caps will be applied to the calculation of the incentives for the prior calendar year. (Example: The adjusted cap amounts calculated in January 2019 would be applied to the incentives calculated for calendar year 2018.) The method for calculation of the adjustment shall be as follows: Multiply the existing cap by one (1) plus the percentage change in the PPI between the annual average index for the preceding calendar year and the annual average index for the current calendar year. The amount of the caps listed herein shall be adjusted beginning January/February 2019.

With regard to the Targeted Incentive, the payment amount of one hundred dollars ($100) per roll off box of eligible materials collected by Contractor and delivered to the MDF for processing, shall not be subject to the annual adjustments described in this Section 12.07.B. Similarly, with regard to the Collection Incentive, the payment amount of one thousand dollars ($1,000) for each one-tenth of one percent increase

over the threshold amount achieved by Contractor, shall not be subject to the annual adjustments described in this Section.

C. Calculation of Incentives. Sample calculations for each incentive are included in Attachments V-1, V-2 and V-3. The parties have developed Excel spreadsheet models to expedite preparation of the incentive calculations contained in Attachments V-1, V-2 and V-3. The parties agree these Excel spreadsheet models were developed and are being used solely for the convenience of City and Contractor, but are not part of the Contract. The results of the calculations performed using the Excel spreadsheets shall not be determinative for purposes of deciding whether or not Contractor has earned any of the incentives in a given calendar year. In the event there is a difference or a discrepancy in the results of the Excel spreadsheet model calculations and calculations performed manually using the sample calculation methodology contained in Attachments V-1, V-2 and V-3, the City will use the results that follow the sample calculation methodology in making its determination as to whether or not Contractor has earned any of the incentives for the given calendar year. The decision of the City shall be final.

D. Payment. Any incentive payment that is earned by Contractor shall be paid annually to Contractor in a lump sum. The amount of any incentive payment(s) due to Contractor will be calculated by the City in late January or early February. City will transmit the information on the amount(s) due to Contractor. Contractor will submit an invoice to the City in February. The City will pay the invoice(s) on or before March 31. In the event Contractor owes a Residue Reduction Debit ("RRI Debit") payment to the City, the City will calculate the amount due in late January or

early February and issue an invoice to Contractor in February. Contractor shall pay the invoice on or before March 31. In the alternative, City may deduct the amount of the RRI Debit due to the City from the next Operating and Capital Cost Payment due to Contractor.

E. Retroactivity. Contractor shall be eligible to earn the incentives described in this Section 12.07 beginning with calendar year 2010. The incentive calculations and the amounts agreed upon as owed by City to Contractor for calendar years 2010, 2011, 2012 and 2013 are listed in Attachment KK to the Third Amendment and have been paid with interest that was calculated from April 1 of the year following the calendar year for which the incentives were earning at the following rates: nineteen point zero three percent (19.03%) for the 2010 incentive payments, fifteen point eight two percent (15.82%) for the 2011 incentive payments, and nine point eight five percent (9.85%) for the 2012 incentive payments. These interest rates were calculated based upon a portfolio invested as follows: half in conservative investments such as certificates of deposit and half in very aggressive investments such as the S&P stock market index fund; the rates included compounding of interest. The parties agreed there would be no interest paid on the incentive payments for 2013, therefore, the 2013 incentive payments were paid by City to Contractor without interest. The total paid by City to Contractor for the 2010-2013 incentive payments was Three Hundred Sixty Five Thousand, Six Hundred Fifty Seven and 65/100 dollars ($365,657.65) as listed in Attachment KK to the Third Amendment.

F. Eligibility For Incentives. In order to be eligible to receive any incentive payments for a calendar year, Contractor must be in compliance with all

contract requirements including but not limited to, the materials marketing requirements in Attachment F, Section 4 concerning the "highest value uses" of the recovered materials, obtaining the best possible prices for materials and sorting recovered materials to meet market specifications.

G. Incentive Payments For Final Year of the Term. Contractor shall be paid any incentive payments due for the final calendar year of the Term on or before March 31 of the following year. If Contractor owes City a Residue Reduction Debit payment for the final calendar year of the Term, Contractor shall pay the debit amount on or before March 31 of the following year.

H. Targeted Incentive Deleted In Event of Exclusive Construction and Demolition Debris Collection. As of the Effective Date, collection of Construction and Demolition Debris in City is non-exclusive. Contractor competes with other companies to provide this service to builders, demolition firms, residents and businesses. In the event City elects to make Construction and Demolition Debris collection services exclusive to Contractor during the Term, the Targeted Incentive shall be eliminated as of the date Construction and Demolition Debris collection becomes exclusive to Contractor. City shall pay Contractor for any Targeted Incentive due for the period prior to the commencement of exclusivity, pursuant to the regular payment schedule described in Section 12.07(D). In such event, the maximum annual cap for the Collection Incentive and the Residue Reduction Incentive shall each be increased to One Hundred Fifty Thousand dollars ($150,000.00) per year beginning in the calendar year immediately following the year in which Construction and Demolition Debris collection is made exclusive. In the event City elects not to make Construction and

Demolition Debris collection services exclusive, City may, but has no obligation to, develop additional incentives to reward Contractor for actively pursuing a greater market share for Construction and Demolition Debris collection services, to the extent it is beneficial for City ratepayers.

12.08 Share of Revenues from Sale of Recyclable Materials and Compost. Gross revenue received from the sale or other disposition of materials from the MDF will be shared between Contractor and City in the following proportions:

Recyclable Materials and all other materials sold into the secondary materials market, including but not limited to, all paper grades, all types of plastics, all types of metals, all biochar and all glass:

Contractor: Thirty percent (30%)

City: Seventy percent (70%)

MDF Direct Materials Sales:

Contractor: Ninety-Five percent (95%)

City: Five percent (5%)

Payments received by Contractor pursuant to the California Beverage Container Recycling and Litter Reduction Act (Public Resources Code Section 14000 *et seq.*), and any other similar program, for materials collected in Napa or processed at the Materials Diversion Facility shall also be shared:

Contractor: Thirty percent (30%)

City: Seventy percent (70%)

Revenues received by the City from Northern's direct sales of Electronic Waste and Covered Electronic Waste from the Transfer Station pursuant to Section 3D of the City-Northern Agreement in Attachment AA, shall not be shared with Contractor.

12.09 Napa Valley Unified School District.

As shown in Attachment T-11, Contractor will be paid the amount of One Hundred Forty Eight Thousand, Four Hundred Seven dollars ($148,407) for providing the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2017 through June 30, 2018.

As shown in Attachment T-11, Contractor will be paid the amount of One Hundred Fifty Three Thousand, Six Hundred One dollars ($153,601) for providing the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2018 through June 30, 2019.

As shown in Attachment T-11, Contractor will be paid the amount of One Hundred Fifty Eight Thousand, Nine Hundred Seventy Seven dollars ($158,977) for providing the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2019 through June 30, 2020.

As shown in Attachment T-11, Contractor will be paid the amount of One Hundred Sixty Four Thousand, Five Hundred Forty One dollars ($164,541) for providing the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2020 through June 30, 2021.

As shown in Attachment T-11, Contractor will be paid the amount of One Hundred Seventy Thousand, Three Hundred dollars ($170,300) for providing the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2021 through June 30, 2022.

As shown in Attachment T-11, Contractor will be paid the amount of One Hundred Seventy Six Thousand, Two Hundred Sixty One dollars ($176,261) for providing the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2022 through June 30, 2023.

As shown in Attachment T-11, Contractor will be paid the amount of One Hundred Eighty Two Thousand, Four Hundred Thirty dollars ($182,430) for providing the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2023 through June 30, 2024.

As shown in Attachment T-11, Contractor will be paid the amount of One Hundred Eighty Eight Thousand, Eight Hundred Fifteen dollars ($188,815) for providing

the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2024 through June 30, 2025.

As shown in Attachment T-11, Contractor will be paid the amount of One Hundred Ninety Five Thousand, Four Hundred Twenty Four dollars ($195,424) for providing the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2025 through June 30, 2026.

As shown in Attachment T-11, Contractor will be paid the amount of Two Hundred Two Thousand, Two Hundred Sixty Four dollars ($202,264) for providing the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2026 through June 30, 2027.

As shown in Attachment T-11, Contractor will be paid the amount of Two Hundred Nine Thousand, Three Hundred Forty Three dollars ($209,343) for providing the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2027 through June 30, 2028.

As shown in Attachment T-11, Contractor will be paid the amount of Two Hundred Sixteen Thousand, Six Hundred Seventy dollars ($216,670) for providing the services described in Attachment E to the School District (other than those performed at

the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2028 through June 30, 2029.

As shown in Attachment T-11, Contractor will be paid the amount of Two Hundred Twenty Four Thousand, Two Hundred Fifty Three dollars ($224,253) for providing the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2029 through June 30, 2030.

As shown in Attachment T-11, Contractor will be paid the amount of Two Hundred Thirty Two Thousand, One Hundred Two dollars ($232,102) for providing the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2030 through June 30, 2031.

As shown in Attachment T-11, Contractor will be paid the amount of One Hundred Twenty Thousand, One Hundred Thirteen dollars ($120,113) for providing the services described in Attachment E to the School District (other than those performed at the MDF, compensation for which is included in Section 12.03) during the period commencing July 1, 2031 through December 31, 2031.

The amounts stated above include all profit. The 3% Base Profit Margin described in Section 12.04 does not apply to these payments.

12.10 Unit-Priced Services and Allowances. The level of certain of the services that Contractor is required to provide cannot be accurately forecast. For that

reason, it is not possible to include the cost of those programs in the Annual Operating and Capital Payment provided for in Section 12.03. Instead, the parties have developed unit costs for some of these programs, including:

- collecting Bulky Goods in excess of two annual Bulky Goods collections per household
- On-call Commercial pallet collection
- City-directed collection/cleanup of spilled or illegally dumped materials
- which are set out on Attachment T-11.

The parties have also established annual budget allowances for some of these programs, including:

- Payment for Recycle More labor in lieu of Annual E-waste recycling collection event
- Development and maintenance of searchable recycling website
- annual recycling awards program

which are set out on Attachment T-11.

Payment for these services will be calculated and made as provided in Attachment T-11.

12.11 Additional Public Outreach. As part of the first cost review process in 2008, the City approved an annual $10,000 payment to Contractor beginning January 1, 2009 for additional public outreach, as directed by the City, plus 3% base profit margin. The City reserves the right to adjust or cancel this additional compensation at its sole discretion.

12.12 Hauling & Disposal Costs of Organic Materials from MDF. The City and Contractor recognize that because of operating permit limits and/or limited recovery

options, the Contractor may need to haul certain organic materials away from the City MDF. The following subsections shall describe the related compensation for specific organic material flows:

A. **Compostable Organics**. Because of permit limits applicable to the MDF, Contractor may need to transfer compostable organics to another permitted composting facility to stay within legal tonnage processing limits. As allowed by governing permits and regulations, Contractor will receive inbound Compostables and Wood Material and process them through the organics pre-processing system described in Article 6 and Attachments F, G, H, and J of this Agreement. Once the organic materials have been processed through the organics pre-processing system, the Compostables that cannot be legally composted on site at the MDF will be transferred offsite to a third party composting facility pre-approved by the City (at the time of this contract amendment, that facility is the Zamora Compost facility in Yolo County) pursuant to Section 5.06. The transfer of these Compostables will occur with the permitted time limits allowed by applicable MDF permits (currently within 48 hours of receipt at the MDF). City will fully reimburse Contractor for the hauling cost for transfer of these Compostables based upon evidence of transportation costs and load specific information such as MDF issued outbound weight tickets. Because the long term intent of both City and Contractor is to process all Compostables and Wood Material on site at the MDF, no Base Profit Margin will be applied to the transportation reimbursement cost paid by City to Contractor.

B. **Compost Overs**. In accordance with Article 6 and Attachments F, G, H and J, once inbound Compostables have been processed on site at the MDF

through the organics pre-processing system, CASP and curing process, the finished product is subject to final screening through a trommel screen (or similar “screening” equipment). The finer (smaller) material is finished product and is marketed as Compost pursuant to Section 6.18. Depending on available onsite storage and processing capacity and/or available markets, the Contractor will now have Compost Overs that must either be screened further for a mulch product, reintroduced into the active compost process or be hauled away from the MDF to a third party facility pre-approved by the City (generally landfills such as Potrero Hills Landfill or Yolo County Central Landfill at the time of this contract amendment) pursuant to Section 5.04.1. City will fully reimburse Contractor for the hauling cost for transfer of the Compost Overs based upon evidence of transportation costs and load specific information such as MDF issued outbound weight tickets. If the receiving facility has a disposal cost (aka tip fee) for receiving Compost Overs, City will also reimburse these costs to Contractor in addition to transportation costs. Because there is an ongoing and necessary operational cost for hauling these materials away from the MDF, the Base Profit Margin will be applied to the transportation reimbursement cost paid by City to Contractor.

12.13 Adjustments for Changes. If the City has directed a change in scope of work under Sections 4.13 and 14.14 and either party believes that such change will increase or decrease the costs of providing service, the party which believes the Contractor’s compensation should be adjusted shall within thirty (30) calendar days submit to the other party a proposed adjustment and the parties shall thereafter meet and discuss the matter. Contractor shall promptly provide all relevant schedules,

supporting documentation and other financial information requested by the City to evaluate the necessity for an adjustment and the amount thereof.

Within ninety (90) days of the submission of the proposed adjustment, City will determine the amount of the adjustment, if any, and shall thereafter adjust the Contractor's compensation accordingly. Any adjustments will be made effective as of the date the change in service is implemented.

If the Contractor is dissatisfied with the decision of the City, any dispute shall be referred to and resolved by binding arbitration as provided in Section 12.16.

12.14 Extraordinary Events. The parties acknowledge that there may be infrequent extraordinary events which, although they do not prevent either party from performing, and thus do not implicate the Force Majeure provisions, nevertheless radically increase or decrease the cost of providing service such that the Contractor's compensation and the adjustment mechanism provided in this Contract result in Contractor suffering losses, or enjoying profits, which are substantially outside the commercially reasonable expectations of the parties. An example of such an event is an earthquake or flood which damages the Transfer Station, thus requiring Contractor to deliver MSW to a more distant Disposal Site. The obligation of the parties in such event is to act reasonably toward each other.

If one party believes such an event has occurred and warrants an increase or decrease in the Contractor's compensation, it shall notify the other, providing a full explanation and a proposed adjustment.

If the City refuses to increase compensation as requested by Contractor, Contractor may not terminate this Contract or refuse to continue to provide service. However, it shall have the right to invoke arbitration as provided in Section 12.16.

12.15 Information Supporting Requests. If a change in compensation is requested as a result of a change in the scope of work directed by City (Section 12.13), or an Extraordinary Event (Section 12.14), Contractor shall promptly furnish to City all relevant operational and financial information and records necessary.

12.16 Arbitration, Judicial Review. Differences between the parties over the application of Section 12.13 or 12.14 shall be settled by arbitration conducted in compliance with the provisions of the California Arbitration Act commencing with Section 1280 of the California Code of Civil Procedure, and the process specified in Attachment Y.

If Contractor is dissatisfied with a decision of the City under any other section of this Article 12, it may either (1) initiate arbitration as provided in Attachment Y or, (2) seek judicial review through mandamus as provided in California Code of Civil Procedure Section 1085 *et seq.* It hereby waives any right it might otherwise have to damages for breach of contract, tort or on any other basis.

Table 12.1 – Contractor Compensation Summary Table

Base Operating & Capital Cost Payment							
Item #	**Compensation Item**	**Payment Amount Reference**	**Is 3% Base Profit Added? (Section 12.04)**	**Paid at what Intervals**	**Payments Begin**	**Payments End**	**Contract Section containing scope of work**
1.	Base Operating & Capital Cost Payment (with organics pre-processing system without CASP)	Section 12.04 and Attachments T-1, T-2, T-3 & T-4	Yes	Monthly	Effective 4/1/18	12/31/19	Entire Contract
2.	Operating & Capital Cost Payment (with organics pre-processing system and CASP)	Section 12.04 and Attachments T-1, T-2, T-3, T-4 (based on T-13, T-13B, T-15B, T-16 and T-16B)	Yes	Monthly	Effective 1/1/20	12/31/20	Entire Contract
3.	Operating & Capital Cost Payment (with organics pre-processing system and CASP)	Section 12.04 and Attachments T-1, T-2, T-3 & T-4 (based on T-13B, T-14, T-15B, T-16 and T-16B)	Yes	Monthly	Effective 1/1/21	12/31/31	Entire Contract
One-Time Payments							
Item #	**Compensation Item**	**Payment Amount Reference**	**Is 3% Base Profit Added? (Section 12.04)**	**Paid at what Intervals**	**Payments Begin**	**Payments End**	**Contract Section containing scope of work**
4.	One-Time Operating Cost Supplemental Payment for period between 7/1/17 and 5/31/18	Section 12.03.H; Attachments T-1 & T-4 (City paid Contractor for the increase in labor costs (3.5%) from 7/1/17 through 12/31/17 and the increase in labor (3.5%) and non-labor costs (2.5%) from 1/1/18 through 5/31/18)	Yes	Lump Sum of difference between paid operating costs and 2018 Amendment operating costs	NA – Lump Sum Supplemental Payment to be made by City no later than 6/30/18	Payment to be made by City no later than 6/30/18	Entire Contract (for the period of 7/1/17 to 5/31/18)
5.	One-Time Supplemental Payment for 95% of Direct Materials Sales between 1/1/18 and 3/31/18	Section 12.03.H	No	Lump Sum of difference between previous 30% contractor share and enhanced 95% share of Direct Materials Sales between 1/1/18 and 3/31/18	NA – Lump Sum Supplemental Payment to be made by City no later than 6/30/18	Payment to be made by City no later than 6/30/18	Section 6.18
6.	One-Time Supplemental Payment for Commercial Food Scrap Collection Program between 1/1/18 and 3/31/18	Section 12.03.H; Attachment T-5A & T-5B (monthly calculation between 1/1/18 and 3/31/18)	Yes	Lump Sum of difference between previous monthly program payment and cost between 1/1/18 and 3/31/18	NA – Lump Sum Supplemental Payment to be made by City no later than 6/30/18	Payment to be made by City no later than 6/30/18	Attachment B, Section 3
7.	One Time Supplemental Payment for Recycle More program between 1/1/18 and 3/31/18	Section 12.03.H; Attachments T-6A, T-6B & T-12 (monthly calculation between 1/1/18 and 3/31/18)	Yes	Lump Sum of difference between previous monthly program payment and cost between 1/1/18 and 3/31/18	NA – Lump Sum Supplemental Payment to be made by City no later than 6/30/18	Payment to be made by City no later than 6/30/18	Attachment B, Section 7.02
8.	One-Time Supplemental Payment for Additional City-Approved options for Clean MRF Upgrade monthly costs between 1/1/18 and 3/31/18	Section 12.03.F; Attachment T-9A & T9B (70% City share of capital and costs; monthly costs between 1/1/18 and 3/31/18)	No on capital cost (Attachment T-9A); Yes operating costs (Attachment T-9B)	Lump Sum of monthly capital costs between 1/1/18 and 3/31/18	NA – Lump Sum Supplemental Payment to be made by City no later than 6/30/18	Payment to be made by City no later than 6/30/18	Section 6.09 & Attachment F, G & H

9.	One-Time Supplemental Payment for City's share of the Partnership Program positions monthly costs between 1/1/18 and 3/31/18	Section 12.03.H; Attachment T-7 (70% City share of operating costs; monthly costs between 1/1/18 and 3/31/18)	Yes	Lump Sum of monthly operating costs between 1/1/18 and 3/31/18	NA – Lump Sum Supplemental Payment to be made by City no later than 6/30/18	Payment to be made by City no later than 6/30/18	Section 6.09 & Attachment F, G & H
10.	One-Time Supplemental Payment for NVUSD service monthly cost between 1/1/18 and 3/31/18	Section 12.03.H & Attachment T-11 (monthly cost between 1/1/18 and 3/31/18)	Yes	Lump Sum of monthly operating costs between 1/1/18 and 3/31/18	NA – Lump Sum Supplemental Payment to be made by City no later than 6/30/18	Payment to be made by City no later than 6/30/18	Section 4.07 & Attachment E
11.	One-Time Supplemental Payment for Allowance Based Programs monthly cost between 1/1/18 and 3/31/18	Section 12.03.H & Attachment T-11 (monthly cost between 1/1/18 and 3/31/18)	No	Lump Sum of monthly operating costs between 1/1/18 and 3/31/18	NA – Lump Sum Supplemental Payment to be made by City no later than 6/30/18	Payment to be made by City no later than 6/30/18	Section 11.03 & Attachment B, Section 5
12.	One-Time Additional Payment for Enhanced Over-Baseline Throughput Payment between 1/1/17 and 12/31/17	Section 12.03.H & Attachment GG	No	Lump Sum for balance owed from 1/1/17 and 12/31/17	NA – Lump Sum Supplemental Payment to be made by City no later than 6/30/18	Payment to be made by City no later than 6/30/18	Section 6.09 & Attachment F
13.	One-Time Supplemental Payment for first year of CASP and Stormwater operations for period between 1/1/20 and 12/31/20	Section 12.03.P; Difference between previous City payments and adjusted 2020 Attachment T-1	Yes	Lump Sum of $916,834.24 for total annual cost (inclusive of 3.24% LAIF interest)	NA – Lump Sum Supplemental Payment to be made by City no later than 10/31/22	Payment to be made by City no later than 10/31/22	Entire Contract (for the period of 1/1/20-12/31/20)
14.	One-Time Supplemental Payment for period between 1/1/21 and 12/31/21 for second year of CASP/Stormwater and related capital improvements	Section 12.03.DD; Difference between previous City payments and adjusted 2021 Attachment T-1	Yes	Lump Sum of $902,113	NA – Lump Sum Supplemental Payment to be made by City no later than 10/31/22	Payment to be made by City no later than 10/31/22	Entire Contract (for the period of 1/1/21-12/31/21)
15.	One-Time Supplemental Payment per month for each month prior to the execution of the 2022 Contract Amendment for the third year of CASP/Stormwater and related capital improvements	Section 12.03.LL; Difference between previous City payments and adjusted 2022 Attachment T-1	Yes	Lump Sum of $72,299.78 per month	NA – Lump Sum Supplemental Payment to be made by City no later than 10/31/22	Payment to be made by City no later than 10/31/22	Entire Contract (for each month prior to execution the 2022 contract amendment)
Additional Payments for Other Programs							
Item #	**Compensation Item**	**Payment Amount Reference**	**Is 3% Base Profit Added? (Section 12.04)**	**Paid at what Intervals**	**Payments Begin**	**Payments End**	**Contract Section containing scope of work**
16.	SB 1383 Expanded Commercial Food Scraps (Compostables) Collection	Section 12.03 & Attachment T-5C	Yes	Monthly	Effective 1/1/2023	12/31/2031	Articles 4, 5, 7 and 9 (section 9.07) & Attachments B, L and N
17.	SB 1383 Commercial Food Scraps (Compostables) Collection Capital Costs	Section 12.03 & Attachment T-5C	No	Monthly	Effective 1/1/2023	12/31/2031	Articles 4, 5 and 7 & Attachment B (section 3.8), L, M-1B, M-2 and N
18.	SB 1383 Enhanced Processing Costs	Section 12.03 & Attachment T-17	Yes	Monthly	Effective 1/1/2023	12/31/2031	Article 6 & Attachments F, J, M-1B, M-2 & N

19.	SB 1383 Enhanced Processing Capital Costs	Section 12.03 & Attachment T-17B	No	Monthly	Effective 1/1/2024	12/31/2031	Article 6 & Attachments F, J, M-1B, M-2 & N
20.	SB 1383 Required Quarterly MDF Facility Audits/Sampling	Sections 12.13, 12.14 or 12.15 (as applicable) & Attachment F, Section 3.13.1	Yes	Quarterly (as approved subcontractor costs are incurred)	Effective 1/1/2023	12/31/2031	Article 6 & Attachments F (section 13.13.1) and R
21.	NVUSD service	Section 12.13 & Attachment T-11	Yes	Monthly	4/1/18 (adjustment each July 1st thereafter)	12/31/31	Section 4.07 & Attachment E
22.	Unit Cost-Based Programs	Section 12.10 & Attachment T-11	No	Monthly (if performed)	4/1/18	12/31/31	Section 4.11 & Attachment B, Section 5
23.	Allowance Based Programs	Section 12.10 & Attachment T-11	No	Monthly (if performed)	4/1/18	12/31/31	Section 11.03 & Attachment B, Section 5
24.	30% of Secondary Materials Sales	Section 12.08	No	Weekly (if secondary materials sales deposit is made)	4/1/18	12/31/31	Section 6.18
25.	95% of Direct Materials Sales (i.e., compost, gravel, top soil, etc.)	Section 12.08	No	Monthly	4/1/18	12/31/31	Section 6.18
26.	Commercial Food Scrap Collection Program	Section 12.03 & Attachments T-5A & T-5B	Yes	Monthly	4/1/18	12/31/31	Attachment B, Section 3
27.	Recycle More Program	Section 12.03 & Attachments T-6A, T-6B & T-11	Yes	Monthly	4/1/18	12/31/31 (unless terminated by City)	Attachment B, Section 7.02 & Attachment T-11
28.	“Partnership” Glass and Mixed Plastics Sorting Positions	Section 12.03 & Attachment T-7 (70% City share of costs)	Yes (on City’s 70% share)	Monthly	4/1/18	12/31/31 (unless terminated by City)	Section 6.09 & Attachments F, G & H
29.	Proposed Biomass Gasification Plants at Materials Diversion Facility	Attachment T-8 Placeholder, Future Contract Amendment	Yes (on non-capital costs)	Likely Monthly (Based on Final terms of Future Contract Amendment)	Effective Date of Future Contract Amendment	Likely 12/31/31 but governed by Future Contract Amendment	Section 6.24 & Attachments F, G & H (to be addressed in Future Contact Amendment)
30.	Additional City-Approved options for Clean MRF Upgrade (glass cleaning system and sorting robot)	Section 12.03 & Attachment T-9A & T9B	No on capital cost (Attachment T-9A); Yes operating costs (Attachment T-9B)	Monthly	4/1/18	12/31/31	Section 6.09 & Attachments F, G & H
31.	New Commercial Sunday Collection Service	Section 12.03 & Attachments T-10A & T-10B	Yes	Monthly	7/1/18	12/31/31 (unless terminated by City)	Articles 4, 5, 7 & Attachment B, Section 3
32.	Additional public outreach	Attachment U (2009 to present) $10,000 per year and Section 12.11	Yes	Monthly	1/1/2009	12/31/31	Attachments B and U

Volume or Unit-Based Compensation							
Item #	**Compensation Item**	**Payment Amount Reference**	**Is 3% Base Profit Added? (Section 12.04)**	**Paid at what Intervals**	**Payments Begin**	**Payments End**	**Contract Section containing scope of work**
33.	Enhanced Over-Baseline Throughput Payment	Section 12.05 & Attachment GG	No	Monthly (once threshold is achieved) with year-end PPI adjustment and reconciliation	1/1/18 (applicable annually with first payment for materials processed in calendar year 2017	12/31/31 (with final calendar year PPI adjustment and payment made in 2032 for materials processed in calendar year 2031)	Section 6.09 & Attachment F
34.	Diversion Incentive Payments	Section 12.07	No	Annually (to be calculated and paid by City in late February/early March)	1/1/18	12/31/31 (with final calendar year 2031 payment made in 2032	Entire Contract (calculation process in Section 12.06 and much of related reporting in Attachment R)
35.	Carpet Processing Payments	Attachment B, section 7.03	No	Monthly (based on inbound carpet received and processed at MDF)	1/1/18	12/31/31	Article 6, Attachment F & Attachment B, section 7.03
36.	Hauling Costs of Compost Overs to Potrero Hills Landfill or other City-approved Landfill	Section 12.12	Yes	Monthly (per ton transportation & tip fee costs based on documented subcontractor costs and cross-referenced to MDF weight records))	1/1/18	12/31/31 (unless terminated by City)	Section 5.04.1 & Attachment B
37.	Hauling Costs of Compostable Materials to Zamora Compost Facility or other City-approved compost facility	Section 12.12	No	Monthly (per load transportation cost based on documented subcontractor haul cost and cross-referenced to MDF weight records)	1/1/18	12/31/31 (unless terminated by City)	Section 5.06 & Attachment B
38.	Fuel and Electricity Costs	Section 12.03	Yes (if paid through Contractor)	Monthly (based on previous actual and projections); reconciled annually against actual documented costs	1/1/18	12/31/31	Section 12.03, Article 4, 5, 6, 7 & Attachments B & F
39.	Biochar Sales & Sale of Power to Pacific Gas & Electric	Related to Proposed Biomass Plants & Future Contract Amendment; likely addition to Section 12.07	No	Likely Monthly @ 30% of revenue from Biochar Sales to Contractor and 0% of power sales to PG&E; to be determined by Future Contract Amendment	Effective Date of Future Contract Amendment	Likely 12/31/31 but governed by Future Contract Amendment	Section 6.24 & Attachment F (to be addressed in Future Contact Amendment)
40.	Low Carbon Fuel Standard (LCFS) credit sales under California program; Renewable Identification Numbers (RINs) under Federal Renewable Fuel Standard Program	Related to Proposed Anaerobic Digestion to Biofuel System & Future Contract Amendment; likely addition to Section 12.07	No	N/A – Likely 100% retention of revenue by City; to be determined by Future Contract Amendment	Effective Date of Future Contract Amendment	Likely 12/31/31 but governed by Future Contract Amendment	Section 6.25 & Attachment F (to be addressed in Future Contact Amendment)

Change in Scope or Subcontractor Services							
Item #	**Compensation Item**	**Payment Amount Reference**	**Is 3% Base Profit Added? (Section 12.04)**	**Paid at what Intervals**	**Payments Begin**	**Payments End**	**Contract Section containing scope of work**
41.	Other City-approved new Contractor services, capital repair/maintenance, or City-approved subcontractor services that are not related to Modifications (as directed by the City)	Sections 12.13, 12.14 or 12.15 (as applicable) & Attachment F, Section 3.10.4.5	Yes, for City-approved subcontractor services and new City-approved Contractor services. However, some direct pass-through costs such as per ton gate, disposal fees, capital repairs/maintenance are not subject to the 3% Base Profit, as determined by the City.	Monthly (generally)	Beginning of month as requested by City	Case by case dependent on type of service requested; most subcontractor work directed by the City will be limited in scope and duration	Written description and approval from City citing Sections 4.13 or 14.14 (as applicable) for changes in scope of services
42.	City-approved subcontractor services for Modifications (as directed by the City)	Sections 6.15, 12.03 and 12.06 & Attachment F, Section 8.1.1	No. For City-approved subcontractor services for Modifications (as defined in Attachment F, Section 8.1.1), a 5% construction management fee will be added based on the total Modification cost approved by the City. However, some direct pass-through costs are not subject to the 5% construction management fee, as determined by the City.	Monthly (generally)	Beginning of month as requested by City	Case by case dependent on type of public works/capital improvements requested; most subcontractor work directed by the City will be limited in scope and duration	Written description and approval from City pursuant to process in Sections 6.15 and Attachment F, Section 8.1.1
43.	Special compensation for Napa Pipe development project growth	Section 12.03 & Attachments U and U-1	No, the applicable per residential household compensation is identified in Attachment U-1, Table U-1B.	Monthly (as adjusted per monthly Attachment R reporting)	Within 30 days of receiving an invoice for the increase the number of residential households required to be serviced by Contractor after Napa Pipe development project is occupied and reported in the monthly collection reports set forth in Attachment R	12/31/31	Written description of collection services in Article 4 and Attachment B and description of compensation and reporting requirements in Attachments R, U and U-1

ARTICLE 13. DEFAULT AND REMEDIES

13.01 Events of Default. Each of the following shall constitute an event of default ("Contractor Default") hereunder:

A. (i) Contractor fails to perform its obligations under Articles 4, 5, 6 or 7 of this Contract and the failure to perform is not cured within two (2) business days after receiving written notice from the City specifying the breach; or (ii) in the case of any other breach of this Contract, the breach continues for more than fifteen (15) calendar days after written notice from the City for the correction thereof.

B. There is a seizure or attachment of, or levy affecting possession of, the operating equipment of Contractor, including without limitation, its vehicles, maintenance or office facilities, of such proportion as to substantially impair Contractor's ability to perform under this Contract, and which is not released, bonded or otherwise lifted within two (2) business days.

C. There is any termination or suspension from any cause (including labor unrest such as strike, work stoppage or slowdown, sickout, picketing, or other concerted job action) of the Contractor's ability to collect MSW, Recyclable Materials and/or Compostables or its ability to operate the Materials Diversion Facility for more than five (5) business days.

D. Contractor files a voluntary case for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or shall consent to the appointment of or taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Contractor for any part

of Contractor's operating assets or any substantial part of Contractor's operating assets or any substantial part of Contractor's property, or shall make any general assignment for the benefit of Contractor's creditors, or shall fail generally to pay Contractor's debts as they become due or shall take any action in furtherance of any of the foregoing.

E. A court having jurisdiction enters a decree or order for relief in respect of the Contract, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Contractor consents to or fails to oppose any such proceeding, and such proceeding shall remain undismissed or unstayed for a period of ninety (90) days or any such court enters a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Contractor or for any part of the Contractor's operating equipment or assets, or orders the winding up or liquidation of the affairs of the Contractor.

F. Contractor fails to furnish a replacement bond or a continuation certificate of the existing bond not less than sixty (60) days before expiration of the performance bond, as required by Section 11.03 of the Contract or fails to maintain all required insurance coverages in force. The default shall occur immediately upon such failure without any necessity for notice from City of the breach. City shall have the right to give notice of termination in accordance with Section 13.02 immediately upon such default.

G. Contractor fails to provide reasonable assurance of performance required under Section 14.13.

H. A representation or warranty contained in Article 2 proves to be false or misleading in a material respect as of the date such representation or warranty was made.

13.02 Right to Suspend or Terminate Upon Default.

A. Upon any Contractor Default, City shall have the right to suspend or terminate this Contract, in whole or in part. Such suspension or termination shall be effective thirty (30) days after City has given notice of suspension or termination to Contractor, except that such notice may be effective immediately if the Contractor Default is one which endangers the health, welfare or safety of the public. Notice may be given orally in person or by telephone to the representative of Contractor designated in or under Section 14.08 (or, if he/she is unavailable, to a responsible employee of Contractor) and shall be effective immediately. Written confirmation of such oral notice of suspension or termination shall be sent by personal delivery, facsimile, or other expedited means of delivery to Contractor within twenty-four (24) hours of the oral notification. Contractor shall continue to perform the portion of the Contract not suspended, in full conformity with its terms.

B. City will also have the right to immediately suspend or terminate this Contract, upon the same notice provisions set forth in Section 13.02.A, if Contractor's ability to perform is prevented or materially interfered with by a cause which excuses nonperformance under Section 14.15, despite the fact that nonperformance in such a case is neither a breach nor default by Contractor.

13.03 Specific Performance. By virtue of the nature of this Contract, the urgency of timely, continuous and high-quality service, the lead time required to effect

alternative service, and the rights granted by City to Contractor, the remedy of damages for a breach hereof by Contractor may be inadequate and City shall be entitled to equitable remedies including injunctive relief and specific performance.

13.04 City's Right to Cure in Event of Contractor Default. In the event that Contractor fails to perform any of its obligations under Articles 4, 5, 6 or 7 and fails to perform such work within two (2) business days after notice from City, City may (but shall not be obligated to) enter the Materials Diversion Facility Site with necessary workers and equipment and perform the required work, or engage a third party contractor to do so. In such event, Contractor shall immediately upon demand reimburse City for all costs thereof, including any payments to a third party contractor, with interest after thirty (30) days at prime rate (as established by the Bank of America "reference rate") plus two percent (2%) but not in excess of the maximum interest rate allowed by law. If Contractor fails to make such reimbursement City may deduct the amounts due from subsequent payments to Contractor under Article 12.

13.05 City's Right to Perform In Event of Suspension or Termination. If this Contract is suspended and/or terminated due to a Contractor Default, City shall have the right to perform and complete, by contract or otherwise, the work herein or such part thereof as it may deem necessary and to procure labor, equipment, and materials and incur all other expenses necessary for completion of the work. If such expenses exceed the amounts which would have been payable to Contractor under this Contract if it had been fully performed by Contractor, then Contractor shall pay the amount of such excess to City.

13.06 Use of Property Upon Default. In the event of Contractor's Default, the City shall have the right to use any of Contractor's equipment, facilities and other property reasonably necessary for the provision of services hereunder and the billing and collection of fees for those services. The City shall have the right to continue use of such property until other suitable arrangements can be made for the provision of such services, which may include the award of a contract to another service provider. If the City continues use thereof after the period of time for which Contractor has already been paid, Contractor shall be entitled to the reasonable rental value of such property, which shall be offset against the damages due the City as a result of Contractor's Default. Contractor agrees that it will fully cooperate with the City to effect the City's use of such property. The City may immediately engage all or any personnel necessary for the provision of services, including, if the City so desires, employees previously employed by Contractor. Contractor further agrees, if the City so requests, to assist the City in securing the services of any or all management or office personnel employed by Contractor whose skills are reasonably necessary for the continuation of services. The City agrees that it assumes complete responsibility for the proper, normal use of such equipment and facilities while in its possession. Contractor agrees that the City's exercise of its rights under this section: (i) does not constitute a taking of private property for which compensation must be paid; (ii) will not create any liability on the part of the City to Contractor other than the payment of reasonable rental value as provided for in this subsection; (iii) does not exempt Contractor from the indemnity provisions of Article 11 which are meant to extend to circumstances arising under this Section.

13.07 Damages. Contractor shall be liable to City for all direct and consequential damages arising out of Contractor's Default. This section is intended to be declarative of existing California law. The City may offset such damages against sums which would otherwise be due to Contractor.

13.08 City's Remedies Cumulative. City's rights to suspend or terminate the Contract under Section 13.02, to obtain specific performance under Section 13.03, to cure under Section 13.04 and to perform under Section 13.05 are not exclusive, and City's exercise of one 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 City may have, including a legal action for damages, including incidental, consequential and/or special damages under Section 13.07.

13.09 Liquidated Damages. The parties acknowledge that consistent, courteous and efficient collection of MSW, Recyclable Materials and Compostables is of utmost importance and City has considered and relied on Contractor's representations as to its quality of service commitment in entering into this Contract. The parties further recognize that quantified standards of performance are necessary and appropriate to ensure consistent and reliable service. The parties further recognize that if Contractor fails to achieve the performance standards, City and its residents will suffer damages and that it is and will be impracticable and extremely difficult to ascertain and determine the exact amount of damages that City will suffer. Therefore, the parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the date of this Contract, including the relationship of the sums to the range of harm to City that reasonably could

be anticipated and anticipation that proof of actual damages would be costly or inconvenient.

Contractor agrees to pay (as liquidated damages and not as a penalty) the amount set forth below and further agrees that these amounts may be deducted by City from payments to Contractor by City:

A. Collection Reliability

(i) For each failure to commence service to a new customer account within seven (7) days after order, in excess of five (5) such failures annually: $150.00

(ii) For each failure to collect MSW or Recyclable Materials which has been properly set out for collection, from an established customer account, on the scheduled collection day, in excess of five (5) such failures annually:..... $150.00

(iii) For each failure to collect MSW or Recyclable Materials, which has been properly set out for collection, from the same customer on two (2) consecutive scheduled pick up days: $150.00

B. Use of NRWS Personnel or Equipment by Affiliated Entities

(i) For each instance that City documents use of NRWS personnel or equipment being used by Affiliated Entities (via photograph or on-site observation by a City employee or agent): $200.00

(ii) For each instance that City documents use of NRWS personnel or equipment being used by Affiliated Entities (via photograph or on-site observation by a City employee or agent) over 5 such instances within a six (6) month period: $400.00

C. Collection Quality

(i) For each failure to properly return any empty container to avoid pedestrian or vehicular traffic impediments or to place any can in an upright position with lid securely closed, in excess of five (5) such occurrences annually:..... $150.00

(ii) For each occurrence of discourteous behavior to a customer:..... $250.00

(iii) For each occurrence of excessive noise: $500.00

(iv) For each failure to clean up MSW or Recyclable Materials spilled from containers, in excess of five (5) such failures annually:..... $150.00

(v) For each occurrence of collecting MSW or Recyclable Materials during unauthorized hours, in excess of five (5) such occurrences annually: $500.00

(vi) For each failure to conform to the requirements of Sections 7.02C.2, Cleaning; 7.02C.3, Painting; 7.02C.4, Maintenance; 7.02D, Operation; 7.03C, Cleaning, Painting and Maintenance of Contractor-Furnished Containers; 7.06B, Driver Qualifications; and 7.06C, Uniforms, which exceed in any one or a combination of categories above five (5) such occurrences annually: $150.00

D. <u>Responsiveness to Customer</u>

(i) For each failure to initially respond to a customer complaint within eight (8) working hours:..... $100.00

(ii) For each failure to carry out responsibilities for establishing service: $500.00

(iii) For each failure to conform to the requirements of Section 4.10: $250.00

E. <u>Timeliness of Submissions to City</u>

Any report shall be considered late until such time as a correct and complete report is received by City. For each calendar day a report is late, the daily liquidated damage amount shall be:

(i) Monthly report ..... $100.00 per day

(ii) Quarterly report ..... $250.00 per day

(iii) Annual report..... $500.00 per day

F. <u>Accuracy of Billing</u>

Each customer billing that is not prepared in accordance with City's approved schedule of rates:..... $250.00

G. Materials Diversion Facility Initial Acceptance Tests. The parties further acknowledge that (1) installation of equipment and provision of capable operators at the MDF such that performance sufficient to pass the initial acceptance tests set forth in Attachment H, Table H-1 is achieved on schedule is also of utmost importance to the City, and (2) if Contractor is unable to achieve the performance standards set forth in each Attachment H and respective Table H-1 for one or more of the processing areas at the MDF, the City will suffer damages, some portions of which will be impracticable and extremely difficult to ascertain. Specifically, the portion of these damages not susceptible to ready determination includes costs of City employees and consultants who will be required to devote additional time to overseeing extended testing efforts and to securing alternative permitted facilities for processing Recyclable Materials, Compostables and/or C&D Debris that Contractor is unable to successfully process. The parties agree that the following amounts are reasonable estimates of the amount of such damages for each day after October 1, 2018 for items (i) through (iv) below and October 1, 2019 for item (v) below ("Initial Acceptance Test Deadline") that the Contractor has not achieved the applicable Initial Acceptance Test performance standards described in the Attachment H and respective Table H-1 for each one of the Process Lines/Areas listed below:

(i) Clean MRF ..... $800.00 per day
(ii) Organics Preprocessing/Depackaging ..... $2,600.00 per day
(iii) Clean Wood..... $2,200.00 per day
(iv) Source-Separate C&D..... $1,600.00 per day
(v) Composting (CASP)..... $2,600.00 per day

The parties further agree that the foregoing liquidated damages are not intended to, and do not, cover other damages which the City may or will suffer as a result of Contractor's failure to pass the Initial Acceptance Tests on schedule. Such damages may include loss of revenue from sales of Recovered Materials, loss of customers for the MDF, and fines or penalties for failure to achieve the Diversion rates required by the Act or other State of California regulations. The City may seek to recover such damages in addition to the liquidated damages provided above.

Finally, the parties agree that if Contractor fails to pass one or more of the Full Acceptance Tests on or before January 1, 2019 January 1, 2019 for items (i) through (iv) above and on or before January 1, 2020 for item (v) above, that failure will constitute a breach of this Contract which, if not cured within the time specified in Section 13.01A(i), will entitle the City to invoke any or all of the remedies for default provided in this ARTICLE 13.

City may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees, agents or representatives or through investigation of customer complaints.

Prior to assessing liquidated damages, City shall give Contractor notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. Contractor may review (and make copies at its own expense) all non-confidential information in the possession of the City relating to incident(s)/non-performance. Contractor may, within ten (10) days after receiving the notice, request a meeting with the City Manager or his or her designee. Contractor may present evidence in writing and through testimony of its employees and others relevant to the

incident(s)/non-performance. The City Manager or his or her designee will provide Contractor with a written explanation of his or her determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the City Manager or his or her designee shall be final.

H. Amount. The City may assess liquidated damages for each calendar day or event, as appropriate, that Contractor is determined to be liable in accordance with this Contract.

I. Payment. Contractor shall pay any liquidated damages assessed by City within ten (10) days after they are assessed.

City's right to recover liquidated damages for Contractor's failure to meet the service performance standards shall not preclude City from obtaining equitable relief for persistent failures to meet such standards nor from terminating the Contract for such persistent failures.

13.10 City Default. City shall be in default under this Contract ("City Default") in the event City commits a material breach of the Contract and fails to cure such breach within thirty (30) days after receiving notice from the Contractor specifying the breach, provided that if the nature of the breach is such that it will reasonably require more than thirty (30) days to cure, City shall not be in default so long as City promptly commences the cure and diligently proceeds to completion of the cure.

In the event of a City Default Contractor shall continue to perform all of its obligations hereunder until a court of competent jurisdiction has issued a final judgment declaring that City is in Default.

Disputes arising under Article 12 will be resolved as provided in Section 12.16.

ARTICLE 14. OTHER AGREEMENTS OF THE PARTIES

14.01 Relationship of Parties. The parties intend that Contractor shall perform the services required by this Contract as an independent contractor engaged by City and not as an officer or employee of City nor as a partner of or joint venturer with City. No employee or agent or Contractor shall be deemed to be an employee of City, nor an agent of City. Except as expressly provided herein, Contractor shall have the exclusive control over the manner and means of conducting the services performed under this Contract, and all persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, subcontractors and agents. Neither Contractor nor its officers, employees, subcontractors and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to City employees by virtue of their employment with City.

14.02 Compliance with Law; Non-Discrimination. In providing the services required under this Contract, Contractor shall at all times comply with all applicable laws of the United States, the State of California and City, with all applicable regulations promulgated by federal, state, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended during the Term and with all permits affecting the services to be provided. Contractor shall not discriminate nor permit discrimination against any person in a manner prohibited by federal or state law.

14.03 Assignment. Contractor acknowledges that this Contract involves rendering a vital service to the City's residents and businesses, and that the City has selected Contractor to perform the services specified herein based on (i) Contractor's Members' experience, skill and reputation for conducting their operations in a safe,

effective and responsible fashion, and (ii) Contractor's financial resources to maintain the required equipment and to support its indemnity obligations to the City under this Contract. The City has relied on each of these factors, among others, in choosing Contractor to perform the services to be rendered by Contractor under this Contract.

A. City Consent Required. Contractor shall not assign its rights or delegate or otherwise transfer its obligations under this Contract to any other Person without the prior written consent of City. Any such assignment made without the consent of City shall be void and the attempted assignment shall constitute a Contractor Default.

B. Assignment Defined. For the purpose of this Section, "assignment" shall include, but not be limited to, (i) a sale, exchange or other transfer to a third party of substantially all of Contractor's assets dedicated to service under this Contract; (ii) a sale, exchange or other transfer of all or any part of a Member's interest in Contractor to a person that is not already a Member of Contractor; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or reissuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of ownership or control of Contractor; (iv) any assignment by operation of law, including insolvency or bankruptcy, an assignment for the benefit of creditors, a writ of attachment for an execution being levied against this Contract, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of ownership, or change of control of Contractor.

C. Consent Requirements. If Contractor requests City's consideration of and consent to an assignment, City may deny or approve such request in its complete discretion. No request by Contractor for consent to an assignment need be considered by City unless and until Contractor has met the following requirements:

1. Contractor shall undertake to pay City its reasonable expenses for attorneys' fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment;

2. Contractor shall furnish City with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years;

3. Contractor shall furnish City with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of solid waste/recycling management experience on a scale equal to or exceeding the scale of operations conducted by Contractor; (ii) that in the last five (5) years, the proposed assignee has not been the subject of any administrative or judicial proceedings initiated by a federal, state or local agency having jurisdiction over its operations due to an alleged failure to comply with federal, state or local laws or that the proposed assignee has provided City with a complete list of such proceedings and their status; (iii) that the proposed assignee conducts its operations in a safe and environmentally conscientious manner, in accordance with sound waste management practices in full compliance with all federal, state and local laws regulating the collection and disposal of waste and all Environmental Laws; (iv) of any other information required by City to ensure the

proposed assignee can fulfill the terms of this Contract in a timely, safe and effective manner.

14.04 Subcontracting. Contractor shall not engage any subcontractors to perform any of the services required of it by this Contract without the prior written consent of City. Contractor shall notify the City no later than ninety (90) days prior to the date on which it proposes to enter into a subcontract. City may approve or deny any such request in its sole discretion if the proposed subcontractor is to perform services required under Articles 4, 5, or 6.

Contractor may, in cases of emergency, engage subcontractors for up to seven (7) consecutive days. Contractor shall give prompt notice to City of any such emergency subcontracting and any such engagement must be approved by City in writing if it is to extend beyond seven (7) days, or if Contractor wishes to renew it after an interval of less than thirty (30) days.

14.05 No Affiliated Entity. Contractor will not form or use any Affiliated Entity to perform any of the services or activities which Contractor is required or allowed to perform under this Contract, other than as a subcontractor approved by City under Section 14.04.

14.06 Contractor's Investigation; No Warranties by City. Contractor has made an independent investigation, satisfactory to it, of the conditions and circumstances surrounding the Contract and the work to be performed by it, and the recycling and source reduction programs now in effect in the City and other Participating Agencies.

Contractor has carefully reviewed the information in the Request for Proposals and Addenda, if any. Contractor has had the opportunity to inspect the Materials Diversion Facility site and facilities, and the equipment currently installed in the Materials Diversion Facility; and to review the environmental documents associated with the Materials Diversion Facility as well as the permits governing its operation; the Source Reduction and Recycling Elements adopted by each of the Participating Agencies under the Act; and the Agreement between the Napa-Vallejo Waste Management Authority and the operator of the Transfer Station.

In addition, since October 2005, Contractor has performed the scope of services contained in the Contract and has thoroughly investigated and analyzed the new scope of services associated with operation and maintenance of new particulate enclosures, an organics receiving building and organics pre-processing equipment, the construction, acceptance and operation of the new Covered Aerated Static Pile (CASP) composting system, full scale rollout of the Commercial Food Scrap Collection program, design, procurement, construction and operation of the Biomass Units, and the Stormwater Management System, all as described in Article 6 and related Attachments B, F, G and H. Based upon this experience, Contractor hereby enters into the 2022 Amendment with full knowledge concerning the conditions, circumstances and costs encompassing the Contract, and the work to be performed by Contractor under the Contract. Furthermore, based on its investigation, Contractor represents that the costs outlined in Attachment T and Article 12 are the final, all-inclusive costs for Contractor's compensation unless otherwise specifically enumerated in the Contract.

While City believes that the information contained in the Request for Proposals and the Contract is substantially correct, City makes no warranties in connection with this Contract, including but not limited to the accuracy or completeness of the information contained in the Request for Proposals. The City also expressly disclaims any warranties, either express or implied, as to the merchantability or fitness for any particular purpose of Recyclable Materials delivered to the Facility.

14.07 Condemnation. City reserves the rights to acquire the Contractor's property utilized in the performance of this Contract through the exercise of eminent domain, as provided in the City's Municipal Code Section 5.56.070.C.

14.08 Notice. All notices, demands, requests, proposals, approvals, consents and other communications which this Contract requires, authorizes or contemplates shall, except as provided in Section 13.02, be in writing and delivered to the other party's representative by personal delivery, U.S. Mail, nationwide overnight delivery service, email or as otherwise specified herein, addressed as follows:

If to City:
City Public Works Director
City of Napa
1600 First Street
Napa, CA 94559-2430
{***INSERT email address of City's Representative***}

with a copy to the Napa City Attorney

If to Contractor:
Greg Kelley, Manager
Napa Recycling & Waste Services, LLC
3216 Vichy Avenue
Napa, CA 94558
{***INSERT email address of Contractor's Representative***}

** If sent by U.S. Mail, use P.O. Box only.*

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section. Delivery is deemed

effective upon the first to occur of: (a) actual receipt by a party's representative, (b) actual receipt at the address identified below, or (c) three business days following deposit in the U.S. Mail of registered or certified mail sent to the address identified above.

14.09 Representatives of the Parties.

A. Representatives of City. References in this Contract to "City" shall mean the City of Napa, a California charter city, acting pursuant to the authority of California Constitution, Article XI, Sections 5 and 7, and the City of Napa City Charter, initially ratified by the voters of the City on December 16, 1914. "City Limits" means the geographical territory within the boundaries of incorporation for the City, as determined in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act (California Government Code Sections 56000 – 57550). All actions to be taken by City shall be taken by the City Council of the City of Napa, as defined by Section 5 of the City Charter of the City of Napa, except as provided below. The City Council has delegated authority to the City Manager of the City of Napa, as defined by Section 85 of the City Charter of the City of Napa, or a designee of the City Manager, to implement and enforce all City contracts, pursuant to the City's Municipal Code Section 2.91.030. Contractor may rely upon actions taken by such delegates if they are within the scope of the authority properly delegated to them.

B. Representatives of Contractor. Contractor shall, by the Effective Date, designate in writing a responsible officer who shall serve as the representative of Contractor in all matters related to the Contract and shall inform City in writing of such designation and of any limitations upon his or her authority to bind Contractor. City may

rely upon action taken by such designated representative as actions of Contractor unless they are outside the scope of the authority delegated to him/her by Contractor as communicated to City.

14.10 Duty of Contractor Not to Discriminate. Contractor shall not discriminate, nor permit any subcontractor to discriminate, in the employment of persons engaged in the performance of this Contract or in the use of the Materials Diversion Facility on account of race, color, national origin, ancestry, religion, sex, age, physical handicap, medical condition, sexual orientation or marital status, in violation of any applicable federal or state law.

14.11 Right to Inspect Contractor Operations. City shall have the right, but not the obligation, to observe and inspect all of the Contractor's operations under this Contract. In connection therewith, City shall have the right to enter the portions of the Materials Diversion Facility used by Contractor during operating hours, speak to any of Contractor's employees and receive cooperation from such employees in response to inquiries. In addition, upon reasonable notice and without interference with Contractor's operations, City may review and copy any of Contractor's operational and business records related to this Contract. If City so requests, Contractor shall make specified personnel available to accompany City employees on inspections and shall provide electronic copies of records stored in electronic media.

14.12 Maintenance and Review of Records, Submission of Reports. Contractor shall compile, on a daily basis, accurate records of its operations in sufficient detail to allow for accurate determinations of all matters that require periodic determination under this Contract. City shall have the right during regular business

hours to review and make copies of (at City's expense) any documents relevant to this Contract, including, but not limited to, Contractor's cash register records, scale records, videotape recordings of transactions at the scale house, and records maintained in electronic, magnetic and other media.

Contractor shall prepare and submit complete, accurate and timely reports on forms provided or approved by City, including those reporting forms attached as Attachment R.

14.13 Right to Demand Assurances of Performance. If Contractor (1) persistently suffers the imposition of liquidated damages under Section 13.09; (2) is the subject of any labor unrest including work stoppage or slowdown, sickout, picketing or other concerted job action; (3) appears in the reasonable judgment of City to be unable to regularly pay its bills as they become due; or (4) is the subject of a civil or criminal proceeding brought by a federal, state, regional or local agency for violation of an Environmental Law, City may, at its option and in addition to all other remedies it may have, demand from Contractor reasonable assurances of timely and proper performance of this Contract, in such form and substance as the City may require.

14.14 Right of City to Make Changes. City may, without amending this Contract, direct Contractor to cease performing one or more types of service described in Articles 4, 5 or 6, may direct Contractor to modify the scope of one or more such services, may direct Contractor to perform additional solid waste processing services, or may otherwise direct Contractor to modify its performance under any other Section of this Contract, including to moving toward new collection "smart bin" technology. Contractor shall promptly and cooperatively comply with such direction.

If such changes cause an increase or decrease in the cost of performing the services, an equitable adjustment in the Contractor's compensation shall be made pursuant to Section 12.13. Contractor will continue to perform the new or changed service while the appropriate adjustment in compensation is being determined.

14.15 Force Majeure. Neither party shall be in default of its obligations under this Contract in the event, and for so long as, it is impossible or extremely impracticable for it to perform its obligations due to an "act of God" (including, but not limited to, flood, earthquake or other catastrophic events), war, insurrection, riot, labor unrest of other than the party's employees (including strike, work stoppage, slowdown, sick out, picketing, or other concerted job action), or other similar cause not the fault of, and beyond the reasonable control of, the party claiming excuse. A party claiming excuse under this Section must (1) have taken reasonable precautions, if possible, to avoid being affected by the cause, and (2) notify the other party in writing within five (5) days after the occurrence of the event specifying the nature of the event, the expected length of time that the party expects to be prevented from performing, and the steps which the party intends to take to restore its ability to perform. The party claiming excuse under this Section shall use its best efforts to remedy its inability to perform as quickly as possible.

A. Force Majeure. Neither Contractor nor the City shall be excused from the performance of its obligations under this Contract except where a party's failure to perform is due to an event of Force Majeure, as defined in this Contract.

B. Obligation to Restore Ability to Perform. Any suspension of performance by a party pursuant to this Section shall be only to the extent, and for a

period of no longer duration than, required by the nature of the event, and the party claiming excuse from obligation shall use its best efforts in an expeditious manner to remedy its inability to perform, and mitigate damages that may occur as result of the event.

C. Notice. The party claiming excuse shall deliver to the other party a written notice of intent to claim excuse from performance under this Contract by reason of an event of Force Majeure. Notice required by this Section shall be given promptly in light of the circumstances, but in any event not later than five (5) days after the occurrence of the event of Force Majeure. Such notice shall describe in detail the event of Force Majeure claimed, the services impacted by the claimed event of Force Majeure, the expected length of time that the party expects to be prevented from performing, the steps which the party intends to take to restore its ability to perform, and such other information as the other party reasonably requests.

D. City's Rights in the Event of Force Majeure. The partial or complete interruption or discontinuance of Contractor's services caused by an event of Force Majeure shall not constitute an event of default under this Contract. Notwithstanding the foregoing: (i) the City shall have the right to make use of Contractor's facilities and equipment in accordance with Section 13.05 of this Contract in the event of non-performance excused by Force Majeure; (ii) if Contractor's excuse from performance for reason of Force Majeure continues for a period of thirty (30) days or more, the City shall have the right, in its sole discretion, to immediately terminate this Contract; (iii) if Contractor is unable to collect and dispose of Municipal Solid Waste as required by this Contract for a period of three (3) or more consecutive days or for any

(3) days in a seven (7)-day period as a result of Force Majeure, the City shall have the right to make use of Contractor's property in accordance with Section 9.04, and (iv) if Contractor's inability to collect and dispose of Municipal Solid Waste continues for fourteen (14) days or more from the date by which Contractor gave or should have given notice under Subsection C above, the City may terminate this Contract.

14.16 Cooperation During Transition. At the expiration or earlier termination of the Term, Contractor shall cooperate fully with the City to ensure an orderly transition to any and all new service providers. In addition, during the last twelve months of the Term, Contractor shall allow prospective operators to observe its operations and otherwise comply with Attachment W. Contractor shall give the main phone number (707-255-5200) for operators to the City for use by a new service provider. Sixty (60) days prior to the expiration or termination of the Term, Contractor shall transfer ownership of all website content that is relevant to City customers to the City so the City can transfer the website content to a new service provider.

14.17 No Damages for Invalidation of Contract. If a final judgment of a court of competent jurisdiction determines that this Contract is illegal or was unlawfully entered into by the City, neither party shall have any claim against the other for damages of any kind (including but not limited to loss of profits) on any theory.

14.18 Guaranty. No later than ten (10) days before the Effective Date of this contract, Contractor shall furnish a properly executed Guaranty of its performance under this Contract by Greg Kelley, in the form of Attachment X.

14.19 Diversion Programs Not Restricted. Nothing in this Contract shall restrict City or the other Participating Agencies, or any of them, as to their participation

or non-participation, or the nature or extent of their participation in, any recycling and diversion program, developed or operated by City, the other Participating Agencies, or by one or more residents, businesses, commercial, industrial or retail operators, or other persons, within their respective jurisdictions.

Notwithstanding the foregoing, the City agrees to deliver, or arrange for the delivery, to the Materials Diversion Facility of all Recyclable Materials which are collected from residences within the City by employees of the City, by its Designated Hauler, or by other Persons operating a program of collecting Recyclable Materials from residences and/or commercial and business establishments under a contract with the City. The City does not, however, guarantee that it will continue to operate such a program, nor does it guarantee that privately-sponsored residential or non-residential recycling programs will not operate within the City.

14.20 Reports as Public Records. The reports, records and other information submitted (or required to be submitted) by Contractor to City are public records within the meaning of that term in the California Public Records Act, Government Code Section 6250 *et seq.* Unless a particular record is exempted from disclosure by the California Public Records Act, it must be disclosed to the public by the City upon request.

Contractor will not object to the City making available to the public any information submitted by the Contractor, or required to be submitted in connection with the Contractor's compensation, including but not limited to records described in ARTICLE 12. .

In addition, with respect to any other information submitted, or required to be submitted to City, if Contractor believes that it is entitled to an exemption from disclosure under the Public Records Act, it will (1) clearly designate such information as confidential when submitted to City, and (2) identify the section of the Public Records Act under which it is exempt.

If City receives a request to inspect or copy information that Contractor had designated as confidential, it will notify Contractor of that request. City has no further duty to Contractor and may permit public inspection and/or copying of the information unless Contractor, at its sole cost and expense, obtains an order from a court preventing their inspection or copying. Contractor will pay all costs incurred by City related to such proceedings, including the cost of City's legal representation, and will indemnify and hold harmless the City from any liability to third parties requesting access to or copies of information submitted by Contractor, including the attorneys' fees of such third parties.

14.21 City Rights Regarding Collection Fees and Gate Fees. The City has complete authority over the fees charged to Customers for collection of MSW, Recyclable Materials and Compostables, as well as over the Gate Fees charged to users of the Materials Diversion Facility, with the sole exception that it will not charge Contractor Gate Fees for delivery to the Materials Diversion Facility of Recyclable Materials and Compostables, collected in the City. City also has complete authority over amounts paid, if any, to persons who deliver Recyclable Materials or Compostables, to the Materials Diversion Facility.

14.22 Office and Storage. Contractor will provide adequate space on the property located at 600 Tower Road for equipment storage, including bins, carts and drop boxes, concrete processing or other uses as needed for City operations. All costs for the real property, office, acreage, and utilities are already included in Attachment T and there is no additional enumerated cost to the City.

14.23 Customer Service Center. Contractor will provide a full customer service center within City limits (not including City-annexed MDF property) from 9:00am until 5:00pm Monday through Friday. The customer service center will, at minimum, allow customers to drop off or exchange interior and exterior equipment (e.g. kitchen compost pail, collection cart, etc.); permit customers to set up, change level of, or terminate service; allow customers to pay penalties or make other billing adjustments as necessary; distribute public education or service related information as appropriate; provide adequate customer parking; distribute compostable bags; and provide for bill payment and processing. All costs for the real property, customer service center, and utilities are already included in Attachment T and there is no additional enumerated cost to the City.

ARTICLE 15. MISCELLANEOUS AGREEMENTS

15.01 Governing Law. This Contract shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

15.02 Jurisdiction. Any lawsuits between the parties arising out of this Contract shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the parties agree that this Contract is made in and will be performed in Napa County.

15.03 Binding on Successors. The provisions of this Contract shall inure to the benefit of and be binding on the successors and permitted assigns of the parties.

15.04 Parties in Interest. Nothing in this Contract is intended to confer any rights on any Persons other than the parties to it and their permitted successors and assigns.

15.05 Waiver. The waiver by either party of any breach or violation of any provisions of this Contract shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach of violation of the same or any other provision. The subsequent acceptance by either party of any monies that become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other party of any provision of this Contract.

15.06 Attachments. Each of the exhibits, identified as Attachments “A” through “MM,” is attached hereto and incorporated herein and made a part hereof by this reference.

15.07 Entire Agreement. This Contract, including the Attachments, represents the full and entire agreement between the parties with respect to the matters covered herein and supersedes all prior negotiations and agreements, either written or oral.

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

15.09 Interpretation. This Contract 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.

15.10 Amendment. This Contract may not be modified or amended in any respect except by a writing signed by the parties.

15.11 Severability. If a court of competent jurisdiction holds any non-material provision of this Contract to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Contract which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

15.12 Costs and Attorneys' Fees. The prevailing party in any action brought to enforce the terms of this Contract or arising out of this Contract may recover its reasonable costs expended in connection with such an action from the other party. However, each party shall bear its own attorneys' fees.

15.13 References to Laws. All references in this Contract to laws and regulations shall be understood to include such laws and regulations as they may be

subsequently amended or recodified, unless otherwise specifically provided. In addition, references to specific governmental agencies shall be understood to include agencies that succeed to or assume the functions they are currently performing.

15.14 City's Municipal Code. Contractor is aware of the provisions of City's Municipal Code relating to the collection and disposal of solid waste, specifically Chapter 5.60, including the right of City to amend those provisions.

In entering into this Contract, City is engaging Contractor to provide services. It is not granting Contractor a franchise, exclusive or otherwise, and is not requiring Contractor to pay a franchise fee. Notwithstanding the foregoing, Contractor agrees that nothing in this contract limits the rights reserved by City in Chapter 5.56 of the Municipal Code applicable to franchises generally. In particular, Contractor agrees that the rights described in Section 5.56.070.A and B are reserved to City, including but not limited to the following rights:

> "A. To make all regulations which shall be necessary to secure, in the best manner, the safety, welfare and accommodation of the public, including, among other things, the right to pass and enforce ordinances to protect the public from danger or inconvenience in the operation of any work or business authorized by the grant to the Franchise, permit or privilege and the right to make and enforce all such regulations as shall be reasonably necessary to secure adequate, sufficient and proper public service and accommodations.
>
> B. To prescribe and regulate the rates, fares, rentals or charges made for the service rendered under such franchise; to require such reports, accounts or special information about its affairs to be furnished, as the council may prescribe or deem necessary or convenient, for the purpose of fixing such rates, fares, rental or charges, or for any other lawful purpose, to be made in such form and verified by such persons as the council shall prescribe, to have full and free access, at any and all reasonable times, to all books, records, and papers of such franchise holder with the right of examining the same and privilege of taking copies of the same or any part thereof."

City may, in its sole discretion, determine whether and in what circumstances enforcement of provisions of the City's Municipal Code relating to the obligation of owners and occupants of Premises to use the services of Contractor is in the public interest. City undertakes no obligation, by virtue of this Contract, to Contractor to enforce such provisions through civil actions, or termination of other utility services provided by City. City does agree that it will not, during the Term and so long as Contractor is not in default, enter into a contract with a third party to provide services within the scope of services required of Contractor.

In addition to the foregoing, the parties acknowledge that City may permit the collection, recycling and/or disposal of any or all of the following materials without seeking or securing any approval of Contractor:

A. Recyclable Materials and Compostables source-separated from MSW by the customer which the customer sells, or for which he/she is otherwise compensated in a manner resulting in a net payment to the customer;

B. MSW, Recyclable Materials and Compostables which are removed from any Premises by the customer, and which is transported by the customer (or by his or her full-time employees) to a processing or disposal facility;

C. Recyclable Materials and Compostables which are source-separated by the customer and donated to youth, civic, or charitable organizations;

D. Source and type separated Recyclable Materials not collected by Contractor which are delivered to a permitted recycling drop off center or facility;

E. Containers delivered for recycling under the California Beverage Container Recycling Litter Reduction Act, Section 14500, *et seq*., California Public Resources Code;

F. Recyclable Materials or Compostables generated at Commercial or Business Premises, regardless of whether or not the customer pays for the collection and recycling of such materials;

G. Yard Trimmings removed from a Premises by a gardening, landscaping or tree trimming company utilizing its own equipment as an incidental part of a total service offered by the company rather than as a hauling service;

H. Construction and Demolition Debris that is incidentally removed by a licensed construction or demolition company as part of a total service offered by said company utilizing its own equipment, or by a person which is issued a permit or license by the City to collect Construction and Demolition waste, or by City;

I. The casual or emergency collection and disposal of MSW by City employees in the normal course of their employment;

J. The collection and disposal of any and all types of materials by a third-party in an emergency or disaster, as determined by the City in its sole discretion; and

K. Food scraps that are separated by the customer and (1) donated or sold to food banks, shelters, churches, civic organizations, schools or any other person or organization (whether for-profit or non-profit) for human consumption, (2) are donated or sold for use as animal feed or for other uses (including composting, engineered

feedstock or anaerobic digestion) so long as the food scraps are not disposed; and (3) food scraps that are composted on-site by the customer including traditional outdoor composting, use of a compost appliance, composting in a community garden, or other compost system.

15.15 Employment Matters. Contractor shall fulfill the commitments contained in Attachment Z.

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective on the Effective Date set forth below.

CITY:
CITY OF NAPA, a California charter city

By: _____
Phil Brun, Utilities Director

Date: _____
("**Effective Date**")

COUNTERSIGNED:

_____
Joy Riesenberg, City Auditor

APPROVED AS TO FORM:

_____
Michael W. Barrett, City Attorney

CONTRACTOR:
Napa Recycling and Waste Services, LLC

By: _____
Greg Kelley, General Manager/Managing Member

Attachment A

Definitions

Act: "Act" means the California Integrated Waste Management Act of 1989, as amended, Public Resources Code Sections 40000, *et seq*.

Additional Payment: "Additional Payment" means the amount due to Contractor for processing materials in excess of specified tonnages, as described in Section 12.05.

Affiliated Entity: "Affiliated Entity" means any Person which is related to the Contractor by virtue of a direct or indirect ownership interest or common management. Affiliated Entities include (1) a person in which the Contractor has a direct or indirect ownership interest, (2) a person which has a direct or indirect ownership interest in Contractor, and (3) a person which is owned or controlled by any person which has a direct or indirect ownership interest in Contractor.

For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of the Internal Revenue Code, in effect as of the Effective Date, shall apply except that "ten percent (10%)" shall be substituted for "fifty percent (50%)" in Section 318(a)(2)(C) and Section 318(a)(3)(C).

Alternative Fuel Vehicle: "Alternative Fuel Vehicle" means a vehicle whose engine uses a fuel other than gasoline or diesel fuel, such as compressed natural gas (CNG) or other fuel with comparably low emissions of air pollutants regulated under the federal Clean Air Act, 42 U.S.C. Section 7401 et seq. or the California Clean Air Act, Health and Safety Code Section 39000 *et seq*.

Authorized Recycling Agent: "Authorized Recycling Agent" has the meaning set forth in Public Resources Code Section 40105.

BAAQMD: "BAAQMD" means the Bay Area Air Quality Management District, a regional agency charged with attaining and maintaining air quality in its jurisdiction, which includes the counties of Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara and Napa, and portions of two others – southwestern Solano and southern Sonoma.

Broker Fee: "Broker Fee" means any remuneration paid by Contractor to a third party or exacted from Contractor by a third party for the act of brokering or facilitating the sale or exchange of Recyclable Materials, Compost, Recovered Materials, energy or any other materials marketed by Contractor from the MDF. Broker Fee includes, but is not limited to, any charge, flat fee, percentage, deduction from total revenue owed or paid for materials, or any other remuneration charged, claimed or exacted (including any trade, barter, or exchange for services or other goods) by a business, Person, organization or any other entity due to facilitating the sale of Recyclable Materials, Compost, Recovered Materials, energy or any other materials marketed by Contractor from the MDF. Broker

Fee does not mean adjustments made to the price paid for materials due to the quality of the materials (such as moisture deductions or downgrading of material type due to poor quality and/or contamination) nor does Broker Fee mean transportation costs or other freight or shipping costs, demurrage fees or other routine costs for storage and transportation of the materials.

Bulky Goods: "Bulky Goods" means furniture, household or industrial appliances, shipping crates and containers, and other large, bulky or heavy objects not normally discarded on a regular basis at Residential, Commercial or Business Establishments.

Buyer Paid Tons: "Buyer Paid Tons" means the price that a purchaser paid for a specified number of Tons in a given materials shipment or load that is marketed by Contractor from the MDF. Buyer Paid Tons may differ from the actual number of Tons in the outbound weight of the materials taken at the MDF scales due to moisture, contamination, packaging weight, or other difference in the weight of the load when it is weighed at the buyer's scales.

CalRecycle: "CalRecycle" means the California Department of Resources Recycling and Recovery, and any successor agencies.

Cathode Ray Tubes (CRTs): "Cathode Ray Tubes" or "CRTs" means a computer or television monitor with the yoke still attached that has been separated from an electronic device.

City: "City" shall mean the City of Napa, a California charter city, acting pursuant to the authority of California Constitution, Article XI, Sections 5 and 7, and the City of Napa City Charter, initially ratified by the voters of the City on December 16, 1914.

City Council: "City Council" means the City Council of the City of Napa, as defined by Section 5 of the City Charter of the City of Napa.

City Limits: "City Limits" means the geographical territory within the boundaries of incorporation for the City, as determined in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act (California Government Code Sections 56000 – 57550).

City Manager: "City Manager" means the City Manager of the City of Napa, as defined by Section 85 of the City Charter of the City of Napa, or a designee of the City Manager.

City-Northern Agreement: "City-Northern Agreement" means the agreement between the City and Northern Recycling Operations and Waste Services, LLC dated July 6, 2010 (City Agreement No. 2010-147) as amended August 18, 2016, and all future amendments thereto. The City-Northern Agreement is Attachment AA to the Contract. All future amendments to Attachment AA will result in an automatic amendment to the Contract to replace the amended Attachment AA.

Clean Materials Recovery Facility (Clean MRF): "Clean Materials Recovery Facility" or "Clean MRF" means that portion of the MDF that processes source and type-separated recyclables and commingled recyclables.

Clean MRF Fines: "Clean MRF Fines" means materials left over on the MDF Clean MRF sorting belt after Recyclable Materials have been sorted off the belt. Clean MRF Fines generally consist of lower grades of paper (fiber), missed beverage containers, other types of containers and some non-recyclable residue. Current industry practice is to sell or pay a negative value to a fiber buyer or other buyer who will further sort the Clean MRF fines to recover the lower fiber grades and missed beverage containers plus other types of containers.

Co-Collected Yard Trimmings and Food Scraps: "Co-Collected Yard Trimmings and Food Scraps" " means organics including yard trimmings generated at a residential, commercial or industrial premises that are co-collected with food waste generated at the same residential, commercial or industrial premises (including a single-family dwelling, duplex, triplex, fourplex or a multi-family complex). "Co-Collected Yard Trimmings and Food Scraps" are stored together in containers and are collected together. Co-collected yard trimmings and food scraps shall not contain over 50% food scraps, by weight.

Collection: "Collection" means the taking of physical possession of MSW, Recyclable Materials and Yard Trimmings from Customers, and their transport to the MDF or Transfer Station.

Commercial and Business Establishments: "Commercial and Business Establishments" means all hotels, motor courts, restaurants, offices or office buildings, stores, warehouses, factories, Multi-Family Complex, all other premises used for functions other than dwelling units. "Commercial and Business Establishments" also means a building, dwelling unit or complex containing multiple residential dwelling units that houses more than one dwelling unit which has centralized collection points for MSW and recyclable materials and that does not have individual collection service for these materials at each unit; MSW and recyclable materials are collected from carts, bins, roll-off boxes and/or compactors located in one or more enclosures on the property. "Commercial and Business Establishments" does not include accessory dwelling units.

Commercial Premises: "Commercial Premises" means any premises occupied by stores, offices, and other commercial facilities providing goods or services and, solely for purposes of this Contract, dwelling units in residential developments wherein such dwelling units are not provided individual collection service nor individually billed by Contractor but are instead serviced through central collection by bin, roll-off and /or compactor and billed by a Homeowners Association or property manager.

Commingled Recyclables: "Commingled Recyclables" means Recyclable Materials collected by a dual-stream system, a single-stream system, or other collection method whereby materials are not considered Source and Type Separated.

Compost: "Compost" means the product resulting from the controlled biological decomposition of organic wastes which are source separated from the municipal solid waste stream, or which are separated at the Materials Diversion Facility and includes vegetable (e.g., food waste), yard and wood wastes that are not hazardous wastes.

Compostables: "Compostables" means those materials that are processed in a controlled biological decomposition process, which are source separated from the municipal solid waste stream. Compostables include biodegradable materials, such as food scraps, soiled paper products and yard trimmings that do not contain Hazardous Waste. Compostables may be processed via composting in CASP, anaerobic digestion, or another processing method.

Composting: "Composting" means the controlled microbial degradation of organic materials yielding a safe and nuisance-free finished product called compost, a soil amendment suitable for incorporating into topsoil and for growing plants.

Composting Area: "Composting Area" means the area at the MDF that is specifically designed and used for composting-related activities.

Compost Overs: "Compost Overs" means organic material that has already been processed through the active composting phase and has been directed to the final screening phase at the MDF. Compost Overs means the larger material screened out from the final screening phase while the smaller screened material will be directed for curing and sale as finished compost.

Containers: "Containers" means watertight metal or plastic objects with lids or covers, designed, and used to hold MSW, recyclable materials, compostables, or cooking oil/grease prior to collection. Containers include wheeled carts with lids, bins, open-top roll-off boxes, compactors, and oil/grease tanks.

Construction and Demolition (C&D) Debris: "Construction and Demolition Debris" includes waste building materials, packaging and rubble resulting from construction, remodeling, repair or demolition operations on pavements, houses, commercial and industrial buildings, and other structures and improvements.

Containers: "Containers" means any object designed and used to hold MSW, recyclable materials or yardwaste to be collected by the Contractor. Containers include carts, bins, open-top roll-offs, and compactor roll-offs.

Contamination: "Contamination" means materials which are not specified for collection in particular containers or for processing in particular areas of the MDF and which would either interfere with such processing or reduce the quality and value of the Recovered Materials. For example, for purposes of collection (described in Attachment B), placing metals or plastics in a container labeled "Yard Trimmings" constitutes Contamination because it would interfere with the equipment and processes used to compost or mulch the Yard Trimmings. Similarly, placing food scraps in a container labeled "Recyclable

Materials" would contaminate the Recyclable Materials, making it more difficult to properly sort and process them for marketing. The materials specified for collection in containers to be delivered to the MDF are described in Attachment B. The materials specified for processing in particular areas of the MDF are described in Attachment F.

Contract: "Contract" means this Amended and Restated Contract between the City and Contractor which includes the Initial Agreement, as amended and restated as of October 18, 2022, including all attachments, and any further amendments hereto.

Contractor: "Contractor" means Napa Recycling & Waste Services, LLC, which is the "Authorized Contractor" referred to in Section 5.60.010 of the City's Municipal Code. The Contractor is the City's authorized recycling agent.

County: "County" means the County of Napa.

Covered Electronic Waste: "Covered Electronic Waste," as defined in Public Resources Code Section 42463, as amended, means a video display device, such as a television or computer screen, containing a screen measuring at least four inches measured diagonally (excluding video displays in automobiles, freezers, refrigerators, microwaves, clothes washers, clothes dryers, conventional ovens or ranges, room air conditioners, dehumidifiers and air purifiers).

Customer: "Customer" means the owner, occupant or user of Premises at which MSW, Recyclable Materials or Compostables are generated and collected by Contractor.

Designated Hauler: "Designated Hauler" means the company or companies which from time to time are granted the right to collect MSW, Recyclable Materials and Compostables within the Participating Agencies and deliver it to the Materials Diversion Facility.

Diversion: "Diversion" means any combination of recycling and composting activities conducted at the MDF that reduces waste disposed of at the Transfer Station.

Direct Materials Sales: "Direct Materials Sales" means materials processed at the MDF and sold directly to buyers as a finished product. Examples include compost, gravel, top soil, and wood mulch. Unlike secondary materials sales products, Direct Materials Sales products are not intended as feedstock for a manufacturing process. Materials processed at the MDF are presumed to be secondary materials sales products unless they are a finished product.

DRTS New Materials: "DRTS New Materials" means materials not included in the definitions of Pre-Processed, Baler-Ready Recyclable Materials, Pre-Processed, Market-Ready Recyclable Materials, or DRTS Pre-Sorted Mixed Recyclable Materials, that are delivered to the Transfer Station and that require baling and marketing. Pursuant to the City's agreement with Contractor's Affiliate Northern in Attachment AA, the City has the right of first refusal to bale and market such materials. The following materials are excluded from DRTS New Materials: loose, unbaled scrap metal, wood, drywall,

sheetrock, concrete and asphalt that are already being sorted and marketed directly by Northern from the Construction and Demolition sorting line at the Transfer Station as of January 1, 2008.

DRTS Pre-Sorted Mixed Recyclable Materials: "DRTS Pre-Sorted Mixed Recyclable Materials" means a mix of two or more Recyclable Materials delivered by Northern to the MDF from the Transfer Station; collected, stored, delivered or pre-sorted such that different material types are mixed together and are not completely source or type separated. Such materials must be further sorted and processed before they are ready to go to market. DRTS Pre-Sorted Mixed Recyclable Materials does not include Single Stream Recyclable Materials (as defined in the agreement between the City and Northern in Attachment AA), regardless of their residue content.

Dual-Stream Recyclables (Dual-stream): "Dual-Stream Recyclables" means those recyclable materials collected by a two-stream collection system as separated by the Customer with one stream consisting of a mixture of metals, glass, plastics #1-7, and a second stream consisting of a mixture of all paper grades.

Effective Date: "Effective Date" means the date identified in Section 3.01.

Electronic Waste (E-waste): "Electronic Waste" or "E-Waste" means discarded consumer electronic products at or nearing the end of their useful life. E-waste includes CRTs, computers, televisions, cell-phones, stereos, copiers, and fax machines.

Environmental Laws: "Environmental Laws" means all federal and state statutes, county and city ordinances concerning public health, safety and the environment including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 *et seq*.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq*.; the Federal Clean Air Act, 42 U.S.C. Section 7401 *et seq*.; the Federal Clean Water Act, 33 U.S.C. Section 1251 *et seq*.; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11001 *et seq*.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 *et seq*.; the California Integrated Waste Management Act, California Public Resources Code Section 40000 *et seq*.; the California Hazardous Waste Control Act, California Health and Safety Code Section 25100 *et seq*.; the California Toxic Substances Account Act, California Health and Safety Code Section 25300 *et seq*.; the Porter-Cologne Water Quality Control Act, California Water Code Section 13000 *et seq*.; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code Section 25249.5 *et seq*.; the California Clean Air Act, Health and Safety Code Sections 39000 *et seq*.; the California Hazardous Materials Response Plan and Inventory Act, Health and Safety Code Sections 25500 *et seq*., as currently in force or as hereafter amended, and all rules and regulations promulgated thereunder.

Food Scraps: "Food Scraps" means all surplus, spoiled or unsold food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, eggshells and solid fats, oils & grease (no liquids).

Food-Soiled Paper: "Food-Soiled Paper" is compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, coffee filters, tea bags, wax paper, butcher paper and waxed cardboard, paper take out boxes, paper egg cartons, and milk cartons.

Food Waste: "Food waste" means surplus, spoiled, or unsold food such as vegetables and culls, as well as plate scrapings.

Fuel and Electricity: "Fuel and Electricity" means fuel for the Contractor's fleet only and electricity for the MDF as described in Article 6.16. Fuel and Electricity does not include fuel or electricity costs incurred by the full customer service center within City limits or by Affiliated Entities. The City will compensate Contractor for Fuel and Electricity costs as set forth in Article 6.16 and Article 12.

Fuel Index: "Fuel Index" is calculated by utilizing two separate indices – one for No. 2 diesel fuel and the other for natural gas. For diesel vehicles, the appropriate index is the Producer Price Index for No. 2 Diesel Fuel (Series ID WPU05730302), not seasonally adjusted, issued by the United States Department of Labor, Bureau of Labor Statistics. The annual Diesel Fuel Index for 2003 was 125.8. For the CNG vehicles, the appropriate index is the Producer Price Index for Natural Gas Fuels and Related Products and Power (Series ID WPU0531), not seasonally adjusted, issued by the United State Department of Labor, Bureau of Labor Statistics. The annual CNG Fuel Index for 2003 was 214.5.

The percentage change in the annual index for both fuels, from one year to the next, will be calculated. Then, the two percentage changes for diesel and natural gas will be combined to create a weighted average fuel index escalator to be applied to the Fuel Costs in Attachment T. The two indices will be weighted in proportion to the composition of the collection vehicle fleet, which in 2006 is scheduled to be eighteen (18) diesel vehicles and seven (7) CNG vehicles.

Gate Fee: "Gate Fee" means the amount charged by City for delivery of materials to the MDF.

Generate: "Generate" means to bring into existence or create, or to use, maintain or possess an item, material or product, the result of which such creation, bringing into existence, use, maintenance or possession is that the item, material or product first becomes, or is converted, transformed, evolved to, or deemed as MSW, recyclable materials or yardwaste.

Hazardous Waste: "Hazardous Waste" means a waste, or combination of wastes which because of its quantity, concentration or physical, chemical or infectious characteristics,

may do either of the following: (1) cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; (2) pose a substantial present or potential hazard to human health or environment when improperly treated, stored, transported or disposed of or otherwise managed. Hazardous Waste includes all substances defined as hazardous waste, extremely hazardous waste or acutely hazardous waste in California Health and Safety Code Sections 25110.02, 25115 and 25117 or in future amendments to or recodifications of such statutes or identified and listed as hazardous waste by the U.S. Environmental Protection Agency pursuant to the Resource Conservation and Recovery Act (42 U.S.C. Sections 6901, et seq.).

Holiday Greenery: "Holiday Greenery" means clean organic green materials that are typically used for decorating during holidays, such as trees or wreaths.

Homeowners Association (HOA): "Homeowners Association" or "HOA" means a mandatory membership organization comprised of two or more homeowners for the maintenance of commonly owned real estate and improvements associated with multi-family developments comprised of detached homes, condominiums or townhouses.

Household Hazardous Waste (HHW): "Household Hazardous Waste" or "HHW" means any hazardous waste generated incidental to owning or maintaining a place of residence. Household hazardous waste does not include any waste generated in the course of operating a business or commercial activity at a residence. Typical household hazardous wastes include used motor oil and oil filters, antifreeze and other vehicle fluids, paints and varnishes, pesticides, and cleaning supplies.

Including: "Including" means including but not limited to.

Indemnitees: "Indemnitees" means the City, members of the City Council and other officers, employees, and agents.

Initial Agreement: "Initial Agreement" means the initial contract between the City and Contractor dated December 7, 2004 as amended by the First Amendment dated March 1, 2005, the Second Amendment dated July 6, 2010 and the Third Amendment dated July 30, 2014.

Labor Index: "Labor Index" means the Consumer Price Index-All Urban Wage Earners and Clerical Workers-All Items, San Francisco-Oakland-San Jose, CA (Series ID CWURA422SAO, or as periodically updated) issued by the United States Department of Labor, Bureau of Labor Statistics.

Local Enforcement Agency (LEA): "Local Enforcement Agency" means the agency designated pursuant to Part 4 of the Act, currently the County.

Materials Diversion Facility (MDF): "Materials Diversion Facility" or "MDF" means the facility located at 820 Levitin Way, Napa County, owned by the City of Napa.

Materials Sales Month: "Materials Sales Month" means the period beginning on the 21st day of each month and ending on the 20th day of the following month. The Materials Sales Month corresponds to the reporting periods required for the City's Agreement with Northern Recycling Operations and Waste Services ("Northern") in Attachment AA. The monthly reports submitted by Contractor in the format included in Attachment DD shall report materials sales data for each Materials Sales Month.

Member: "Member" means a person which owns an interest in Contractor. As of the Effective Date, the members of Contractor are: Joseph J. Garbarino, Garaventa Enterprises, Inc., Pestoni Leasing, Inc., Greg Kelley and William A. Bacigalupi.

Multi-Family Complex: "Multi-Family Complex" means a building, dwelling unit or complex containing multiple residential dwelling units that houses more than five dwelling units which have centralized collection points for MSW and recyclable materials and that does not have individual collection service for these materials at each unit. MSW and recyclable materials are collected from carts, bins, roll-off boxes and/or compactors located in one or more enclosures on the property.

Municipal Solid Waste or (MSW): "Municipal Solid Waste" or "MSW" means all fractions of discarded putrescible and non-putrescible solid, semi-solid and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, construction and demolition debris, discarded home and industrial appliances, manure, vegetable or animal solid and semi-solid wastes, and other discarded substances or materials. MSW does not include:

(1) Hazardous Waste;

(2) Low-level radioactive waste regulated pursuant to the State Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the State Health and Safety Code);

(3) Untreated medical waste which is regulated pursuant to the State Medical Waste Management Act (Part 14 (commencing with Section 117600) of Division 104 of the State Health and Safety Code). Untreated medical waste shall not be disposed of in a MSW landfill, as defined in State Public Resources Code Section 40195.1. Medical waste that has been treated and deemed to be MSW shall be regulated pursuant to Division 30 of the State Public Resources Code. to the Medical Waste Management Act, California Health and Safety Code Sections 25015, et seq.; or

(4) Recyclable Materials which have been source or type-separated from other waste material.

NCRWS: "NCRWS" means Napa County Recycling and Waste Services LLC, an Affiliated Entity that provides solid waste and recycling collection services to the County of Napa pursuant to County of Napa Agreement No. 6431 dated May 3, 2005.

Non-Labor Index: "Non-Labor Index" means the Consumer Price Index-All Urban Consumers-All Items less food and energy, San Francisco-Oakland-San Jose, CA (Series

ID CUURA422SAOL1E, or as periodically updated) issued by the United States Department of Labor, Bureau of Labor Statistics.

OB Tonnage: "OB Tonnage" or "Over Baseline Tonnage" means tonnage eligible for the Additional Payment described in Contract Section 12.05 that includes Tons of materials processed in the Composting Area, Clean MRF Area, Wood Processing Area, and Source Separated C&D Area with the following clarifications and exceptions. Effective January 1, 2013 metal appliances collected in roll off boxes are treated as metal and are eligible for the Additional Payment. (For 2006-2012 metal appliances were categorized as "transfer only" materials and were excluded from the calculations.) Inbound materials from the Transfer Station are excluded. The eligibility of materials received at the MDF pursuant to the City's agreement with Northern Recycling Operations and Waste Services, LLC dated July 6, 2010, as amended, shall be as stated in Section 6.03(A) of this Contract. Materials received at the MDF for handling and transfer only, but not processing (e.g. Electronic Waste and Bulky Goods), are not included in the tonnage calculations for the Additional Payment. Materials collected by the Recycle More program are "transfer only" materials and are excluded. The net tonnage remaining after the above-described exclusions is the OB Tonnage eligible for the Additional Payment.

Operating and Capital Cost Payment: "Operating and Capital Cost Payment" means the annual amount of Contractor compensation described in Section 12.02.

Organic Materials: "Organic Materials" means materials that are or were recently living, such as leaves, grass, agricultural crop residues, or food scraps.

Paper Products: "Paper products" include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling.

Participating Agencies: "Participating Agencies" means the City and any other local government agencies with which the City has entered into a contract for use of the MDF.

Person: "Person" includes any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, the County, municipality or special purpose district or any other entity whatsoever.

Plastic Containers: "Plastic containers" means all plastics of resin numbers 1-7, specifically excluding polystyrene (aka Styrofoam).

Premises: "Premises," means any land or building in the City where MSW, recyclable material or compostables are generated or accumulated.

Pre-Processed, Baler-Ready Recyclable Materials: "Pre-Processed, Baler-Ready Recyclable Materials" means fiber, plastics, aluminum and other Recyclable Materials segregated by type and sorted to remove contaminants so that they are "baler-ready" and do not require any additional sorting.

Pre-Processed, Market-Ready Recyclable Materials: "Pre-Processed, Market-Ready Recyclable Materials" means glass, Covered Electronic Waste, Electronic Waste and other materials that are pre-sorted, ready to go directly to market, and do not require baling. In the case of Covered Electronic Waste and Electronic Waste, the material is to be already sorted into those two categories, stacked on pallets, wrapped and ready for shipment to markets.

Primary Service Area: "Primary Service Area" means the geographical area within the jurisdiction of the Participating Agencies and any contiguous areas which are served by the Designated Hauler(s) of one or more Participating Agencies.

Processing Area: "Processing Area" means any of the five areas of the MDF that are designated specifically to process different materials received at the MDF. The five areas are: Clean MRF; Composting Area; Wood Processing Area; Source Separated C&D Processing Area; and Mixed C&D Processing Area.

Producer Price Index or PPI: "Producer Price Index" or "PPI" means the Producer Price Index for Finished Goods Less Food and Energy, not seasonally adjusted, (Series ID WPUFD4131, or as periodically updated) issued by the United States Department of Labor, Bureau of Labor Statistics.

Property Manager: "Property Manager" means any person that manages and/or oversees the activities at, and services provided to, Premises that generate MSW.

Proposal: "Proposal" means the Proposal submitted by Contractor to City under cover of a letter dated October 5, 2004, presented in five spiral binders entitled: "Executive Summary", "Forms A", "Forms B and C and Drawings 1-3", "Drawings 4-11", and "Educational Materials and Equipment Brochures", as well as the following supplementary materials: (1) 11-18-04 memo regarding cost efficiencies for service to County and City; (2) 11-17-04 memo regarding number of residential units; (3) 11-16-04 memo regarding ASP system; (4) 11-14-04 revision to Form C-8; (5) 11-14-04 memo regarding interim Mixed C&D; (6) 11-11-04 memo regarding M. Murray information; (7) 11-11-04 memo regarding MDF equipment, costs, revised Forms C-28, C-32, C-33 and C-34; (8) 11-11-04 memo regarding Form C-10, answers to various questions; and (9) minutes of 10-22-04 interview, all of which are contained in a separate spiral binder.

Purchase Order: "Purchase Order" means the written statement (whether transmitted via e-mail, fax, mail or other means) from a purchaser of Recyclable Materials, Compost, Recovered Materials, or any other materials marketed by Contractor from the MDF, that includes the basic components of the agreement by the purchaser of said materials to buy them from Contractor. Such components generally include the name and contact information for the purchaser, the quantity and type(s) of materials to be purchased, the specification or grade of the materials to be purchased, terms and procedures for downgrades or rejection of material, the price per ton or per lot to be paid by the purchaser, the transportation arrangements, the date of the Purchase Order and the timeframe that the terms remain in force.

Quarterly Average Materials Revenue Received: "Quarterly Average Materials Revenue Received" means the average of the revenue received for a specific material marketed from the MDF for each of the three months of the preceding quarter as defined herein. (The Quarterly Average Materials Revenue Received reflects one hundred percent [100%] of the revenue received for the material, prior to the seventy percent/thirty percent [70%/30%] revenue split between City and Contractor.) For purposes of calculating the Quarterly Average Materials Revenue Received, the following quarters will be used: the Quarterly Average Materials Revenue Received prices to be applied for the period October 1 through December 31 will be based upon the revenue received by the City for each material type during the period May 21 through August 20. The Quarterly Average Materials Revenue Received prices to be applied for the period January 1, through March 31 will be based upon the revenue received by the City for each material type during the period August 21 through November 20. The Quarterly Average Materials Revenue Received prices to be applied for the period April 1 through June 30 will be the based upon the revenue received by the City for each material type during the period November 21 through February 20. The Quarterly Average Materials Revenue Received prices to be applied for the period July 1 through September 30 will be based upon the revenue received by the City for each material type during the period February 21 through May 20. The City will calculate the Quarterly Average Materials Revenue Received for each quarter by taking the revenue received each quarter divided by the number of tons of that material sold in the quarter. A sample calculation of the Quarterly Average Materials Revenue Received appears in Attachment Four of the agreement between the City and Northern in Attachment AA of the Contract.

Recovered Compost Overs: "Recovered Compost Overs" means Compost Overs that are periodically cleaned off the MDF site and hauled to a non-disposal facility for composting or for use as rock, fill or for any other beneficial use that is permitted by law.

Recovered Materials: "Recovered Materials" means those materials that are processed at the MDF and diverted from disposal by recycling or composting, including materials received from entities which contract with the City for use of the MDF.

Recyclable Materials: "Recyclable Materials" means material which otherwise would become or be treated as MSW but which, by means of a process of collecting, sorting, cleansing, treating and reconstructing, may be returned to the economic mainstream in the form of finished or source material for new, reused or reconstituted products, which may be used in the market place. "Recyclable Materials" includes paper, books, magazines, cardboard, boxes, plastic, metal, glass, and other similar materials authorized by the City for collection by the Contractor. Whenever the context requires, "Recyclable Materials" includes Compostables, Wood Materials, and Construction and Demolition Debris.

Recyclables: "Recyclables" means those materials to be processed at the Clean MRF, e.g., paper, plastic, metal and glass.

Recycle/Recycling: "Recycle" and "Recycling" mean the process of collecting, sorting, cleaning, treating and reconstituting materials that would otherwise become MSW and

returning these materials to the economic mainstream in the form of raw materials for new, reused or reconstituted products which meet the quality standards to be used in the marketplace.

Recycle More Items: "Recycle More Items" means Recyclable Materials with a positive market value that are collected by Contractor as part of the Recycle More program described in Attachment B, Section 7.02. The specific Recycle More Items will be determined by the City and may vary over time depending upon market conditions, processing technologies and other factors. As of November 1, 2013 the Recycle More Items include used liquid cooking oil (excluding fat and grease), E-Waste, large metal appliances, small appliances, oversized metal items exceeding thirty-six inches (36"), clothing, other textiles (such as towels, sheets and bedding), and reusable items including shoes, belts, purses, handbags, backpacks, hard cover books, compact discs (CD's), digital versatile discs (DVD's), tapes and toys.

Request for Proposals (RFP): "Request for Proposals" or "RFP" means the document that describes the comprehensive diversion programs and residuals management services to be provided by Contractor issued by City in July 2004, and all addenda thereto, specifically Addendum One issued August 6, 2004, Addendum Two issued August 11, 2004, Addendum Three issued August 19, 2004, Addendum Four issued September 24, 2004, and Addendum Five issued October 1, 2004.

Residential Premises: "Residential Premises" includes single-family dwellings (including accessory dwelling units), multiple-family complexes (such as townhouses, apartments, and condominiums), and mobile home parks that are provided individual collection service at each dwelling unit, whether by means of walk-in or curbside collection, and which may be individually billed by Contractor or billed, as part of a central billing process, by the HOA or property manager.

Residue/Residual: "Residue" and "Residual" mean the MSW destined for disposal or transformation which remains after processing at the MDF has taken place. The percent of residue is calculated by dividing the weight of the residue by the weight of the relevant total materials.

RRI Residue: "RRI Residue" means Residue from all four (4) Processing Areas of the MDF (Clean MRF Area, Wood Area, Source Separated C&D and the Composting Area) plus Residue from "transfer only" materials (such as Electronic and universal Waste, Bulky Goods and tires). The following are excluded from RRI Residue: (i) dirt of any type (including but not limited to filter soils and native soil); (ii) all inert materials including but not limited to concrete, asphalt, asphalt grindings, MDF rock and rock; (iii) recovered Recyclable Materials marketed at a negative value pursuant to Contract Section 6.15(C)(5); (iv) outbound loads from the MDF of Recovered Compost Overs; (v) outbound loads from the MDF of Clean MRF Fines; (vi) any leftover residual material resulting from sorting of Clean MRF Fines or other materials at another (non-MDF) sorting facility(ies); (vii) carpet Residue, and (viii) outbound loads of concrete and asphalt hauled from the MDF to Syar or another similar facility. If, in the future, the City

directs Contractor to perform new mixed recovery operations (e.g. sorting of "mixed C&D" as described in Section 3.8 of Attachment F to the Contract, or "dry recovery of mixed materials") at the MDF, the inbound and outbound tons from that processing shall be tracked separately in the MDF scale records and shall be completely excluded from the RRI calculation; and any Residue resulting from such new mixed recovery operations at the MDF shall be excluded from RRI Residue.

Rolling Stock: "Rolling Stock" means mobile equipment**.**

SB 1383: "SB 1383" means all statutes, regulations, and requirements pertaining to the Short-Lived Climate Pollutants Act set forth in Public Resources Code Chapter 13.1, as amended (Statutes of 2016, Chapter 395 (Lara)).

Self-Haul: "Self-Haul" means the process of hauling waste to a transfer, processing, or disposal facility by a person other than the Contractor whose primary business is not waste hauling.

School District: "School District" means the Napa Valley Unified School District.

Single-Stream Recyclables (Single-Stream): "Single-Stream Recyclables" or "Single-Stream" means those recyclable materials collected as separated from MSW by the Customer and consisting of a mixture of metals, glass, plastics #1-7, and all paper grades from residential or commercial and business establishments.

Soft Pak Scale System: "Soft Pak Scale System" means the software system supplied by Soft Pak and installed at the MDF scalehouse for the purpose of recording, managing and reporting of weights of inbound and outbound loads.

Source and Type-Separated Recyclable Materials: "Source and Type-Separated Recyclable Materials" means those recyclable materials which satisfy each of the following requirements: (1) have been segregated from MSW for handling different from that of MSW by or for the generator thereof; (2) have been further segregated so that various types of recyclable materials, such as glass, metals, styrofoam, cardboard, etc., are not commingled; and (3) after such segregation, contain no more than 5% by weight (measured by each load being transported, collected and/or disposed) of any residual or contaminant material which cannot be recycled, composted or similarly utilized, and which instead must be disposed of as garbage or otherwise.

Source Reduction: "Source Reduction" means any action that causes a net reduction in the generation of MSW. Source reduction includes, but is not limited to, reducing the use of nonrecyclable materials, replacing disposable materials and products with reusable materials and products, reducing packaging, reducing the amount of Yard Trimmings generated, establishing MSW, recycling materials and compost rate structures with incentives to reduce waste tonnage generated, and increasing the efficiency of the use of paper, cardboard, glass, metal, plastic, and other materials.

Source-Separated C&D Processing: Source separated streams of Construction and Demolition Debris, e.g. wood, concrete, and soil from commercial accounts, self-haul, and government agencies (e.g., porcelain toilets from the City corporation yard) which are processed at the MDF separately for the purposes of preparing them for transport to market.

Term: "Term" means the term of this Contract as specified in Section 3.02, unless extended by City pursuant to Section 3.03.

Ton: "Ton" means a short ton of 2,000 pounds avoirdupois.

Transfer Station: "Transfer Station" means the Devlin Road Transfer Station owned by the Napa-Vallejo Waste Management Authority.

Transformation: "Transformation" means incineration, pyrolysis, distillation, or biological conversion other than composting as defined in Public Resources Code section 40201 and does not include composting, gasification, or biomass conversion. Transformation does not constitute recycling for purposes of this Contract.

Unit Cost: "Unit Cost" means the cost per Ton paid to Contractor as the Additional Payment for processing eligible Tons of certain types of materials in excess of specified tonnages, as described in Section 12.05 of the Contract.

Will: "Will" means "shall" whenever the context requires.

Wood Material: "Wood Material" or "Wood Waste" means wood pieces or particles that are generated from the manufacturing or production of wood products, harvesting, processing or storage of raw wood materials, or construction and demolition activities.

Yard Trimmings: "Yard Trimmings " means tree trimmings, grass cuttings, leaves, branches, and similar organic materials, including vineyard clippings.

ATTACHMENT B

SCOPE OF WORK FOR COLLECTION OPERATIONS

SECTION 1 - GENERAL REQUIREMENTS

1.1 General Requirements for Collection and Billing.

The Contractor shall collect, transport and dispose of all Municipal Solid Waste (MSW) and shall collect and recycle all Recyclable Materials and Compostables which are placed for collection at Residential, Commercial and Business Establishments and at City Facilities and events at which the MSW, Recyclable Materials and Compostables are generated.

Contractor shall prepare bills for all Customers that clearly and accurately list rates in effect at the time services were provided or for the time period in which services will be provided. Bills shall fully explain and display all calculations of each charge. Such charges shall not exceed the rates established by the City. Any disputes related to charges shall be resolved by City. Contractor shall submit to City, sixty (60) days prior to its use, a draft of bill format(s) and a line item description for each charge, together with an example of a completed bill for an individually-serviced Residential Premises, a centrally-billed Homeowners Association and a Commercial/Business Establishment with compactor and recycling collection services, for review and approval. Contractor shall also, at the same time as submittal of the draft above, submit a draft of a conveniently-sized listing of services and maximum rates in effect that may be distributed to, and retained for reference by, all Customers.

1.2 Changes in Collection Services.

Contractor shall be responsible for: (A) establishing services for new Customers; (B) stopping services and preparing a final billing on a pro rata basis for a Customer permanently discontinuing service; (C) suspending services at an individually-billed Residential Premises up to two times in a calendar year for a period of two (2) weeks to three (3) months at request of Customer for temporary vacation stops. During temporary vacation stops, the Customer shall incur no charges for collection services not provided and, if Customer is due refund and/or credit, timely refunding/crediting of payment made in advance of temporary vacation stops. If a temporary vacation stop request exceeds three months, Contractor may arrange to pick-up the

carts from the Customer and require them to restart service; (D) suspending services at any Commercial and Business Establishment for a minimum period of thirty (30) days at request of Customer, during which time the Customer shall incur no charges for collection services not provided; (E) accommodating modifications in the frequency of collection services, whether accomplished by subscription for routine collection services (in which case, Customer may modify frequency of collection once per quarter) or on an as-needed, on-call basis as directed by Customer. An as-needed, on-call request for collection shall not automatically increase the frequency of the Customer's regularly scheduled collection services.

Contractor shall, for approval of City, develop a procedure and confirmation form to document requests for commencement and termination of, and changes in, service. Customers shall be provided a copy of confirmation form noting effective date of start-up, change, suspension or termination in collection services and other pertinent details, such as data of issuance of refund for services not provided but for which Customer has paid.

1.3 Changes in Scheduled Days of Collection.

Once a schedule of collection days for MSW, Recyclable Materials and Compostables has been established for Residential Premises, the schedule shall not be changed without the prior written approval of City. Contractor shall request approval from City ninety (90) days prior to planned change in a scheduled day of collection for Residential Premises. As a condition of approval of such a change, City may require Contractor, at Contractor's sole expense, to notify residents of the change by first-class postage. All details and scheduling of such notice shall be subject to approval by the City.

Scheduled collection days for MSW, Recyclable Materials and Compostables may be changed at the request of the occupant or property manager of any Commercial and Business Establishment without the approval of City. The City will determine the final schedule of collection days, in the event a disagreement arises between Contractor and a Customer or MSW-generator at Commercial and Business Establishments.

If a regular collection day falls on a holiday, service shall be provided the following business day.

1.4 Containers for the Collection of Solid Waste and Recyclables Materials.

Contractor shall be responsible for furnishing new or refurbished containers as detailed in Sections 1.04.1 and 1.04.2. Contractor shall also be responsible for the repair or replacement of damaged, broken, lost or stolen containers, except that Contractor shall not have to replace a non-repairable compactor not owned or leased by it to a Customer. All containers shall be manufactured utilizing the highest feasible amount of post-consumer material. All containers will be consistently color-coded. The color-coding scheme shall be grey for MSW, brown for residential Compostables, green for non-residential Food Scraps, Soiled Paper and Yard Trimmings and blue for single-stream Recyclable Materials. Containers for Recyclable Materials and Compostables shall have messages/graphics on the exterior designed to prevent Customers from placing materials that would contaminate the Recyclables/Compostables Containers and the text/graphics shall be approved by City before containers are ordered.

1.04.1 Containers for Residential Premises.

Contractor shall furnish to each participating Residential Premises (A) up to two Recycling containers of ninety-five (95) gallon capacity. If the 95-gallon cart(s) is/are inconvenient for the resident, Contractor will offer up to four Recycling containers of thirty-five (35) gallon capacity; (B) a choice of one solid waste container of twenty (20) gallon capacity, thirty-five (35) gallon capacity, sixty-five (65) gallon capacity, or ninety-five (95) gallon capacity; (C) up to two Compostables containers of ninety-five (95) gallon capacity. If the 95-gallon cart(s) is/are inconvenient to the resident, Contractor will offer up to four Compostables containers of thirty-five (35) gallon capacity. Each container will be equipped with a hinged or otherwise attached lid, and wheels for maneuverability.

At any time a container is distributed to a Residential Premises, Contractor shall also deliver to the Premises an informational brochure, describing the curbside recycling program, listing in detail all types of Recyclable Materials that will be collected and how they are to be prepared, days of collection and other pertinent information. This brochure shall be submitted to City for approval ninety (90) days prior to the initial delivery of the containers. City may direct that the brochure be periodically updated as needed, but not more often than once annually. All costs associated with the preparation of a professional, well-formatted and designed brochure, including photographic examples of Recyclable Materials and containers, costs of printing, labeling and mailing (first class postage) shall be borne by Contractor.

1.04.2 Containers for Commercial and Business Establishments and City Facilities.

Contractor shall furnish ninety-five (95) gallon, sixty-five (65) gallon and thirty-five (35) gallon wheeled containers with lids for MSW, Recyclable Materials, Yard Trimmings, Foods Scraps and Soiled Paper Products, to Commercial and Business Premises and at City Facilities and events. Contractor shall also furnish bins and roll-off boxes for Commercial and Business Establishments and City Facilities and events, except that Customers located at any of the above Premises may, at their sole discretion, lease and/or purchase compactors from any person, company, manufacturer, or distributor, including, but not limited to, Contractor for use at their Premises.

SECTION 2 - RESIDENTIAL COLLECTION SERVICES

2.1 Basic Level of Service.

The basic level of service for a Residential Premises that is individually-serviced includes once weekly curbside collection of: (A) MSW provided by automated collection; (B) single-stream Recyclable Materials, (C) Compostables and (D) used oil and used oil filters. Collection will be fully automated wherever feasible.

2.2 Other Levels of Service to be Provided.

Contractor shall provide other levels of service for residential collection of MSW, Recyclable Materials and Compostables as specified in Sections 2.02.1 to 2.02.5.

2.02.1 Shared Container Service.

Residents are allowed to share service by putting MSW, Recyclable Materials and Compostables in a neighbor's containers if the paying Customer provides written permission for the neighbor to use his/her container. All service will occur at the paying Customer's address only.

2.02.2 Back Yard/Wheel-Out Service.

All basic residential services identified in Section 2.01 shall be offered with back yard/wheel-out service. As of 2018, there are approximately five hundred (500) City residents with this service. The Contractor shall go into backyards/sideyards at no charge for accounts that have a letter on file with City from a physician confirming there is a medical reason that prevents the resident

from moving MSW, Recycling and Compostables Yard Trimmings carts and other materials to the curb. Annually Contractor shall request a new letter from a physician in order for the account to maintain backyard service at no charge. For residents who want the back yard/wheel-out service but do not provide a physician's letter, the service will be provided for an extra charge established by City.

2.02.3 Extra MSW Service.

Up to five times per calendar year, residents may call ahead for extra MSW collection on the same day as regular collection service. Customers may place solid waste bags at the curb so that each bag of MSW shall not to exceed thirty-five (35) gallons. Service will be provided for a fee established by the City.

2.02.4 Gated Developments.

The Contractor shall provide services to gated developments and gated mobile home parks as directed by the Homeowners Association (HOA) or property manager, provided that MSW is collected at a minimum of once per week. The HOA or property manager may direct, once in a twelve-month period, the location of collection of MSW, the frequency of MSW collection, and/or the method of billing. Residential Customers that are included in a central or master-billing arrangement by a HOA or property manager may not suspend service for any period of time.

2.02.5 Multi-Family Service.

Multi-family residences may be serviced either as (A) residential accounts as described in Section 2.01 or (B) as commercial accounts as described in Section 3, which include dwelling units in residential developments that are not provided individual collection service nor directly billed by Contractor, but are instead serviced through central collection by bin, roll-off box and/or compactor and billed through a Homeowners Association or property manager.

The Contractor shall offer recycling to one hundred percent (100%) of such units. In the event that state legislation or local City ordinances require it, the Contractor shall also offer composting to one hundred percent (100%) of such units. If the Customer refuses composting services (in the event that state legislation or local City ordinance requires composting services to multi-family residences), Contractor shall send a brief questionnaire to the property manager and/or property owner. The questionnaire shall include at a minimum: property name, property address, contact name, contact phone number, current levels of MSW collection service, brief

description of City recycling and composting goals and compliance with the Act, and request for the reason for not implementing a composting program. City shall approve questionnaire prior to distribution. Contractor shall keep a copy of the completed questionnaires on file and send a copy to the City.

2.3 Collection of Food Scraps and Soiled Paper Products at Curbside.

As of April 1, 2015, Contractor implemented co-collection of Food Scraps and Soiled Paper with Yard Trimmings (collectively referred to as Compostables) and recycling for all Residential Premises. Targeted materials shall include Food Scraps, Soiled Paper and other organic materials suitable for composting that were not already collected through the Yard Trimmings program. Contractor performed and will continue to perform public education for this program as described in Section 2.03.2.

2.03.1 Start-Up of Food Scraps and Soiled Paper Products Collection Program; Containers.

Contractor shall provide Residential Premises with at least one ninety-five (95) gallon wheeled cart for storage of Food Scraps, Soiled Paper Products and other organic materials to be composted. This cart will be the same cart used to collect Yard Trimmings. Contractor will be prepared to provide a second 95-gallon wheeled cart or up to four 35-gallon wheeled carts upon customer request as described in Section 1.04.1.

2.03.2 Notice to Residents, HOAs and Property Managers.

Ninety (90) days prior to commencement of the residential Food Waste program, Contractor submitted to City draft public education materials, including: (1) draft brochure; (2) draft flyer in English and Spanish to accompany delivery of carts, each describing operational details of the program, such as delivery of carts, preparation and handling of materials, storage methods, and the like. City provided Contractor with comments on drafts within thirty (30) days of receipt. Contractor prepared a professional, well-formatted and designed brochure, to be subsequently distributed by first class mail to potential program participants in a time frame prescribed by City.

2.03.3 Composting of Food Scraps, Soiled Paper Products and Yard Trimmings .

Food Scraps, Soiled Paper Products and Yard Trimmings collected by Contractor shall be delivered to a facility designated by City for composting or other use as designated by City.

SECTION 3 - COMMERCIAL AND BUSINESS ESTABLISHMENT SERVICES

3.1 Service Options.

Contractor shall provide each of the service options for collection of MSW, Recyclable Materials, Food Scraps, Soiled Paper Products and Yard Trimmings as outlined in sections 3.02 – 3.09. Collection shall be accomplished in such a manner that the flow of traffic shall not be impeded nor a threat to the public health or safety created.

3.2 MSW Collection.

Contractor shall provide MSW collection services as follows: (A) regularly scheduled weekly routine MSW collection service; (B) as-needed on-call collection initiated at request of Customer and in conjunction with (A) above; and (C) as-needed on-call collection initiated at the request of Customer, which service may be exclusively ordered without subscribing to or receiving any regularly scheduled routine collection services. As-needed on-call collection requests may be made by Customer, authorized agent or representative of Customer, or, in the case of compactors so equipped, by automatic dial-up, other automated methods or electronic device that signals Contractor. Contractor shall provide service within 24 hours of receiving a request. If a Customer makes a large service request that exceeds five (5) commercial bins or two (2) roll-off boxes, Contractor shall only be required to provide the first bin or roll-off box within 24 hours of receiving a request. Contractor shall provide the balance of the service equipment within 72 hours of receiving a request to fulfill a large service request. If Contractor cannot fulfill a large Customer service request within 72 hours of receiving request, Contractor shall provide written notice to the City describing the reasons why the service request cannot be fulfilled and a plan of action for how the large service request can be reasonably accommodated and over what period of time from the original Customer request.

3.3 Recyclable Materials Collection.

3.03.1 Single-Stream.

Contractor shall offer single-stream recycling of the same material types collected from Residential Premises, to all Commercial and Business Establishments. As of January 2018, Single-stream recycling service for any size containers is at no charge to Customers of basic MSW service. City reserves the sole right and discretion to establish charges for Single-Stream Recyclable Materials in the future if approved by the Napa City Council

3.03.2 Source Separated Recyclable Materials.

Some businesses have source-separated collection for cardboard, office paper, metal, wood, concrete, containers only, pallets, or glass. As of January 2018, Source-separated Recyclable Material will be collected by the Contractor at no additional cost to Customers of the basic MSW service for container sizes less than ten yards. The City will set the prices for collection of source-separated materials in containers of ten yards or greater. City reserves the sole right and discretion to establish charges for source-separated Recyclable Materials of less than ten yards in the future if approved by the Napa City Council. The Contractor shall not pay any Commercial or Business Establishment for source-separated Recyclable Materials.

3.03.3 Compacted Recyclables.

As of January 2018, Recyclables that are source-separated and compacted shall be collected free of charge for Customers of the basic MSW service. This service may include baled film plastic and any other materials approved by the City. City reserves the sole right and discretion to establish charges for compacted Recyclable Materials if approved by the Napa City Council.

3.03.4 Yard Trimmings.

Yard Trimmings service shall be offered to all Commercial and Business Customers. As of January 2018, Yard Trimmings is collected free of charge for Customers of the basic MSW service for containers less than ten yards in size. For containers of ten yards or greater in size, the Contractor shall charge for collection of Yard Trimmings at rates established by the City.

3.03.5 Pallet Recycling.

Contractor shall offer pallet service collection, advertise it, and follow the AB 939 waste management hierarchy for managing pallets, prioritizing by reuse first, then recycling and composting, and lastly disposal/incineration. The Contractor will compete in a non-exclusive environment for pallet collection.

3.03.6 Metals Recycling.

Contractor shall offer collection of source separated metals in containers of ten yards or greater. The City may modify which metals are collected at any time.

3.03.7 Business Recycling & Composting Plans.

The City, in consultation with the Contractor, will prepare a "Recycling & Composting Plan" for each business. The City will prioritize business reviews with those having the largest bills and those requesting it first, and will review the waste stream and discuss the recycling & composting plan with the business owner/manager prior to finalization.

3.4 Changes in Collection Services.

Customers may, at any time, decrease the frequency of collections and/or the number of containers or compactors for MSW commensurate with the amount of Recyclable Materials and Compostables diverted by any recycling and composting programs, projects or activities undertaken by Customer.

3.5 Cooperative Arrangements.

The City currently allows businesses to share recycling bins if it is most efficient. City may permit Customers to form cooperative arrangements and enter into written agreements with other Customers to aggregate MSW, Recyclable Materials and/or Compostables or some category thereof, and to share, in any manner mutually agreed to by such Customers, the reduced collection charges therefore. All service will occur at the paying Customer's address only.

3.6 Consultations and Technical Assistance.

Contractor shall consult with Customers on establishing recycling and composting programs and on other solid waste, recycling and composting related activities. Customer may consult with City, City's agents or representatives, and/or with any other recycling company or expert to plan and implement the most beneficial recycling and composting program(s) for that Customer. The Contractor will provide Business Recycling & Composting Plans and assistance on request of Customers.

3.7 Notice to Commercial and Business Establishments.

Contractor shall, at least once during each twenty-four (24) month period, contact in person at the site of all Commercial and Business Establishments. Additionally, the Contractor shall make annual site visits to each Commercial and Business Establishment that ranks in the largest 25

waste generators in the City. The site visits are to notify the occupants thereof of alternative methods of source reduction and recycling and other supportive services available. Such contact shall include a brochure as described in Section 6.05. Contractor shall work with the City to provide waste stream audits, as requested, and prepare a Business Recycling & Composting Plan and report to Customer on opportunities available to start-up or increase diversion and reduce cost of solid waste collection. The Contractor shall additionally make phone contact with each Commercial and Business Establishment annually to ensure that solid waste service is adequate and provide information that is provided in site visits.

3.8 Food Scrap Composting Program.

As directed by the City, Contractor has offered collection service for co-collected Foods Scraps, Soiled Paper, Yard Trimmings and other organic materials suitable for composing to all Commercial and Business Customers that generate adequate amounts of these compostable organic materials (with a minimum generation level of at least one thirty-five (35) gallon wheeled carts per week) since April 1, 2015. Contractor shall charge Customers for collection of Food Scraps, Soiled Paper and Yard Trimmings as part of the commercial Food Scrap Composting program at rates established by the City. Contractor, in coordination with City, will offer training and instruction for all Commercial and Business Establishments participating in commercial Food Scrap Composting program.

Beginning January 1, 2023, Contractor will add a new commercial Compostables collection vehicle and driver for the vehicle. The new vehicle and driver will provide service on a Thursday through Monday basis to allow for weekend service that will accommodate higher generation of Compostables by commercial generators throughout busy weekends. As further described in Article 12 and Attachment T and listed in Attachment L, 1600 additional 65-gallon commercial Compostable carts will be purchased by Contractor with 200 of these carts being lockable containers. This additional service is in response to the requirements of SB 1383 and the City may direct Contractor add additional equipment or service in the future if needed for compliance with SB 1383 utilizing the change of scope provisions provided in this agreement.

3.08.1 Start-Up of Food Scrap Composting Program; Containers.

Contractor shall provide participating Customers with sixty -five (65) gallon wheeled carts or other containers and /or bins and roll-off boxes as necessary for the segregation and storage of Food Scraps and other organic materials suitable for composting. Containers shall be approved

by City prior to purchase. Contractor shall consult with participants to determine appropriate containers and provide and distribute to participants reporting damaged carts, containers, bins, roll-offs or compactors a replacement thereof within seventy-two (72) hours of notice from Customer. Contractor shall also provide carts, containers, bins, roll-offs or compactors to new program participants located in the City or that request to participate. The Contractor shall provide public education materials on the new program as described in Section 6.

3.08.2 Cost and Operational Data.

Contractor shall record the tons collected, number of stops, number of participating Customers, number of routes, labor hours, cost and other pertinent data, as may be required by City, in a format approved by City and shall submit said data on a monthly basis, beginning one month after inception of program. City may require submission of additional information from Contractor as necessary or desirable in order to evaluate the productivity, cost, benefits and potential diversion opportunity of the program and to report data to state and federal agencies.

3.08.3 Composting of Food Scraps.

Food Scraps and other organic materials suitable for composting materials collected by Contractor shall be delivered to a facility designated by City for recycling, anaerobic digestion and/or composting. If Contractor learns that the designated facility is no longer recycling or composting materials as agreed, or is out of compliance with local, state, or federal operating permits, laws or regulations, or is processing and/or using Food Scraps materials in such a way that the Food Scraps materials collected from within City will not count as materials diverted from the solid waste stream for purposes of the Act, Contractor shall notify City within five (5) days.

3.9 Temporary Bin, Roll-Off and Compactor Services.

Contractor shall provide on a temporary basis containers, including bins and roll-off boxes, for the purposes of collection of MSW, Recyclable Materials and Compostables, at the request of Customers. Service shall be provided at City set rates in a non-exclusive environment. Such temporary service shall be provided, by way of example but not limitation, to sites where construction and /or demolition activity, replacement of roofs or paved areas, or replacement or maintenance of landscape materials is occurring. Collection shall occur on an as-needed, on-

call basis, within seventy-two (72) hours of a request, or may be regularly scheduled, as determined by Customer.

Contractor shall make all reasonable efforts to inform Customers utilizing bins, roll-off boxes on a temporary basis, that materials being generated may be recycled. Such efforts include contacting the Customer, completing a waste audit, preparing a cost analysis and demonstrating in a Business Recycling and Composting Plan savings (if applicable) due to lower collection charges and implementing a plan as selected by Customer. City may require at any time, and Contractor shall provide in the monthly report to the City in a form approved by the City, the results of such efforts, including written communications, list of persons contacted, Business Recycling and Composting Plans provided, and results achieved.

SECTION 4 - CITY FACILITIES AND EVENTS COLLECTION SERVICES

4.1 Collection Services at City Facilities.

Contractor shall provide collection of all MSW, Recyclable Materials, Compostables , E-waste, tires, bulky goods, and metals generated at Premises owned and/or operated by the City at collection service established and approved by the Napa City Council.. Any City facility that is located outside of the City limits will be billed for service at rates established by the governing entity/jurisdiction (e.g., City facilities located in the unincorporated portions of Napa County will be serviced by the County-authorized collector at rates established by Napa County). Collection shall be at a time convenient for the City. Occasionally, the City may direct Contractor to change frequency of collection, number and/or type of container(s) provided, or method of collection. The City shall receive all the recycling and composting collection services as well as self-haul opportunities, provided to basic Business and Commercial accounts, with the exception of disaster wastes for which the Contractor may charge the City the current commercial rate (to the extent that the City directs Contractor to collect disaster wastes).

4.2 Collection Services at City Events.

Each year the City may sponsor or co-sponsor, host or otherwise organize a special event, such as a parade, public building dedication, conference of public officials, art show, cultural event or organized recreational activities at any of the City's parks or venues. Contractor shall provide containers for collection service for up to and including twenty (20) special events per calendar year. The current list of events is shown in Table 4-1. Contractor shall provide MSW and

Recyclable Materials collection services for such events, including containers for the general public to dispose of MSW, Recyclable Materials and Yard Trimmings, as well as larger size bins. Contractor shall also provide containers for Compostables at approved rates established by the Napa City Council.

Table 4-1
List of City Sponsored Special Events

1-5. City Code Enforcement Neighborhood Clean-up Events (up to ten 20 cubic yard roll-off drop boxes as requested by City)
6. Earth Day Celebration in April
7. Anything with a Cord Recycling Event in June
8. Fourth of July Celebration in July
9. Coastal Clean-Up Day on the third Saturday of September
10. Oxboo at Oxbow Commons in October
11. Unwanted Drug and Medical Sharps Collection Event in Fall (event date typically in late September/early October as set by DEA)
12-17. Five (5) Friends of Napa River Kayak Napa River Clean Up Events to be held once per month in April, May, June, July & August.
18-20. Placeholder for TBD events to be selected by City on a year-by-year basis.

The above list is representative of the types of events the City sponsors. The specific events may be changed and/or increased up to 20 per year at no charge.

4.3 City Facilities Recycling Event.

Contractor shall, at the request of the City and at no additional charge, assist City in planning for and organizing an annual event for City employees to provide positive reinforcement for City's recycling and composting efforts at public facilities. Contractor's obligations may include, but are not limited to, attending pre-event planning meetings, telephoning, obtaining cost estimates, ordering supplies, preparing invitations, arranging activities with local vendors, and attending the event to provide support. The City will pay for supplies needed for the event, printing of invitations, postage, etc. The Contractor will provide a liaison to coordinate and attend the event with City staff.

4.4 Permanent Solid Waste and Single-Stream Recycling Containers Downtown.

There are currently over one-hundred (100) public solid waste and recycling receptacles in downtown that are serviced by City staff and consolidated and brought to City's Corporation Yard for disposal. City staff will continue to service the existing solid waste cans as well as recycling receptacles and consolidate the MSW and Recyclable Materials gathered from at the City's Corporation Yard for collection by Contractor.

SECTION 5 - SPECIAL SERVICES

5.1 Bulky Goods Collection Services.

Contractor shall provide collection services for Bulky Goods at Residential Premises and Commercial and Business Establishments in City. Customer or City may request collection of Bulky Goods forty-eight (48) hours in advance and collection shall occur on or before the Customer's next regularly scheduled MSW collection day. Bulky Goods shall be collected at, or reasonably near curbside, giving due consideration to circumstances of access points, vehicular and pedestrian safety and the like, in accordance with the scheduled appointment time established by Contractor, which shall in no case be earlier than 6 a.m. local time. Contractor shall provide one Bulky Goods Collection per year to each Residential Premises at no charge to the City. This may be accomplished by the issuance of one (1) "Free Bulky Goods Collection Coupon" by Contractor to each residential Customer for self-haul of Bulky Goods to City MDF, each calendar year, or by other means approved by the City.) Contractor shall provide Bulky Goods collections to Residential Premises and Commercial and Business Establishments at a rate established by City.

As part of a Bulky Goods collection, Contractor shall collect unusually large amounts of cardboard, such as moving boxes, and any other single-stream recyclables at no additional charge.

Bulky Goods include furniture (such as a sofa, chair, desk, table, mattress, box springs, patio furniture); appliances (such as a stove, dishwasher, washer or dryer, water heater, microwave oven, air conditioner); toilets, sinks, other porcelain products; shipping crates, containers, bicycles, suitcases, barbeques, swing sets, tires, tools, toys; or other items the size or weight of which precludes collection during regularly scheduled MSW collection.

5.2 Semi-Annual Yard Trimmings Cleanup.

For seasonal large amounts of Yard Trimmings, Contractor will provide residential Customers up to ten (10) certified-compostable bags of not less than 33-gallon in capacity per bag. The costs purchasing these compostable bags will be shared equally between the Contractor and the City. At all times, the Contractor have will have the certified compostable bags available at its Customer Service Office for City Customers to pick-up at no charge to the Customer. Upon request, Customers will be allowed to place extra Yard Trimmings in compostable bags in addition to wheeled carts for twice-a-year curbside service at no additional charge to the Customer.

5.02.1 General.

The service is provided for those City residents who generate large amounts of Yard Trimmings and prefer curbside collection over self-haul.

5.02.2 Curbside Collection.

Curbside collection will be performed on the normal day of basic MSW service.

5.02.3 Brochures Informing Residents of Cleanups.

Thirty (30) days prior to commencement of the Yard Trimmings clean-up program, Contractor shall submit to City draft public education materials, including a draft bill insert in English and Spanish, noting operational details pertinent to program, such as which materials are acceptable, preparation and handling of materials, container (or bag) methods, and where to put the materials at the curb. City shall provide Contractor with comments on draft materials within ten (10) days of receipt of draft.

5.02.4 Reporting Requirement.

Each month, Contractor shall provide a report to the City on the number of Customers utilizing the extra compostable bag service and the total estimated weight of Yard Trimmings collected through use of the extra service.

5.3 Special Events.

From time to time, the occupant of a Premises or the coordinator, manager or sponsor of a special event, such as a wine tasting, marathon or bike race or other sporting event, a grand opening of a Commercial and Business Establishment, concerts, art shows, trade fairs, conventions, and the like, may require the services of Contractor in collecting, disposing, recycling and composting of MSW, Recyclable Materials and Compostables. The Contractor shall assist each event in designing and implementing services to provide for the containment, collection, recycling, composting and/or disposal of MSW, Recyclable Materials and Compostables preceding, during and after the special event. The Contractor shall work with City to ensure recycling and composting is maximized at these events to the greatest extent feasible. Contractor shall charge the occupant, coordinator, manager or sponsor of a special event a rate established by City.

Within thirty (30) days of the end of the event, Contractor shall provide a written report to occupant, coordinator, manager or sponsor of the event with a copy to City, listing total tons of MSW, Recyclable Materials and Compostables, by individual category, collected as well as the facilities to which the MSW, Recyclable Materials and Compostables were delivered, together with copies of weight tickets and other pertinent supporting cost documents.

5.4 Used Oil and Used Oil Filters (included in Basic Service Section 2.01).

Contractor shall provide weekly curbside used motor oil and oil filter collection, at no additional cost, to all single family Residential Premises and to residents of Residential Premises and multi-family Residential Premises subscribing to automated cart collection who are individually billed. Contractor shall exchange full used motor oil containers and oil filter bags for empty containers weekly, on same day as MSW collection.

5.04.1 Containers for Collection of Used Oil and Used Oil Filters.

Contractor shall make available free used oil and oil filter collection containers to all Residential Premises. Oil containers and filter bags shall be approved by the City thirty days (30) prior to purchase by Contractor and shall contain highest post-consumer recycled content feasible. Contractor shall make containers available to the City for distribution to City facilities upon request of the City. Contractor shall collect only City-approved used oil and filter collection containers and bags.

5.04.2 Notice to Residents.

If a Residential Premises uses a container different from the approved container, Contractor is not obligated to collect the used oil and/or oil filter. Contractor shall notify Customer of non-collection and reason for non-collection in a timely manner.

Contractor shall publicize the used oil and oil filter collection program to all Residential Premises by: (A) twice per calendar year including a bill insert (text to be reviewed and approved by City thirty (30) days in advance of first-class postage mailing to Customers), describing the items collected in the program, how and where to receive containers and filter bags, as well as telephone contacts for more information; (B) including similar information in the annual phone book recycling advertisement described in Section 6; and (C) ensuring Customer service representatives are able to provide up-to-date information on program to Customers.

5.04.3 Spill Prevention Plan.

Contractor shall develop an oil spill prevention and mitigation plan and have it in-place prior to commencement of oil and filter collection.

5.5 Holiday Greenery Collection and Recycling.

Contractor shall collect at curbside Christmas trees and other Holiday Greenery on regular days of service for Residential Premises from December 26 through January 15. Contractor shall coordinate curbside collection with local Boy Scouts troops' Holiday Greenery collection program held annually on the first Saturday following New Year's Day. Contractor shall prepare a brochure, bill insert or postcard informing residents of such collection service. Contractor shall submit a draft of brochure, bill insert or postcard to City for review and approval by November 1. The brochure, bill insert or postcard shall be prepared and mailed first-class postage, shall be professionally designed and mailed so that residents receive the brochure or postcard not later than December 10. Residents shall be instructed on how to prepare Holiday Greenery for recycling and/or composting. Holiday Greenery which complies with these instructions shall be delivered by Contractor to the MDF. Trees and greenery that have been flocked or contaminated by tinsel shall be delivered to the Transfer Station.

Contractor shall provide City a written report by February 20 showing tons of Holiday Greenery collected at curbside.

5.6 Electronic Waste Collection.

5.06.1 Computer and Electronics Recycling Event.

The Contractor shall be responsible for coordinating and managing the annual "Computer and Electronics Recycling Event". Historically this event is held the first or second Saturday of June at Napa Valley College. E-waste collected includes personal computers, laptops, cell phones, telephones and fax machines, computer peripherals (such as keyboards, printers, scanners, cables and mouse), consumer electronics (such as radios, tape players, VCRs, stereo equipment, personal digital assistants), and computer monitors and televisions. Contractor shall prepare a bill insert for the event. Contractor shall submit a draft of the bill insert to City for review and approval thirty (30) days prior to distribution. The bill insert shall be placed in the May solid waste bill to all Residential Premises and Multi Family Premises. All E-waste shall be collected for free at annual Computer and Electronics Recycling Event. The Contractor pays for and provides labor, equipment and service as well as packaging materials for shipment following event.

5.06.2 Curbside Electronic Waste Collection.

Contractor shall collect Electronic Waste that cannot legally be disposed of in a landfill at Residential Premises and Commercial and Business Establishments in City. Customer or City may request collection of CRT/LCD forty-eight (48) hours in advance and collection shall occur on or before the Customer's next regularly scheduled MSW collection day. CRTs/LCDs shall be collected at curbside, in accordance with the scheduled appointment time established by Contractor, which shall in no case be earlier than 6 a.m. local time. Contractor shall charge a fee (or no fee) as established by City for this service.

SECTION 6 - PUBLIC INFORMATION AND CONSUMER EDUCATION.

6.1 General.

Contractor acknowledges that comprehensive, accurate information and consumer education are essential elements of the City's efforts to comply with the requirements of the Act. Contractor shall implement a public information and consumer education program that is consistent with City's goals. Contractor shall, at every reasonable opportunity, work to: familiarize residents, businesses, property managers, institutional representatives and other persons with essential waste prevention and recycling concepts and activities; explain benefits

of recycling, waste prevention, composting and other forms of diverting MSW; provide data on diversion activities in City which are coordinated or provided by Contractor; fully and clearly explain services and programs available to residents, businesses and institutions; publicize materials to be collected for recycling; diligently pursue expanding markets such that new items, formerly disposed at landfills, become Recyclable Materials and respond to questions or requests for information from residents, businesses, property manager, institutional representatives and other persons. The content of all written materials to be distributed shall be subject to review and approval of City in advance of dissemination.

6.2 Notice to Residents.

Contractor shall, during the month of July of each year, notify each residential Customer of the opportunity to participate, at no additional charge, in the curbside recycling program, how to obtain a container or additional containers if already participating, how to replace a lost, stolen or damaged container, how to secure backyard service for disabled persons wishing to participate, shared cart service, the benefits of recycling to the community, and other information as may be appropriate. Contractor shall submit to City by May 1 of each year a notice to City for review and approval. All costs associated with the preparation of a professional, well formatted and designed notice, as a pamphlet or brochure, costs of printing, labeling and mailing (first class postage) shall be borne by Contractor.

6.3 Notice to HOAs and Property Managers.

Contractor shall, during the month of October of each year, notify each HOA and property manager of any multi-family Residential Premises or mobile home park of each alternative method of recycling and/or composting available to its residents. This notice shall include the following: (A) collection from backyard, side-yard, closet or other place of enclosure; (B) provision of a bin or bins in a central location, such as a work yard, for drop-off of Recyclable Materials; (C) community drop-offs available for use by residents; (D) other available methods.

Contractor shall submit by August 1 of each year a draft notice to City for review and approval. All costs associated with the preparation of a professional, well formatted and designed notice, as a pamphlet or brochure, costs of printing, labeling and mailing (first class postage) shall be borne by the Contractor.

Contractor's Public Education Coordinator will meet with every multi-family complex manager at least once per year and attend multi-family related community meetings as requested by property managers. The Contractor shall develop and provide the City with the collection plan for all new multi-family complexes prior to commencement of service. Contractor shall provide literature and educational materials, and communicate directly and in-person with participating complexes, and alert property or on-site managers where contamination issues arise.

6.4 Billing Inserts, Coupons; Website.

Contractor shall use bill inserts to advertise programs and to distribute coupons for free processing of used tires and Bulky Goods delivered to the Materials Diversion Facility by the Customer. Contractor shall make public education materials available to City for placement on the City website. Contractor shall pay for advertising, development and printing for the programs listed in Table 6-1 for a minimum of two double-sided bill inserts per month and for printing Bulky Goods and used tires coupons.

6.5 Brochure.

Annually, at Contractor's sole expense, the Contractor shall prepare a professional, well-formatted and designed brochure that describes, at a minimum, the services available, benefits and cost savings that may result from participation in recycling and composting programs, availability of technical assistance from Contractor or other recycling companies and persons. Contractor shall submit to City for review and approval the brochure not later than ninety (90) days after the beginning of the Term. Contractor shall distribute the brochure by a first-class postage mailing or in-person. The Contractor is responsible for reporting to City the results of phone and in-person contacts on an annual basis.

6.6 Phonebook Advertisement.

City shall pay one-hundred (100) percent of the cost of preparing the annual recycling guide in the Napa phone book(s). Contractor shall submit to the City by March 1 every year a design of the draft phone book ad on recycling services and then incorporate any City comments. Contractor shall submit a final draft by April 1. Contractor shall pay for printing in the phone books (up to the amount provided in the allowance-based contractor payment in T-1 of this Agreement). If the phone book(s) deadlines change, the draft of the advertisement shall be provided eighty (60) days before deadline, and the final draft shall be complete thirty (30) days

prior to deadline. All advertising materials shall be approved by the City prior to dissemination to the public. Contractor shall provide all advertisements to City in PDF form. Contractor shall provide outreach materials in both English and Spanish.

Table 6-1
Contractor Advertised Programs

Christmas Tree/Holiday Greenery Collection – First Saturday in January.

Home Composting & Worm Composting Classes – February-May. A series of 8-10 home and worm composting classes almost entirely conducted by City and County staff in coordination with local UC Extension Master Gardener Program. The City pays for costs of actually holding the classes.

Xeriscaping – Planting water wise landscaping is promoted year-round.

Food Reuse & Collection "Spring Into Action" held in March. Edible food collection drive, which is held one week per year. Customers may set out dry or canned goods on regular day of collection service and the recycling truck drivers collect the food. Collected Edible food is donated to the Napa Food Bank.

Earth Day Festivities – April. Various activities. Most recently held at Oxbow Commons in Napa.

Recycle More & Appliance Recycling Information – General information, distribution throughout the year.

Used tire Amnesty Coupon – March. The City and Contractor have partnered to provide a "free disposal coupon" for self-hauling up to 19 tires per trip. Business Showcase – Chamber of Commerce annual event. Contractor with City and County staff educate businesses on waste reduction and recycling opportunities.

Special Event Brochure – Developed for those individuals who are planning a special event.

E-waste Collection – Annual event in June at Napa Valley College. Includes educational brochure on e-waste.

Coastal Clean-Up Day – September. Volunteers collect litter from banks of the Napa River. Contractor provides the waste and recycling equipment and service.

America Recycles Day Event – November. Annual event to celebrate America Recycles Day (November 15th). Recent Napa events have included a coat, costume and shoe drive at local grocery store (or other location accessible to the public) in exchange for indoor recycling bins and/or kitchen compost pails.

6.7 Non-Bill Mailing Lists.

The Contractor shall create and maintain a mailing list of all accounts that are not directly billed, so called "non-bill" Customers. The Contractor may elect to utilize the services of a direct mailing service for these "non-bill" Customers. Examples of non-bill Customers are apartments, mobile homes, condominiums, assisted living facilities, and other lease term/tenant situations such as a business park or strip mall. The mailing list shall be updated on an annual basis at a minimum and shall identify the number of non-bill Customers who are "on service" through a central billing or property owner/property manager. The programs requiring an annual mailing to non-bill Customers will include coupons for Bulky Goods and used tires. Additionally, Customers who prepays their bill annually and do not receive monthly bills shall be included on this mailing list (identified as "prepay" Customers) and shall also receive the coupons. It is the Contractor's discretion to do a single mailing once a year or multiple mailings to disseminate the coupons, but they must be delivered to non-bill Customers in a timely fashion so that they can be used.

6.8 Contamination Notices.

If contamination exceeds ten (10) percent in single-stream Recyclable Materials containers, the Contractor shall work with the on-site property manager to reduce contamination. Drivers of collection trucks shall have cameras and shall take pictures of loads exceeding the ten (10) percent contamination limit. For Yard Trimmings collection and Food Scrap Composting Program containers, contamination notices will be sent Customers when contamination exceeds five (5) percent contamination limit. Contractor shall record contamination incidents on Customer account to include date of incident, record of picture taken, and type of contamination. Contractor shall send Customer letter stating date and nature of contamination and shall include a copy of the picture(s). Contractor shall charge for three or more contamination incidents after

Customer receives two written warnings for contamination within one calendar year at a rate established by City.

Contractor shall notify Customers of failure to properly separate materials for recycling or to minimize contamination. This notice shall be pre-approved by the City. Notices shall also include actions that may be taken by Customers to correct the identified problem and a telephone number to contact to arrange for collection. Contractor shall collect within twenty-four (24) hours, once reason or reasons for initial non-collection are cured. The Contractor shall provide a monthly list of accounts receiving notice to the City for follow-up.

The following table lists various recycling streams to be collected. This list includes items to be accepted in the recycling stream and items that are considered contamination in the recycling stream.

Table 6-2
Recycling Streams and Contaminants

Recycling Material Stream	Acceptable Materials	Unacceptable Materials (Contamination)
Single-Stream	Newspaper, phone books, catalogs, magazines, brown paper bags, packaging, egg cartons, white paper, colored paper, envelopes (windows are not contamination), junk mail, glossy paper, shredded paper (in clear bags), carbonless paper, chipboard/boxboard, cardboard, wrapping paper, empty aluminum cans, empty tin cans, juice containers, beer containers, sauce containers, soda cans, tuna cans, soup	Paper tissues, paper towels, paper with plastic coating (i.e. photographs, label paper), paper with food, wax paper, foil lined paper, Tyvex (non-tearing) envelopes, plastic and non-paper bags, non-rigid plastic packaging, plastic liners (i.e. cereal bags), windows, mirrors, dishware, ceramics, light bulbs, florescent tubes, wood furniture, Styrofoam, MSW, Hazardous Waste, hard cover books/manuals, pyrex materials, fiberglass materials,

	cans, loose jar lids, empty aerosol, empty glass beverage containers, empty glass food containers, all glass colors, empty CRV and non-CRV plastic containers, trays and bottles #1 through #7, soft cover books/manuals, milk/juice cartons, plastic toys, plastic irrigation or PVC pipe, rigid plastic sheets or panels, empty plastic buckets and baskets, empty plastic flower pots, plastic crates and carts	Universal Wastes such as household batteries, fluorescent lamp and ballasts, bubble wrap, tarps, textiles, clothes, shoes, E-Waste and small manufactured goods (e.g. purses, handbags and backpacks)
Yard Trimmings	Loose green material from the yard, grass clippings, leaves, weeds, tree prunings, bush prunings, plant material, vineyard clippings, tree trunks/stumps/branches 6" or less in diameter	Rocks, dirt, plastic bags, MSW, Single-Stream Recyclables, pet waste, Hazardous Waste, tree trunks/stumps/branches greater than 6" in diameter
Food Scraps	All food, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, eggshells, wax cardboard, napkins, paper towels, paper plates, tea bags, coffee grounds, coffee filters, wood crates, sawdust, all acceptable compostable items	MSW, Single-Stream Recyclables, liquids, Hazardous Waste, rocks, dirt, pet waste, cloth or plastic diapers, Packaged Organics

Soiled Paper Products	Paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, waxed paper, butcher paper, paper take-out boxes and containers, greasy pizza boxes, soiled paper bags and cardboard, waxed cardboard.	MSW, Single-Stream Recyclables, liquids, Hazardous Waste, rocks, dirt, pet waste
Packaged Organics	Food Scraps, expired food or other compostable organic materials still in original manufacturer packaging requiring separation from inorganic packaging prior to active composting or anaerobic digestion; boxed cereal, canned foods & soups, packaged meat & dairy products, bagged or pre-packaged boxed produce and/or other food products.	Inorganic (non-compostable) MSW, Single-Stream Recyclables, Hazardous Waste, rocks, dirt, pet waste, organics in wood or metal packaging
Wood	Non-treated wood, stained wood, wood with nails, wood with small metal items, tree trunks/stumps/branches (free from leaf and brush material)	Painted wood, lacquered wood, creosote treated wood, railroad ties, telephone poles, excessive nails, large metal items, Hazardous Waste
Chipped Wood	Pre-chipped tree trunks/stumps/branches or pre-chipped untreated wood with no metal items	Chipped wood with metal items, chipped Yard Trimmings, chipped treated or stained wood
Concrete	Clean concrete, concrete with rebar, asphalt not exceeding	All MSW, all other non-concrete materials such as stucco,

	5% of incoming load by weight, bricks, ceramic tiles, baselite blocks, concrete roof tiles, concrete pipe without asbestos	Hazardous Waste including concrete pipe with asbestos, asphalt exceeding 5% of incoming load by weight
Asphalt	Clean broken asphalt pavement with dirt not exceeding 5% of incoming load by weight	All MSW, all other non-asphalt materials, Hazardous Waste, dirt exceeding 5% of incoming load by weight
Metal	Ferrous metal, non-ferrous metal	Items less than 90% metal, fluids, Hazardous Waste, all MSW
Dry Wall	Clean dry wall (gypsum)	All MSW, all other non-dry-wall materials such as stucco, Hazardous Waste
Carpet	Clean and dry carpet from residential and commercial buildings; can be Carpet 6, Carpet 66, and carpet made from all other materials including PET, wool, and other natural and synthetic fibers	All MSW and other materials, Hazardous Waste, dirt, astroturf, carpet padding
Carpet Pad	Clean and dry carpet pad from residential and commercial buildings	All MSW and other materials, Hazardous Waste, dirt
Cardboard	Clean cardboard, chipboard	Wax cardboard, all MSW, all non-cardboard items, Hazardous Waste
Mixed Construction and Demolition	All concrete materials, all metal materials, all wood materials, all cardboard materials, all yard	MSW, all food waste, Hazardous Waste

	trimmings materials, drywall, dirt, soil, asphalt	

6.9 Website.

Contractor shall create and maintain a website with information on all the City's solid waste and recycling programs. The Website shall include the complete recycling guide contained in the Napa phone book(s).

6.10 Seminars, Workshops, Presentations, Meetings.

Contractor shall ensure the attendance of qualified and knowledgeable employees of Contractor, on an as-requested basis, at local seminars, workshops, presentations, meetings and the like, to provide information or discuss matters related to solid waste management and recycling.

6.11 Annual Recycling Awards Event.

An annual recycling awards event (with a meal provided to award winners) is planned for businesses, multi-family complexes, schools, mobile home parks, and property managers who achieve the highest levels of recycling and/or composting and minimize contamination, as determined by the City. The Contractor shall work with City to create and manage this event.

6.12 Proposals for New Diversion Program.

Contractor shall, at no additional cost, within forty-five (45) days of a request by City, submit a written proposal on providing additional or expanded diversion services. The proposal shall contain a complete description of the following: (A) collection methodology to be employed; (B) equipment to be used and staffing requirements by number and classification; (C) type of container(s) to be used; (D) informational/promotional campaign; (E) projection of annual operating costs, including documentation of and support for key assumptions underlying projections.

SECTION 7 - TEMPORARY, PROVISIONAL AND EXPERIMENTAL DIVERSION PROGRAMS.

7.01 Temporary, Provisional and Experimental Programs.

The City desires to develop, test and implement new types of Diversion programs in order to reduce the quantity of MSW delivered to the Transfer Station. In order to test and determine the cost/benefit of new such new programs, City may direct the Contractor to conduct pilot, temporary and experimental programs as described in Section 14.14 of the Contract. If the scope of work, financial arrangements and equipment needed for any such program are of a breadth or complexity that the parties agree the program parameters should be included in the Contract, the scope of work for such programs shall be included in this Section 7 of Attachment B. Such programs are temporary and experimental in nature. Depending upon the Diversion achieved and the actual costs, the City, in its sole discretion pursuant to Section 14.14 of the Contract, may direct Contractor to continue a program, to expand or alter a program and/or to discontinue a program. Because such programs are temporary, provisional and experimental in nature, the parties agree the compensation arrangements are not included in Contractor's Capital and Operating Costs shown in Attachment T-11. The financial arrangements for each program shall be kept separate from the Contractor's Capital and Operating Costs and are described in Article 12 and Attachment T-6A, Attachment T-6B and Attachment T-12. This provides the City the ability to adjust the compensation if needed, based on the decisions being made, as described in Section 14.14 of the Contract.

The parties hereby agree to add the following new program that is temporary, experimental and provisional:

7.02 The Recycle More Program.

The purpose of the Recycle More program is to target and collect Recyclable Materials with a positive market value that are not accepted in the residential or commercial Single-Stream Recyclables collection programs either because of (a) the size of the item(s), or (b) the type of material. The specific materials to be Collected by Contractor as part of the Recycle More program will be determined by the City and may vary over time depending upon market conditions, processing technologies and other factors.

The Recycle More Items to be Collected by Contractor as part of the Recycle More program are defined in Attachment A and include the following:

As of April 1, 2013 the Recycle More Items include liquid cooking oil (excluding fat and grease), E-Waste, large metal appliances and oversized metal items exceeding thirty-six inches (36") from Residential Premises within City. Contractor shall also collect E-Waste, large metal appliances and oversized metal items exceeding thirty-six inches (36") from Commercial and Business Establishments within the City. Cooking oil collection service shall not be provided to Commercial and Business Establishments without the written approval of the City. For purposes of the Recycle More program, E-Waste shall include "anything with a cord".

As of November 1, 2013 the Recycle More Items also include clothing, other textiles (such as linens, bedding, and towels), shoes, belts, purses, handbags, backpacks, hard cover books, compact discs ("CD's"), digital versatile discs ("DVD's"), tapes, toys and other similar re-useable items.

As of January 1, 2016, the Recycle More Items also include household batteries (both single-use and rechargeable, non-automotive) from Residential Premises. Household batteries are only to be picked-up from Residential Premises when properly packaged by the customer (in clear, sealed plastic bags or containers) and when accompanied by another material normally picked up by the Recycle More curbside collection program. Household batteries are currently delivered to the permanent Household Hazardous Waste (HHW) collection facility adjacent to the Transfer Station for proper disposal and recycling at no charge to either the City or the Contractor. If this situation changes in the future, City and Contractor will meet and confer as to whether collection of household batteries will continue through the Recycle More program and how (or whether) any disposal/recycling charges will be addressed.

Contractor has purchased a 2011 Peterbuilt 330 van powered by hybrid diesel/electric technology. The purchase order describing the truck and the extended warranties purchased by Contractor is included in Attachment HH. Contractor shall also purchase, and install in the truck, racks to hold empty and full metal cooking oil containers and other supplies, and a "body wrap" (also known as an "advertising wrap") that labels the vehicle with the "Recycle More" program name and graphics. The total cost for the truck, warranties, metal racks and body wrap shall not exceed one hundred thirty thousand dollars ($130,000).

Contractor shall also procure twelve hundred (1200) one-gallon metal screw-top containers and labels for the containers as shown in Attachment JJ. The containers will be distributed by Contractor to Residential Customers who elect to participate in the Recycle More program. The parties estimate that approximately six-hundred (600) additional containers will be purchased by Contractor for year two of the program, as the program grows.

Beginning April 1, 2013 Contractor shall advertise the availability of the Recycle More program using inserts in Customer bills as shown in Attachment JJ. Contractor shall also advertise the program using Contractor's web site, appropriate newspaper ads, radio spots, movie theater ads and other advertising methods, the cost, method and content for which must be pre-approved by City. Contractor shall collect the Recycle More Items on an appointment basis. When a Residential Customer calls or makes an online request to participate in the cooking oil recovery program, Contractor shall deliver to the Resident a metal screw-top container for storage of cooling oil. When a Customer calls to request a pickup of cooking oil and/or other Recycle More Items, Contractor shall collect the item(s) within ten (10) business days of the Customer request. When a cooking oil container is collected, Contractor shall leave an empty container for the Customer. The charge to the Customer for the Recycle More service shall be at the City-approved rates (currently the service is provided to the Customer at no charge) that may be adjusted periodically by the City. Once the Recycle More program is in full-scale operation Contractor shall operate the Recycle More vehicle five (5) days per week for a regular workday each day. The Recycle More vehicle shall be used primarily for the Recycle More collection program within the City of Napa and under no circumstances shall the vehicle be used to provide services outside the City limits of the City of Napa unless specifically authorized in writing by City.

All collected Recycle More Items shall be stored in a safe and secure manner inside the Recycle More vehicle and transported to the MDF. E-Waste and metal items shall be stored in Gaylord containers inside the vehicle. Should any cooking oil spill on the street, sidewalk, or on any other public or private property, Contractor shall immediately clean up the spill. Contractor shall carry appropriate supplies in the Recycle More vehicle for this purpose.

Contractor shall empty the collected cooking oil into a tank that has been placed by a cooking oil recycling company at the MDF. If needed in order to heat up cooking oil in the one-gallon metal containers so it may be poured into the tank, Contractor may purchase and utilize a stove/oven at a cost to the City not-to-exceed one thousand dollars ($1,000). The cooking oil recycling

company will come on-site to the MDF on a periodic basis to empty the cooking oil from the tank and haul it away for reuse. Contractor shall maintain accurate records of the gauge readings on the tank and pumping equipment to determine the amount (gallons) of cooking oil collected by the cooking oil recycler.

Contractor shall maintain the cooking oil storage tank as recommended by the cooking oil recycler. Contractor shall provide all required maintenance, repair and cleaning of the Recycle More vehicle, as described in Article 7 of the Contract.

Contractor shall unload all collected Recycle More items and prepare them for marketing; and shall market said items along with other similar materials received at the MDF.

Contractor may propose addition of materials to the Recycle More program (e.g. mattresses, latex paint). City will consider such proposals and shall respond to Contractor within sixty (60) days of such proposal. The decision of the City shall be final. If the City decides to include additional materials, the provisions of Section 14.14 of the Contract shall apply.

Contractor shall include in the monthly Attachment R reports, all collection data for the Recycle More program including but not limited to the following: number and type (residential or commercial) of Customers requesting collection, number of Recycle More truck stops, number of metal containers of cooking oil collected, number of households with cooking oil containers, number of E-Waste, metal appliances/oversized metal items, and bags of textiles/reuse items collected, Tons of E-Waste, appliances/oversized metal items and textiles/reuse items collected, as well as the gallons and pounds of cooking oil collected and any notes about the size, operation, growth or other issues about the program, including any issues or problems along with proposed solutions. This reporting will include data collected from April 1, 2013 forward. Contractor shall report the gallons of cooking oil marketed, the tons of each category of Recycle More Items marketed, and the revenue received for each category of Recycle More Items in the monthly Attachment DD reports. The annual Attachment R report shall include the total annual Recycle More “time on route” and total miles driven.

The financial arrangements between the City and Contractor for the Recycle More program are described in Article 12 and Attachment T-6A, Attachment T-6B and Attachment T-12 “Financial Arrangements for Temporary, Provisional and Experimental Programs”.

7.03 Carpet and Carpet Pad Recycling Program.

The purpose of the Carpet and Carpet Pad Recycling program is target and collect discarded (used) carpet and carpet pad (included multiple types of underpadding for carpet). The collection portion of the Carpet and Carpet Pad Recycling program was approved by the Napa City Council on June 21, 2011 where initial collection service rates were established effective August 1, 2011 (City of Napa Resolution No. R2011-91). Upon approval by the Napa Council and at the City's written direction, the Contractor purchased four (4) roll-off collection boxes with sliding roofs (to help keep the carpet and carpet pad clean and dry). The City reimbursed the Contractor for the cost of these four (4) roll-off collection boxes with sliding roofs for use by the Contractor for Customers participating in the Carpet and Carpet Pad Recycling program. Contractor agreed to collect carpet and carpet at no additional no costs beyond the labor and collection costs already included the City's baseline compensation described in Article 12 of this Agreement. City agreed that the service of carpet/carpet pad roll off boxes would be counted in the number "pulls" assessed during the City Cost Review process described in Article 12 and Attachment U of this Agreement.

For the processing cost of receiving, sorting and preparing discarded/used carpet for shipment to recycling markets and/or recycling facilities, the City agreed to pay Contractor a processing fee of $25 per inbound Ton for calendar year (CY) 2018, $25.88 per Ton for CY2019, $26.79 per Ton for CY2020, $27.73 per Ton for CY2021, $28.70 per Ton for CY2022, $29.70 per Ton for CY2023, $30.74 per Ton for CY2024, $31.82 per Ton for CY2025, $32.93 per Ton for CY2026, $34.09 per Ton for CY2027, $35.28 per Ton for CY2028, $36.52 per Ton for CY2029, $37.80 per Ton for CY2030 and $39.12 for CY2031. Furthermore, the parties agree that the carpet processing fee is not part of the "Processing Fee for Throughput Over Baseline" calculation as described in Article 12 of this Agreement. Instead, the City and Contractor agreed that the Contractor will charge the City on a monthly basis based on the inbound tonnage of carpet received the previous month at the Materials Diversion Facility. Contractor has agreed that the carpet processing fee described herein is a fair and reasonable charge only if used/discarded carpet can be picked up for recycling from the Materials Diversion Facility at no charge to the Contractor. Because of the experimental and volatile nature of the viable recycling markets and facilities for discarded/used carpet, the City and Contractor have agreed that the receipt and processing of carpet by Contractor at the City's Materials may be discontinued with sixty (60) day written notice from City to Contractor. If markets for discarded/used carpet change in the future and discarded/used carpet can only be recycling as

a Negative Value Material, City and Contractor agree to comply with the process described in Article 6 of the Agreement for “Disposition Costs When No Markets Exist.”

ATTACHMENT C-1

IMPLEMENTATION PLAN FOR COLLECTION

Collections services will continue to operate during the transition of replacement of Diesel collection vehicles with CNG vehicles. Vendors for this equipment have committed to meet the time frame with the current overall project schedule.

Napa Recycling & Waste Services has placed orders for replacement and refurbished vehicles and equipment and will be tracking the progress of these deliveries and installations over the next year. To date the majority of the new 2018 CNG vehicles have arrived and have been deployed for collection services, the 8 vehicles scheduled to be refurbished will be rotated out of service and then back into service over the next 18 months. Napa Recycling will update City staff during our monthly meetings regarding delivery and deployment of these vehicles and other equipment installations.

ATTACHMENT C-2

IMPLEMENTATION PLAN FOR MATERIALS DIVERSION FACILITY

The new and refurbished equipment are scheduled to be delivered and installed during 2018, Vendors for this equipment have committed to meet the time frame with the current overall project schedule.

Napa Recycling & Waste Services has knowledge of the capabilities of the current company's employees and will continue to hire and train new employees as needed.

Reporting to the City staff during our monthly meetings will continue during the MRF retrofit and other Capital projects taking place at the MDF. Napa Recycling & Waste Services will continue to work with the City's selected contractor during the construction of the MRF Roof extensions, CASP and Storm water projects.

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTACHMENT D

NOT USED

ATTACHMENT E

NAPA VALLEY UNIFIED SCHOOL DISTRICT SCOPE OF SERVICES

3.01 Napa Valley Unified School District (NVUSD). The NVUSD has entered into a Memorandum of Understanding (MOU) with the City of Napa on June 17, 2004, to be a customer within its solid waste and recycling contract with the City selected Contractor. Table 3-2 is provided in the background data and identifies current service levels to NVUSD facilities. The Contractor will bid on services levels specified in Table 3-1.

3.02 Garbage Collection. The Contractor will provide garbage collection services to the facilities outlined in Table 3-1 that specifies collection location and frequency. Service shall be uniform throughout the NVUSD. Every effort shall be made to maintain continuity of service during the Contractor transition period. In addition to services noted on Table 3-1, the Contractor will provide debris box service twice a week at the NVUSD maintenance yard located at 1616 Lincoln Avenue. Additionally, the Contractor shall provide on an as-needed basis for special construction projects, at no additional cost to NVUSD, twelve (12) debris boxes per year. NVUSD shall call the Contractor and ask for the debris boxes and the location of placement for service. If NVUSD needs more than twelve (12) debris boxes per year, the Contractor can charge the commercial rate for that service.

3.03 Recycling Program. As with City collection services, the NVUSD will also be provided recycling services at no additional cost with paid basic garbage service. On-site recycling services shall include collection of single-stream recyclables, yardwaste, and source separated cardboard at a minimum. To maximize the recycling program, the schools shall make every effort to eliminate contamination of recyclables. If the Contractor identifies a contamination problem at any school facility, the Contractor shall notify to the Operations Supervisor of the Napa Valley Unified School District (NVUSD) immediately to address the problem. For any site where the Operations Supervisor has been notified in writing at least two times in a fiscal year that there has been contamination of ten (10) percent or greater, the Contractor has the authority to charge the going commercial rate for those containers until the contamination issue is resolved. The charges will continue on a monthly basis until the Contractor has notified the Operation Supervisor that the problem has been corrected at which time the charges will no

longer be imposed at those sites. The Contractor shall provide the NVUSD with pictures of the contaminated loads in any written notice.

3.03.01 The Contractor shall provide single-stream recycling that replicates the City program in material types as well as offer source separated cardboard and yardwaste recycling as detailed in Table 3-1.

3.03.02 An annual review meeting with School District Representative and City Recycling Specialist and/or Contractor's Public Education staff will be held annually by June 30th. At this meeting, they will review at a minimum:

- All programs as listed in the contract for the prior school year and the upcoming school year
- Any additional service needed for new facilities
- Any reduction in service

3.03.03 Annually replace lost or damaged interior recycling equipment to all schools consistent with existing equipment and be properly labeled with stickers and other labeling materials. If existing equipment is no longer available, the Contractor, City and NVUSD may choose other equipment as mutually agreed upon. This equipment includes but is not limited to: custodial recycling collection dollies, lunchroom recycling containers, and classroom recycling containers. The Contractor shall distribute all needed equipment at least two weeks prior to first day of class of each school year.

3.03.04 Annually replace lost or damaged exterior recycling equipment to all schools consistent with existing equipment and be properly labeled with stickers and other labeling materials. If existing equipment is no longer available, the Contractor, City and NVUSD may choose other equipment as mutually agreed to. This equipment includes but is not limited to: 95-gallon carts, 35-gallon cans, and 2-yard bins. The Contractor shall distribute all needed equipment at least two weeks prior to the first day of class.

3.03.05 Annually provide printed recycling education materials in English, consistent with existing examples provided in the background data, to individual schools to include but not be limited to: recycling posters for students, recycling brochures for faculty, staff and custodians; and recycling stickers to place on interior equipment. All printed recycling education materials must be mutually agreed to by NVUSD, the City and the Contractor prior to distribution. The Contractor shall distribute all needed education materials at least two weeks prior to the first day of class.

3.03.06 Annually the Contractor's Recycling Education Coordinator shall be available to make school presentations about reduce, reuse, recycle, and environmental responsibility. Presentation program content will be developed in consultation with City Recycling Specialist.

3.03.07 The Contractor shall implement a food waste recycling program at the NVUSD central cafeteria consistent with City's commercial food waste recycling collection program prior to the 2008-2009 school year. The Contractor will work with the full-time staff of the food service vendor that manages the central cafeteria located at the Harvest School to implement the food waste recycling program.

3.03.08 The Contractor shall implement a food waste recycling program at all individual schools consistent with City's residential food waste recycling collection program by school year 2011-2012. This program will mirror the residential food waste program as the schools are located in residential neighborhoods and will therefore be collected using the residential collection trucks.

3.03.09 The Contractor shall implement single-stream recycling at District sports fields located at the Harvest Sports Complex, Redwood School, and Silverado School. Containers shall be provided by the Contractor at no additional cost to NVUSD. The implementation schedule shall be in writing and agreed to by City, NVUSD, and Contractor no later than the start of 2006-2007 school year.

3.03.10 Contractor shall provide recycling containers and collection at special events at no additional charge to NVUSD for fifteen (15) special events per school year. NVUSD will notify the Contractor no later than two weeks prior to any event on the type of event and the number of garbage and recycling containers needed and the location of the event. The Contractor shall work with NVUSD Operations Supervisor and the City Recycling Specialist to maximize recycling at special events. The Contractor shall notify the Operations Supervisor when fifteen events have been reached for a school year.

3.03.11 As part of the public education program, the Contractor shall allow and encourage an unlimited number of school field trips to the MDF at no charge to the NVUSD or City. The City will pay the NVUSD transportation department for the cost of the bus service to bring children to and from the MDF.

3.03.12 Contractor's Public Education Coordinator shall work with City Recycling Specialist and NVUSD Operations Supervisor to maximize diversion from schools and reduce contamination of recyclables as referenced in 3.03.

3.03.13 Yardwaste recycling shall be provided to the District at no additional charge whether collected in dumpsters, roll-offs, or self-hauled by NVUSD staff to the MDF.

3.03.14 The Contractor will allow NVUSD free drop-off of e-waste year round at the MDF as well as drop-off at the Computer and Electronics Recycling Event (E-waste event) in June. The NVUSD shall be limited to no more than twenty-five thousand (25,000) pounds per calendar year in total between the E-waste event and any additional drop-off of e-waste at MDF. NVUSD staff shall pre-sort, palletize, and properly wrap the e-waste prior to delivery either to the E-waste event or the MDF. The Contractor shall work with NVUSD to ensure materials are properly sorted and wrapped prior to delivery to E-waste event or MDF.

3.03.15 The Contractor will allow NVUSD to self-haul no more than three hundred (300) tires per year to MDF for recycling at no additional charge. No more than one hundred and fifty (150) of those tires will be considered "large" meaning twenty-two (22) inches in diameter or larger. NVUSD staff shall remove all rims prior to self-hauling tires to MDF.

3.03.15.1 Contractor shall submit an annual report by June 30th to the City and NVUSD representatives to include, but not be limited to:

3.03.15.2 Minutes from most recent annual review meeting.

3.03.15.3 List by school and date, quantities of all equipment distributed during previous school year.

3.03.15.4 List by school and date all presentations made. Include age groups present and number of students.

3.03.15.5 List by school and date, quantities and type of all recycling educational outreach material distributed.

3.03.15.6 List by school all equipment proposed for distribution during upcoming school year.

3.03.15.7 List by school proposed presentation schedule for upcoming school year.

3.03.15.8 List by school proposed distribution of recycling education outreach material for upcoming school year.

3.03.15.9 List any new schools or school facilities to receive service, and the equipment needed for that service and approximate delivery date of equipment.

3.03.15.10 Report annual tonnages collected by month, material type for source-separated only, total single-stream material, and Jurisdiction currently either by City of Napa, County of Napa, and City of American Canyon.

3.04 Timing of Service. It is preferred that servicing of all containers be done during off-hours when children are not likely to be present between 6:00 am and 8:00 am. If the Contractor cannot service between 6:00-8:00 am, a spotter shall be present in addition to the driver to ensure safety. Schools that require servicing between 6:00 - 8:00 am include: Napa High School at 2475 Jefferson Street; NVUSD Education building at 1015 Kaiser Road; NVUSD Carpenter Shop at 1616 Lincoln Street; NVUSD Tech/Adult School at 1610-1600 Lincoln Avenue; Pueblo Vista Elementary School at 1600 Barbara Road; Snow Elementary School at 1130 Foster Road; Vintage High School at 1375 Trauer Avenue. The NVUSD custodians are on-site at 6:00 am and open the gates but NVUSD shall provide the Contractor with a universal key in case access is needed.

3.05 Collection Frequency. Normal servicing of elementary schools shall be three times per week on Monday/Wednesday/Friday, and daily service Monday through Friday for middle schools, high schools and administration facilities. Any variation from that schedule will be noted on Table 3-1.

3.06 Collection Schedule Service Changes. NVUSD currently has no year-round schools. Regularly scheduled reductions in service are for summer break mid-June to August 1st and winter break from mid-December to early January. Winter break usually lasts between two to three weeks. NVUSD shall provide Contractor with an annual schedule of the breaks when dates are finalized. During the winter and summer breaks, all schools will only receive twice a week service on Tuesdays and Thursdays for the same basic services as outlined in section 3.01 unless otherwise requested by NVUSD.

ATTACHMENT F

SCOPE OF WORK FOR OPERATIONS AT NAPA MATERIAL DIVERSION FACILITY

SECTION 1. INTRODUCTION

1.1 Facility Description

Contractor shall operate the Napa Materials Diversion Facility (MDF) located at 820 Levitin Way, a private road on the south side of Tower Road in the southern, unincorporated portion of Napa County.

1.2 Overview of Scope

Contractor shall conduct the following activities at the MDF, which are more fully described in the following sections:

- Operate, maintain, repair and replace processing systems
- Design and implementation of processing systems
- Receipt and processing of materials
- Marketing of recovered materials, including billing of customers, and receipt of payments
- Transport of Residue
- Support to scalehouse operations
- MDF oversight and maintenance
- Identifying other MDF customers
- Recordkeeping and reporting

SECTION 2. GENERAL FACILITY REQUIREMENTS

2.1 General Guidelines

2.1.1 The Napa Materials Diversion Facility (MDF) and its design and operations must conform to the requirements described in this section.

2.1.2 Contractor shall use the MDF only for processing of Recyclable Materials delivered under this Contract and for directly related support purposes.

2.1.3 Contractor shall use the covered aerated static pile (CASP) System only for processing of Compostables delivered under this Contract. The CASP System shall receive and accommodate loads of preprocessed organic materials delivered to the CASP bunkers in Contractor's transportation vehicles from the organics preprocessing building.

2.1.4 Contractor shall operate and maintain the Storm Water System such that surface flows of liquids from the MDF are controlled and managed using best management practices and while meeting all applicable regulatory requirement, including in accordance with the Department of Water Resources (DWR) Compost General Order/Permit and with industry standards.

2.2 Materials to be Processed

2.2.1 The MDF must be designed such that it is capable of receiving and processing, at a minimum, the following material streams:

Yard Trimmings – Source-separated from residential and commercial accounts and self-haul vehicles; segregated Yard Trimmings from other MDF Processing Areas.

Food Scraps, Packaged Organics and Soiled Paper Products -- Source-separated from commercial accounts and co-mingled with Yard Trimmings and Soiled Paper Products from residential accounts.

Commingled Recyclables from single-stream recycling programs-- Consisting of a mixture of containers as well as paper grades from residential curbside programs, from commercial accounts, or both.

Commingled Recyclables from dual-stream recycling programs -- Composed of two separate mixtures: 1) a mixture of containers and 2) a mixture of paper grades. These streams may come from residential curbside programs, from commercial accounts, or both.

Source-Separated Recyclables – Source-separated recyclable materials from commercial accounts.

Source-Separated Wood waste – Source-separated wood waste stream from commercial accounts and self-haul vehicles; may include pallets for reuse or recycling.

Source-Separated C&D – Source-separated streams of Construction and Demolition Debris, from commercial accounts, self-haul, and government agencies.

2.2.2 The processing and recovery of materials from the material streams listed above shall only be performed at the MDF. No quantities of these material streams shall be processed at or by another facility, except in the cases of facility permit limits or an extended outage, under which cases the terms and conditions of the Contingency Plan shall govern, or as approved by the City.

2.2.3 The MDF must accept, handle, store, process if needed, and transfer to markets the following types of materials:

- E-waste
- Tires
- Bulky goods
- Used oil and used oil filters
- Carpet/Carpet Pad
- Use Cooking Oil

2.2.4 In addition, the City may direct the Contractor to conduct the following processing operations at the MDF, which shall be processed as described in Attachment J.

- Interim Mixed C&D Debris Processing
- Permanent Mixed C&D Debris Processing

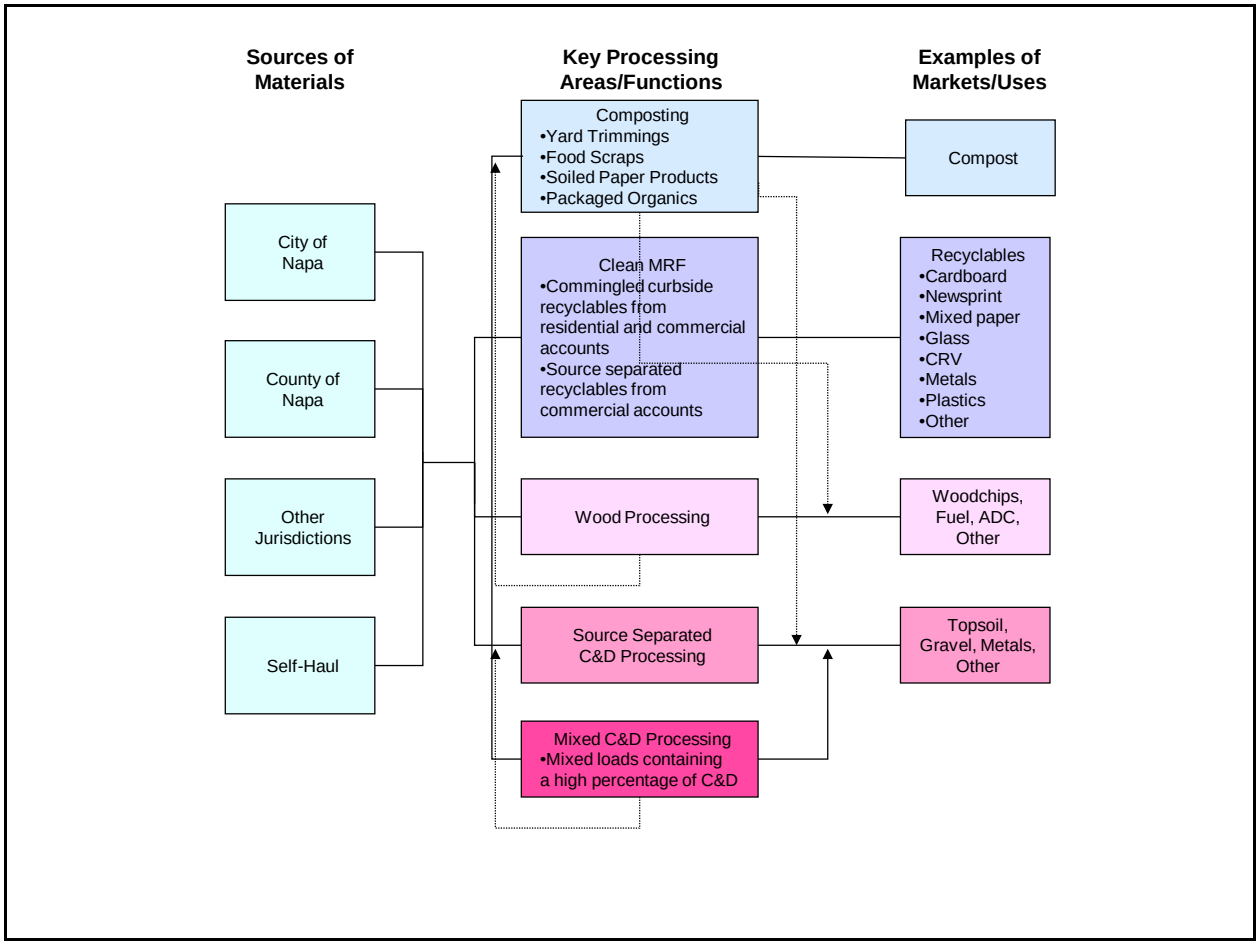
2.3 Key Processing Areas

2.3.1 The following key processing functions (referred to as Processing Areas) shall be conducted at the MDF:

- Composting
- Clean MRF
- Wood processing
- Source-separated C&D processing
- Mixed C&D processing (at the direction of the City)

2.3.2 The Processing Areas shall receive and process the materials listed in Section 2.2 as generally outlined in Figure F-1.

Figure F-1. Material Flowchart of Napa Materials Diversion Facility



Note: Mixed C&D processing shall be implemented at the direction of the City.

2.4 MDF Users

2.4.1 The MDF shall receive and accommodate loads of materials from the following types of users and vehicles:

- Collection vehicles servicing residential and commercial recycling programs
- Open top roll-offs
- Compactor roll-offs
- Self-haul vehicles operated by private contractors (e.g., landscapers), business owners, and the public, including automobiles, pick-ups, dump trucks, flat-bed trucks, vans, and trailers
- Vehicles from, or representing, City departments, NVUSD, County departments.

2.5 MDF Capacity

2.5.1 The MDF shall be designed to have Baseline capacity to accept and process, on an annualized basis, at least the quantities provided in Table F-1 (Baseline column) while operating at a maximum of one (1) 8-hour shift per day, and 5 days per week, with the exception of composting which is 7 days/week. Sufficient maximum rated capacity, system flexibility, and redundancy shall be provided to enable the MDF to accept and process peak deliveries as well as seasonal variations in quantities reliably, while satisfying the operating requirements of the contract.

2.5.2 The MDF must be capable of expansion of design capacity to process at least the quantities provided in Table F-1 (Expansion column).

2.5.3 If directed by the City to accept and process Mixed C&D Debris, the Baseline and Expansion capacities will be those presented in Table F-2.

Table F-1. Baseline and Expansion Design Capacities (tons/year)

Processing Area	Baseline Capacity	Expansion Capacity*
Composting Area	40,670	78,680*
Clean MRF	19,290	56,800*
Wood Processing	3,970	15,000*
Source-Separated C&D Processing	16,620	23,320*
Total	80,550	173,800*
*All Maximum Expansion Level Tonnages may be increased in the future if governing facility permits allow for increased tonnage throughput at MDF.		

Table F-2. Baseline and Expansion Design Capacities with Mixed C&D Debris Processing (tons/year)

Processing Area	Baseline Capacity	Expansion* Capacity
Composting Area	40,670	78,680*
Clean MRF	19,290	56,800*
Wood Processing	3,970	15,000*
Source-Separated C&D Processing	16,620	23,320*
Mixed C&D Processing	4,250	20,800*
Total	84,800	194,600*
*All Maximum Expansion Level Tonnages may be increased in the future if governing facility permits allow for increased tonnage throughput at MDF.		

2.6 MDF Schedule

2.6.1 The hours of receipt of loads from the general public shall be daily from 8:00 AM to 4:00 PM.

2.6.2 The MDF will be open every day of the year, except for the following four holidays: New Year's Day, Easter, Thanksgiving Day, and Christmas Day. On the following holidays when the MDF is open, the public operating hours shall be 8:00 AM to 3:00 PM: Martin Luther King, Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, and the day following Thanksgiving Day. On Christmas Eve, the public operating hours shall

be 8:00 AM to 12:00 PM (noon). See Section 1(g) of Attachment EE regarding the City's right to make minor temporary changes to MDF public operating hours.

SECTION 3. DESIGN AND OPERATING STANDARDS

3.1 MDF Minimum Design and Operational Requirements

The design and operations of the MDF must conform to the following minimum requirements:

3.1.1 The MDF must be designed and constructed to comply with all applicable Federal, State and local regulations and industrial codes, as well as all applicable standards of technical societies, either as stated or as is standard in industry practice for state-of-the-art Solid Waste processing facilities.

3.1.2 The MDF must present a working system that is integrated with respect to function, building services, and architectural and structural elements.

3.1.3 The MDF and its Processing Areas must use technologies and equipment that have been demonstrated in commercial facilities (or otherwise adequately tested or demonstrated) to be effective, efficient, and reliable, and that yield products meeting market specifications as presented in Contractor's proposal or as required by users, whichever specifications are higher. All designs of the Processing Areas and equipment shall be in accordance with industry standards (see illustrative list of relevant, applicable standards in Table F-3).

Table F-3. Standard Industry Specifications

The following codes and standards shall be incorporated into the design and construction of the MDF. Where conflicting requirements exist, the more stringent shall apply. Local and state building and construction codes, where applicable, shall govern.

American Association of State Highway and Transportation Officials (AASHTO)
American Concrete Institute (ACI)
American Hot Dip Galvanizers Association (AHDGA)
American Institute of Steel Construction (AISC)
American Iron and Steel Institute (AISI)
American National Standards Institute (ANSI)
American Petroleum Institute (API)
American Society for Testing and Materials (ASTM)
American Society of Heating, Refrigeration, and Air Conditioning Engineers (ASHRAE)
American Society of Mechanical Engineers (ASME)
American Welding Society (AWS)
BOCA National Building Code
Conveyor Equipment Manufacturers of America (CEMA)
Institute of Electrical and Electronic Engineers (IEEE)
National Electric Code (NEC)
National Fire Protection Association Codes (NFPA)
National Board of Fire Underwriters (NBFU)
Occupational Safety and Health Administration (OSHA)
Steel Structures Painting Council (SSPC)
Underwriters' Laboratory (UL)

3.1.4 Contractor's improvements to the MDF, if any, shall be constructed in accordance with approved drawings and specifications, and Contractor will pursue the construction work diligently to completion, complying with all Federal, State, and local laws, ordinances, rules, and regulations related thereto.

3.1.5 Contractor shall use its best efforts and design the MDF such that the quality of recovered materials is preserved prior to transport of the materials to market, or sale or giveaway of recovered materials at the MDF, including protection of the materials from the elements (e.g., rain or dust) if needed.

3.1.6 The design and operation of the Processing Areas shall be such that quantities of Residue produced from each Processing Area shall be weighed separately outbound from the MDF and shall be separately weighed and disposed at the Devlin Road Transfer Station. It is recognized by the Parties that the Organics Preprocessing system handled organic materials from both the Composting and Wood processing areas and thus the quantities for Residue produced from these two processing areas will be a shared tonnage quantity. It is further recognized that the maximum contamination residue for both the Composting and Wood processing areas is shared maximum of percentage level of five (5) percent (see table F-2).

3.1.7 Contractor shall use it best efforts to provide sufficient space (and designate such with signage), for parking the vehicles used for transporting materials, the vehicles owned by the employees, as well as those vehicles used by visitors.

3.1.8 The use of natural lighting shall be maximized throughout the MDF.

3.1.9 All maintenance and spare-parts storage areas shall be provided with security locks; entry to those areas shall be controlled and only by authorized contractor personnel.

3.1.10 The design and operation of processing systems and areas shall be such that paved surfaces are not unreasonably deteriorated due to contact between Rolling Stock (such as front-end loaders) and attachments (e.g., buckets, roll-off boxes) and the surfaces. The features of Contractor's design and operation to conform to this standard shall be as described in Contractor's proposal.

3.1.11 The City will post easily-readable signs at the entrance to the MDF detailing the regulations which must be followed by vehicles entering the station, indicating the hours of operation, the types of Recyclable Materials accepted, the rates charged, and a local telephone number to call for information or in case of emergency. Contractor shall maintain and repair these and other on-site signs. Contractor will ensure that all MDF signage will be updated and comply with these requirements no later than December 31, 2018. Contractor shall not post any signs without the prior written consent of the City.

3.1.12 Contractor shall design and operate the MDF, including sufficient traffic controllers and signage, such that traffic flow from the inbound scale to processing areas, at Processing Areas, and from Processing Areas to the outbound scale is orderly and free flowing. Once

past the inbound vehicle scale, the time required to begin unloading shall not exceed ten (10) minutes for any user. Design, construction, and maintenance of on-site roads shall conform to State and local requirements. Traffic flow shall be according to the flow indicated on the Site Plan, as approved by the City.

3.1.13 Mechanical room(s), if provided, shall be designed to accommodate the equipment provided, and to permit equipment maintenance and replacement without structural modification.

3.1.14 The design and installation, and operation of all receiving and processing systems shall be in accordance with all applicable local, State, and Federal codes, regulations, and statutes related to fire detection and control.

3.1.15 MDF shall be designed and operated to allow access by fire equipment and other emergency service vehicles to all parts of the MDF at all times.

3.1.16 MDF shall be designed and operated such that any odors generated on the site are not a nuisance beyond the site boundary. Contractor shall control odor at the MDF by use of odor control equipment and programs.

3.1.17 MDF shall be designed and operated such that internal and external dust emissions are no greater than those allowed by applicable local, State, and Federal regulations and statutes, and such that off-site impacts are avoided due to nuisance dust generation. Contractor shall control dust at the MDF by use of installed dust control systems.

3.1.18 MDF shall be designed and operated to minimize and control any litter that may be generated by the operations. Litter includes fugitive materials escaping from processing equipment. Contractor shall sweep daily all areas of the MDF. In addition, Contractor shall police at least twice weekly the street frontages abutting the MDF, collecting all debris along these streets. Materials so collected shall be disposed at the Devlin Road Transfer Station.

3.1.19 MDF shall be designed and operated such that the level of noise of the operations are in conformance with all applicable local, State, and Federal regulations and statutes.

3.1.20 MDF shall be designed and operated such that equipment and operations are in conformance with all applicable local, State, and Federal health and safety regulations and standards relevant to occupational and public health and safety.

3.1.21 MDF shall be designed and operated to prevent off-site surface migration of leachate, storm water or wastewater, or sub-surface leachate whose qualities or other characteristics are not in conformance with applicable local, State, and Federal regulations and statutes. Any wastewater that is stored on-site, including but not limited to that stored in surface impoundments (ponds), shall receive treatment such that the wastewater does not become a source of unpleasant odors or a place for breeding insects.

3.1.22 All lighting shall be in conformance with all applicable local, State, and Federal regulations and statutes.

3.1.23 Any grading or modification of the surface of the MDF shall minimize erosion due to wind or water, changes to geological substructures, or conditions that would result in unstable slopes. Additionally, new grading or surfaces installed within the MDF shall be designed by a qualified, experienced, and registered professional engineer and shall be installed as designed. The installation shall be monitored and observed for conformance to the design and specifications by a qualified and experienced professional.

3.1.24 The design and operation of all proposed processes shall be in accordance with all Federal, State, and local air pollution regulations.

3.1.25 Explosives shall not be used for demolition or construction at the MDF without prior authorization from the City.

3.1.26 If any hazardous materials are used during the installation or operation of processing equipment, or otherwise, the materials shall be used and managed according to all applicable Federal, State, and local environmental laws and regulations and other permits and requirements. Similarly, if any hazardous wastes are generated during the installation or operation of equipment, such wastes shall be managed according to applicable regulations, permits, and requirements.

3.1.27 Processing equipment and systems shall be designed, installed, and operated such that spillage of material from processing equipment and dust emissions from processing

equipment are minimized, collected, and managed properly. Additionally, floors or surfaces of the MDF shall be inspected and cleaned daily or more often if necessary to prevent accumulations of spilled materials, litter, and dust and dissemination of spilled materials, litter, and dust away from the point of generation.

3.2 MDF Operations

3.2.1 The MDF must be operated and maintained in compliance with all applicable Federal, State, County, and local environmental laws and regulations and other permits and requirements, as well as Occupational Safety and Health Administration (OSHA) and National Institute of Occupational Safety and Health (NIOSH) requirements. Fire protection systems must be maintained in accordance with applicable County fire code and insurance underwriter requirements. Contractor shall provide all necessary and appropriate fire control equipment. Prior to commencing operations at the MDF, Contractor shall submit a fire prevention, control, and management plan for the MDF and obtain approval from the City.

3.2.2 Contractor shall operate the MDF as necessary to ensure a smooth, continuous operation. Contactor shall provide uninterrupted service in operating and maintaining the MDF. Contractor's Contingency Plan shall be followed for any outage in excess of forty-eight (48) hours in any Processing Area.

3.2.3 Contractor must ensure that incoming materials, processed materials, and residue are only stored as specified. Storage is only acceptable to the extent that satisfactory odor, vector, dust, and fire control measures are employed to minimize nuisance, health, and safety problems, and is only acceptable to the extent allowed by applicable Federal, State, and local regulations.

3.2.4 Contractor shall conduct the operation of the MDF in such a manner as to ensure that conditions are unfavorable for production of rodents and insects. In the event that rodent and insect activity becomes apparent to the Local Enforcement Agency or the City, supplemental vector control measures shall be initiated by Contractor, as directed by the Local Enforcement Agency and the City.

3.2.5 Contractor shall use its best efforts to operate the MDF such that the quality of recovered materials is preserved prior to transport of the materials to market or sale or giveaway of recovered materials at the MDF including protection of the materials from the elements (e.g., rain or dust) if needed.

3.2.6 The MDF must be maintained in a neat and orderly manner and inspected to remove litter daily, or more frequently if necessary. Storage of equipment or any other materials not related to the operation of the MDF is not allowed.

3.2.7 Contractor will store, handle, use, and dispose all hazardous materials (i.e., lubricants, and solvents) that are necessary to the operation and maintenance of the MDF in accordance with Federal, State, and local requirements.

3.2.8 Contractor shall observe loads of materials as they are discharged from vehicles at each of the Processing Areas, and shall identify any loads that contain Hazardous Waste, and shall maintain a log of such loads. If any load of materials containing Hazardous Waste is inadvertently accepted at the MDF from any hauler, Contractor shall instruct the driver to reload the Hazardous Waste into the vehicle and remove the materials from the MDF. Any Hazardous Waste discharged at the MDF shall be stored, transported, and disposed of at Contractor's expense.

3.2.9 Contractor shall observe loads of materials as they are discharged from vehicles at each of the Processing Areas, and shall identify any loads that, in the opinion of Contractor, exceed the allowable concentration of Contamination. For any load that exceeds the allowable concentration of Contamination (see Table F-4). Contractor shall take the following actions:

Table F-4. Allowable Concentration of Contamination in Loads Discharged at the MDF (%, wt. basis)

Processing Area	Contamination Level
Composting Area	5%
Clean MRF	10%
Wood Processing	5%
Source-Separated C&D Processing	5%
Mixed C&D Processing (if directed by the City to accept and process)	25%

3.2.9.1 Self-haul vehicles: Promptly notify the scalehouse attendant so that the vehicle operator is properly charged according to the relevant gate fee for mixed loads. If the driver is unwilling to pay the higher rate, the Contractor shall instruct the driver to reload the entire load into the vehicle and remove the materials from the MDF.

3.2.9.2 Collection vehicles servicing the City of Napa: (1) Complete a Contamination Violation Notice (CVN) and distribute a copy to the driver of the vehicle and to the City, and maintain a copy in the MDF office. (2) For repeated offenses on the same route, Contractor shall notify the City and arrange a ride-along for City and Contractor staff.

3.2.9.3 Collection vehicles servicing other jurisdictions: (1) Complete a Contamination Violation Notice (CVN) and distribute a copy to the driver of the vehicle and to the City, and transmit a copy to the collection company that owns the vehicle. (2) For repeated offenses by the same collection company, the City will contact the company to resolve the problem. (3) If the company disputes that the loads exceed the allowable concentration of contamination, a quantitative analysis will be conducted by a third party on a representative sample of such a load. The cost of the quantitative analysis will be paid by the company if the results of the analysis demonstrate unacceptable levels of contamination, and by the Contractor if the levels of contamination are within acceptable limits.

3.2.10 At the busiest periods of traffic at the MDF, no more than ten (10) minutes shall be required for a loaded vehicle to travel from the inbound scale and to park for discharge of the load

at the tipping area of the Clean MRF or at other areas designated for discharge of materials.

3.2.11 Contractor shall be responsible for the safe control and direction of traffic once it enters the MDF. Contractor shall make optimal use of queuing lanes and unloading spaces and shall operate and store vehicles so as not to impede on-site traffic.

3.2.12 Contractor shall be responsible for periodic pumping of collected wastewater by a pumping truck, if needed, and its transport off-site and proper disposal in accordance with applicable regulations. If it should occur that wastewater must be transported off-site, the Contractor will inform the City of this need. Contractor shall be responsible for the pumping, transport, and disposal and the City and Contractor will share equally in the costs associated pumping, transport and disposal of wastewater off-site if it deemed necessary by the City.

3.3 Equipment

3.3.1 Contractor shall provide equipment redundancy and replacement as necessary to ensure a smooth, continuous operation. Contractor shall operate and maintain the equipment.

3.3.2 Contractor shall maintain the equipment installed for use at the MDF as described with more detail in the Attachment M-2. Contractor shall procure and install new or replacement equipment for the remaining Equipment Listed in Attachment M-2, as well as for use in other processing areas at the MDF as listed in Attachment M-3.

3.3.3 Any equipment used to size reduce (e.g., grind or shred) materials must conform to applicable health and safety regulations and be designed and operated such that airborne projectiles generated by the process are contained and do not pose a health and safety hazard to operating personnel or other persons on the site. Suppression systems must be used to control dust and other emissions from the equipment.

3.3.4 Contractor shall maintain an equipment inventory and follow the approved Contingency Plan, as necessary, to ensure smooth and continuous service. Contractor shall possess on-site the necessary electrical and mechanical testing instruments and other equipment to identify and diagnose equipment and processing problems. Contractor shall possess

on-site maintenance equipment to perform routine maintenance and repairs. Such maintenance equipment includes welding equipment and heavy-duty mechanical repair equipment.

3.3.5 Contractor shall furnish backup, substitute or replacement equipment necessary to continue uninterrupted receipt of materials and processing when equipment regularly in service is inoperable or unavailable. If there is an unanticipated major equipment repair or service disruption that will exceed 60 days, Contractor may describe the situation in writing to the City that will include a recommendation of how best to resolve the situation, and make may a formal request for partial (or full) cost reimbursement to the City, which City shall retain sole discretion to approve or deny.

3.3.6 Sufficient Rolling Stock must be provided for the efficient handling of incoming materials, processed materials, and residues. Spare equipment shall be provided for up to 60 days as described in 3.3.5.

3.3.7 All Rolling Stock shall comply with all applicable federal, state, and local laws, including (1) U.S. Department of Transportation: Federal Motor Vehicle Safety Standards; Federal Motor Carrier Safety Regulations; Interstate Motor Carrier Noise Emissions Standards, (2) U.S. Environmental Protection Agency: Control of Air Pollution from New Motor Vehicles and New Motor Vehicle Engines, and (3) Bay Area Air Quality Management District.

3.3.8 All Rolling Stock owned, operated, or both by the Contractor that leaves the MDF to transport materials or Residue shall comply with applicable laws. Such equipment shall be painted in a uniform color scheme approved by the City and shall prominently display a MDF service mark (logo), the design and placement of which are subject to City approval.

3.3.9 Contractor shall use blade guards and rubber tires on all mobile equipment operated in and around the MDF and shall use due care in their operation to avoid damaging the concrete- and asphalt-paved floors and roadways of the MDF.

3.3.10 All Rolling Stock loaded with Residue for disposal must be parked in an area designated for such storage at the end of the day.

3.4 Composting Area and Covered Aerated Static Pile System

3.4.1 MDF design and operation standards shall apply.

3.4.2 The Contractor shall operate and maintain the covered aerated static pile composting system (CASP).

3.4.3 Contractor must maximize the recovery of marketable material types meeting the requirements of the Act and not requiring disposal. Materials shall be processed to a level such that the products meet specifications from viable markets.

3.4.4 Contractor must operate and maintain the CASP in compliance with the BAAQMD to Construct Application No. 27180, Plant No. 17403, Condition 27133, or subsequent permits as issued.

3.4.5 Contractor shall maintain a copy of the most recent BAAQMD approved Best Management Practices (BAAQMD BMPs) at the MDF and shall provide training to the staff to operate the CASP in accordance with BAAQMD BMPs.

3.4.6 CASP must be operated in a manner that minimizes fugitive debris, dust, and odor emissions, and meets all applicable local, State, and Federal regulations and statutes.

3.4.7 Organic materials shall be processed in the CASP as described in Attachment J.

3.4.8 Organic Pre-Processing

3.4.8.1 A minimum number of operators shall be onsite to immediately process material through the processing line consisting of several screens and grinders to sort and size feedstock appropriately.

3.4.8.2 Contractor's feedstock mixing and blending must be capable of processing yard trimmings, food scraps, soiled paper products and packaged organics into a proper feedstock mixture. The mixture is required to meet bulk density, C:N ratio, pH, and moisture content parameters in accordance with BAAQMD BMPs.

3.4.8.3 Contractor's processing system must include appropriate pre-processing equipment (e.g., size reduction) and post-processing equipment (e.g., screen to size compost product).

3.4.8.4 Contractor's processing system shall be capable of grinding organic material 4" minus to go through the composting process.

3.4.9 Yard Trimmings

3.4.9.1 Contractor's processing system must be capable of accepting and composting: 1) incoming Yard Trimmings (including Holiday Greenery); and 2) Yard Trimmings recovered from other Processing Areas.

3.4.9.2 Contractor's processing system may also include Yard Trimmings processing for material recovery other than composting, e.g., production of wood fines or wood chips. Wood chips may be recycled as fuel, provided that diversion requirements of the Act are met.

3.4.10 Food Scraps, Soiled Paper Products and Packaged Organics

3.4.10.1 Contractor's processing system must accept and compost Food Scraps, Soiled Paper Products and Packaged Organics from commercial and residential accounts in the City and other City contract sources delivering Compostables to the MDF.

3.4.10.2 De-packaging equipment shall be capable of processing commercial food waste prior to transferring to the CASP. De-packaging equipment will operate independently from the Organics pre-processing line. Processed food waste will be transferred out to CASP.

3.4.10.3 Due to the putrescible nature of the material, all of the feedstock shall be processed within 24 hours or as directed by the applicable permits.

3.4.11 Finished Compost

3.4.11.1 Contractor must maximize the recovery of marketable material types meeting the requirements of the Act and not requiring disposal. Materials shall be processed to a level such that the products meet specifications from viable markets.

3.4.11.2 The storage area for the compost shall be capable of accommodating fluctuations in market conditions but in no case shall the finished compost be stored for periods greater than sixty (60) days without the written approval of the City.

3.5 Clean MRF

3.5.1 MDF design and operation standards shall apply.

3.5.2 Contractor's processing system must allow for processing of: 1) incoming Commingled Recyclables from single-stream and dual-stream recycling programs, paper grades (including telephone directories), and Source-separated Recyclables; and 2) similar materials recovered from other Processing Areas.

3.5.3 Contractor's processing system must maximize the recovery of marketable material types meeting requirements of the Act and not requiring disposal. Materials shall be processed to a level such that the products meet specifications from viable markets.

3.5.4 The processing system shall include a baling process that produces densified products in a manner that can be properly and legally shipped to markets. The baling equipment shall be capable of producing bales for efficient shipping and meeting export market specifications.

3.5.5 The receiving, processing and storage areas, must be operated as necessary to minimize fugitive debris, dust, and odor emissions, and meet all applicable local, State, and Federal regulations and statutes.

3.5.6 No materials or solid waste shall remain on the tip floor of the Clean MRF past 6 PM, each Saturday night without the written permission of the City.

3.5.7 Commingled recyclables that will be processed in the Clean MRF shall be discharged and stored under roof to the maximum extent possible.

3.5.8 The storage area for the recovered products shall be capable of accommodating fluctuations in market conditions but in no case shall materials be stored for periods greater than thirty (30) days without the approval of the City. To the extent possible at the MDF, paper and other paper fiber products shall be stored indoors, or otherwise be protected from the elements. At Contractor's discretion, bulk products may be stored under roof only, provided means are included for control of litter and for protecting the integrity of the products from rain and runoff.

3.5.9 The design of processing systems and operation of such systems within or immediately adjacent to the outside of the Clean MRF building shall be such that the sidewall skin of the building and supporting vertical structural members are protected from contact with waste, materials, and Rolling Stock. The features of Contractor's design and operation to conform to this standard shall be as described in Contractor's proposal.

3.6 Wood Waste Processing

3.6.1 MDF design and operation standards shall apply.

3.6.2 Contractor's processing system must allow for processing of: 1) incoming wood waste; and 2) wood waste recovered from other Processing Areas.

3.6.3 Contractor's processing system must maximize the recovery of marketable material types meeting requirements of the Act and not requiring disposal. Materials shall be processed to a level such that the products meet specifications from viable markets.

3.6.4 Design must allow for grinding (or chipping or shredding) and sizing (e.g., screening) of wood materials to market specifications for solid fuel, for mulch, or as a feedstock to composting.

3.6.5 Any wood waste that is processed using the size reduction equipment for processing of Yard Trimmings, or that is used as a feedstock for composting will be counted against the permitted compost processing capacity.

3.6.6 The storage area for the recovered products shall be capable of accommodating fluctuations in market conditions but in no case shall the material be stored for periods greater than fifteen (15) days without the approval of the City.

3.7 Source-Separated C&D Processing

3.7.1 MDF design and operation standards shall apply.

3.7.2 Contractor's Source-Separated C&D processing system must be capable of receiving and processing incoming loads of clean, dry, predominately single-material C&D debris.

3.7.3 Contractor's processing system must maximize the recovery of marketable material types meeting requirements of the Act and not requiring disposal. Materials shall be processed to a level such that the products meet specifications from viable markets.

3.7.4 The receiving, processing, and storage areas must be designed as necessary to minimize fugitive debris, dust, and odor emissions.

3.7.5 The storage area for the recovered products shall be capable of accommodating fluctuations in market conditions but in no case shall the materials be stored for periods greater than thirty (30) days without the approval of the City.

3.8 Mixed C&D Stream

3.8.1 Within three (3) months of receiving notice from the City, the Contractor shall implement a Mixed C&D processing operation at the MDF. At the direction of the City, the processing system will be based on the Interim design or Permanent design proposed, as described in Attachment J, and in accordance with the following subsections.

3.8.2 MDF design and operation standards shall apply.

3.8.3 Contractor's Mixed C&D processing system must be capable of receiving and processing incoming loads of dry, mixed C&D debris (i.e., loads containing multiple types of C&D materials) with an estimated maximum contamination of 25% by weight.

3.8.4 Contractor's processing system must maximize the recovery of marketable material types meeting requirements of the Act and not requiring disposal. Materials shall be processed to a level such that the products meet specifications from viable markets.

3.8.5 Loads with multiple types of C&D debris will be segregated and processed to maximize recovery of materials. In addition, the materials shall be processed to a level such that the products meet specifications from viable markets.

3.8.6 All processing is to be performed within the boundaries of the MDF site.

3.8.7 The receiving, processing and storage areas, must be enclosed as necessary to minimize fugitive debris, dust, and odor emissions, and conform to local, State, and Federal regulations and statutes.

3.8.8 The storage area for the recovered products shall be capable of accommodating fluctuations in market conditions but in no case shall the material be stored for periods greater than thirty (30) days without the approval of the City.

3.9 Other Materials

3.9.1 MDF design and operation standards shall apply.

3.9.2 MDF shall be capable of receiving, handling, storing, processing if needed, and transferring to markets other materials including: E-waste, Tires, Bulky Goods, Carpet,/Carpet Pad, used cooking oil and Used Oil and Used Oil Filters.

3.9.3 MDF will accept at no cost up to the maximum number of tires that may be self-hauled according to applicable state and local requirements from residents who self-haul and present coupon and either a Driver's License or phone bill proving residency within Napa County. Such coupon shall be distributed one time per year.

3.9.4 Contractor will accommodate the clean-up days of the City for Bulky Goods in operating the MDF. On such days, Bulky Goods (such as appliances, furniture, rugs and textiles, wood, and home remodeling debris) may be collected from residents and commercial accounts. Arriving materials must be tracked separately to facilitate reporting to CalRecycle, and diverted from disposal to the extent possible.

3.9.5 The storage area for the Recovered Materials shall be capable of accommodating fluctuations in market conditions, but in no case shall Tires be stored for periods greater than sixty (60) days, Used Oil and Used Oil Filters be stored for periods greater than ninety

(90) days, and other materials be stored for periods greater than thirty (30) days without the approval of the City. Storage of materials shall conform to all applicable Federal, State, and local laws and regulations, and other permits and requirements.

3.10 Cleaning and Maintenance

3.10.1 Maintenance Building:

3.10.1.1 Contractor shall be responsible for operating a maintenance facility on-site at the MDF, and maintaining within the facility an adequate supply of replacement parts and other supplies and equipment (e.g., tools) needed to perform basic repair and maintenance of Rolling Stock and fixed equipment used by the Contractor.

3.10.1.2 Contractor shall procure, install, operate, and maintain truck washing equipment in the truck wash location on the north side of the Clean MRF building consistent with specifications described in Contractor's proposal.

3.10.2 Cleaning:

3.10.2.1 Contractor shall maintain the MDF and equipment used in providing service under this Contract in a safe, clean, neat, and operable condition at all times.

3.10.2.2 Building office areas shall be cleaned daily, Monday through Friday. Work areas within buildings and structures shall be swept daily.

3.10.2.3 The building(s) shall be thoroughly cleaned with pressurized hot water at least once per year, and one month prior to expiration of the Term of this Contract.

3.10.2.4 Rolling Stock and fixed equipment shall be kept clean, shall be thoroughly washed on the exterior at least once every week and thoroughly cleaned with pressurized hot water at least once per year.

3.10.3 Painting:

3.10.3.1 All surfaces on the interior of all buildings and structures shall be repainted or refurbished by Contractor so that they present an acceptable appearance in the

opinion of the City, provided that painting will not be required more than once every six years. The Contractor must submit the type of paint, color, method of application, and any other information requested by the City, to the City for review and approval prior to commencement of repainting work in accordance with Section 8.1.1 of this Attachment F.

3.10.3.2 Vehicles shall be repainted and/or refurbished so that they present an acceptable appearance in the opinion of the City.

3.10.4 Maintenance and Repair:

3.10.4.1 Contractor's Obligations. Contractor shall keep and maintain in good, safe condition and repair the MDF, including all structures, infrastructure, appurtenances and every part thereof, including without limitation:

- Administration building
- Clean MRF building, including attached adjacent structures (e.g., personnel facilities and maintenance area), and below grade conveyor pits
- Organics pre-processing area and systems
- Covered aerated static pile composting system (CASP)
- Stormwater treatment system
- Weigh scale gatehouse
- Vehicle weigh scales, including monthly inspection and cleaning of below grade areas supporting the inbound scale and the superstructure supporting the outbound vehicle scale
- Fixed equipment, such as conveyors, compactors, trommels, balers, shredders and screens
- Mechanical, electrical, lighting, heating, ventilating and air conditioning systems
- Fire and dust suppression systems
- Fuel storage and dispensing facilities
- Drains and drainage control systems

- Surface impoundments (ponds)
- Sanitary sewer system
- Stormwater drain system
- Potable water supply system
- Perimeter and internal fencing
- Roadways and parking areas, paved or otherwise surfaced
- All personal property furnished by Contractor including vehicles

3.10.4.2 City's Obligations. City shall maintain in good condition the structural elements of the MDF, e.g., roof, foundation, floors, exterior walls (but not plate glass, glass windows, and window frames, which are the responsibility of Contractor), and paved exterior areas, unless such maintenance and repair becomes necessary in whole or in part due to negligent acts of Contractor or its agents, in which case Contractor shall reimburse City for the cost of such maintenance or repair.

3.10.4.3 Contractor shall perform periodic maintenance on all equipment, in accordance with applicable manufacturer's specifications and schedules and so as to maintain in force any manufacturer's/vendor's warranties.

3.10.4.4 Contractor shall also repair any damage to any facilities, whether owned by it or City, caused by the actions of its employees, subcontractors or other agents.

3.10.4.5 Contractor shall be responsible for securing replacement parts (and for maintaining an inventory of spare parts as agreed on with City) for all equipment and for MDF systems and facilities which it is required to maintain and repair. City will reimburse Contractor for the out-of-pocket cost of replacement/spare parts used for stationary and processing equipment owned by City (including weigh scales, organics pre-processing system, CASP and fixed Stormwater treatment equipment). The cost of all other replacement/spare parts, including those for equipment furnished by Contractor and for MDF systems and facilities, will be borne by Contractor and is therefore included in the compensation provided under the Contract. The cost of all labor required for maintenance and repair performed by Contractor will be borne by Contractor and is included in the compensation provided under the Contract.

3.10.4.6 Contractor shall regularly maintain (e.g. water, weed, prune and repair) all landscaped areas at the MDF (i.e., within the perimeter fence and out to the gatehouse) so that they present a neat and attractive appearance to the satisfaction of the City. Contractor shall replace all plant materials (trees, bushes, etc.) which are damaged or killed by Contractor's operations with plant materials of the same type, unless a different type is approved in advance by the City.

3.10.4.7 City shall also be responsible for capital maintenance, including fire suppression and lighting, for the (1) organics receiving building; (2) south particulate building and north particulate building. All other maintenance obligations at the MDF shall be the responsibility of Contractor.

3.10.5 Modifications to MDF: Contractor shall not make any modifications to the MDF or to facilities or equipment owned by City without City's prior written consent, which the City may grant or withhold in its sole discretion. All modifications to the MDF are subject to the requirements of Section 8.1.1 of this Attachment F. If Contractor performs any modification work prior to receiving City approval, City may require Contractor to remove all such work at Contractor's sole expense and restore the MDF, facility or equipment to its prior condition.

3.10.6 Destruction of Premises:

3.10.6.1 If MDF building structures are totally or partially destroyed from a risk covered by insurance in effect at the time, City shall restore the MDF to substantially the same condition as it was in immediately before destruction, provided that City's obligation hereunder is limited to the amount of insurance proceeds it receives. Such destruction shall not terminate this Contract.

3.10.6.2 If MDF building structures are totally or partially destroyed by a risk not covered by insurance then in effect, City shall have the election to terminate this Contract or to restore the premises, such election to be made within a reasonable time after the destruction occurs and after the City has been informed the destruction will not be covered under its insurance policy.

3.10.7 Spill Response Plan: Contractor shall provide kits for cleanup of spills of hazardous materials, including used motor oil, at the MDF. Contractor shall implement the Spill Response component of the Hazardous Waste Exclusion Program.

3.10.8 Repairs: Repairs to the MDF made pursuant to this Section 3.10 are subject to the requirements of Section 8.1.1 of this Attachment F.

3.11 Stormwater Management

3.11.1 Contractor shall maintain a Stormwater Pollution Prevention Plan (SWPPP) in compliance with California's Industrial General Permit Order 2014-0057 for Stormwater Discharges Associated with Industrial Activities (General Permit), or subsequent permit.

3.11.2 Contractor shall ensure its SWPPP is developed, implemented and revised as necessary to be consistent with any applicable municipal, state, and federal requirements that pertain to the requirements in the General Permit.

3.11.3 Contractor shall implement and maintain the SWPPP's Best Management Practices (SWPPP BMPs) and BAAQMD BMPs, including, but not limited to:

3.11.4.1 All curing piles shall be covered prior to qualifying rain events to ensure significant runoff does not occur.

3.11.4.2 Manage the level of stormwater ponds through the use of the water spray system in order to maintain a stable water level for storm events.

3.11.4.3 Debris shall be removed from stormwater ponds and drop inlets to avoid clogging pond pipes, pond aerators and pumps. (collectively, the Storm Water BMPs).

3.11.4 Contractor shall implement operations per the Materials Diversion Facility Technical Report dated September 5, 2019 in compliance with State Water Resources Control Board General Waste Discharge Requirements for Composting Operations WQ 2015-0121-DWQ, or subsequent permit.

3.11.5 Contractor shall manage compost wastewater so there is no discharge of water that comes in contact with compost operations by covering the compost curing and storage area.

3.11.6 Contractor shall implement and maintain BMPs in compliance with the Materials Diversion Facility Technical Report, including, but not limited to the following:

3.11.6.1 Quarterly inspections of operations areas and the Wastewater Management System. Quarterly detention pond sampling.

3.11.6.2 Ditches and storm drains shall be inspected and cleaned out prior to the wet season each year.

3.11.6.3 Prior to emptying the pond, monitoring wells on opposite sides of the pond shall be inspected so that the pond is not drained below 2 feet above groundwater elevation to maintain positive pressure on the liner.

3.11.7 Contractor shall submit an Annual Monitoring and Maintenance Report to the Bay Area Regional Water Quality Control Board no later than April 1 of each year.

3.12 Environmental Compliance

3.12.1 The design and operation of the MDF by Contractor during the Contract term shall be in accordance with all applicable permits in existence as of the effective date of the Contract (see Attachment G).

3.13 SB 1383 Quarterly Facility Audit

3.13.1 The Contractor will conduct a quarterly Facility Audit as required by SB 1383, At minimum this sampling shall consist of outgoing organic material for 10 consecutive days. Each sample shall be at least 200 lbs. The following organic material streams shall be sampled mixed paper, old corrugated cardboard, processed organics, organics mixed residue, mixed residue destined for landfill, gray waste and biomass. Contractor shall determine the ratio of organic material and incompatible material. Contractor shall sort each residue sample as non-organic material or organic material. Contractor shall provide a quarterly report summarizing the results and the sampling method that was conducted.

3.14 Periodic Sampling

3.14.1 The MDF shall be designed to allow for the periodic short-term sampling of incoming materials and recovered materials in order to determine quantities, composition, and weight percentage of materials by jurisdiction or for a particular number of jurisdictions. The sampling would be conducted on an as-needed basis as determined by the City. The design must allow for sampling to be conducted on a continuous basis during normal operating hours, without unduly affecting commercial operation of the MDF or performance guarantees. The MDF design should allow for easy access or diversion of process streams for sampling.

SECTION 4. RECOVERED MATERIALS

4.1 Market Development

4.1.1 Contractor shall use its best efforts in marketing and promoting the sale of all recovered materials, which shall include the identification of the highest value uses possible for the recovered materials, and obtaining the best possible prices. Contractor shall be responsible for identification of new markets and markets for hard-to-sell materials.

4.1.2 Contractor is responsible for producing recovered materials that meet market specifications as published and periodically updated by the Institute of Scraps Recycling Industries, Inc. (ISRI).

4.1.3 Contractor is responsible for identifying markets, for establishing sales prices (if any) for recovered materials, and for the sale of the recovered materials.

4.1.4 As part of its obligation for market development, Contractor shall identify opportunities for reuse of recovered materials either at the MDF or at other locations, and shall reuse materials to the greatest degree possible.

4.2 Transportation of Recovered Materials

4.2.1 Contractor is responsible for having recovered materials loaded and transported to markets. Vehicles may be owned or leased by Contractor, or pick-up may be provided by intermediaries or end use markets.

4.2.2 Vehicles leased or owned by Contractor must comply with applicable Federal, State, and local rules and regulations governing the commercial transportation of goods on public routes.

4.2.3 Vehicles owned by Contractor shall meet the requirements for fuel efficiency and vehicle emissions, as well as other state and regional, planning and regulatory standards.

4.3 Billing

4.3.1 All of the marketed materials shall be weighed and the weights recorded and reported to the City.

4.3.2 Contractor shall be responsible for billing customers, if needed, for sale of recovered materials and for collecting payments. Funds collected from the sale of the materials shall be deposited to an account designated by the City.

4.3.3 Funds received by Contractor from the sale of materials shall be deposited to the City-designated account on a weekly basis. Contractor shall make and retain a copy of each check received and prepare the bank deposit by the close of business each Wednesday, such that the bank deposit is ready for pickup by the City's bank courier each Thursday. Contractor shall provide City with backup documentation, including all paperwork that arrived with each check containing final price data, total quantity paid for, and all other such information, either with each weekly deposit or at the end of each Materials Sales Month (the 20th day of each month).

If, on a rare occasion, Contractor cannot prepare the bank deposit on a Wednesday, Contractor shall immediately notify City via telephone and e-mail, and state when the deposit will be ready for pickup by the City's bank courier. For example, Contractor would inform City that the deposit will be ready by the end of Thursday for a Friday pickup.

SECTION 5. RESIDUE

5.1 Collection, Weighing, and Transport of Residue

5.1.1 Contractor will schedule the transport of Residues from the MDF to the Devlin Road Transfer Station, or other location as directed by the City, at a rate sufficient to prevent any residues from remaining in the MDF for more than twenty-four (24) hours unless such residues are stored on-site in enclosed containers, in which case Residues must not remain on-site for more than seven (7) days. If Residues are stored on-site in enclosed containers, such storage shall not give rise to nuisance or negative environmental effects off-site.

5.1.2 Quantities of residue produced from each Processing Area shall be weighed separately at the MDF from residues produced in other Processing Areas and shall be separately weighed and disposed at the Devlin Road Transfer Station. The weights shall be recorded and reported to the City.

5.2 Rolling Stock and Vehicles

5.2.1 Contractor shall maintain Rolling Stock of a number and size adequate to transport the Residue from the MDF to the Devlin Road Transfer Station. The fleet shall be sized to provide spare capacity to cover routine and unexpected outages. Rolling Stock shall be suited to the intended duty and shall comply with applicable Federal, State, and local regulations.

5.2.2 Residue shall be transferred in vehicles (or vehicle compartments) designed for transporting Solid Waste. Vehicles shall minimize release to the environment of liquids, leachates, dusts and airborne contaminants.

5.2.3 Vehicles shall meet the requirements for fuel efficiency and vehicle emissions, as well as other regional planning or regulatory standards.

5.2.4 Vehicles shall have exterior markings on both tractors and trailers identifying Contractor and the City, or other entity the City may specify, each with phone numbers, and a unique vehicle identification number.

SECTION 6. OTHER RESPONSIBILITIES OF CONTRACTOR

6.1 Customer Service

6.1.1 Contractor shall insure that its employees deal with members of the public in a courteous and professional manner.

6.1.2 All complaints about the operation or maintenance of the MDF shall be directed to the person designated as Facility Manager by Contractor. Such complaints shall not be directed by Contractor to City.

6.1.3 The Facility Manager shall compile a log of all complaints brought to his or her attention or that of his or her staff, indicating the date and time the complaint was received; the name, address and telephone number of the party making the complaint; a description of the complaint, and the action taken to correct or modify the situation complained of. The log shall be available at the MDF for the City's review during normal operating hours. Each month Contractor shall send to City a copy of the log of complaints for the previous month.

6.2 Marketing MDF Capacity

6.2.1 Contractor shall use reasonable business efforts and act in good faith to market the processing capacity of the MDF to other entities, agencies and organizations, including, but not limited to, public agencies, private businesses, including recyclers and other haulers, and all other potential customers. Contractor shall cooperate with the City in identifying and encouraging potential customers of the MDF, including self-haul customers and other jurisdictions. All efforts shall be conducted in accordance with a written strategy agreed upon by the City. The Contractor shall not market or commit capacity of the MDF without prior written approval of the City.

6.3 Scales and Scalehouse

6.3.1 All incoming and outgoing loads shall be weighed, including recovered materials and Residue.

6.3.2 The City shall have the primary responsibility for staffing the scalehouse.

6.3.3 Contractor shall provide sufficient personnel to replace or relieve City personnel operating the scalehouse during scheduled breaks, vacation periods, sick leave, holidays, and at other times as needed. When relieving or replacing City scalehouse personnel, Contractor shall use identical methods and procedures for operating the scale and data collection system that are used by the City.

6.3.4 Contractor's data collection and management system shall be fully compatible with the City's Soft-Pak Scale System operated in the scalehouse. Contractor's system shall be implemented, operated, and maintained in accordance with Contractor's proposal.

6.3.5 Contractor shall be responsible for maintaining the certification of the vehicle weigh scales as required the California Department of Food and Agriculture, Division of Measurement Standards or similar agency.

6.4 Staffing

6.4.1 Contractor shall provide staffing at the MDF based on, at a minimum, the Baseline staffing plan in Attachment N. The key personnel listed in Attachment N may not be substituted without the prior written approval of the City.

6.4.2 There will be at least one employee of Contractor (or employee of a City-approved subcontractor) physically in attendance at the MDF at all times, whether or not the MDF is operating, or open.

6.4.3 During regular operating hours, there will be a MDF manager or lead worker who is the representative of Contractor on-site. Contractor shall inform City of his/her name.

6.4.4 When the MDF is operating outside of the regular operating hours, there will be a night supervisor on-site. If there is more than one employee on-site, one will be in charge and employees will be informed as to the chain of command.

6.4.5 At all other times, there will be a supervisory employee designated as emergency coordinator who will be on-call. Employees who are on-site (and the City) will be instructed how to contact this emergency coordinator.

6.4.6 Contractor shall provide adequate operational and safety training for all of its employees who are involved in performing operations at the MDF. All such personnel shall be trained in the identification and proper handling and disposal of Hazardous Wastes. The training will comply with the Health and Safety Plan. Contractor will comply with the Health and Safety Plan, unless changes thereto are approved by the City.

6.5 Administration Building

6.5.1 Contractor shall provide adequate staffing, supplies, and materials at the MDF for administration of the Contract. Administration may include, but not be limited to, customer service, billing residential and commercial collection accounts, billing purchasers of recovered materials, collection of payments, recordkeeping, and reporting.

6.5.2 In addition to Contractor staff, the Administration Building will be occupied by five (5) City staff.

6.6 Parking of Vehicles at MDF

6.6.1 Contractor may designate an area of the MDF for parking of collection vehicles used for the City of Napa and for Rolling Stock used at the MDF. These areas shall be properly marked, and shall be identified on the Site Plan drawing. Vehicles that are not part of the operation shall not be parked at the MDF without written permission by the City.

6.7 Storage of Containers at MDF

6.7.1 Contractor may designate an area of the MDF for storage of containers (e.g., collection carts, bins, roll-off/debris boxes, etc.) used for collection in the City of Napa. These areas shall be properly marked, and shall be identified on the Site Plan drawing by type of container.

6.8 Sampling and Analysis Program

6.8.1 Contractor must conduct, or cause to be conducted, at its expense, a sampling and analysis program for the purpose of establishing the characteristics and properties of the materials accepted at the MDF, of recovered materials, and of Residues produced by the MDF. The sampling and analysis program shall be conducted for each Processing Area

of the MDF in accordance with the Sampling and Analysis Plan prepared by the Contractor and approved by the City.

6.8.2 At the discretion of the City, the sampling and analysis required by this Section 6.8 may be used to characterize DRTS Pre-Sorted Mixed Recyclable Materials delivered to the MDF, up to four (4) times per year. In the event that an emergency situation requires Northern to deliver DRTS Pre-Sorted Mixed Recyclable Materials in excess of four (4) times in one calendar year, Contractor shall provide a characterization of such materials at no additional cost to the City.

6.8.3 The results of such sampling and analysis may be used to monitor and assess the operation of the MDF and its Processing Areas, the characteristics of the recovered materials and Residue streams, and the ability of the MDF to meet existing and future environmental regulations for MDF operation or recovered materials.

6.9 Public Education

6.9.1 Contractor shall support public education efforts by the City and other jurisdictions that use the MDF. In addition to the public education activities related to collection services, Contractor shall conduct the public education activities at the MDF. The activities shall be as described in Contractor's proposal, which shall include, at a minimum:

- Literature describing materials accepted at the MDF
- Tours of the MDF
- Resource person(s) on staff

6.9.2 Brochures: Contractor shall prepare an educational brochure, printed on recycled paper, describing the MDF operations and addressing conservation, recycling and general solid waste management programs. The City shall be provided the brochure in draft and shall have absolute authority over its text and format. Upon approval by City, Contractor shall arrange for the brochure to be printed and will provide the City with copies, and will make copies of the brochure available at the MDF.

6.9.3 MDF tours

6.9.3.1 Upon reasonable request of City and upon 72 hours prior notice, Contractor shall provide tours of the MDF. Such tours shall not unreasonably disrupt MDF operations. Contractor shall not be required to conduct such tours more frequently than once per week. City shall not be charged for labor, overhead, overtime, or any other costs associated with any such tours. Contractor shall distribute the brochures described in Section 6.9.2 to participants on the tours.

6.9.3.2 As part of the public education program, Contractor shall allow and encourage an unlimited number of field trips to the MDF from schools within the Napa Valley Unified School District (NVUSD) at no additional charge to the City or the NVUSD.

6.9.4 Contractor shall maintain resource person(s) on staff to respond to inquiries regarding services offered at the MDF.

6.10 Use of Recycled Materials

6.10.1 Contractor shall use recycled and recyclable materials and products to the maximum extent economically feasible in the performance of the work under this Contract.

SECTION 7. RECORDKEEPING AND REPORTING

7.1 Recordkeeping and Reporting

7.1.1 Contractor must maintain detailed records to demonstrate the quantities of incoming materials, recovered materials, and residue for each Processing Area and for the MDF as a whole. Contractor shall maintain records in a format to be approved by the City. All records are to be prepared using scalehouse records as a basis. Reporting will satisfy Federal, State, and jurisdictional reporting requirements.

7.1.2 Contractor will maintain necessary operating records and provide periodic operating reports that address plant management, equipment replacement, proposed change orders, labor topics, and similar issues.

7.1.3 Contractor shall prepare annually an updated equipment replacement schedule and submit it to the City for review.

7.1.4 Contractor shall prepare and submit a market development plan annually. The plan shall discuss at least the following: status of the quantities, markets, and revenues for each type of material currently being diverted by the MDF; potential new markets (including reuse) by material type and potential economic impacts related to the operation of the MDF; and recommendations to the City based on the market development analyses performed by the Contractor.

7.1.5 The following logbooks, records, drawings, and reports shall be maintained on the premises of the MDF and be made available to the City during business hours.

7.1.6 Logbooks: At a minimum, the following logbooks shall be completed daily and maintained on-site by Contractor in designated locations:

7.1.6.1 Daily Maintenance Logbook— one (1) each for fixed equipment, Rolling Stock, Administration Building, and Clean MRF building

7.1.6.2 Daily Processing Logbook— one (1) for each Processing Area

7.1.6.3 Maintenance Building Logbook

7.1.6.4 Corporate yard facilities, including truck washing

Contractor shall record significant events, materials processed or used, problems encountered and method and date of resolution of the problems, and other data and information as is warranted and customary for industrial facilities.

7.1.7 Record of Modifications to the Physical Assets of the MDF: All significant modifications made by Contractor and approved by the City to the physical, fixed assets of the MDF after the commencement of the Contract shall be recorded on the appropriate site plan drawings as changes to the MDF design. The design and construction details of any such significant modifications shall be referenced on the appropriate site plan drawings; and Contractor shall maintain said designs and construction details, and drawings, in an organized manner.

7.1.8 General Maintenance Inspections and Reporting: The contractor shall perform regular, periodic inspections of the MDF for the purpose of identifying items that show signs or evidence of deterioration or of posing a health and safety risk to personnel, the public, or both. These inspections shall be of equipment and facilities owned by the Contractor as well as that owned by the City. The results of these inspections shall be placed in a logbook maintained specifically for this purpose as described in Section 7.1.6. On a quarterly basis, Contractor shall prepare a written report of any item that requires preventive maintenance or repair and submit said report to the City for review.

7.1.9 Contractor shall be responsible for reporting items in need of repair to the City in a timely manner.

7.2 Meetings

7.2.1 The Contractor shall meet periodically with the City to review past and on-going operations, including:

- Current status of the facilities and operations
- Significant design or operating (including maintenance) issues and problems identified since the last periodic review meeting, and potential methods of resolving problems if any have been encountered or are anticipated
- Summary of inbound materials and processing rates

- Summary of materials recovered and status and results of marketing programs for recovered materials
- Summary of residue generation
- Review of maintenance and repairs logbook
- Review of processing logbook
- Status of Diversion Incentives
- Other matters as the situation warrants

SECTION 8. MDF MODIFICATIONS AND PERMITS

8.1 MDF Modifications

8.1.1 "Modifications" include, but are not limited to, construction, renovations, improvements, alterations, repairs, capital improvement projects, and any work identified by City as "public work," as defined in California Labor Code Section 1720 and subject to Labor Code Section 1771. Contractor may not make any modifications to the MDF without first obtaining City's written consent, which City may grant or withhold in its sole discretion. As a condition of its consent to modifications, City may impose any requirements it considers desirable, including but not limited to, a requirement that Contractor:

a. provide a description of the modifications, plans, specifications, and a cost estimate prepared by a licensed engineer;
b. comply with certain procurement or bidding requirements;
c. comply with the prevailing wage requirements in California Labor Code Sections 1770 through 1784;
d. inform City if the proposed modifications will or might require changes to any MDF permit or require additional permits;
e. comply with laws and insurance requirements;
f. employ contractors approved by (or selected by) City;
g. comply with local bidder preference requirements adopted by City; provide a payment bond for the project, in an amount and form required by City, to facilitate compliance with California Civil Code Sections 9000-9100;
h. provide a performance bond for the project in an amount and form required by City;
i. present bids and contract award recommendation to City for approval prior to issuance of the notice to proceed.
j. provide City with a copy of the draft subcontract for City review and approval prior to execution; and
k. provide City with a copy of the executed subcontract for City's records.

Modifications involving alteration, demolition, repair, or maintenance work over $15,000
For modifications involving alteration, demolition, repair, or maintenance work estimated to exceed $15,000, Contractor will comply with the prevailing wage requirements in California Labor Code Sections 1770 through 1784, unless otherwise directed by the City.

Modifications involving construction work over $25,000

For modifications involving construction work estimated to exceed $25,000, Contractor will solicit written bids for the work from at least three (3) licensed construction contractors, submit the bids to City for review, and comply with the prevailing wage requirements in California Labor Code Section 1770 through 1784, unless otherwise directed by the City. Prior to issuing a notice to proceed, Contractor will present the contract award recommendation to City for approval.

8.2 Permits

8.2.1 On an annual basis, Contractor shall forecast any required or potentially required new permits or modifications of permits for the succeeding twenty-four (24) month period.

8.2.2 Contractor shall be responsible for the timely preparation of documents related to securing or maintaining all of the necessary permits from pertinent local and state agencies, and forwarding the documents to the City such that the City has a sufficient time for review and comment prior to the due date for submittal to the applicable agency(ies). Contractor shall incorporate the comments of the City and revise the permit documents as necessary. The City shall transmit the permit documents on behalf of Contractor to the applicable permitting agency(ies).

8.2.3 In the event that Contractor desires to make modifications to the design and operation of the MDF, and such modifications are approved for implementation by the City, Contractor shall be obligated and responsible to advance the funds to design, assist the City in securing permits, and implement the modifications such that the MDF is environmentally-sound and aesthetically-attractive, and is in conformance with all applicable Federal, State, and local laws, statutes, rules, regulations, and permits. Contractor shall be reimbursed for approved modifications.

SECTION 9. INSTALLATION AND OPERATION OF BIOMASS GASIFICATION SYSTEM

Introduction

At the time of this 2021 Contract Amendment, the City and Contractor have had extensive discussions regarding the operating and capital costs for the installation and operation of two, one megawatt (MW) biomass gasification plants at the MDF. If the City and Contractor agree on the final operating and capital cost for the two biomass gasification plants, the Parties will propose an amendment to this Contract, subject to approval of the City Council, by which the final cost will be added to the compensation spreadsheets contained in Attachment T to this Contract. While the specifics of such an amendment have not yet been finalized, the City and the Contractor have agreed on a conceptual framework for such an amendment, as set forth in this Section 9.

Plan Development

The Contractor will develop a draft plan discussing the installation, installation timeline, operation, and maintenance of the two proposed biomass gasification plants by a date to be mutually agreed upon by the Parties. The draft plan will include the City's acquisition of approximately four acres of property adjacent to the MDF as the City and Contractor agree such property is necessary for the installation and operation of the second biomass gasification plant. The City will review and provide Contractor with comments on the draft plan. The Contractor will respond to all City comments and revise the draft plan as needed.

Financing and Purchase

The Contractor will pursue financing for and will purchase two, one MW biomass gasification plants for an estimated amount not to exceed $14,500,000.

Installation

The Contractor will install the two biomass gasification plants at the MDF in conformance with the Contractor's final plan. The plants will have an anticipated 20-year working life. The first plant will conform to the current CEQA study and Mitigated Negative Declaration prepared for the Napa Renewable Resources Project, considered by City Planning Commission in Resolution No. PC2013-15 (November 7, 2013) and approved by the City and the interconnection agreement between the Contractor and PG&E, or any subsequently related CEQA document. The second

plant will conform to subsequent CEQA analysis and a second interconnection agreement between the Contractor and PG&E.

Operation and Maintenance

The biomass gasification plants must be operated and maintained in compliance with all applicable Federal, State, County, and local environmental laws and regulations and other permits and requirements, as well as Occupational Safety and Health Administration (OSHA) and National Institute of Occupational Safety and Health (NIOSH) requirements. The biomass system is anticipated to provide 15,000 MWh of renewable electricity per year and is estimated to produce 1,400 tons of bio char. Contractor shall operate and maintain the biomass gasification plants as necessary to ensure a smooth, continuous operation consistent with the estimated production levels set forth above and in a manner consistent with the possibility to transfer title of the biomass system in proper operating condition to the City at the end of the 14-year term. Contactor shall provide uninterrupted service in operating and maintaining the plants.

Compensation

The City will compensate the Contractor for the capital and operating costs associated with the installation and operation of the biomass system. Assuming that the necessary property acquisition has been completed and the associated authority to construct (ATC) permit has been issued by the Bay Area Air Quality Management District (BAAQMD), compensation for capital costs to Contractor will commence at a date agreement to by the Parties. If the necessary property acquisition is completed and associated permits are issued by a date to be mutually determined by the Parties, compensation for capital costs to Contractor will commence once Contractor begins installation of the biomass system. Compensation for the operational costs will commence once the first plant is operational. Compensation for both capital and operating costs will extend and continue for a term to be mutually agreed to by the Parties. Operating costs will be based on actual operations of the plant or plants. Compensation for the capital and operating costs will not include property or possessory use taxes.

Energy Production

The energy produced by the biomass system will be used for the MDF's energy needs and any excess energy will be sold back to PG&E pursuant to the interconnection agreement between the Contractor and PG&E.

Revenue

The City will retain one hundred percent (100%) of the biomass tariff revenue for excess energy production that is sold back to PG&E in accordance with SB 1122 (2012), which amended California Public Utilities Code Section 399.20. The Contractor will sell bio char created from the biomass system and City will return to the Contactor thirty percent (30%) of such revenue. In the event the Contractor cannot sell all the bio-char created from the biomass system or the Contractor determines that the transportation charges exceed the unit selling price, the Parties will meet and confer to determine the best method for disposing of the bio-char created by the biomass system.

SECTION 10. CONTRACTOR RESPONSIBILITIES RELATED TO THE ANAEROBIC DIGESTION TO BIOFUEL FACILITY

Introduction

At the time of this 2021 Contract Amendment, the City and Contactor have had extensive discussions regarding the installation and operation of an Anaerobic Digestion (AD) to biofuel system at the MDF. If the City and Contractor agree on the final terms for the installation and operation of the AD Facility, the Parties will propose an amendment to this Contract, subject to approval by the City Council. Although the specifics of an amendment to this Contract to fully describe the installation and operations of the proposed AD Facility have not yet been finalized, the City and Contractor have reached conceptual agreement the basic framework for such an amendment, as set forth in this Section 10.

Contractor Responsibilities Related to the Operations of the AD Facility

In 2014, the City was awarded a $3 million competitive grant from the California Energy Commission (CEC) for the proposed AD Facility. Contractor will work in good faith with City to honor the terms and conditions of the City's grant agreement with the CEC. The Contractor will endeavor to enter into a subcontractor agreement with Zero Waste Energy, LLC (ZWE) to assist in the operations of the AD Facility. ZWE, acting as a subcontractor to the Contractor, will design, finance, own, and operate an AD Facility at the MDF to process an estimated 44,000 Tons per year of Compostables and Packaged Organics. The AD Facility will harvest biogas to be converted into renewable natural gas and electrical power through a Combined Heat and Power unit. The estimated cumulative net annual rate of production of renewable natural gas and electricity in diesel gallon equivalents (DGE) is approximately 328,067. The remaining digestate will be collected by the Contractor and placed into the CASP for processing.

Contractor and ZWE will be jointly responsible for the operation of the AD Facility during the term of the Agreement through December 31, 2031 (or as extended by the City). The Contractor will receive and pre-process organic material in a manner suitable for the AD Facility and will direct such pre-processed organic material into the AD Facility. The Contractor will accept all digestate produced by the AD Facility and will direct it into the CASP for processing. The Contractor will be compensated for the processing of digestate from the AD Facility through the composting processing area as set forth in Article 12. The Contractor, and any of its

subcontractors for the AD Facility will provide access to purchase and maintenance records upon request by the City or the CEC.

Contractor Responsibilities Upon Transfer of AD Facility

Upon termination or expiration of this Agreement, the City or City's successor Contractor for operation of the Materials Diversion Facility will undertake the operation and financing of the AD Facility for the remainder of the term of this Agreement under the same or similar terms and conditions as set forth in the agreement between the City and the Contractor.

Cost Savings

The compressed renewable natural gas produced by the AD Facility will fuel the Contractor's collection vehicles. The Contractor will pass through to the City the savings it realizes from avoided fuel costs relative to the cost of diesel or compressed natural gas vehicle fuel and reduced collections' driver compensation costs that result from overnight vehicle fueling at the MDF. The Parties estimate this amount to be approximately $110,000 annually.

ATTACHMENT G
PERMITS APPLICABLE TO MATERIALS DIVERSION FACILITY

1. Unified Solid Waste Facility Permit 28-AA-0030, County of Napa Local Enforcement Agency (issued 3/12/15; modified 8/9/17)

2. City of Napa Conditional Use Permit PL12-0022, 11/7/2013

3. General Permit for Stormwater Discharges Associated with Industrial Activity , Waste Discharge Identification (WDID) Number 2 28I020443, State Water Resources Control Board (State Water Board)

4. General Waste Discharges Requirements for Composting Operations Order WQ 2015-0121-DWQ, State Water Board.

5. Bay Area Air Quality Management District Permit to Operate No. 17403 for Paint Spray Booth, windrow composting, trommel screen, etc.

6. Bay Area Air Quality District Authority to Construct No. 27180 for S-6 Composting Operation.

7. Bay Area Air Quality District Permit to Operate for S-6 Composting Operation, (No. _____ (pending formal issuance))

Attachment H

MDF PERFORMANCE STANDARDS

SECTION 1. PERFORMANCE GUARANTEES

The Contractor must guarantee that the MDF will meet the requirements of Attachment F of the Contract as minimum guaranteed performance, as may be amended from time to time by the City to reflect any new permit requirements. Reports prepared by the Contractor based on actual performance of the MDF will be used to determine the Contractor's compliance with the standards of performance. The Contractor will be obliged to meet the goals on a monthly basis or other basis as determined solely by the City.

SECTION 2. RECOVERED MATERIALS STANDARDS

The Contractor shall process materials, recover marketable (or usable) materials on a continuous basis, and develop and maintain markets (or uses) for the total amount of recovered materials. Markets or uses for recovered materials shall be such that the quantities of the materials count towards diversion under State of California solid waste management regulations or as determined by the California Department of Resources, Recycling and Recovery (“CalRecycle”).

SECTION 3. ACCEPTANCE TEST

After the completion of construction, equipment installation, and shakedown testing of any new, modified or refurbished processing systems at the MDF, the system must undergo acceptance testing to confirm that the system as constructed and operated meets certain standards of performance (Acceptance Test Performance Standards). An Acceptance Test Plan will be prepared by a qualified and experienced company based on the Contractor’s MDF design and operating plan. The Contractor shall perform the acceptance testing in the presence of representatives of the City and according to the methods and procedures specified in the Acceptance Test Plan.

The Acceptance Test Performance Standards are described in Table H-1. The daily Baseline processing rate referenced in the table means the respective annual Baseline Capacity given in Attachment F (Table F-1) for each of the five Processing Areas, divided by 260.

The Acceptance Test shall be conducted in two stages: Initial Acceptance Test and Full Acceptance Test. The duration of each Acceptance Test is also given in Table H-1.

For each day of the test period, processing shall be performed within six (6) continuous hours, except in the case of some elements of the Acceptance Test for the Composting Area, in which case processing occurs twenty-four (24) hours per day. Processing performed by the Contractor during the Acceptance Test shall be according to a set schedule prepared by the Contractor and approved by the City prior to the initiation of the Acceptance Test.

3.1 Initial Acceptance Test

Initial Acceptance Testing shall be completed for each system prior to commencing full acceptance testing. The City at its sole discretion may add other performance standards to those listed in Table H-1 for inclusion in the Acceptance Test as a result of the Contractor's proposal.

3.2 Full Acceptance Test

Full Acceptance Testing shall commence no later than 15 days after start of commercial operation and be completed for all applicable systems no later than 30 days after start of commercial operation, except for certain elements of the Composting Area (i.e., active composting, compost product, and surface impoundments). Acceptance Testing of these certain elements of the Composting Area shall be at the times and for the durations specified in the Table H-1. The City in its sole discretion, may add other performance standards to those listed in Table H-1 for inclusion in the Acceptance Test as a result of the Contractor's proposal.

3.3 Failure to Pass Acceptance Test

If the Contractor fails to satisfy the Acceptance Test Performance Standards for any system(s) during the Initial Acceptance Test, the Contractor must modify the MDF so that subsequent Acceptance Testing demonstrates that the Acceptance Test Performance Standards are achieved. All Acceptance Testing will be at the Contractor's cost. A system(s) will not be accepted by the City for commercial operations until the Initial Acceptance Test is passed. If the performance requirements of the Initial Acceptance Test cannot be satisfied, then the Contractor may be subject to liquidated damages as specified in the Contract. If any system fails to satisfy the Acceptance Test Performance Standards, the City may, at its sole discretion, direct materials to another facility for processing until such time as the Initial Acceptance Test is passed.

If Contractor fails to satisfy the Acceptance Test Performance Standards for any system during the Full Acceptance Test, the Contractor must modify the MDF so that subsequent Acceptance Testing demonstrates that the Acceptance Test Performance Standards are achieved. All Acceptance Testing will be at Contractor's cost. Subsequent conduct of the Full Acceptance Test shall begin no later than 15 days after the completion of the first Full Acceptance Test.

SECTION 4. ESPECIALLY MONITORED PERFORMANCE REQUIREMENTS DURING TERM OF CONTRACT

The City will especially monitor the Contractor's performance during the Contract for the performance requirements listed in Table H-2. Successfully meeting the requirements given in Table H-2 does not relieve the Contractor of any other of its obligations and requirements under the terms and conditions of the Contract.

SECTION 5. BAAQMD PERMIT REQUIREMENTS

The Contractor shall maintain compliance with the BAAQMD Authority to Construct for Permit Application No. 27180 for the Composting Operation S-6 (See Attachment G) as well as the BAAQMD Permit to Operate once issued.

In accordance with the all the Permits referenced in this Section 5, Contractor shall monitor, record, and maintain dated records of the following:

- Surface concentration of total carbon to demonstrate compliance with Regulation 8-2-301.
- Characterization of waste stream received at the site and C:N ratio, bulk density, moisture content and pH of initial feedstock mixture placed in S-6 CASP.
- Measurement locations and the oxygen content at those locations in CASP piles.
- Uniformity and adequacy of air flow through active piles/zones and curing piles/zones with forced aeration.
- Measurement locations and the moisture content and pH of A-3 biofilter material at those locations in each active pile. Records of deviation of operating parameters, corrective actions taken, and the duration for which the operating deviated.

- Condition and integrity of A-3 biofilter cover on each active pile.
- Curing pile identification, measurement locations, and the moisture at those locations in curing piles.
- Initial moisture content and pH of material placed in S-6 curing pile.
- Locations and readings of manual temperature measurements at those locations in each active or curing pile/zone. Any corrective actions taken to prevent fire in active pile and the duration for which temperature exceeded 175^0F.
- Source test reports and emission calculations.
- Locations and readings of manual temperature measurements at those locations in each active pile/zone.

Monitoring and recordkeeping of the above parameters shall be completed via an online software platform. Table H-3 has further details on the required sampling and monitoring required to maintain compliance with the BAAQMD Authority to Construct Permit. When the BAAQMD Permit to Operate is issued, these requirements will be revised to maintain compliance with that subsequently issued permit.

Table H-1. Acceptance Test Performance Standards

Processing Area	Performance Standard	Initial Test Duration	Full Test Duration
Clean MRF/Commingled Line	Successfully process feedstock at the Daily Baseline Processing Rate	1 day at 90% of Rate	5 days
	Product yield of recyclables shall not be less than 95% when processing at Daily Baseline Processing Rate. For the purpose of acceptance testing, feedstocks to the process shall not contain more than 10% Contamination.		5 days
Single Stream Paper Line	Different grades of product shall be successfully baled at Daily Baseline Processing Rate (Processing rates of the different material types shall be based on the percentage of the respective material type in the feedstock.).	1 day at 90% of Rate	5 days
Composting (Yard Trimmings, Food Scraps, Solid Paper Products and/or Packaged Organics processing/ composting)	Projectiles shall not leave any size reduction equipment.	1 day	5 days
	Feedstock shall be size reduced to less than 8inch nominal particle size or Contractor's specified nominal particle size, whichever is less, at Daily Baseline Processing Rate. For the purpose of acceptance testing, feedstocks to the process shall not contain more than 10% Contamination.	1 day at 90% of Rate	5 days
	All fixed and rolling equipment must perform at the Daily Baseline Processing Rate during the test.	1 day at 90%	5 days
	Areas required for active composting, curing and storage conforms to Contractor's design and work plan.		Spot inspections over 60-day period
	Post-process (e.g., screen) compost to Contractor's market specification at Daily Baseline Processing Rate.		5 days, to start after production of compost
	Meet or exceed the CalRecycle operating requirements for organics composting facilities, including but not limited to pathogen reduction period, temperature, insulating material, and other		Spot inspections over 60-day period

Processing Area	Performance Standard	Initial Test Duration	Full Test Duration
	requirements as needed. The finished product shall be of such quality so that it is marketable.		Spot inspections over 60-day period
	Surface impoundment(s) (i.e., ponds) shall be managed and maintained such that the liquids in them do not become stagnant. Liquids in the ponds shall be treated such that odors emanating from them cannot be detected beyond 30 feet from the pond.		Spot inspections over 60-day period
	Irrigation system shall wet greater than 95% of the surface area of each mass bed aeration zone.		Spot inspections over 60-day period
	Cover Layer shall maintain greater than 50% moisture content at center of biocover layer. Moisture content to be tested by SCAQMD squeeze test.		Inspections on Day 4
	Leachate in each mass bed shall be contained within the mass bed and conveyed to the leachate sump. Zero gallons/day runoff is allowed.		Spot inspections over 60-day period
	Compost temperature shall maintain a minimum of 55 deg C for 3 consecutive days for each aeration zone.		Continuous monitoring
	Average oxygen concentration shall be maintained at greater than 15% as measured at a depth of 3-feet.		Not sure XXX
	Average pH at day 22 in one aeration zone from each fan set shall be between 6-8 ph. Average Solvita® number at day 22 shall be greater than 4 from one aeration zone from each fan set.		Day 22 Day 22

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Processing Area	Performance Standard	Initial Test Duration	Full Test Duration
Wood Processing	Projectiles shall not leave any size reduction equipment area.	1 day	5 days
	Size reduce feedstock to less than 8 inch nominal particle size or Contractor's specified nominal particle size, whichever is less, at Daily Baseline Processing Rate. For the purpose of acceptance testing, feedstocks to the process shall not contain more than 5% Contamination.	1 day at 90% of Rate	5 days
	All fixed and rolling equipment must perform at the Daily Baseline Processing Rate during the test.	1 day at 90%	5 days
	Process material to Contractor's market specifications	1 day	5 days
Source-separated C&D Processing	Projectiles shall not leave any size reduction equipment area.	1 day	5 days
	Process source-separated C&D debris to Contractor-designated product grades at Daily Baseline Processing Rate. For the purpose of acceptance testing, feedstocks to the process shall not contain more than 5% Contamination.		5 days
	All fixed and rolling equipment must perform at the Daily Baseline Processing Rate during the test.	1 day at 90%	5 days
Mixed C&D Debris Processing	Projectiles shall not leave any size reduction equipment area.		5 days
	Process feedstocks to Contractor-designated market grades such that the product yield of each market grade is no less than 90% at the Daily Baseline Processing Rate. For the purpose of acceptance testing, feedstocks to the process shall not contain more than 25% Contamination.		5 days
	All fixed and rolling equipment must be perform at the Daily Baseline Processing Rate during the test.		5 days

Table H-2. Performance Requirements During the Term of the Contract

Performance Parameter	Criteria
Odor Complaints	None in excess of number that triggers a notice of violation from a regulatory agency
Litter	No accumulation from day to day, i.e., daily or more frequent inspections and cleanups (inside and outside buildings)
Noise	None in excess of number that triggers a notice of violation from a regulatory agency.
Dust	No excessive concentrations of dust shall be generated in the facility and allowed to be transported beyond the facility's property line.
Safety	Unauthorized personnel or animals shall not be allowed into the facility. Legible signs shall be posted at all public entrances.
Water Management	Standing water shall not be allowed to accumulate on the site for more than 24 hours. Treated water may be used for moisture control provided that the water does not contain significant undesirable characteristics, e.g., undesirable concentrations of BOD, COD, heavy metals, pathogens, odorous compounds, etc.
Traffic Queues Beyond Scalehouse	As specified in Attachment F
Maximum Stockpiling of Materials	As specified in Attachment F
Residue Generation	No greater than the following levels of Residue generation (by weight): ▪ Clean MRF: 10% ▪ Composting Area: 5% ▪ Wood Processing: 5% ▪ Source Separated C&D Debris Processing: 5% ▪ Mixed C&D Debris Processing: 25%
Storage of Composting Material	No greater than allowed by Permit

Table H-3. Required Monitoring and Sampling

Phase	Parameter	Frequency	Method	Operating Range/Units	Monitoring & Sampling	Permit Reference
No Associated CASP Phase	Water Applied by A4	Daily	Flow meter on water tank, CompTroller data calculation per zone	Gallons per day	Monitor and record daily quantity of water sprayed in gallons per day by automatic irrigation system by recording flow meter readings to determine water applied to CASP. CompTroller data export shall be completed at termination or transition of each zone to determine water applied per zone as supplemental data.	12
	Water Applied by A1	Daily	Water truck daily log	Gallons per day	Monitor and record daily quantity of water sprayed in gallons per day applied by water trucks on CASP zones and curing piles.	14
	Waste material feedstock types delivered to CASP	Daily	Truck scale and SoftPak data export	≤315 wet tons/day	Feedstock material weight recorded with truck scale and SoftPak data exported. SoftPak export includes types of feedstock and facility location to determine material delivered to CASP. Bio-filter material not included in tonnage directed to CASP.	3, 7
	Opacity and Dust Emissions	Daily	Visual Inspection	<5% Opacity	Visually observe all active material handling.	19, 20e
	Material Tracking	As zones are created and during transition	CompTroller and material tagging	N/A	CompTroller daily tracking. Each zone shall also be tagged and will include date pile is created and date harvested or portion of pile harvested. Material tags will move with zones to ensure proper tracking of material during transitions. Curing piles will also be tagged with this method.	20a
	Average Aeration Rate	Hourly	ECS CompTroller	cubic feet per minute	Values of surrogate parameters for each active composting pile or zone. Calculation methods and assumptions to be provided by ECS.	10b, 10d
	Source Test	Quarterly, conducted at the peak of each of the 4 seasons, within 365 days of commencement	District Approved Source Test	See Authority to Construct	Protocol to be submitted as a separate document. Timeline: submit protocol at least 45 days prior to conducting test, notify District at least 30 days before conducting test, submit report within at least 60 days of conducting tests.	12, 24, 25

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Phase	Parameter	Frequency	Method	Operating Range/Units	Monitoring & Sampling	Permit Condition Reference
Feedstock Blending & Transfer to CASP	Feedstock Analysis	Annual	Lab Analysis; Soil Control Lab	N/A	Lab analysis shall include, but is not limited to: C:N ratio, % Nitrogen by dry weight, % moisture content by weight, bulk density, pH. New sources of waste materials shall be submitted to District for approval within 15 days of accept new material on site. Sampling protocol per TMECC 02.01-A and 02.01-B, CCREF Compost Sampling Video Companion Guide (Attachment A)	9
	Bulk Density	During placement of feedstock material to CASP	Bucket Method	750-1,000 pounds per cubic yard	Washington State University Calculating Compost Bulk Density (Attachment B).	9b, 9i
	Moisture Content		Squeeze Test	52%-63%	Squeeze Method per Part 23, Condition No. 27133 of Authority to Construct for Permit Application No. 27180, Plant No. 17403 (Attachment C).	9c, 9ii
	Moisture Content	Weekly	Oven/Dry Method	52%-63%	Moisture Content method by Cornell Waste Management Institute (Attachment F).	9ii
	C:N Ratio	Month 1: weekly, Month 2/3: monthly*	Lab Analysis; Soil Control Lab	20:1 - 40:1	Sampling protocol per TMECC 02.01-A and 02.01-B, CCREF Compost Sampling Video Companion Guide (Attachment A)	9a, 9iii
	pH		Lab Analysis; Soil Control Lab	4 to 9 pH units	Sampling protocol per TMECC 02.01-A and 02.01-B, CCREF Compost Sampling Video Companion Guide (Attachment A)	9d, 9iv

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Phase	Parameter	Frequency	Method	Operating Range/Units	Monitoring & Sampling	Permit Condition Reference
Bio-Filter Cover	pH	Prior to placing bio- filter media on active zone	1:5 Slurry pH	5.5-8.5 pH units	Initial pH maintained at this range across each zone throughout duration of active phase. (pH test not required if pH has already been measured for finished compost used as bio-filter). 1:5 Slurry pH method will follow TMECC 04.11-A (Attachment G).	12, 12b
	Moisture Content	Weekly	Squeeze Test	>50%	Squeeze Method per Part 23, Condition No. 27133 of Authority to Construct for Permit Application No. 27180, Plant No. 17403 (Attachment C). Test at a minimum of 10 locations on each pile, A4 will maintain moisture content at 2 inches below bio-filter cover's top surface and lower shall be maintained above 50% at all locations across each pile.	12, 12a, 23
Active Phase	Temperature	Hourly	ECS CompTroller	<175°F	Record average hourly temperature and time temperature profile for each of the 5 probes per zone. Maintain records of any corrective actions taken, including time and date initiated and duration temperature exceeded 175°F.	17
	Hotspots	Weekly	Zone Inspection & Handheld Temperature Probe	<165°F	Inspect entire length of each zone prior to 10am once per week for hotspots. Measure temperature at hotspots and at every 25 feet of the zone length along center of the zone and at mid zone depth from top surface of each zone.	17
	Total Carbon Concentration	Quarterly	Vapor Analyzer	≤300 ppmv of total carbon (dry basis), and 15 pounds per day	Measure total carbon concentration no more than 2'' above surface of each zone at minimum 20 equally-spaced locations along top surface of each zone.	6
	O2 Content / Partial Pressure of O2	Weeks 2 and 3 of each month (testing occurs after week 1 and 2 of active phase retention)	Oxygen Probe	≥16%	Test at a minimum 5 locations at mid-pile depth from top surface of each pile.	10b, 10iii

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Phase	Parameter	Frequency	Method	Operating Range/Units	Monitoring & Sampling	Permit Condition Reference
Curing Phase	Temperature (non- aerated piles only)	Weeks 2, 3 and 6 of each month (testing occurs after week 1, 2, and 5 of active phase retention)	Handheld temperature probe	<165°F	Manually measure and review temperature at each pile at pile depth of 48'' from top surface of each curing pile at a minimum 25 feet length of each pile, may request to decrease monitoring frequency after one quarter.	18
	Moisture Content	Weekly (Jul-Sep), Monthly (Oct-Jun)	Squeeze Test	>50%	Squeeze Method per Part 23, Condition No. 27133 of Authority to Construct for Permit Application No. 27180, Plant No. 17403 (Attachment C). Test minimum of 10 locations at a depth of 6''-24'' from top surface of half the number of curing piles existing at a time, irrigation system must maintain moisture content above 50% at a depth of 6''-24'' at all locations in each pile throughout curing phase.	14, 23
	O2 Content / Partial Pressure of O2 (CASP only)	Weekly	Oxygen Probe	≥8%	Test at a minimum 5 locations at mid-pile depth from top surface.	14
	Hotspots	Weekly	Zone Inspection & Handheld Temperature Probe	<165°F	Measure temperature at hotspots and at every 25 feet of the zone/pile length along center of the zone/pile and at mid- zone depth from top surface of each zone. Maintain records of any corrective actions taken, including time and date initiated and duration temperature exceeded 175°F.	18

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Phase	Parameter	Frequency	Method	Operating Range/Units	Monitoring & Sampling	Permit Condition Reference
Curing Phase Maturity	Number of Days	Daily	ECS CompTroller	40 days	Minimum 40 consecutive days recorded in CompTroller.	1
	Maturity	Month 1: no specified frequency, Month 2: weekly, Month 3: monthly*	Solvita® Compost Maturity Test	≥7 Solvita® Maturity Index	Primary method used for on-site stability measurement. Methods per TMECC 05.8-E and Solvita® Manual.	1g, 5i, 5ii, 5iii, 13
	Respiration Rate		Lab Analysis; Soil Control Lab	10 milligrams of O2 consumed per gram of volatile solids per day	(Note: this parameter is not the primary method of testing on- site maturity and will only be conducted on occasion to supplement Solvita® Maturity Test.) This parameter is a secondary/backup method of testing.	1e, 5i, 5ii, 5iii, 13, 16
	CO2 Emissions		Lab Analysis; Soil Control Lab	≤4 milligrams CO2 pe gram of organic material per day	(Note: this parameter is not the primary method of testing on- site maturity and will only be conducted on occasion to supplement Solvita® Maturity Test.)	1f, 5i, 5ii, 5iii, 13, 16

**month number corresponds to each of the four major seasons for first 365 days of operation*
***operating frequency for first 365 days of operation*

Terms:

"Batch" refers to waste material during blending of feedstock and material transitioning from active to curing phases

"Pile" refers to a composting pile outside of CASP facility (located within the "West Levitin Area")

"Zone" refers to a zone within the CASP facility (of which there are 20)

Note: calibration where required will be performed annually or at a frequency recommended by the manufacturer, whichever is more frequent

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ATTACHMENT I

NOT USED

Attachment J

PROCESS DESCRIPTIONS AND DRAWINGS

Attachment J consists of process descriptions and drawings. All drawings are located at the end of the attachment.

SECTION 1. PROCESS DESCRIPTIONS

Form C-1 Description of Material Diversion Facility - Baseline Throughput

The MDF is the heart of the NRWS operations, from parking and maintaining our collection fleet, to processing and shipping materials to market. NRWS takes pride in the job that we do and who we are - that pride is displayed in our appearance from our facility to our employees.

1. Drawings

2. MDF Design and Operations

The City of Napa MDF overall design will not change from the current arrangement. Mr. Kelley, General Manager, for NRWS, was the lead person that permitted and designed the facility in 1994. Mr. Kelley operated the MDF from 1994 through the middle of 2003.

All incoming material to the MDF will be directed through the facility scales. The scale operators will record the appropriate information and check the load for contamination. The scale operator will direct the vehicles to the appropriate tipping areas.

A traffic director/load checker will further direct vehicles to the appropriate location and will check material as it is unloaded for contamination. Any contaminants will either be reloaded into vehicles or placed into disposal containers.

The traffic/load checker is responsible for directing traffic to the correct tipping location on the facility and to ensure that vehicles are driving in a safe manner. The traffic director/load checker and all company employees will ensure that the public stays in the appropriate tipping area and away from the operating equipment.

Health and Safety starts at the top, from the General Manager, Mr. Kelley, throughout the entire work force.

All company employees receive health and safety training that covers their appropriate job functions and overall safety awareness. The company has a Safety Team that meets monthly. At least one employee is involved from every department to ensure involving 100 percent of employees with new views and ideas. Every year, half of the safety team is replaced with new members from their respective department. Grant Ingalls will be the lead Safety Manager, but all employees are involved in safety training and compliance. Employees are provided with personal safety equipment. Glasses, gloves, safety vests, dust masks, ear protectors, etc.

NRWS is a team, even though there are many different areas of operation all departments work together as one. All department Supervisors attend a weekly meeting, which is conducted by the Operation and Safety Managers. At the MDF, all of the different areas are integrated as one, there is a lot of sharing of equipment, personnel, and materials.

Key Personnel: William Kelley is the operating manager for the Organics Preprocessing, De packager, CASP and Storm water system at the MDF. Will Kelley is 75% allocated to NRWS. NRWS will train multiply employees on the Organics Preprocessing, CASP, and Storm Water operations.

Trevor Manasse is the manager and working foreman for the Clean MRF, 75% of their time is allocated to NRWS.

These employees have the full backing and support of all NRWS staff and Managing employees.

Plan to prevent concrete wear: NRWS personnel have been operating on the MDF site since 1992 and help design and constructed every aspect of the current facility. NRWS uses replaceable blade edges on all the wheel loaders. Loader operator are trained not to apply excessive down pressure on the bucket and concrete pad when operating the loaders. In the last 25 years of operations at this site, there has not been any excessive concrete wear caused from Wheel Loader operation. Concrete sections in the composting area have been replaced where the concrete has failed due to cracking and poor underlying soil conditions. In the Clean MRF, a concrete section was replaced in front of the in-feed conveyor due to excessive wear from broken glass sliding across the concrete.

New Storm Water Management: Stormwater management system is owned by the City of Napa and was constructed under the same contract as CASP by Overaa. The

stormwater system consists of three stormwater capture ponds located on-site. One stormwater pond captures all stormwater generated by the composting processes, including the CASP facility, food-waste receiving building, green waste processing area, and curing area. The remaining two stormwater ponds capture and treat industrial water generated from the MRF, office buildings, and parking areas. Stormwater is pumped from the pond through the stormwater treatment system prior to discharging to a storm sewer.

3. Proposed Capital Improvements

The basic design of the MDF has not changed since NRWS started its operation.

The design of the MRF, and the equipment installed, helps guarantee the least amount of residue and the highest grade of product sorting. NRWS designed the facility not only to handle the baseline tonnage, but also to be able to handle the maximum throughput with little change except for additional employees and increased hours of operations. NRWS has built for today, but has planned for the future.

4. Residue Production

Residue management starts and ends with every employee, from collection crews to load checkers to processing personnel. All employees are aware of removing potential contaminates. The sooner that contaminates are removed from the material stream, the easier it is to process the material to its highest grade. All areas of operation will be required to have all residue weighed as needed. For some areas, this will happen daily, while others it will occur less frequently. Good housekeeping makes it easier to stop and eliminate contamination. Good housekeeping also improves safety.

5. Composting

Once the material is unloaded at the tipping area, the traffic director/load checker visually inspects the material for contaminants. If the material is being unloaded from a third party, the traffic director/load checker will instruct the party that the material is not expected and will require them to take the contaminant with them or take it to the appropriate location at the MDF. At the very least, the traffic director/load checker will load the contaminant into a refuse container that is located at the tipping area. If the contaminants can be processed in other areas of the facility, the material will be directed to those areas. Plastic tends to be the most frequent form of contamination found in yard waste.

The MDF has a stationary pre-processing system that processes all incoming yard waste. Organic material is loaded into an in feed conveyor that conveys material up to 2 discs screens that remove 3" minus material, than the larger material is conveyed on to a sorting table were 2 employees remove contamination, then the remaining organics are conveyed to the grinder, which grinds material 4" minus. All other material will go through the composting process. After the composting process, material is screened and product that is larger than 3/8", will be screened out and either re-composted or shipped off to market for bio-fuel, mulch, or ADC.

Organics Pre-processing subsystem: The City of Napa owns and insures the equipment that was purchased and approved after passing the initial Acceptance (Performance) testing in early 2016. The City has received 100% of the drawings and equipment description.

De-packaging equipment: NRWS received a grant to purchase the Scott Thor de-packager, which was installed in 2018. The de-packager will operate independently from the Organics preprocessing line. Commercial food waste that is processed in the Scott machine will be transferred out to CASP or the future AD unit for processing.

The de-packager will process packaged food from commercial food scrap collection. If the de-packager is unavailable for service, the material will be processed by the organics preprocessing line. If the organics preprocessing line is unavailable, the grinder can be loaded directly, or another grinder can be moved onsite for processing.

CASP: CASP started operations in January 2020. The NRWS CASP is a positive aerated system that uses a centralized aeration system which provides metabolic oxygen and cooling air to aerated static compost piles. The NRWS CASP consists of 20 zones with sparger aeration floors that deliver positive aeration upward from the floor to the top of the composting material. The CASP is manufactured and designed for high-rate, high-temperature composting that optimizes bacterial breakdown when proper environmental conditions are provided.

The CASP system has 4 separate fan groups/operating areas, with each group/operating area split into 5 zones. Each zone is equipped with one variable-speed fan that generates the necessary airflow to the zones. Each fan is connected to a variable frequency drive (VFD) which allows the speeds of the fans to be automatically regulated.

The CASP system has 4 systems (active aeration system, leachate collection system, irrigation system and monitoring system) integrated into it to process 113,000 tons of

annual throughput. Throughput is currently limited to 63,590 by the BAAQMD Approval to Construct permit. The 4 systems are each described below.

The active aeration system is used for active composting in the first stage of curing. The system generally consists of fans, duct work, control system, air piping, air orifices, and monitoring system to maintain adequate aeration. The aeration system provides oxygen and cooling to maintain an aerobic composting process.

The irrigation system is used to maintain the moisture content of the compost during the first stage of curing. The system generally consists of mobile sprinkler heads, piping, booster pump, 10,000-gallon irrigation tank and controls.

The leachate collection system is used to collect and store leachate for future use as irrigation water on the compost piles. The system generally consists of pumping system with a redundant pump, piping, tanks and controls.

The monitoring system monitors zone specific data, including temperature data and irrigation settings logged each hour. The system generally consists of five temperature probes in each zone and timer-controlled water valves. This data is available via the ECS CompTroller software in graphical or raw data format. The system log is also available via CompTroller in raw data format and logs percent of full speed for the fans and inches of water column for duct pressure.

Stormwater system: The stormwater system is a City owned and constructed improvement as a part of the CASP project. The stormwater system collects stormwater runoff into a series of two settling basins prior to pumping into a mechanical treatment system that discharges to a stormwater drain line. The mechanical treatment system generally consists of two parallel treatment trains of two in series reaction tanks, a pair of strainer pumps, two in series sand filters, two pairs of bag filters, carbon vessel and resin vessel with associated controls, conveyance piping, and fittings.

Stormwater is managed according to season. During the dry season, CASP leachate is conveyed via a process water swale to a pump station where it is pumped into a 4,000-gallon HDPE process storage tank. The process water storage tank will hold process for re-application to the piles as needed. This process water will not discharge from the site unless hauled off-site and appropriately disposed of.

During the wet season, NRWS will cover the compost curing, and storage area to ensure that there is no discharge of water that comes in contact with compost operations in compliance with the General Permit for Composting Operations (see

Appendix G). Stormwater generated from recycling operations are conveyed to a 74,000 gal pre-treatment then to 142,000 gal detention basin. In small intensity events, stormwater is reused. In large intensity events, stormwater is then conveyed to a stormwater treatment system that polishes and removes remaining contaminants prior to discharging to the municipal storm drain in compliance with the General Permit for Stormwater Discharges associated with Industrial Activity (see Appendix G).

6. Clean MRF

A traffic director/load checker will direct all unloading into the MRF area and one of their responsibilities will be to remove large contaminants from the material before it is loaded onto the conveyors. As material drops from the first incline conveyor onto the new pre-sort, prior to the OCC screens, glass bottles and contaminants will be removed manually by the sorters. All sorters throughout the system will remove contaminants when spotted. At the pre-sort conveyor, contaminants are dropped into a bunker. At other locations on the sorting system, contaminates are placed into residue containers that are emptied into the residue bunker as needed. All residue in the MRF will be baled and weighed at the end of the day. The baler operator tracks all material that is baled daily and, keeps daily production sheets. This allows us the ability to spot higher contamination areas from the collection routes. These routes and customers can be contacted if additional education is needed.

The cleaner the material is received, the easier it is to process for market.

Partnership Color Glass & Mixed Rigid Plastic sorter program: The partnership program was implemented during the previous contract in 2008. The City of Napa pays for 70% for the 4 employees and NRWS pays for 30% (to mirror our secondary materials sales revenue share). The program was developed to recover clean color sorted glass that has a higher market value, which the City and NRWS share 70/30. The Mixed Rigid Plastics sorter program was developed for the same reason and operates under the same conditions – to capture a product that can increase the value from its original market. The program also serves to provide additional labor to keep all sorted materials cleaner with higher quality (that is even more important as China pulls back on the purchase of many recycled materials).

Renovated/Upgraded Clean MRF: The City has been provided the most current drawings and equipment description, this system is still in the engineering phase and as more detail becomes available it will be provided to City staff. The first phase of the MRF upgrade, including installing cardboard screens and sort line, took place before

July of 2018. The City's contractor Ledcor installed the roof extensions to the MRF, which needed to be complete prior to installation of additional Clean MRF equipment. At of the time of the 2021 Contract Amendment, NRWS has completed installation of all Clean MRF processing equipment as well as some additional improvements (installation of eddy current for aluminum capture and second "sorting robot") not anticipated in the 2018 Contract Amendment. Clean MRF equipment installed and owned by NRWS is listed in Attachment M-2.

7. Wood Processing

The biggest contaminant found throughout our wood grinding operation is pressure treated wood. Pressure treated wood is not allowed for bio-fuel, and can cause entire loads to be rejected from plants.

Contractor shall inform all customers that pressure treated material and painted woods are unacceptable. Examples are displayed at the scale house. Contractor will adhere to any future changes in regulation to this regard.

As wood is unloaded, the Traffic Director/Load Checker shall spot and reload all pressure treated wood or painted wood and direct the customer to proper disposal at the transfer station. When material is being loaded into the grinder, the operator shall remove pressure treated wood/painted wood. All pressure treated wood/painted wood shall be weighed and disposed at the transfer station.

8. Source-Separated C&D

Making sure that material is truly source-separated is the biggest concern. Contractor ensures the concrete is not mixed with dirt. When crushing concrete, dirt slows down the process. When dirt is screened, employees remove all concrete and place it with the source-separated concrete. We have the least amount of contamination in concrete and dirty product compared to other source-separated material.

9. Mixed C&D

All mixed C&D is a positive sort, that is the material that is left over is residue. Only material that we are targeting for recycling is removed from the mixed load. Only loads that have a minimum 75 percent recycling rate are accepted. All residues are shipped to the transfer facility as needed.

10. Annual Quantities Processed and Residue Production Rate -- Baseline:

Based on NRWS's Baseline throughput proposal as described in Forms C-1 through C-5, the annual tonnage received and residue production, and residual rate (%) are given in the Table 1 below.

Table 1. Annual Quantities Processed for the Baseline Case

	Input (TPY)	Residual (TPY)	Residual Rate (%)
Yard Waste Composting	40,670	813	2.00
Clean MRF	19,290	1,929	10.00
Wood Waste	3,970	40	1.00
Source- Separated C&D	16,620	40	0.24
Interim Mixed C&D	0	0	0.00
Total Baseline	80,550	2,822	3.50

Form C-2 Description of Composting Area - Baseline Throughput

1. Drawing

2. Fixed Equipment

Pre-processing line

In Feed conveyor

BHS Disc screens

BHS sorting table

Vermeer grinder

MGL trommel screen

830 Power screen trommel

Scott Products De packager

3. Mass Balance

Table 2 below provides the Source of Material Delivered to Compost and Mass Balance.

Table 2. Source Material Delivered to Compost and Mass Balance

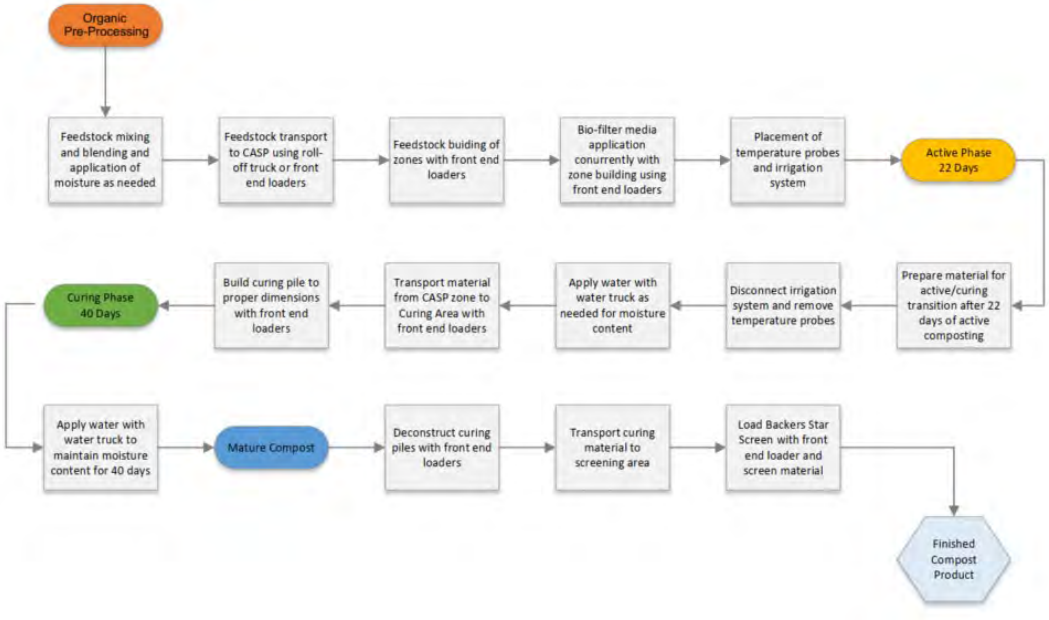
Method of Collection	**Tons per Year**
Curbside	15,600
Roll-Off	3,860
City Drop-Off	1,000
Public Drop-Off	14,200
Material	**Tons per Year**
Incoming Yardwaste	34,460
Screened Fines	24,262
Screened Overs	10,398

4. Processing Facility

The clean Compostables will be delivered to the City of Napa's Material Diversion Facility located on Tower Road in Napa County. SWFP#28-AA09923 permit.

The composting process consists of four phases, the organics pre-processing, active phase, curing phase and mature compost (see Figure 1). Each phase is described in the paragraphs below.

***Figure 1**. On site Composting Process*



5. Organics Pre-Processing

All incoming Compostables will be weighed through the weigh station. Incoming Compostables includes company collected curbside, roll-off, City of Napa drop-off and public drop-off.

The organic pre-processing phase consists of sorting, mixing and blending feedstock, transporting Compostables and to the CASP and building the initial curing piles to prepare for the active phase. Compostables are initially brought to the MDF. After being weighed, incoming material is unloaded south of the scale. At the unloading area, a spotter/load checker directs vehicles where to unload the material. The spotter/load checker will survey all incoming material for prohibited material and if found in public loads, driver will be informed about proper and improper material and make sure it is either reloaded or placed in a garbage container. Yard trimmings, food scraps, soiled paper products, and packaged organics are all Compostables directed for composting.

Compostables are pre-processed prior to being mixed and blended into a feedstock that is used to build the curing piles. Contamination is screen and sorted out by operators. Yard trimmings greater than 3" and less than 4" are grinded to an acceptable size. Packaged organics are processed by de-packaging equipment which removes non-compostable packaging from commercial food waste. Processed Compostables are transferred to be mixed and blended into feedstock.

The mixing and blending of feedstock is imperative to the CASP process and overall composting lifecycle. A proper feedstock mixture is required to meet bulk density, C:N ratio, pH, and moisture content parameters. This requirement has increased the time spent mixing and blending feedstocks to obtain optimal parameter ranges. This process is accomplished by using bucket loaders and a water truck. Once the feedstock has been mixed and blended to meet parameter standards it is then loaded into a roll-off truck for transport of the material to the CASP. Material is transported to CASP using a roll-off truck and is placed in the zone being loaded for a bucket-loader to build the pile This process continues until the zone is full.

Bio-filter is applied as a top layer in concurrence with loading each CASP zone. Bio-filter application is completed utilizing a bucket loader and must be built to BAAQMD permit requirements which requires six-inches of bio-filter media to cover the entire top and exposed surfaces of the raw feedstock loaded to the CASP. Bio-filter media must also meet moisture content and pH parameters which may require operators to wet material prior to loading. This process must be completed within three hours of loading feedstock and must occur simultaneously with feedstock loading in order to properly cover the entire zone.

Following zone completion, the irrigation system must be manually connected and placed equally along the 94-foot length of the zone. Each CASP zone is equipped with a manually placed automatic irrigation system and five temperature probes. Each temperature probe is then laid out at varying lengths along the zone and inserted into the pile. The irrigation system must be checked for leaks and temperature probes monitored and replaced if malfunctioning or requiring calibration.

Active Phase

During the active phase, the compostable material actively composts for a minimum of 22 days. The moisture, temperature and aeration is monitored and controlled to maintain aerobic conditions within each zone. Monitoring and sampling is conducted per Table 1.

Table 1. Monitoring and Sampling Parameters

TABLE 1. Monitoring and Sampling Parameters Overview		
Parameter	**Frequency**	**# of Zones / Piles**
CASP Zone Feedstock Blending, Loading and Biofilter		
Lab: C:N Ratio, pH	*Month 1: weekly, Month 2/3: monthly*	*Month 1: test 1 batch, Month 2/3: test 1 batch*
Moisture Oven/Dry	*Weekly*	*1 batch*
Bulk Density	*1x*	*All batches*
Moisture Squeeze		
pH	*1x*	*All bio-filter prior to placement on CASP zone*
Active CASP Zones		
Moisture Squeeze	*Weekly*	*Biofilter on all zones, 10 samples per zone*
Hotspot Inspection	*Weekly*	*All zones*
Total Carbon Concentration	*Quarterly*	*All zones*
Oxygen Content	*Weeks 2 and 3 of each month*	*Month 1 - test all active zones, Month 2/3 - test 3 active zones, 5 samples per zone*
Active Stability and Transition to Curing		
Solvita	*Month 1: no specified frequency, Month 2: weekly, Month 3: monthly**	*Month 1: test all zones, Month 2/3: test 1 zone*
Moisture Oven/Dry	*Weekly, prior to placing batch in curing zone*	*1 zone*
Moisture Squeeze	*Prior to placing batch in curing zone*	*All zones*
pH		
Curing CASP Zones and Curing Piles		
Manual Temperature (West Levitin Curing Only)	*Weeks 2, 3 and 6 of each month*	*All piles without forced aeration*
Hotspot Inspection	*Weekly*	*All piles / zones*
Moisture Squeeze	*Weekly (Jul-Sep), Monthly (Oct-Jun)*	*Test half the number of existing piles/zones, test every other and rotate for following week/month, 5 samples per zone*
Oxygen Content (CASP Curing Zones Only)	*Weekly*	
Solvita	*Month 1: no specified frequency, Month 2: weekly, Month 3: monthly*	*Month 1: test all piles, Month 2/3: test 1 pile*

Curing Phase

Once the active phase is completed (minimum of 22 days) each zone is deconstructed and transported across Levitin Way to the curing area. Deconstruction of each zone is completed with a bucket loader and transported to be built into a curing pile. Building of curing piles must be done to BAAQMD permit specifications which include restrictions on pile dimensions (length, width and height), moisture content of the material transitioned, and adequate spacing between each curing pile. Additionally, watering the piles with a water truck is required to maintain moisture content throughout the forty-day curing phase.

Mature Compost

Curing material shall not be harvested until maturity requirements are met. These results indicating finished compost material's maturity shall be recorded at time of harvest. Additionally, all batches within the CASP and curing area shall be clearly identified with signage to ensure material age is known and material is not prematurely removed from the curing process. Once harvested, the material may be screened for use as finished compost products.

6. Processing Capacity

The Solid Waste Facility Permit #28-AA09923 for composting allows a maximum throughput of 500 tons per day. The BAAQMD Authority to Construct permit limits composting throughput to 63,590 tons per year (equivalent to approximately 174 tons per day).

7. Materials Recovered

Biofuel, mulch, ADC and compost feedstock will be recovered from the yardwaste. There should only be 1% residual from the compost operation as the incoming feedstock is clean.

8. Contingency Plans

Contractor and its sister companies operate multiple mobile grinders that can be moved on site if the onsite grinder is down for repairs.

If the grinder was due to be down for a long period of time, grinders can also be rented from Northern California suppliers or borrowed from other operations.

The 830 Trommel Screen will be supplied by a local company, Power Screen. Power Screen typically has screens in their yard for rent or lease. Our sister companies owns and operates 3 other trammel screens that could also be available to be used for back up.If the compost site was prevented from receiving compostable material, the material can be transferred to any of the five locations that NRWS members own and operate. Two are located in north Napa County, one is in Southern Lake County, one is in Concord and one is in Yolo county.

9. Status of Facility

The City facility is fully permitted and operational.

10. Processing Facility Not Owned by Processor

The City owns the processing facility.

11. Marketing Plan

For over 25 years, our company has had a marketing plan in place. We have worked with the agricultural community and have been involved with in-depth research with them. Because of the expanding use of compost in the cultivation of wine grapes, as well as the interest in the benefits of composting in general, our marketing and outreach effort continue to expand.

We successfully secured a three year grant from the California Integrated Waste Management Board (CIWMB) to test the use of mulch for erosion control. The experiments were a public/partnership of the State regulatory agency, the Napa County local enforcement agency for solid waste issues, many local and State parties, and nationally recognized experts in the use of compost.

The interest in the feedstock used for composting has grown and now we interact with other experts regarding the benefit of compost from vineyard wastes on grape crops. Compost experts from other countries such as Italy attend meetings at our Upper Valley facility to discuss these benefits.

In order to supply users with specific needs, we custom blend soil additives (for example, gypsum and lime) into the compost to match their specific soil amendment needs.

Since we have been involved with this marketing plan, product demand has been greater than the supply.

12. Odor Impact Management Plan

Odor management is very important due to all of the negative press from mismanaged yard waste facilities around the country.

Mr. Kelley has had the most experience with operating the Napa MDF Composting Facility. Since the inception of the site, we have made the best management changes at certain times to control odor.

It is important to plan the timing of grinding, turning, and screening materials to recognize the impact of air flow and air pressure to potential odor events.

Odor management starts when the material first arrives at the facility. Material that has strange or strong odors need to be mixed and ground immediately. Thorough mixing of different types of material and grinding is important in controlling odor.

We will be composting and managing the site 365 days per year. The site is closed three days per year, but NRWS will always be available.

Water management starts with the application of water on compost. It is important not to have the compost with a moisture level higher than 70 percent. Ideal moisture will be maintained between 40 and 60 percent. Excessive moisture leads to excessive leachate from the compost. It is important that leachate or run-off has clean drainage throughout the water retention system. Keeping drains and drainpipe free of debris is important.

During heavy rain fall, it is important to keep as much fine compost as possible out of the run-off. Not moving compost or screening during these times is a best management practice. Using straw bales or other erosion control fabric around drain helps to reduce suspended material.

Keeping all ponds clean and free of debris, allowing proper flow into the new storm water system.

Odor management starts with good house-keeping and proper daily attention. Odor management never ends.

13. Residue

Large non-compostable items that have been collected through the yard waste containers (bags of refuse, non-Compostables, or other items) will be removed by hand prior to the green materials be placed into CASP. A small debris roll bin or a 4 cubic yard bin will be placed close to the incoming material tipping area for the composting personnel to use for residue. This bin will be emptied by one of our collection trucks and weighed prior to being brought to the transfer station for disposal.

Form C-3 Description of Clean Material Recovery Facility- Baseline Throughput

Form C-3 describes the design and operation of the Clean MRF.

1. Drawing

2. List of Equipment

Attached to drawings

3. Mass Balance

Table 3 below provides the Mass Balance information for the Clean MRF.

Table 3. Mass Balance for the Clean MRF

Material	Tons per year
OCC	4,000
Newspaper	6,790
Mixed Paper	1,220
Glass	1,850
PET	200
HOPE	200
Tin/steel	300
Aluminum	50
Film/Misc. Plastic	50
Aseptic Packaging	20
Residue	730

4. Design and Operations

NRWS has designed the facility to be able to handle incoming single-stream, source-separated, and commingle containers.

5. Single-Stream Processing

Trucks will be directed from a traffic spotter back to the northeast corner of the MRF, where their material will be ejected onto the adjacent tipping floor.

Single-stream material is then loaded onto the conveyor with a wheel loader and the material is conveyed up an incline conveyor to the pre-sort conveyor prior to the new OCC screens to allow the manual removal of glass, scrap metal, plastic film, and other contaminants. After pre-sorting, the material is mechanically sorted into four material fractions, cardboard, small broken glass, clean newsprint, mixed paper, and all other containers.

The material that is discharged from the OCC screens are conveyed across a fine roll screen to remove broken glass. Removing this material reduces maintenance on downstream equipment. Material is then discharged into the

Hustler News Sorter. This screen creates a clean newsprint stream and a mix of containers and mixed paper. Newsprint then is conveyed across a short post sort conveyor, allowing sorters to remove any fugitive containers. The negative sort is clean newspaper.

The containers and mixed paper are conveyed to a polishing screen to separate the remaining fiber from the containers. The negative sort is mixed paper.

The containers are conveyed to a container sorting line against the western wall of the MRF. The separation of ferrous metals (magnet), aluminum, and plastic containers occurs manually here. A pneumatic conveying system will be used to transport sorted HOPE, PETE, and Aluminum cans from the containers picking line to a storage bunker directly over the baler feed conveyor. This system is quite simple and modeled after one in operation at our Upper Valley facility and one installed in a recycling facility in Sacramento. The sorters will toss the sorted material into a hopper which will feed down into a conveyor tube. Depending on the material sorted the tube will be between 8 and 12 inches in diameter. A 10 horsepower "squirrel-cage" blower will supply the air power needed toconvey the material into a storage bunker. The storage bunker will be suspended approximately 10 feet over the baler feed conveyor and be equipped with "clam- shell" style doors on the bottom of the bunker that can be opened hydraulically to allow the sorted material to fall onto the baler feed conveyor. The hydraulic control system for the bunker doors will be operated from the baler control station.

The remaining glass and other containers will be conveyed to an additional sorting line where a robot will sort for high grade materials that were missed by the human sorters. Sorted containers are blown into bunkers above the baler conveyor. When bunkers are full the loads are dumped on to the baler conveyor and baled for market. A 3 color mix glass cleaning system has been installed, which will clean metal and lightweight materials from the glass.

All fiber grades are baled as needed.

6. Source-Separated Materials

Source-separated materials, such as, OCC, newsprint, office paper, and film plastic will be unloaded from their trucks adjacent to the baler conveyor or into the appropriate bunker for storage. They will be baled without further processing.

7. Commingled Containers

Commingled containers and single stream will be processed through the entire sorting system.

Baled materials will be stored either outside at the south end of the property near the loading dock and also inside the MRF, depending on the space available. Glass and scrap metals will be stored outside in bunkers or in drop boxes. Anew loading dock is planned for the site, but currently there are not any designs available.

Materials will be marketed when there are sufficient materials for full truck loads.

8. Residue

The residue from the incoming single stream material at clean MDF will be hand picked at 3 separate locations: 1) Pre-Sort stations. This is the primary location for removing residue and non-recyclable items. 2) Conveyor # 8. This conveyor will transport clean # 8 news from the screen to the clean # 8 news pile. 3) Conveyor# 15. This conveyor will transport clean # 6 news from the screen to the clean # 6 news pile. All residue will be collected in a bunker under the Pre-sort station and will be periodically baled. The bales will be stored in a roll-off box, weighed and then transported to the transfer station for disposal.

Form C-4 Description of Wood Processing - Baseline Throughput

Form C-4 describes the design and operation of the Wood Processing operation.

1. Drawings

2. List of Equipment

Vermeer grinder in Organics processing building

3. Mass Balance

The RFP asks for a mass balance for the Wood Processing Area. The annual tonnage of incoming materials shown in the mass balance will be from the sources listed in Table 4a, Source of Material Delivered to the Wood Processing Area. The incoming wood averages 600 tons per month. Table 4b, Mass Balance for the Wood Processing Area, provides that information

Table 4a. Source of Material Delivered to the Wood Processing Area

Method of Collection	Tons per year
Company Roll-Off	3,000
Public Drop-Off	3,000
Mixed C&D Sorting	1,200

Table 4b. Mass Balance for the Wood Processing Area

Material	Tons per year
Incoming Raw Wood	7,200
Outgoing Biofuel	7,000
Residue	200

4. Design and Operations

All source-separated wood is weighed on facility scales. Vehicles are directed to the southwest corner of the facility. A traffic spotter/load checker directs vehicles to the wood storage piles.

Wood is ground three-inch minus for size reduction. Wood is loaded into the grinder with a wheel loader. The grinder will grind 300 cubic yards per hour. Wood will be ground about one day per week.

Ground wood will be stored and shipped to an end market using company trucks

or third-party vehicles.

5. Processing Capacity

100 yards per hour

6. Materials Recovered

Bio-fuel and wood chips.

7. Contingency Plan

Napa Recycling and its sister companies own 4 mobile grinders that can be moved onsite to assist if needed.

8. Residue

About 200 tons per year of residue will be produced in this area. This is an average of 1,142 pounds per day. This residue will be hand sorted from the incoming material prior to it being processed thru the grinder, residue is commingled with residue from the Organics processing line.

Form C-5 Description of Source-Separated C&D Processing - Baseline Throughput

Form C-5 describes the design and operation of the Source-Separated C&D Processing operation.

1. Drawings

2. Mass Balance

Table 5 below provides the Mass Balance information for the Source-Separated C&D Processing Operation.

Table 5. Mass Balance for the Source-Separated C&D Processing Operation Mass

Method of Collection	Ton per year
Wood	Included in C-4
Concrete	9,300
Asphalt	200
Dirt	1000
Metals	100
Residue	0

3. Design and Operations

Source-separated and C&D accounts are a large element of recycling tons at the Napa MDF. Mr. Kelley was the lead in permitting and expanding the current programs. Through direct advertising and contact with contractors and other self-hauls, we believe that these tons will continue to increase over the years, depending on having a reasonable tipping fee.

All source-separated C&D is weighed on the facility scales. There the scale house attendant will inspect the loads to verify that they are source-separated. Then, the attendant will direct the customer to correct tipping area.

Concrete will be stored on-site until there is an adequate amount for crushing. Some concrete will be hauled away to be crushed at the local Syar yard in Napa.

Asphalt will either be mixed with concrete during crushing or will be hauled to Syar for recycling.

Dirt will be screened through the 830 trommel screen during the dry season and mixed with compost at a 50-50 rate to produce a topsoil blend.

Metal will be hauled off to a metal recycler.

4. Contingency Plans

Concrete and asphalt can be hauled straight to Syar's location for recycling once it arrives at the Napa MDF.

Dirt can be hauled to Devlin Road transfer station or to Potrero Hills Landfill for daily cover and pad material.

5. Residue

Four cyd bins will be used to store residue prior to transport to the transfer station. The bins will be emptied by one of our collection trucks and weighed prior to being brought to the transfer station for disposal.

Form C-6 Description of Interim Mixed C&D Processing - Baseline Throughput

Form C-6 describes the design and operation of the Interim Mixed C&D Processing operation.

1. Drawings

2. Mass Balance

The RFP asks for a mass balance for the Interim Mixed C&D Processing. Table 6, Interim Mixed C&D Processing Mass Balance, provides that information.

Table 6. Interim Mixed C&D Processing Mass Balance

Material	Tons per year
Incoming C&D	5,000
Wood	1,250
Concrete	750
Dirt	500
Wallboard	500
Metal	250
Residue	1.750

3. Design and Operations

At the base line level, only 16.5 tons per day will be processed. NRWS will use mainly a manual sort of incoming mixed C&D. A wheel loader with a 4-in-1 bucket will be used to move heavier material and load it into appropriate storage areas. Employees will manually sort wood, wall board, yardwaste, concrete, metal, film plastic, OCC, and dirt. Recovered material will be weighed and transported to the correct processing area.

NRWS will work with our roll-off drivers to identify recyclable rich debris boxes.

All reject material will be disposed at Devlin Road Transfer.

4. Contingency Plan

The only equipment needed will be the occasional forklift and wheel loader. These types of equipment can be rented locally. Material could be transferred to either Concord or Marin if necessary.

5. Residue

Four cyd bins will be used to store residue prior to transport to the transfer station. The bins will be emptied by one of our collection trucks and weighed prior to being brought to the transfer station for disposal.

Form C-16 Permanent Mixed C&D Debris Processing - Year 3

If the City of Napa chooses to make the interim Mixed C & D Debris Processing operation to a permanent one, this form describes the proposed design and operation of the Permanent Mixed C&D Processing Operation.

1. Drawings

2. Mass Balance

The RFP asks for a mass balance for the Permanent Mixed C&D Processing Operation. Table 7, Permanent Mixed C&D Processing Operation Mass Balance, provides that information.

Table 7. Permanent Mixed C&D Processing Operation Mass Balance

Material	Tons per year
C&D	18,000
Wood	5,400
Dirt	5,400
Wall Board	900
Metal	900
Residue	5,400

If the City of Napa decided to operate a permanent mixed C&D recycling plant it would be an excellent idea. The parcel that the City is purchasing form the JPA could be constructed to process mixed C&D.

NRWS partners have extensive experience in designing and operating mixed C&D facilities. Marin Sanitary System recycles 71 percent of the material that comes into their facility through the use of screens, magnets, and manual labor.

NRWS proposes to meet with City staff and design a facility that could handle the estimated tonnage. Marin Sanitary System has made many upgrades throughout the years of operation, so any plan proposed today would be outdated in three years. If we were planning the facility today, we would use a combination of shaker and roller screens, magnets, and manual labor. We anticipate being able to recycle 70 percent of the incoming material.

Form C-17 Food Waste Composting-Years 4 and 7

This form describes each stage in the implementation of the Food Waste program.

1. Incorporation of Food Waste into the Composting Operation

Commercial food waste will be processed thru the Scott Products DE packaging machine that will be located just south of the entrance to the Organics receiving building.

Monitoring will continue to occur on a daily basis, seven days a week. Mr. Kelley and UVDS feel like we have been dealing with food waste products for years; we processed grape pomace and food from Mazetta's Packaging in American Canyon. We have learned that mixing food waste with yardwaste will help control the potential odor problem.

Currently residential food waste is mixed with yardwaste, we will continue the same aerobic composting system and processed across the Pre-processing system.

2. Special Handling Procedures for Food Waste

We will either process the commercial food waste in the Scotts DE packaging machine or across the pre-processing line.

3. Proposed Implementation Schedule

Commercial Food Waste

NRWS will continue working with the City to expand the commercial food waste collection.

Residential Food Waste

Has been fully implemented.

Table 8. Food Processing Mass Balance

Material	Tons per year
Yardwaste	44,000 tons
Commercial Food Waste	10,000 tons
Residential Food Waste	8,800 tons

4. List of Fixed Equipment and Location

The general arrangement of the Food Waste Processing will be conducted with the Scotts De packager or the organics pre-processing line.

Attachment K

Collection Vehicles To Be Furnished By Contractor

Contractor shall purchase, operate and maintain all vehicles listed below. These vehicles shall be used to provide all collection services within the City. All trucks and vehicles are new if not identified as refurbished.

Residential: Number & Type of Vehicles (Labrie)*
1 Refurbished Automated Sideloader (Diesel)
3 Refurbished Automated Sideloader (CNG)
9 New Automated Side loaders (CNG)
Commercial: Number of & Type of Vehicles (Wittke)*
5 New Frontloader (CNG)
4 Refurbished Frontloader (CNG)
1 Existing Automated Side loader Labrie CNG Food Waste route
Roll Off: Number & Type of Vehicles (Galbreath)*
4 New Roll Off (CNG)
Other: Number & Type of Vehicles
2 Field Supervision Trucks (Unleaded)
2 Shop Trucks (Unleaded)
1 Bin Delivery Van (Diesel)
1 Manager's Truck (Unleaded) 1 Box Van (Recycle More)

* Or equivalent style and model from another City-approved manufacturer.

Attachment L

MSW, Recyclable Materials and Compostables Containers To Be Furnished By Contractor

Contractor shall purchase, operate and maintain all containers listed below. These containers shall be used to provide all collection services within the City.

94,600 Residential/Commercial Carts (SSI Schaefer/Rehrig Pacific/Otto)
Category of Service:
▪ 27,700 Recycling
40,000 Yard trimmings & co-collected food scraps/soiled paper
▪ 26,900 MSW
Estimated Quantity by Size:
20 gallon: 5,500
▪ 35 gallon: 16,000
▪ 65 gallon: 8,200
▪ 95 gallon: 64,200
22,000 Used Oil Containers
Commercial Bins (Consolidated Fabricators / Tri-County Industries)
1,460 MSW/Recycling/Compostables Bins (broken down as follows):
• 1 ½ CY: 70 • 2 CY: 430
• 3 CY: 330 (includes 50 temporary bins)
• 4 CY: 430
• 6 CY: 250
Roll-Off Boxes (Consolidated Fabricators / Tri-County Industries)
• 10 CY: 50
• 20 CY: 80
• 20 CY Split: 5 • 20 CY round bottom: 40 • 30 CY: 125
• 40 CY: 50
Commercial Compostables Containers (yard trimmings, food scraps & yard trimmings)

- 65 gallon: 1,600 (200 with lockable lids)

Contractor shall be responsible for repair/replacement to ensure all containers are in good working condition in accordance with Article 7.03 for the life of the contract . For all containers except for non-Commercial Compostables Containers, there will be no additional compensation beyond the amortized annual cost of $250,000 for each year purchased from 2018-2031 ($3.5 Million in total), unless otherwise agreed to by the City.

All containers become the City's property at the end of the Contract since they have been fully depreciated (paid for) and many will still have a useful life. Any containers purchased above and beyond the amortized annual cost of $250,000 for each year purchased from 2018-2031 would belong to Contractor at the end of the Contract, unless City has provided additional compensation to Contractor for those containers, in which case those compensated for containers will become property of the City.

ATTACHMENT M-1A

CITY FURNISHED OFFICE EQUIPMENT

a. All office furniture, including desks, office chairs, credenzas, desk returns, bookcases, modular furniture, cubicle dividers, and filing cabinets, in the downstairs customer service area of the office building at the Property.

b. All office furniture, including desks, office chairs, credenzas, desk returns, bookcases, and filing cabinets, on the second floor of the office building at the Property.

c. The conference table and chairs in the conference room on the second floor of the office building at the Property.

d. The television/VCR and stand located in the second floor conference room of the office building at the Property.

e. The tables, chairs, refrigerator, and microwave oven in the employee lounge located on the first floor of the office building at the Property.

f. The safe located in the downstairs office area of the office building at the Property.

g. The refrigerator located in the conference room on the second floor of the office building at the Property.

CITY FURNISHED RECYCLING EQUIPMENT

The City has purchased equipment to be used for recycling through grants. This equipment shall be furnished to the Contractor and the Contractor shall become responsible for maintenance and replacement of said equipment. Refer to Schedule M-1B.

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTACHMENT M-1B

LISTING OF CITY-OWNED RECYCLING AND COMPOSTING EQUIPMENT

The following in a listing of all City-owned recycling and composting equipment currently on order or in use. All have been purchased by the City of Napa.

Item #	Description	# of Units	City PO#	Company	Delivery Date	MISC. Program Notes
96-gallon Carts						
1	Blue w/inmold lid & hot stamps	612	04-0207	Cascade Engineering	8/15/03	Single-Stream for Schools/Business Multi-Family & Commercial
2	Blue w/inmold lid & hot stamps	612	03-1309	Cascade Engineering	11/1/02	Recycling Multi-Family & Commercial
3	Blue w/inmold lid	513	02-0035	Cascade Engineering	7/15/01	Recycling College, City
4	Blue w/hot stamp	130	00-3880	Rehrig Pacific Comp	6/30/00	sites, Napa Expo Special Events
5	Blue w/hot stamp & cut-out lid	21	99-3098	Rehrig Pacific Comp	3/31/99	Recycling
6	Green w/ hot stamp	50	120609	Rehrig Pacific Comp	4/1/15	Commercial Food Scraps Program
7	Brown w/ hot stamp	262	122128	Rehrig Pacific Comp	5/12/16	For accounts w/ 3+ Yard Trimmings Carts
Subtotal - 96-gallon carts		2,200				
65-gallon Carts						
8	Green w/ hot stamp	500	120609	Rehrig Pacific Comp	3/1/15	Commercial Food Scraps Program
Subtotal – 65-gallon carts		500				

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Item #	Description	# of Units	City PO#	Company	Delivery Date	MISC. Program Notes
35-gallon Carts						
9	Green w/ hot stamp	150	120609	Rehrig Pacific Comp	3/1/15	Commercial Food Scraps Programs
Subtotal – 35-gallon carts		150				
Recycling Drop-Boxes						
10	17.5 cu yd with divider	2	00-3881	Consolidated Fabric	7/15/00	Wine Train & Dey Labs City Corp Yard, Napa Valley
11	17.5 cu yd with divider	4	98-3971	Consolidated Fabric	6/30/98	College & Expo
12	20 cu yd water tight	2	119104	Consolidated Fabric	5/1/13	For businesses
13	20 cu yd water tight	2	119104	Consolidated Fabric	6/1/14	For businesses
14	20 cu yd water tight	4	123633	Consolidated Fabric	5/1/17	For businesses
15	Concrete drop box	4	122128	Stockton Tri Industries	6/1/16	For businesses
Subtotal - drop-boxes		18				
6-gallon recyclers						
16	blue w/hot stamp & handles	5,716	04-0208	Rehrig Pacific Cerni	8/15/03	For Schools and Businesses
17	blue w/hot stamp & handles	500	03-4220	Rehrig Pacific Cerni	5/30/03	For Multi-Family Program
18	blue w/hot stamp & handles	4,000	01-4151	Rehrig Pacific Cami	6/30/01	For Multi-Family Program
Subtotal - 6-gallon recyclers		10,216				

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Item #	Description	# of Units	City PO#	Company	Delivery Date	MISC. Program Notes
Round manual 32-gallon cans						
19	blue w/hot stamp & cut-out lid	500	04-0206	TM Fitzgerald	7/30/03	For Schools and Businesses
20	blue w/hot stamp & cut-out lid	100	02-3107	TM Fitzgerald	3/21/02	For Schools and Businesses
	Subtotal - manual 32-gallon cans	600				
21	2 cu yd rear load bins w/slot	28	5267-0466	Consolidated Fabric	8/22/03	For Schools and Businesses
22	Mini-Cycler Metal Corals	8	02-1468	Pro-tainer, Inc.	12/1/01	For selected Multi- Family complexes
23	Loading Dock	1	122335	Dura-Ramp Inc	2/1/16	Loading Ramp for MRF
Plastic Front-Loading Commercial Bins (Colored)						
24	3 cu yd blue	3	117646	Rehrig Pacific Comp	4/1/13	For Special Event and Business Use
25	3 cu yd black	3	117646	Rehrig Pacific Comp	4/1/13	For Special Event and Business Use
26	2 cu yd black	4	117646	Rehrig Pacific Comp	5/1/13	For Special Event and Business Use
27	4 cu yd blue	4	117646	Rehrig Pacific Comp	5/1/13	For Special Event and Business Use
28	4 cu yd green	2	117646	Rehrig Pacific Comp	5/1/13	For Special Event and Business Use
29	3 cu yd black	5	119104	Rehrig Pacific Comp	10/1/13	For Special Event and Business Use
30	4 cu yd blue	5	119104	Rehrig Pacific Comp	10/1/13	For Special Event and Business Use
31	3 cu yd black	2	119104	Rehrig Pacific Comp	6/1/14	For Special Event and Business Use
32	4 cu yd blue	10	119104	Rehrig Pacific Comp	6/1/14	For Special Event and Business Use
33	2 cu yd green	4	120609	Rehrig Pacific Comp	6/1/15	For Special Event and Business Use
34	3 cu yd black	3	120609	Rehrig Pacific Comp	6/1/15	For Special Event and Business Use

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Item #	Description	# of Units	City PO#	Company	Delivery Date	MISC. Program Notes
35	4 cu yd black	4	120609	Rehrig Pacific Comp	6/1/15	For Special Event and Business Use
36	4 cu yd green	3	120609	Rehrig Pacific Comp	6/1/15	For Special Event and Business Use
37	4 cu yd blue	4	120609	Rehrig Pacific Comp	6/1/15	For Special Event and Business Use
	Subtotal – Plastic Front-Loading Commercial Bins (Colored)	56				
38	Indoor Multi-Family Recycling Bags	5,000	114742	Bagit System	6/1/11	For Multi-Family Units
39	Carpet Recycling Roof	1	117646	American Carport	6/1/13	Roof Cover for Carpet Recycling Area
Special Event Boxes						
40	Black plastic	225	122128	Duke's Packaging	10/1/15	
41	Blue plastic	225	122128	Duke's Packaging	10/1/15	
42	Green plastic	225	122128	Duke's Packaging	10/1/15	
43	Black cardboard	400	117646	Duke' Packaging	6/1/13	
44	Blue cardboard	400	117646	Duke's Packaging	6/1/13	
45	Green cardboard	400	117646	Duke's Packaging	6/1/13	
	Subtotal—Special Event Boxes	1,875				
Kitchen Compost Pails						
46	2-gallon pails	2,000	117646	Sure Close	5/1/13	Pails for Pilot Program
47	2-gallon Pails	20,500	120609	Sure Close	4/1/15	Pails for Citywide Program
	Subtotal—Kitchen Pails	22,500				
48	Cooking Oil Containers	1,440	117646	Paramount Can	4/1/13	Cooking Oil Containers Recyc More

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Item #	Description	# of Units	City PO#	Company	Delivery Date	MISC. Program Notes
49	Recycle More Truck	1	117646, 119104, 120609	Golden Gate Truck	4/1/13	Recycle More Truck
50	Aeration Fan, 30 HP	1		TCF		CW rotation, 480 VAC; CASP
51	Aeration Fan, 30 HP	2		TCF		CXW rotation, 480 VAC; CASP
52	Aeration Fan, 60 HP	1		TCF		CW rotation, 480 VAC; CASP
53	Temperature Probe	100		ECS		18" long; CASP
54	Pressure Sensor	4		ECS/AST		CASP
55	Process Water Storage tank	1				Stormwater System
56	Irrigation Tank	1				Stormwater System
57	Irrigation Pumps	3				Stormwater System
58	Expansion Tank	1				Stormwater System
59	Reaction Poly Tank	4				Stormwater System
60	Backwash Poly Tank	2				Stormwater System
61	Sand Filters	4				Stormwater System
62	Filter Bag Housings	8				Stormwater System
63	Carbon Vessel	2				Stormwater System
64	Resin Vessel	2				Stormwater System
65	Strainer Pumps	4				Stormwater System
66	Irrigation Sprinklers	80				CASP
67	BHS Disc Screens	2				Organics Pre-processing
68	Conveyors	4				Organics Pre-processing
69	BHS Sorting Table/Platform	1				Organics Pre-processing
70	MGL Trommel Screen	1				Organics Pre-processing
71	DRS Unders Chute	2				Organics Pre-processing
72	DRS Overs Chute	2				Organics Pre-processing
73	Drum Magnet Under Chute	1				Organics Pre-processing
74	Doppstadt Inventhor Slow-Speed Shredder	1				SB1383 Amendment Equipment
75	Ecoventus Density Separator	1				SB1383 Amendment Equipment
76	EcoStack Conveyor Powerscreen CT80	2				SB1383 Amendment Equipment

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Item #	Description	# of Units	City PO#	Company	Delivery Date	MISC. Program Notes
	Totals	**45,831**				

Attachment M-2

Listing of MRF Equipment Contractor Owned

The following are key pieces of processing equipment of Contractor:

Fixed Processing Equipment

Item #	Description	Horsepower
New Equipment: OCC Screening and Sorting		
1	78”wide x 23’ long Steel Belt Conveyor with Adjustable Drum roller	15 HP
2	60” wide x 33’ long roller Chain Infeed	7.5HP
3	60” wide x 27’ long flat belt Pre-sort conveyor	5 HP
4	Pre-sort Platform with Chutes and Stairs	N/A
5	Double Deck OCC screens with Support Platform	15 HP
6	60” wide x 32’ long flat belt OCC overs sort Conveyor with platform	3 HP
7	60” wide x 13’ long Flat belt OCC reject conveyor	1.5 HP
8	60” wide x 31’ long flat belt OCC transfer conveyor	3 HP
9	30” wide x 16’ long residue transfer conveyor	3 HP
10	30” wide x 80’ long residue sort conveyor/platform	3 HP
11	30” wide x 16’ long transfer conveyor	3 HP
12	Optical sorter compressors	250 HP
13	Hustler Eddy Current	10 HP
14	ABB AMP Robot	N/A
15	OMIRON AMP Robot (2)	N/A
16	MSS Optical Sorter FiberMax Single Eject with Metal Sort with Venturi Film Removal	N/A
New Equipment: Glass Line		
17	24” wide x 15’ long transfer conveyor	1.5 HP
18	24” wide x 74’ long transfer conveyor	3 HP
19	24” wide x 15’ long transfer conveyor	1.5 HP
20	24”wide x 37’ long transfer conveyor	1.5 HP
21	24” wide x 27’ long transfer conveyor	1.5 HP
22	Glass Separation system	10 HP
New Equipment: Paper transfer to 2nd baler		
23	60” wide x 80’ long transfer conveyor	5 HP
24	60” wide x 64’ long transfer conveyor	5 HP
25	60” wide x 40’ long transfer conveyor	3 HP

26	Enterprise 12-12-200 HP baler	200 HP
27	MSS Optical Sorter for Fiber Line	N/A
Existing Equipment		
28	60" wide x 20' long Steel Belt Conveyor	5 HP
29	60" wide x 58' long Roller Chain Conveyor	10 HP
30	60" wide x 46' long Sort Conveyor	75 HP
31	36" wide x 26' long Flat Slider Conveyor	3 HP
32	Fines Screen	5 HP
33	New Sorter Screen (2)	5 HP
34	48" wide x36' long Sort Conveyor	5 HP
35	36" wide x 19' long Flat Slider Conveyor	3 HP
36	60" wide x49'6" long Roller Chain Conveyor	75 HP
37	New Fines Screen	3 HP
38	48" wide x 36' long Sort Conveyor	5 HP
39	36" wide x 40' long Flat Slider Conveyor	5 HP
40	36" wide x 40' long Flat Slider Conveyor	5 HP
41	36" wide x 45' long Roller Chain Conveyor	75 HP
42	30" wide x 73' long Sort Conveyor	10 HP
43	Cross Belt Magnet	5 HP
44	60" wide x 166' long Roller Chain Conveyor	25 HP
45	36" wide x 46'6" long Roller Chain Conveyor	75 HP
46	Air System Blowers (4)	10 HP
47	Baler	100 HP

HP = horsepower

Rolling Stock

Number and Type of Rolling Stock	Brand/Specification
(6) Wheel Loaders	John Deere 624 J **
(1) Wheel Loader	John Deere 444 P **
(1) Wheel Loader	John Deere 304 H **
(4) Forklifts	CAT DP25N5 **
(1) Trommel Screen	Power Screen 830 **
(1) Street Sweeper	TYMCO 435

** Or equivalent from another City-approved manufacturer.

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Attachment M-3

Listing of Stormwater and CASP Contractor Owned Equipment

The following are key pieces of processing equipment of Contractor that has been installed for the Composting area:

Fixed Processing Equipment

Item #	Description	Manufacturer
Equipment: Organics Pre-Processing system		
1	Scott Products Organics De-Packager	Scott Equipment Company
2	Komptech Crambo Grinder	Sparta Manufacturing

Rolling Stock

Number and Type of Rolling Stock	Brand/Specification
(1) Water Truck	3600-gal

Attachment N

Contractor Furnished Personnel

Collection

Title	Name	% NRWS FTE
General Manager/Operations Manager	Greg Kelley	75
Field Supervisor	Steve Manasse	85
Supervisor	Stephen Denna	100
Recycling Coordinator/Public Outreach	Tim Dewey-Mattia	85
Billing Specialist	Mishan Denna	85
Chief Financial Officer	Michael Murray	75
Controller	Ken Lydon	60

Collection Headcount:

Labor Category	Number of FTE
Residential Collection:	
MSW	4
Recycling	5
Yard trimmings	3
Recycle More route[ii]	1
Commercial Collection:	
MSW Drivers	3
MSW Helpers	2
Recycling Drivers	2.5
Recycling Helpers	0.5
Yard trimmings	2
Food composting route[iii]	1
Sunday collection route	1
Thursday - Monday compostables route	1
Customer Service Representatives	5.5[1]
NRWS Recycling Outreach Specialist	2
Roll Off Collection:	
MSW/Recycling	4

[1] As of 2022 Agreement Amendment, there were 3.5 Customer Service Representatives.

Relief Driver:	1
Total:	38.5

Maintenance (Collection and Processing)

Mechanics	3.5
Supervisor	1
Containers - Delivery	1
Mechanics Helpers	2.5
Total:	8

Materials Diversion Facility[i]

MDF design	Greg Kelley	
MDF construction	Greg Kelley	
MDF management	Greg Kelley	
Composting	Manager: Greg Kelley	Operations: Will Kelley
Clean MRF	Manager: Greg Kelley	Operations: Trevor Manasse
Wood processing	Manager: Greg Kelley	Operations: Will Kelley
Source-separated C&D processing	Manager: Greg Kelley	Operations: Will Kelley
Mixed C&D processing	Manager: Greg Kelley	Operations: Will Kelley
Maintenance	Supervisor: Osvaldo Martin	
Administration/Recordkeeping	Tracy Beaver	
Marketing Management	Greg Kelley	

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Materials Diversion Facility Headcount:

Labor Category	Number of FTE (without CASP and without Mixed C&D)	Number of FTE (with Full CASP/Stormwater and without Mixed C&D)	Number of FTE (without CASP and with Mixed C&D)	Number of FTE (with Full CASP/Stormwater and with Mixed C&D)
All MDF Processing Areas CSR/Dispatch/Scalehouse	2	2	2	2
Composting: Equipment Operator[iv]	3	7	3	7
Lab Technician[v]	0	1	0	1
Clean MRF: Sorter/Processor[vi]	17	17	17	17
Equipment Operator	3	3	3	3
Pre-Processing and CASP sorters	2	2	2	2
Wood Processing[vii]: Equipment Operator	.5	.5	.34	.34
C&D Processing (Source Separated)[vii]: Equipment Operator	.5	.5	.33	.33
C&D Processing (Mixed)[vii]: Sorter/Processor	0	0	6	6
Equipment Operator	0	0	.33	.33
Total	28	31	34	37

i. Personnel identified based upon assumption of individuals accepting terms and conditions of employment with Napa Recycling & Waste Services.

ii. At the time of the 2018 contract amendment, one driver position is represented in Attachment T, Table 6, and no other tables in Attachment T. As further described in Attachment B and listed in Attachment T-1, the Contractor provides the labor necessary for the Recycle More program in exchange for the City's agreement to reduce the annual E-Waste Recycling Collection Event from two-days to one-day.

iii. At the time of the 2018 contract amendment, the costs for this program are represented in Attachment T, Table 5, and no other tables in Attachment T.

iv. The April 3, 2020 Covered Aerated Static Pile Composting Operations and Storm Water Management Cost

Justification proposed 2.5 FTE for Composting Equipment Operators. Parties mutually agreed to reduce FTE to 2.0 FTE for Composting Equipment Operators.

v. The April 3, 2020 Covered Aerated Static Pile Composting Operations and Storm Water Management Cost Justification proposed 1.5 Lab Technicians in year one. After year one, lab technician position will be reduced to 1 FTE due to the completion of BAAQMD required quarterly source testing. 1 FTE is shown in the table as testing has been completed at the time of the 2022 contract amendment.

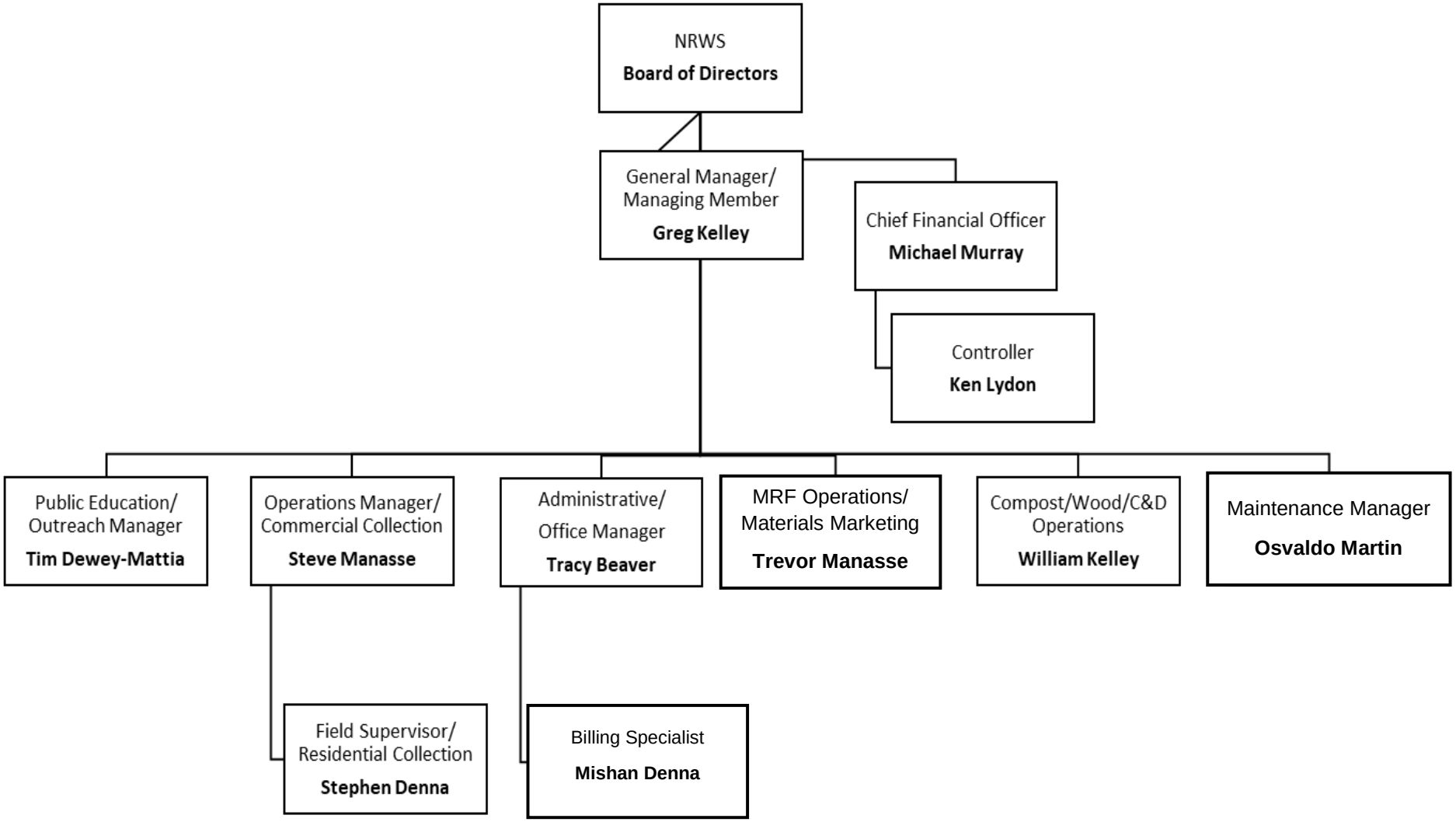
vi. At the time of the 2018 contract amendment, the cost for four of the "partnership" sorting positions (2 for colored glass, 2 for mixed rigid plastics) are described in Article 12 and appear in Attachment T, Table 7, and no other tables in Attachment T. Table 7 shows 100% of annual labor costs for these positions, but the City will only pay 70% of the annual labor costs in accordance with the on-going materials sales revenue share.

vii. Number of FTE if City directs Contractor to process Mixed C&D at the Facility.

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Management Organization Chart



Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTACHMENT O

NOT USED

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTACHMENT P

NOT USED

Attachment Q
BILLING PROTOCOL

A. Collection Accounts

Collection Customers shall be billed in accordance with the terms of the contract according to the following frequency, policies and terms.

Residential Service, Individually Billed

Billing Frequency:	Monthly in arrears
Form of Payment:	Cash, Check, Master Card, Visa, automatic debit, E-banking
Notice of Delinquency:	Notice of intent to stop service sent on 90th day with copy to City. Service stopped and equipment removed 10 days after notice. City to be notified of stop in service. City to be notified if delinquency is cleared and service is reinstated.
Vacation/Service Stop:	Two times per 12-month period for a minimum of two weeks up to a maximum of three months, no fee to stop or reinstate service. Refund/credit due if payments already made.
Low Income Rate:	20 gallon container rate.
Other:	5% discount for payment of 12 months in advance. Shared Service – tracking all addresses/businesses sharing service.

Residential Service, Central Billing

Billing Frequency:	Monthly in arrears
Form of Payment:	Check, Cash, E-banking or other arrangements acceptable to Contractor
Notice of Delinquency:	Notice of intent to stop service sent on 90th day with copy to City. Service stopped and equipment removed 10 days after notice. City to be notified of stop in service. City to be notified if delinquency is cleared and service is reinstated.
Vacation Stop:	Not available
Low Income Rate:	20 gallon container rate.

Other:	Shared Service – tracking all addresses/businesses sharing service.

Commercial Bin or Cart Service

Billing Frequency:	Monthly in arrears
Form of Payment:	Cash, Check, Master Card, Visa, automatic debit, E-banking
Notice of Delinquency:	Notice of intent to stop service sent on 90th day with copy to City. Service stopped and equipment removed 10 days after notice. City to be notified of stop in service. City to be notified if delinquency is cleared and service is reinstated.
Other:	Shared Service – tracking all addresses/businesses sharing service.

Napa Valley Unified School District Service

Billing Frequency:	Monthly in arrears
Form of Payment:	Cash, Check, Master Card, Visa, automatic debit, E-banking
Notice of Delinquency:	Notice of delinquency sent to City on 60th day. Notice of intent to stop service sent on 90th day with copy to City. City to be notified of stop in service. City to be notified if delinquency is cleared and service is reinstated.

Compactor Service

Billing Frequency:	Monthly in arrears
Form of Payment:	Cash, Check, Master Card, Visa, automatic debit, E-banking
Notice of Delinquency:	Notice of intent to stop service sent on 90th day with copy to City. Service stopped and equipment removed 10 days after notice. City to be notified of stop in service. City to be notified if delinquency is cleared and service is reinstated.

Permanent Roll-Off Service

Billing Frequency:	Monthly in arrears

Form of Payment:	Cash, Check, Master Card, Visa, automatic debit, E-Banking
Notice of Delinquency:	Notice of intent to stop service sent on 90th day with copy to City. Service stopped and equipment removed 10 days after notice. City to be notified of stop in service. City to be notified if delinquency is cleared and service is reinstated.

Temporary Bins and Temporary Roll-Off Service

Billing Frequency:	Monthly in arrears
Form of Payment:	Cash, Check, Master Card, Visa, E-banking
Notice of Delinquency:	To be mutually agreed upon by City and Contractor
Deposit Required:	To be mutually agreed upon by City and Contractor

Special Events

Billing Frequency:	Monthly in arrears
Form of Payment:	Cash, Check, Master Card, Visa, E-banking
Notice of Delinquency:	To be mutually agreed upon by City and Contractor
Deposit Required:	To be mutually agreed upon by City and Contractor

B. MDF Accounts

MDF Customers shall be billed in accordance with the terms of the contract according to the following frequency, policies and terms.

City Contract MDF Users

Billing Frequency:	Monthly in arrears
Form of Payment:	Cash, Check
Notice of Delinquency:	To be mutually agreed upon by City and Contract MDF User

Credit MDF Users

Billing Frequency:	Monthly in arrears
Form of Payment:	Cash, Check
Notice of Delinquency:	To be mutually agreed upon by City and Contractor
Deposit Required:	To be determined by City

Sale of Recovered Materials

Billing Frequency:	Monthly in arrears
Form of Payment:	Cash, Check E-banking
Notice of Delinquency:	To be mutually agreed upon by City and Contractor

Note: City shall establish rates to be paid by customers for all collection and MDF operations. Any additional billing protocols not specifically outlined (e.g., late payment charges, deposits, special events, payment for service reinstatement after a "stop service", etc.) will be mutually agreed upon by City and Contractor.

ATTACHMENT R

REPORTS TO BE SUBMITTED TO CITY

These reports are required at a minimum. The City has the discretion to request additional reports and to direct Contractor to modify format and layout. A reporting year for the City will be January 1 through December 31. A reporting year for Napa Valley Unified School District (NVUSD) shall be July 1 through June 30.

Monthly Collection Reports

Monthly reports shall include a Year To Date summary. The information listed may be combined into one or several reports. Contractor shall submit a one page signed cover letter to City in addition to electronic filing of reports.

Residential

Due Date: 20th of the month for preceding month

Submittal Format: Electronic (via email)

Content:
- Number of households on MSW service
- Number of Napa Pipe Development households on MSW service.
- Number of households participating in recycling program
- Number of households participating in Compostables program
- Number of households with bulky goods pick ups
- Number of households with e-waste pick ups
- Number of households with used oil set outs
- Number of households with used oil filter set outs
- Total tons collected of MSW
- Total tons collected of recycling by material type
- Allocation percentages used to calculate total tons of recycling by material type and date of allocation sampling
- Total tons collected of Compostables
- Total tons of bulky goods collected as MSW
- Total tons of bulky goods collected as recycling, composting and/or reuse

Total tons of bulky goods collected
Allocation percentages used to calculate each reported portion of bulky goods including description of methodology
Total tons of e-waste collected
Total gallons of used oil collected
Total pounds of used oil filters collected
Summary of total tons of MSW collected
Summary of total tons of all recyclables collected
Summary recycling, composting and/or reuse rate for residential program
Summary of pounds per household of all MSW collected
Summary of pounds per household of all recycling and Compostables collected
Summary of total pounds per household generated

*Multi-family tonnages to be removed from commercial tonnages and reported as residential. Multi-Family tonnages to be identified separate of other residential tonnages. Provide allocations used to calculate multi-family percentages.

Commercial (Bins and Cart Service)

Due Date: 20th of the month for preceding month

Submittal Format: Electronic (via email)

Content: Number of businesses on MSW service with bin collection
Number of businesses on MSW service with cart collection
Number of businesses participating in bin recycling program
Number of businesses participating in cart recycling program
Number of businesses participating in yard trimmings program
(by container type, ie bins or carts) Number of businesses with bulky goods pick ups
Number of businesses with e-waste pick ups
Total tons collected of MSW in bin service
Total tons collected of MSW in cart service
Summary of total tons of collected MSW
Total tons collected of recycling by material type in bin service
Total tons collected of recycling by material type in cart service

Summary of total tons of collected recyclables
Allocation percentages used to calculate total tons of recycling by material type and date of allocation sampling
Total tons collected of yard trimmingse in bin service
Total tons collected of yard trimmingsin cart service
Summary of total tons of collected yard trimmings
Total tons of bulky goods collected as MSW
Total tons of bulky goods collected as recycling, composting and/or reuse
Total tons of bulky goods collected
Allocation percentages used to calculate each reported portion of bulky goods including description of methodology
Total tons of e-waste collected
Summary of total tons of MSW collected
Summary of total tons of all recyclables collected
Summary recycling, composting and/or reuse rate for commercial program
Summary of pounds per cubic yard of all MSW collected
Summary of pounds per cubic yard of all recycling collected
Summary of pounds per cubic yard of all yard trimmings collected
Summary of total pounds per cubic yard generated
Do not include NVUSD

Roll Off

Due Date:	20th of the month for preceding month
Submittal Format:	Electronic (via email)
Content:	Number of accounts on MSW service with roll off collection
	Number of accounts participating in roll off recycling program
	Number of accounts participating in yardwaste program
	Total tons collected of MSW
	Total tons collected of recycling by material type
	Allocation percentages used to calculate total tons of recycling by material type and date of allocation sampling

Total tons collected of co-collected food scraps, soiled paper products, and yard trimmings

Summary of total tons of MSW collected

Summary of total tons of all recyclables collected

Summary recycling, composting and/or reuse rate for roll off program

Summary of pounds per cubic yard of all MSW collected

Summary of pounds per cubic yard of all recycling collected

Summary of pounds per cubic yard of all co-collected food scraps, soiled paper, and yard trimmings collected

Summary of total pounds per cubic yard generated

Summary of total services

Summary of qualifying above 693 (subject to change if additional trucks are added)

Summary of total services qualifying above 693 (subject to change if additional trucks are added)

Do not include NVUSD

Recycle More Program

Due Date: 20th of the month for preceding month

Submittal Format: Electronic (via email)

Content: Number and type of customers requesting collection (Residential and Commercial)

Number of residents with cooking oil containers

Total Number E-Waste items Collected

Total Number of large appliances/Oversized Metal Items Collected

Total number of bags of textiles/reuse items Collected

Total number of cooking oil setouts

Total time on route and miles driven (in December report only, for the calendar year)

Total net Tons Collected of the following:

- E-Waste
- Large appliances/Oversized metal items

- Textiles/reuse items
- Cooking oil (gallons and pounds)
- Batteries
- Any other materials Collected

Notes on program successes, challenges and recommended operational changes (if any)

Commercial Food Scraps Collection Program

Due Date: 20th of the month for preceding month

Submittal Format: Electronic (via email)

Content: Number of accounts participating in Food Scraps program

- List customer name, address, size of Food Waste container(s), Food Waste collection route, route sequence number and day(s) of week collected

Total number of stops for the month

Total Tons Collected for the month

Productivity Statistics Including the following listed by route and date:

- Number of stops
- Number of lifts
- Number of yards collected
- Number of Tons collected
- Total route miles
- Route stops/hour
- Route miles/stop

Notes/narrative description about potential new customers/growth in program; public education and outreach about program

NVUSD

Due Date: 20th of the month for preceding month

Submittal Format: Electronic (via email)

Content: Same information as requested under commercial and roll off

reports specific to NVUSD collected material only, broken out with summaries by jurisdiction and overall summary for school district

Special Events

Due Date: 20th of the month for preceding month

Submittal Format: Electronic (via email)

Content: Number and name of events provided MSW service

Summary of MSW containers by type (bin, cart, roll off) provided by each event and how many full containers collected at end of event

Number and name of events provided recycling service

Summary of recycling containers by type (bin, cart, roll off) and material (glass, paper, commingled, etc) provided by each event and how many full containers collected at end of event

Number and name of events provided yardwaste service

Summary of Compostables containers by type (bin, cart, roll off) and material (glass, paper, commingled, etc) provided by each event and how many full containers collected at end of event

Public Education & Outreach

Due Date: 20th of the month for preceding month

Submittal Format: Electronic (via email)

Content: List of all public education distributed

Method of distribution per public education material

Description of who received public education per distribution

Detailed cost breakdown for creation and distribution per public education material

Quantity of public education distributed per distribution

List of all public presentations, tours given and outreach; include name of groups involved, location, date, number of people present, topic discussed

Overall Recycling, Composting and Reuse Summary

Due Date: 20th of the month for preceding month

Submittal Format:	Electronic (via email)
Content:	Summarize tonnages generated from Residential report, commercial report, roll off report, special event report and other collection reports as implemented

Office Productivity

Due Date:	20th of the month for preceding month
Submittal Format:	Electronic (via email)
Content:	Total number of inbound calls per day per CSR
	Total number of dropped calls per day per CSR
	Total customer wait time per day per CSR
	Summary overall total number of inbound calls, per day, per CSR
	Summary overall total number of dropped calls, per day, per CSR
	Summary overall total customer wait time, per day, per CSR

Collection Productivity

Due Date:	20th of the month for preceding month
Submittal Format:	Electronic (via email)
Content:	Total number of missed pick ups per day per route
	Total number of late set outs per day per route
	Total number of courtesy pick ups per day per route
	Total number and type of complaints per day per route
	List of all routes for month
	Total driver hours per route per day
	Narrative description of any implemented route changes and why
	Narrative description of any proposed route changes and why

Monthly MDF Reports

Tonnages – based on Soft-Pak Scale System data

Due Date: 20th of the month for preceding month

Submittal Format: Electronic in Excel (via email)

Content: **Inbound tonnage report**

Monthly tonnage broken down as follows:

- Jurisdiction
    - Contractor collected
    - Self-haul/other
- Type of Material (specific type broken down as follows):
    - Clean MRF
    - Composting Area
    - Wood Waste Processing
    - Source Separated C&D Processing
    - Mixed C&D Processing
    - Other (e.g., tires, bulky goods)

Cumulative inbound tonnage for year-to-date broken down as above

Outbound tonnage report

Monthly tonnage of recovered materials broken down as follows:

- By Processing Area
- By Type and Grade of Material
- By Use of Material (i.e., differentiate wood products used as ADC, as biomass fuel, etc.)

Cumulative outbound tonnage of recovered materials for year-to-date broken down as above

Monthly tonnage of Residue disposed at the Transfer Station, broken down by Processing Area

Cumulative tonnage of Residue for year-to-date, broken down by Processing Area

Materials Marketed – based on receipts from sale of materials

Due Date: 20th of the month for preceding month

Submittal Format: Electronic in Excel (via email)

Content: List of all material sales destinations including:

- Company name
- Contact name
- Address
- Phone number

List of all materials marketed during month broken down as follows:

- Company name
- Type of material
- Tonnage
- Unit price
- Revenue

List of materials marketed cumulatively for year-to-date broken down as above

Operations

Due Date: 20th of the month for preceding month

Submittal Format: Electronic (via email)

Content: Discussion of significant issues including those related to:

- Design
- Operations
- Maintenance
- Marketing
- Environmental
- Facility Capacity

Presentation of recommended methods of resolution

Performance parameters

- Total processing hours for each Processing Area and processing line, if applicable
- Sorter productivity (total weight processed/total sorter labor hours) for Clean MRF and for Mixed C&D Processing Areas

- Availability of key pieces of rolling stock
- Availability of major pieces of fixed processing equipment by Processing Area
- Daily totals of Compostables received, broken down by materialscomposted and materials processed otherwise

Complaint records

- Discussion of any Notices of Violation or other complaints received including:
  - Date
  - Source
  - Description of reported violation
  - Resolution
- Discussion of any Contamination Violation Notices issued including:
  - Date
  - Party issued to
  - Description of reported violation
  - Resolution

Presentation of results from sampling analyses, if any, conducted during previous month including:

- Source of material
- Timeframe of sampling
- Methodology
- Results

Public Education & Outreach

Due Date: 20th of the month for preceding month

Submittal Format: Electronic (via email)

Content: List of public education activities

- Presentations
  - Group
  - Location
  - Date
  - Number of people present

  - Name of person giving presentation
  - Topic
- Tours
  - Group
  - Date
  - Number of people
- Public education materials distributed
  - Type of material distributed
  - Method of distribution
  - Description of recipients
  - Quantity distributed

Quarterly Collection Reports

Due Date: January 20, April 20, July 20, October 20 for preceding quarter

Submittal Format: Electronic in Excel (via email)

Content: Year-to-Date Report Containing:

- Total number of commercial "lifts," including:
  - All carts and bins;
  - All commercial waste streams (including MSW, Recyclable Materials, and Compostables); and
  - All routes.

Quarterly Diversion Incentive Reports

Targeted Incentive (TI) Report

Due Date: January 20, April 20, July 20, October 20 for preceding quarter

Submittal Format: Electronic in Excel (via email)

Content: Year-to-Date Report Containing:

- Number of Roll Off loads Contractor believes are eligible for TI
  - Detailed listing of full roll-off box loads and split box loads
  - Work Order Numbers for Each Load

  - Customer Name, Location and Material Type(s) Collected in Each Load
- Comparison of YTD Loads vs. Threshold Number of Loads

Residue Reduction Incentive (RRI) Report

Due Date: January 20, April 20, July 20, October 20 for preceding quarter

Submittal Format: Electronic in Excel (via email)

Content: Year-to-Date Report Containing:

- Number of Tons and Loads of Residue Hauled From MDF to Transfer Station for Disposal
- List Residue Tons and Loads by Date and Include Weight of Each Load
- List Number of YTD Total Eligible Inbound Tons to MDF
- Calculate YTD Percentage of Residue Using RRI Formula
- Compare YTD RRI Percentage to RRI average (4.6% residue)
- List of Facilities to Which Any Recovered Compost Overs Were Sent In Prior Month and Number of Tons and Loads Sent to Each
- List of Faciities to Which Any MDF Fines and/or “Recyclable Materials” Were Sent for Further Processing (other than MDF) and Number of Tons and Loads Sent to Each
- List and Description of Any New Operational Changes in Labor, Equipment, Etc. Used by Contractor to Reduce Residue Quantities During the Prior Month

Collection Incentive (CI) Report

Due Date: January 20, April 20, July 20, October 20 for preceding quarter

Submittal Format: Electronic in Excel (via email)

Content: Year-to-Date Report Containing:

- YTD Total Tons Collected For Recycling By Contractor
- TYD Total Tons of MSW Collected by Contractor
- YTD Calculation of CI

- Comparison of YTD CI Calculation of Percent Diverted to CI Baseline Level of Diversion (50.4%)

Quarterly MDF Reports

Operations

Due Date: January 20, April 20, July 20, October 20 for preceding quarter

Submittal Format: Electronic (via email)

Content:

Report of general maintenance inspections, including any item that requires preventative maintenance or repairs

Report of facility capacity utilization, including identification of potential MDF users and estimated tonnages

Glass Sorter Performance

Due Date: January 20, April 20, July 20, October 20 for preceding quarter

Submittal Format: Electronic (via email)

Content:

Report of glass sorter equipment performance, including percentage breakdown between glass, fines, trash, and batteries of glass materials sent out, and the per ton pricing for the material sent out during the time period.

Quarterly Audits

SB 1383 MDF Facility Audit

Due Date: Quarterly by the dates established by CalRecycle and/or Napa County Local Enforcement Agency.

Submittal Format: In the form required by CalRecycle and/or Napa County Local Enforcement Agency, and electronically (via email) to City.

Content:

Contractor to conduct MDF facility audit and provide audit report pursuant to SB 1383 and other requirements set forth by CalRecycle and/or Napa County Local Enforcement Agency.

SB 1383 Collections Audit

Due Date: Quarterly by the dates established by CalRecycle and/or Napa County Local Enforcement Agency.

Submittal Format: In the form required by CalRecycle, and electronically (via email) to City.

Content:

Contractor to conduct audit and provide audit report pursuant to SB 1383 and other requirements set forth by CalRecycle and/or Napa County Local Enforcement Agency.

Semi-Annual Collection Reports

Route Audits

Due Date: Feburary 20 and August 20 (allocations derived from audit results will be used for next six months

Submittal Format: Electronic (via email)

Content: Report of audit of all routes as described in Contract Section 9.06 plus audit of all routes crossing jurisdictions or waste generator types

to create allocations to be used for next six months separating tonnage collected in residential, multi-family, commercial, school district and other jurisdictions.

Semi-Annual Materials Sales Aging Reports

Materials Sales Aging Reports

Due Date: January 1 and July 1

Submittal Format: Electronic (via email)

Content: Status of each load for which payment has not been received including

- Date payment is expected to be received
- Collection activities undertaken to date
- Collection activities planned to be undertaken by Contractor and on what dates
- If applicable, description and reason(s) why Contractor is recommending that the transaction be “written off” the books as “uncollectible”

Annual Collection Reports

Annual Collection Reports are to be provided electronically and in printed form.

Residential

Due Date: January 30 for previous calendar year

Submittal Format: Electronic (via email)

Content:

- Total number of households on MSW service
- Total number of households participating in recycling program
- Total number of households participating in Compostables program
- Total number of households with bulky goods pick ups
- Total number of households with e-waste pick ups
- Total number of households with used oil set outs
- Total number of households with used oil filter set outs
- Total tons collected of MSW
- Total tons collected of recycling by material type
- Allocation percentages used to calculate total tons of recycling by material type and date of allocation sampling and any proposed changes
- Total tons collected of Compostables
- Total tons of bulky goods collected as MSW
- Total tons of bulky goods collected as recycling, composting and/or reuse
- Total tons of bulky goods collected
- Allocation percentages used to calculate each reported portion of bulky goods including description of methodology and any proposed changes
- Total tons of e-waste collected
- Total gallons of used oil collected
- Total pounds of used oil filters collected
- Summary recycling, composting and/or reuse rate for residential program
- Summary of pounds per household of all MSW collected
- Summary of pounds per household of all recycling and yardwaste

collected

Summary of total pounds per household generated

*Multi-family tonnages to be removed from commercial tonnages and reported as residential. Multi-Family tonnages to be identified separate of other residential tonnages. Provide allocations used to calculate multi-family percentages.

Commercial (Bins and Cart Service)

Due Date: January 30 for previous calendar year

Submittal Format: Electronic (via email)

Content: Total number of businesses on MSW service with bin collection

Total number of businesses on MSW service with cart collection

Total number of businesses participating in bin recycling program

Total number of businesses participating in cart recycling program

Total number of businesses participating in yard trimmings program (by container type, ie bins or carts)

Total number of businesses with bulky goods pick ups

Total number of businesses with e-waste pick ups

Total tons collected of MSW in bin service

Total tons collected of MSW in cart service

Summary of total tons of collected MSW

Total tons collected of recycling by material type in bin service

Total tons collected of recycling by material type in cart service

Summary of total tons of collected recyclables

Allocation percentages used to calculate total tons of recycling by material type and date of allocation sampling and any proposed changes

Total tons collected of yard trimmings in bin service

Total tons collected of yard trimmings in cart service

Summary of total tons of collected yard trimmings

Total tons of bulky goods collected as MSW

Total tons of bulky goods collected as recycling, composting and/or reuse

Total tons of bulky goods collected

Allocation percentages used to calculate each reported portion of bulky goods including description of methodology and any proposed changes
Total tons of e-waste collected
Summary of total tons of MSW collected
Summary of total tons of all recyclables and yard trimmings collected
Summary recycling, composting and/or reuse rate for commercial program
Summary of pounds per cubic yard of all MSW collected
Summary of pounds per cubic yard of all recycling collected
Summary of pounds per cubic yard of all yard trimmings collected
Summary of total pounds per cubic yard generated
Do not include NVUSD

Roll Off

Due Date: January 30 for previous calendar year

Submittal Format: Electronic (via email)

Content:
Total number of accounts on MSW service with roll off collection
Total number of accounts participating in roll off recycling program
Total number of accounts participating in Compostables program
Total tons collected of MSW
Total tons collected of recycling by material type
Allocation percentages used to calculate total tons of recycling by material type and date of allocation sampling and any proposed changes
Total tons collected of Compostables
Summary of total tons of MSW collected
Summary of total tons of all recyclables collected
Summary recycling, composting and/or reuse rate for roll off program
Summary of pounds per cubic yard of all MSW collected
Summary of pounds per cubic yard of all recycling collected
Summary of pounds per cubic yard of all Compostables collected
Summary of total pounds per cubic yard generated

Do not include NVUSD

RECYCLE MORE PROGRAM

Due Date: January 30th for previous calendar year

Submittal Format: Electronic (via email)

Content: List the following information by month and for the year:

Number and type of customers requesting collection (residential or commercial) and total collection stops for the month

Number of residents with cooking oil containers

Total Number of E-Waste items Collected

Total Number of metal appliances/Oversized Metal Items Collected

Total number of bags of textiles/reuse items Collected

Total number of cooking oil setouts

Total net Tons Collected of each type of the following materials:

- Cooking Oil (gallons and pounds)
- E-Waste
- Metal appliances/Oversize metal items
- Textiles/Reuse Items
- Re-usable items
- Batteries
- Other materials as approved by the City
- Total net tons collected

Notes on program successes, challenges and recommended operational changes

Total miles driven

Commercial Food Scraps Collection Program

Due Date: January 30th for previous calendar year

Submittal Format: Electronic (via email)

Content: Number of accounts participating in Food Scraps program

- List customer name, address, size of Food Scraps container(s), Food Waste collection route, route sequence number and day(s) of week collected

Productivity Statistics Including the following by route, for each month and for the year:

- Number of stops
- Number of lifts
- Number of yards collected
- Number of Tons collected
- Total route miles
- Route stops/hour
- Route miles/stop

Notes/narrative description about observations about the program, issues or problems encountered, possible solutions and possible program improvements needed or desired.

Annual Reconciliation Review Report

Due Date: November 20, or as soon thereafter as October data becomes available.

Submittal Format: Electronic in Excel (via email)

Content: Year-to-Date Report, summarized by month (including October) and quarter, containing:

- Total number of residential households served (with Municipal Solid Waste or MSW service)
- For each commercial customer:
  - All carts and bins;
  - All commercial waste streams (including MSW, Recyclable Materials, and Compostables); and
  - All routes.
- Total number of commercial “lifts,” including:
  - All carts and bins;
  - All commercial waste streams (including MSW, Recyclable Materials, and Compostables); and
  - All routes.
- Total number roll-off services for all waste streams (including MSW, Recyclable Materials, and Compostables) and routes.

NVUSD

Due Date: August 1 for previous school year of July 1 through June 30

Submittal Format: Electronic (via email)

Content: Same information as requested under commercial and roll off reports specific to NVUSD collected material only, broken out with summaries by jurisdiction and overall summary for school district

Special Events

Due Date: January 30 for previous calendar year

Submittal Format: Electronic (via email)

Content: Total number and name of events provided MSW service

Total number and name of events provided recycling service

Total number and name of events provided Compostables service

Summary overall recycling, composting and/or reuse activities for all events combined

Summary overall MSW activities for all events combined

Overall Recycling, Composting and Reuse Summary

Due Date: January 30 for previous calendar year

Submittal Format: Electronic(via email)=

Content: Summarize tonnages generated from Residential report, commercial report, roll off report, special event report and other collection reports as implemented

Other

Due Date: January 30 for previous calendar year

Submittal Format: Electronic (via email)

Content: Narrative description of any items of significance not included in other reports

Numerical description of any items of significance not included in other reports

Annual MDF Reports

Annual MDF Reports are to be provided electronically (on a CD) and in printed form.

Tonnages – based on Soft-Pak Scale System data

Due Date: January 30 for previous year

Submittal Format: Electronic in Excel

Content: **Inbound tonnage report**

Annual tonnage broken down as follows:

- Jurisdiction
  - Contractor collected
  - Self-haul/other
- Type of Material (specific type broken down as follows):
  - Clean MRF
  - Composting Area
  - Wood Waste Processing
  - Source Separated C&D Processing
  - Mixed C&D Processing
  - Other (e.g., tires, bulky goods)

Outbound tonnage report

Annual tonnage of recovered materials broken down as follows:

- By Processing Area
- By Type and Grade of Material
- By Use of Material (i.e., differentiate wood products used as ADC, as biomass fuel, etc.)

Annual tonnage of Residue disposed at the Transfer Station, broken down by Processing Area

Marketing of Materials

Due Date: January 30 for previous year

Submittal Format: Electronic in Excel

Content: List of all material sales destinations including:

- Company name

- Contact name
- Address
- Phone number

List of all materials marketed during year broken down as follows:

- Company name
- Type of material
- Tonnage
- Unit price
- Revenue

Market development plan for material sales for future year

Operations

Due Date: January 30 for previous year

Submittal Format: Electronic

Content: Summary of operations for previous year including:

- Summary of operational changes made at MDF
- Summary of repairs and major maintenance at MDF
- Listing of significant modifications made to physical assets of MDF and title and identification number of drawing(s) wherein modification(s) are shown
- Listing of permit changes implemented
- Performance parameters (annual)
    - Total processing hours for each Processing Area and processing line, if applicable
    - Sorter productivity (total weight processed/total sorter labor hours) for Clean MRF and for Mixed C&D Processing Areas
    - Availability of key pieces of rolling stock
    - Availability of major pieces of fixed processing equipment by Processing Area
- Summary of complaint records
    - Notices of Violation or other complaints
    - Contamination Violation Notices issued

Discussion of future plans (for next 12 months unless specified otherwise):

- Proposed operational changes
- Forecast of required or potentially required new permits or modification of permits for 24-month period
- Equipment placement schedule
- Plan for marketing facility capacity

Public Education & Outreach

Due Date: January 30 for previous year

Submittal Format: Electronic

Content: Summary of public education activities conducted during year
Public education activities planned for future year

Annual Diversion Incentive Reports

Targeted Incentive (TI) Report

Due Date: February 10 for previous calendar year

Submittal Format: Electronic in Excel (via email)

Content: Annual Report Containing:

- Number of Roll-Off Loads Contractor Believes are Eligible for TI
  - Detailed listing of full roll-off box loads and split box loads
  - Work Order Number for Each Load
  - Customer Name, Location and Material Type(s) Collected in Each Load
- Comparison of Total Number of Loads Contractor Believes are TI-Eligible vs. Threshold Number of Loads

Residue Reduction Incentive (RRI) Report

Due Date: February 10 for previous calendar year

Submittal Format: Electronic in Excel (via email)

Content: Annual Report Containing:

- Number of Tons and Number of Loads of Residue Hauled From MDF to Transfer Station for Disposal

- List Residue Tons and Loads by Date and Include Weight of Each Load
- List Number of Total Eligible Inbound Tons to MDF
- Calculate Percentage of Residue Using RRI Formula
- Compare RRI Percentage to RRI Average Percentage (4.6% residue)
- List of Facilities to Which Any Compost Overs Were Sent During Prior Year and Number of Tons and Loads Sent to Each. Description of Type(s) of Processing or Other Uses of Compost Overs at Each Facility and Destination Where any Compost Over Residue Was Sent
- List of Faciities to Which Any MDF Fines and/or "Recyclable Materials" Were Sent for Further Processing (other than MDF) During the Prior Year and Number of Tons and Loads Sent to Each. Description of Type(s) of Sorting Completed at Each Facility and Destination Where Residue Was Sent
- List and Description of All Operational Changes in Labor, Equipment, Etc. Used by Contractor to Reduce Residue Quantities Including Narrative Description of How Residue Quantity Was Reduced (or Why the Quantity Increased) From the Level Achieved In the Prior Calendar Year. List and Describe All Other Methods, Facilities and Additional Equipment and/or Labor Used to Achieve the Residue Level for the Subject Calendar Year.

Collection Incentive (CI) Report

Due Date: February 10 for previous calendar year

Submittal Format: Electronic in Excel (via email)

Content: Annual Report Containing:

- Annual Total Tons Collected For Recycling By Contractor
- Annual Total Tons of MSW Collected by Contractor
- Annual Calculation of CI
- Comparison of Annual CI Calculation of Percent Diverted to CI Baseline Level of Diversion (50.4%)

- Narrative Description Of How Diversion Of Tons Collected by Contractor Changed From the Level Achieved In the Prior Calendar Year Including a Description of All New, Expanded and/or Enhanced Diversion Programs, New Diversion Methods, Facilities and Additional Equipment and/or Labor Used to Achieve the Diversion Level for the Subject Calendar Year. If the Diversion Level Decreased From the Prior Calendar Year, Describe the Reason(s) for the Decrease.

Annual Report of Affiliated Entity Materials Sales and Purchase Transactions

Notes to Annual Audited Financial Statments

Due Date: As soon as audited financial statements are completed, but no later than June 30 for previous calendar year

Submittal Format: Electronic in Excel (via email) or email of PDF

Content: List of information for each sale of material by Contractor to an Affiliated Entity including:

- Date of sale
- Type of material
- Number of tons of material sold
- Sale price per ton
- Other sale terms including but not limited to:
    - Which party provided/paid for transportation (if applicable)
    - Date load shipped from MDF (if different from date of sale)

List of information for each purchase of material by Contractor from an Affiliatad Entity including:

- Date of sale
- Type of material
- Number of tons of material sold
- Sale price per ton
- Other sale terms including but not limited to:
    - Which party provided/paid for transportation (if applicable)

Annual Inventory of Materials On Site At MDF

Annual Inventory of Materials On Site At MDF As Of Close of City's Fiscal Year

Due Date: July 10 for inventory completed on June 30 of each calendar year

Submittal Format: Electronic in Excel (via email) or email of PDF

Content: Inventory including:

- Count of all finished bales, by material type
- Quantity of each type of material stored in roll off boxes, bunkers, storage hoppers and all other storage containers
- Extimated quantity of each material loose on tipping floor/processing area

ATTACHMENT S-1

FAITHFUL PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS, that NAPA RECYCLING & WASTE SERVICES, LLC, hereinafter called the PRINCIPAL, and _____ _____, a corporation duly organized under the laws of the State of _____having its principal place of business at _____, in the State of _____, and authorized to do business as an admitted surety insurer in the State of California, regulated by the California Insurance Commissioner and with a financial condition and record of service satisfactory to the City of Napa, hereinafter called the SURETY, are held and firmly bound to the City of Napa, a municipal corporation in the State of California, hereinafter called the OBLIGEE, in the sum of Five Million Dollars ($5,000,000) lawful money of the United States, for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the PRINCIPAL has entered into a Contract with the OBLIGEE for the Collection and Transportation of Municipal Solid Waste, Recyclable Materials, and Yardwaste and the Operation of the Napa Materials Diversion Facility ("Contract") and said PRINCIPAL is required under the terms of said Contract to furnish a bond of faithful performance of said Contract.

NOW, THEREFORE, if the PRINCIPAL shall well and truly perform and fulfill all of the undertakings, covenants, terms and agreements of said Contract, and any modification thereto made as therein provided, at the time and in the manner therein specified, then this obligation shall become null and void, otherwise it shall be and remain in full force and virtue.

The SURETY, for value received, hereby agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder, or the Specifications incorporated therein shall impair or affect its obligations and its bond, and it hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Contract or the work or the Specifications.

PROVIDED, however, that the SURETY shall not be liable (1) as respects to any obligations related to said Contract occurring after two (2) years, unless this Bond is extended, (2) as respects to PRINCIPAL'S obligation to procure a replacement performance bond, as provided for in Section 11.03 of the Contract. This Bond may be extended after ***[on original, insert date two years after date shown in last paragraph]*** in the sole discretion of the SURETY by means of a continuation certificate signed at least

ninety (90) days prior to ***[on original, insert same date as above]*** and thereafter at least ninety (90) days prior to the expiration of the Bond as extended.

In the event suit is brought upon this Bond by the OBLIGEE and said OBLIGEE is the prevailing party, the SURETY shall pay, in addition to the sums set forth above, all costs incurred by the OBLIGEE in such suit, including reasonable attorneys' fees to be fixed by the court.

IN WITNESS WHEREOF, the above bounded parties have executed this instrument this ____ day of _____, 20__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

PRINCIPAL:

NAPA RECYCLING & WASTE SERVICES, LLC

By: _____
Greg Kelley, Manager

SURETY:

_____

By:_____
Attorney-In-Fact

* * *

Note: To be considered complete, both the principal and surety must sign this performance bond. In addition, the surety's signature must be notarized and a copy of the surety's power of attorney must be attached.

ATTACHMENT S-2

CONTINUATION CERTIFICATION

In consideration of the premium charged,

_____ hereby continues in force:

Bond #: _____

Dated: _____

In the amount of: _____ on behalf of the City of Napa, for the period:

Beginning: _____

And Ending: _____ subject to all terms and conditions of said Bond, PROVIDED that the liability of :_____
(NAME OF SURETY)
shall not exceed in the aggregate the amount above written, whether the loss shall have occurred during the term of said bond or during any continuation or continuations thereof, or partly during said term and partly during any continuation or continuations thereof.

Signed and Sealed: _____ (date)

By: _____
Attorney-In-Fact

[ACKNOWLEDGEMENT]

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Attachment T-1

4/10/2023

Instructions: Summarize all proposed costs on this table. Columns may be added as needed.

ATTACHMENT T-1: ANNUAL OPERATING & CAPITAL COSTS 2018$

COST CATEGORIES	Current Annual Costs (Feb-Jan17)	Collection (base scope of work)	t	Processing (Baseline Throughput)	Pre-processing (Baseline Throughput)	CASP (Baseline Throughput) T-13 & T-13B	Stormwater - Capital T-3 & T-15B	Adjustments	Proposed Total	Year 1 Effective 1-1-18: Labor or Non-Labor	2018 Amendment Annual Fixed Increase (2018 to 2022)	Contract Inflation Adjusted (without CASP)	Year 2 Effective 1-1-19: Labor or Non-Labor	2018 Amendment Annual Fixed Increase (2018 to 2022)	Contract Inflation Adjusted (without CASP)	Year 3 Effective 1-1-20: Labor or Non-Labor	2018 Amendment Annual Fixed Increase (2018 to 2022)	Contract Inflation Adjusted (without CASP)	Year 4 Effective 1-1-21: Labor or Non-Labor	2018 Amendment Annual Fixed Increase (2018 to 2022)	Contract Inflation Adjusted (without CASP)	Year 5 Effective 1-1-22: Labor or Non-Labor	2018 Amendment Annual Fixed Increase (2018 to 2022)	Contract Inflation Adjusted (without CASP)
COLLECTION																								
Operating Expenses																								
Labor	2,685,774								2,685,774	Labor	1.035	$ 2,904,865	Labor	1.035	$3,006,535.79	Labor	1.035	$ 3,111,765	Labor	1.035	$3,220,676.30	Labor	1.035	$ 3,333,400
Supplies	186,235								186,235	Non-Labor	1.025	$ 198,717	Non-Labor	1.025	$ 203,684.89	Non-Labor	1.025	$ 208,777	Non-Labor	1.025	$ 213,996.43	Non-Labor	1.025	$ 219,346
Vehicle O&M									-			$ -			$ -			$ -			$ -			$ -
												$ -			$ -			$ -			$ -			$ -
Oil & Other Fluids	44,013								44,013	Non-Labor	1.025	$ 46,963	Non-Labor	1.025	$ 48,137.41	Non-Labor	1.025	$ 49,341	Non-Labor	1.025	$ 50,574.37	Non-Labor	1.025	$ 51,839
Vehicle Insurance	93,130	15,620							108,750	Non-Labor	1.025	$ 116,039	Non-Labor	1.025	$ 118,939.94	Non-Labor	1.025	$ 121,913	Non-Labor	1.025	$ 124,961.28	Non-Labor	1.025	$ 128,085
Vehicle Repair & Maintenance	989,996								989,996	Non-Labor	1.025	$ 1,056,350	Non-Labor	1.025	$1,082,758.73	Non-Labor	1.025	$ 1,109,828	Non-Labor	1.025	$1,137,573.39	Non-Labor	1.025	$ 1,166,013
Total	**3,999,147**	**15,620**	-	-	-	-	-		**4,014,767**			**$ 4,322,935**			**$ 4,460,057**			**$ 4,601,624**			**$ 4,747,782**			**$ 4,898,683**
G & A Expenses																								
Customer Service																								
Customer Service Labor	218,943								218,943	Labor	1.035	$ 236,803	Labor	1.035	$ 245,091.60	Labor	1.035	$ 253,670	Labor	1.035	$ 262,548.25	Labor	1.035	$ 271,737
Billing	189,807								189,807	Non-Labor	1.025	$ 202,528	Non-Labor	1.025	$ 207,591.59	Non-Labor	1.025	$ 212,781	Non-Labor	1.025	$ 218,100.91	Non-Labor	1.025	$ 223,553
Administration												$ -			$ -			$ -			$ -			$ -
Admin Services	566,045								566,045	Labor	1.035	$ 612,221	Labor	1.035	$ 633,648.31	Labor	1.035	$ 655,826	Labor	1.035	$ 678,779.91	Labor	1.035	$ 702,537
General Insurance	556,701	9,593						7,000	573,294	Non-Labor	1.025	$ 611,719	Non-Labor	1.025	$ 627,011.69	Non-Labor	1.025	$ 642,687	Non-Labor	1.025	$ 658,754.16	Non-Labor	1.025	$ 675,223
Office Expenses	528,103	50,243	25,148						603,494	Non-Labor	1.025	$ 643,943	Non-Labor	1.025	$ 660,041.37	Non-Labor	1.025	$ 676,542	Non-Labor	1.025	$ 693,455.97	Non-Labor	1.025	$ 710,792
Public Information & Education	111,071								111,071	Non-Labor	1.025	$ 118,516	Non-Labor	1.025	$ 121,478.78	Non-Labor	1.025	$ 124,516	Non-Labor	1.025	$ 127,628.65	Non-Labor	1.025	$ 130,819
Total	**2,170,670**	**59,836**	**25,148**	-	-	-	-	**7,000**	**2,262,654**			**$ 2,425,730**			**$ 2,494,863**			**$ 2,566,022**			**$ 2,639,268**			**$ 2,714,663**
Vehicle & Equipment Capital T-2	-	**774,186**							774,186	Non-Labor	NA	$ 774,186	Non-Labor	NA	$ 1,103,036	Non-Labor	NA	$ 1,307,671	Non-Labor	NA	$ 1,300,020	Non-Labor	NA	$ 1,297,390
Overhead, Tax	241,245								241,245	Non-Labor	1.025	$ 247,276	Non-Labor	1.025	$ 253,457.83	Non-Labor	1.025	$ 259,794	Non-Labor	1.025	$ 266,289.13	Non-Labor	1.025	$ 272,946
Total	**241,245**	**774,186**	-	-	-	-	-	-	**1,015,431**			**$ 1,021,462**			**$ 1,356,494**			**$ 1,567,465**			**$ 1,566,310**			**$ 1,570,337**
Subtotal Collection Costs	**6,411,062**	**849,642**	**25,148**	-	-	-	-	**7,000**	**7,292,852**			**$ 7,770,127**			**$ 8,311,414**			**$ 8,735,111**			**$ 8,953,359**			**$ 9,183,683**
PROCESSING																								
O&M																								
Labor	1,503,565			-	89,228	260,758	**185,383**		2,038,932	Labor	1.035	$ 1,923,229	Labor	1.035	$ 1,990,543	Labor	1.035	$ 2,320,969	Labor	1.035	$ 2,347,301	Labor	1.035	$ 2,429,457
Operations	647,963			-	135,348	327,532	49,486	-	1,160,329	Non-Labor	1.025	$ 1,189,337	Non-Labor	1.025	$ 888,615	Non-Labor	1.025	$ 1,415,377	Non-Labor	1.025	$ 1,322,329	Non-Labor	1.025	$ 1,355,387
Contingency																								
Total	**2,151,528**	-	-	-	**224,575**	**588,290**	**234,869**	-	**3,199,261**			**$ 3,112,567**			**$ 2,879,157**			**$ 3,736,346**			**$ 3,669,630**			**$ 3,784,844**
Capital																								
Capital Improvements						2,047																		
Equipment	-			588,891		10,964	50,276		650,131	Non-Labor	NA	$ 601,181	Non-Labor	NA	$ 584,305	Non-Labor	NA	$ 634,396	Non-Labor	NA	$ 788,759	Non-Labor	NA	$ 714,992
Other Start Up Costs	-																							
Contingency																								
Total	-	-	-	**588,891**	-	**13,011**	**50,276**	-	**650,131**			**$ 601,181**			**$ 584,305**			**$ 634,396**			**$ 788,759**			**$ 714,992**
Subtotal Baseline Processing Expenses	**2,151,528**	-	-	**588,891**	**224,575**	**601,301**	**285,144**	-	**3,849,392**			**$ 3,713,748**			**$ 3,463,462**			**$ 4,370,742**			**$ 4,458,389**			**$ 4,499,836**
Total Baseline Expenses	**8,562,590**	**849,642**	**25,148**	**588,891**	**224,575**	**601,301**	**285,144**	**7,000**	**11,142,244**			**$ 11,483,874**			**$ 11,774,876**			**$ 13,105,853**			**$ 13,411,748**			**$ 13,683,518**
Less NCRWS (County) Discount	(125,000)								(125,000)			$ (125,000)			$ (125,000)			$ (125,000)			$ (125,000)			$ (125,000)
Net Baseline Expenses	8,437,590	849,642	25,148	588,891	224,575	601,301	285,144	7,000	11,017,244			**$ 11,358,874**			**$ 11,649,876**			**$ 12,980,853**			**$ 13,286,748**			**$ 13,558,518**
									10,415,943	Total Baseline Cost with CASP (from T-4)			Total Baseline Cost with CASP (from T-4)			Total Baseline Cost with CASP (from T-4)			Total Baseline Cost with CASP (from T-4)			Total Baseline Cost with CASP (from T-4)		
									7,811,957	Labor	NA	NA	Labor	NA	NA	Labor	1.035	$ 1,778,175	Labor	1.035	$ 1,840,411	Labor	1.035	$ 1,904,825
Costs - Reimbursed at Current Costs										Non-Labor	NA	NA	Non-Labor	NA	NA	Non-Labor	1.025	$ 832,797	Non-Labor	1.025	$ 853,617	Non-Labor	1.025	$ 874,957
Fuel	493,085								493,085	Total		**NA**	Total		**NA**	Total		**$ 2,610,972**	Total		**$ 2,694,028**	Total		**$ 2,779,782**
										Annual (without CASP)		**$ 10,757,573**	Annual (without CASP)		**$ 11,649,876**	Annual (with CASP)		**$ 12,980,853**	Annual (with CASP)		**$ 13,286,748**	Annual (with CASP)		**$ 13,558,518**
Fuel - Table 4									125,639	Monthly (without CASP)		**$ 896,464**	Monthly (without CASP)		**$ 970,823**	Monthly (with CASP)		**$ 1,081,738**	Monthly (with CASP)		**$ 1,107,229**	Monthly (with CASP)		**$ 1,129,877**
Electricity - Table 4									339,988															
									958,712.42	CY2017 Fuel		$ 686,045	CY2018 Fuel		$ 821,886	CY2019 Fuel		$ 845,655	CY2020 Fuel		$ 845,655	CY2021 Fuel		$ 845,655
										CY2017 Electricity		$ 284,278	CY2018 Electricity		$ 276,339	CY2019 Electricity		$ 376,504	CY2020 Electricity		$ 376,504	CY2021 Electricity		$ 376,504
										Annual Fuel & Energy		**$ 970,323**	Annual Fuel & Energy		**$ 1,098,225**	Annual Fuel & Energy		**$ 1,222,159**	Annual Fuel & Energy		**$ 1,222,159**	Annual Fuel & Energy		**$ 1,222,159**
										Monthly Fuel & Energy		**$ 80,860**	Monthly Fuel & Energy		**$ 91,519**	Monthly Fuel & Energy		**$ 101,847**	Monthly Fuel & Energy		**$ 101,847**	Monthly Fuel & Energy		**$ 101,847**

Michael Murray: Premium increase for change to pollution insurance coverage requirements

builder: $686,045 came from actual Jan-Dec 2017 cost data provided by NRWS (see worksheet labeled "CY2017 NRWS Fuel & Energy Costs").

builder: $284,278 came from actual Jan-Dec 2017 cost data provided by NRWS (see worksheet labeled "CY2017 NRWS Fuel & Energy Costs") with 600 Tower Road and Lincoln Ave electricity costs removed per MOU

builder: $821,885.65 came from actual Oct 2017-Sept 2018 cost data provided by NRWS (see worksheet labeled "Est. CY2018 NRWS Fuel & Energy").

builder: $276,338.92 came from actual Oct 2017-Sept 2018 cost data provided by NRWS (see worksheet labeled "Est. CY2018 NRWS Fuel & Energy") with 600 Tower Road and Lincoln Ave electricity costs removed per MOU & 2018 Contract Amendment

builder: $845,655 came from actual Oct 2018-Sept 2019 cost data provided by NRWS on 12-4-19 (see worksheet labeled "Est. CY2019 NRWS Fuel").

builder: $376,503.63 came from actual Oct 2018-Sept 2019 cost data provided by NRWS on 12-4-19 (see worksheet labeled "Est. CY2018 NRWS Energy") with 600 Tower Road and Lincoln Ave electricity costs removed per MOU & 2018 Contract Amendment

Modified since escalation was removed from T-14

Modified to remove Labor (E53) and add O&M (E65)

First Year (CY2021) adding in capital costs for new grinder from AttachmentT-3 and "Other Costs" from Attachment T-16B

builder: $845,655 came from actual Oct 2018-Sept 2019 cost data provided by NRWS on 12-4-19 (see worksheet labeled "Est. CY2019 NRWS Fuel")

builder: $376,503.63 came from actual Oct 2018-Sept 2019 cost data provided by NRWS on 12-4-19 (see worksheet labeled "Est. CY2018 NRWS Energy") with 600 Tower Road and Lincoln Ave electricity costs removed per MOU & 2018 Contract Amendment

builder: $845,655 came from actual Oct 2018-Sept 2019 cost data provided by NRWS on 12-4-19 (see worksheet labeled "Est. CY2019 NRWS Fuel")

builder: $376,503.63 came from actual Oct 2018-Sept 2019 cost data provided by NRWS on 12-4-19 (see worksheet labeled "Est. CY2018 NRWS Energy") with 600 Tower Road and Lincoln Ave electricity costs removed per MOU & 2018 Contract Amendment

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Attachment T-1

4/10/2023

Instructions: Summarize all proposed c

COST CATEGORIES	Labor or Non-Labor	2018 Amendment Annual Fixed Increase (2018 to 2022)	Year 6 Effective 1-1-23 Contract Inflation Adjusted (without CASP)	Year 7 Effective 1-1-24 Contract Inflation Adjusted (without CASP)	Year 8 Effective 1-1-25 Contract Inflation Adjusted (without CASP)	Year 9 Effective 1-1-26 Contract Inflation Adjusted (without CASP)	Year 10 Effective 1-1-27 Contract Inflation Adjusted (without CASP)	Year 11 Effective 1-1-28 Contract Inflation Adjusted (without CASP)	Year 12 Effective 1-1-29 Contract Inflation Adjusted (without CASP)	Year 13 Effective 1-1-30 Contract Inflation Adjusted (without CASP)	Year 14 Effective 1-1-31 Contract Inflation Adjusted (without CASP)
COLLECTION											
Operating Expenses											
Labor	Labor	1.035	$ 3,450,069	$ 3,570,821	$ 3,695,800	$ 3,825,153	$ 3,959,033	$ 4,097,600	$ 4,241,016	$ 4,389,451	$ 4,543,082
Supplies	Non-Labor	1.03	$ 225,927	$ 231,575	$ 237,364	$ 243,298	$ 249,381	$ 255,615	$ 262,006	$ 268,556	$ 275,270
Vehicle O&M			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Oil & Other Fluids	Non-Labor	1.03	$ 53,394	$ 54,729	$ 56,097	$ 57,499	$ 58,937	$ 60,410	$ 61,921	$ 63,469	$ 65,055
Vehicle Insurance	Non-Labor	1.03	$ 131,928	$ 135,226	$ 138,607	$ 142,072	$ 145,624	$ 149,264	$ 152,996	$ 156,821	$ 160,741
Vehicle Repair & Maintenance	Non-Labor	1.03	$ 1,200,993	$ 1,231,018	$ 1,261,793	$ 1,293,338	$ 1,325,672	$ 1,358,813	$ 1,392,784	$ 1,427,603	$ 1,463,293
Total			**$ 5,062,311**	**$ 5,223,369**	**$ 5,389,661**	**$ 5,561,361**	**$ 5,738,647**	**$ 5,921,703**	**$ 6,110,722**	**$ 6,305,900**	**$ 6,507,442**
G & A Expenses											
Customer Service											
Customer Service Labor	Labor	1.035	$ 281,248	$ 291,092	$ 301,280	$ 311,825	$ 322,739	$ 334,035	$ 345,726	$ 357,826	$ 370,350
Billing	Non-Labor	1.03	$ 230,260	$ 236,017	$ 241,917	$ 247,965	$ 254,164	$ 260,518	$ 267,031	$ 273,707	$ 280,549
Administration			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Admin Services	Labor	1.035	$ 727,126	$ 752,575	$ 778,916	$ 806,178	$ 834,394	$ 863,598	$ 893,824	$ 925,107	$ 957,486
General Insurance	Non-Labor	1.03	$ 695,480	$ 712,867	$ 730,688	$ 748,956	$ 767,679	$ 786,871	$ 806,543	$ 826,707	$ 847,374
Office Expenses	Non-Labor	1.03	$ 732,116	$ 750,419	$ 769,180	$ 788,409	$ 808,119	$ 828,322	$ 849,030	$ 870,256	$ 892,012
Public Information & Education	Non-Labor	1.03	$ 134,744	$ 138,113	$ 141,565	$ 145,104	$ 148,732	$ 152,450	$ 156,262	$ 160,168	$ 164,172
Total			**$ 2,800,974**	**$ 2,881,082**	**$ 2,963,546**	**$ 3,048,436**	**$ 3,135,827**	**$ 3,225,794**	**$ 3,318,416**	**$ 3,413,772**	**$ 3,511,945**
Vehicle & Equipment Capital T-2	Non-Labor	NA	$ 1,285,136	$ 1,284,221	$ 1,287,856	$ 1,297,959	$ 1,590,977	$ 1,517,030	$ 1,552,344	$ 1,669,418	$ 1,911,491
Overhead, Tax	Non-Labor	1.03	$ 281,135	$ 288,163	$ 295,367	$ 302,751	$ 310,320	$ 318,078	$ 326,030	$ 334,181	$ 342,535
Total			**$ 1,566,270**	**$ 1,572,385**	**$ 1,583,223**	**$ 1,600,710**	**$ 1,901,298**	**$ 1,835,108**	**$ 1,878,374**	**$ 2,003,599**	**$ 2,254,027**
Subtotal Collection Costs			**$ 9,429,555**	**$ 9,676,836**	**$ 9,936,430**	**$ 10,210,508**	**$ 10,775,772**	**$ 10,982,606**	**$ 11,307,512**	**$ 11,723,270**	**$ 12,273,414**
PROCESSING											
O&M											
Labor	Labor	1.035	$ 2,514,488	$ 2,602,495	$ 2,693,582	$ 2,787,858	$ 2,885,433	$ 2,986,423	$ 3,090,948	$ 3,199,131	$ 3,311,101
Operations	Non-Labor	1.03	$ 1,496,049	$ 1,533,450	$ 1,571,786	$ 1,611,081	$ 1,651,358	$ 1,692,642	$ 1,734,958	$ 1,778,332	$ 1,822,790
Contingency											
Total			**$ 4,010,537**	**$ 4,135,945**	**$ 4,265,368**	**$ 4,398,938**	**$ 4,536,791**	**$ 4,679,065**	**$ 4,825,905**	**$ 4,977,463**	**$ 5,133,890**
Capital											
Capital Improvements											
Equipment	Non-Labor	NA	$ 691,270	$ 768,184	$ 745,842	$ 753,272	$ 801,270	$ 770,253	$ 761,308	$ 771,670	$ 736,882
Other Start Up Costs											
Contingency											
Total			**$ 691,270**	**$ 768,184**	**$ 745,842**	**$ 753,272**	**$ 801,270**	**$ 770,253**	**$ 761,308**	**$ 771,670**	**$ 736,882**
Subtotal Baseline Processing Expenses			**$ 4,701,806**	**$ 4,904,129**	**$ 5,011,211**	**$ 5,152,210**	**$ 5,338,060**	**$ 5,449,317**	**$ 5,587,213**	**$ 5,749,133**	**$ 5,870,773**
Total Baseline Expenses			**$ 14,131,361**	**$ 14,580,964**	**$ 14,947,641**	**$ 15,362,718**	**$ 16,113,832**	**$ 16,431,923**	**$ 16,894,725**	**$ 17,472,403**	**$ 18,144,186**
Less NCRWS (County) Discount			$ (125,000)	$ (125,000)	$ (125,000)	$ (125,000)	$ (125,000)	$ (125,000)	$ (125,000)	$ (125,000)	$ (125,000)
Net Baseline Expenses			**$ 14,006,361**	**$ 14,455,964**	**$ 14,822,641**	**$ 15,237,718**	**$ 15,988,832**	**$ 16,306,923**	**$ 16,769,725**	**$ 17,347,403**	**$ 18,019,186**

Costs - Reimbursed at Current Costs	Labor or Non-Labor	2018 Amendment Annual Fixed Increase (2018 to 2022)	Year 6 Effective 1-1-23 Contract Inflation Adjusted (without CASP)	Year 7 Effective 1-1-24 Contract Inflation Adjusted (without CASP)	Year 8 Effective 1-1-25 Contract Inflation Adjusted (without CASP)	Year 9 Effective 1-1-26 Contract Inflation Adjusted (without CASP)	Year 10 Effective 1-1-27 Contract Inflation Adjusted (without CASP)	Year 11 Effective 1-1-28 Contract Inflation Adjusted (without CASP)	Year 12 Effective 1-1-29 Contract Inflation Adjusted (without CASP)	Year 13 Effective 1-1-30 Contract Inflation Adjusted (without CASP)	Year 14 Effective 1-1-31 Contract Inflation Adjusted (without CASP)
Total Baseline Cost with CASP (from T-4)											
Labor	Labor	1.035	$ 1,971,494	$ 2,040,497	$ 2,111,914	$ 2,185,831	$ 2,262,335	$ 2,341,517	$ 2,423,470	$ 2,508,291	$ 2,596,081
Non-Labor	Non-Labor	1.03	$ 901,206	$ 923,736	$ 946,829	$ 970,500	$ 994,762	$ 1,019,632	$ 1,045,122	$ 1,071,250	$ 1,098,032
Total	Total		**$ 2,872,700**	**$ 2,964,232**	**$ 3,058,743**	**$ 3,156,331**	**$ 3,257,097**	**$ 3,361,148**	**$ 3,468,592**	**$ 3,579,542**	**$ 3,694,113**
Fuel - Table 4	Annual (with CASP)		**$ 14,006,361**	**$ 14,455,964**	**$ 14,822,641**	**$ 15,237,718**	**$ 15,988,832**	**$ 16,306,923**	**$ 16,769,725**	**$ 17,347,403**	**$ 18,019,186**
Electricity - Table 4	Monthly (with CASP)		**$ 1,167,197**	**$ 1,204,664**	**$ 1,235,220**	**$ 1,269,810**	**$ 1,332,403**	**$ 1,358,910**	**$ 1,397,477**	**$ 1,445,617**	**$ 1,501,599**
	Oct 2021 to Sept 2022 Fuel		$ 996,090	CY2021 Fuel $ 845,655	CY2021 Fuel $ 996,090	CY2021 Fuel $ 845,655	CY2021 Fuel $ 996,090	CY2021 Fuel $ 845,655	CY2021 Fuel $ 996,090	CY2021 Fuel $ 845,655	CY2021 Fuel $ 845,655
	Oct 21-Sept 22 Electricity		$ 622,735	CY2021 Electricity $ 376,504	CY2021 Electricity $ 622,735	CY2021 Electricity $ 376,504	CY2021 Electricity $ 622,735	CY2021 Electricity $ 376,504	CY2021 Electricity $ 622,735	CY2021 Electricity $ 376,504	CY2021 Electricity $ 376,504
	Annual Fuel & Energy		**$ 1,618,824**	**$ 1,222,159**	**$ 1,618,824**	**$ 1,222,159**	**$ 1,618,824**	**$ 1,222,159**	**$ 1,618,824**	**$ 1,222,159**	**$ 1,222,159**
	Monthly Fuel & Energy		**$ 134,902**	**$ 101,847**	**$ 134,902**	**$ 101,847**	**$ 134,902**	**$ 101,847**	**$ 134,902**	**$ 101,847**	**$ 101,847**

Comment:
Added in $100k for Stormwater Solutions Contract cost beginning CY2023
Reply:
ok

builder:
$996,090 came from actual Oct 2021 Sept 2022 cost data provided by NRWS on 12-12-22 (see worksheet labeled "NRWS Fuel - Oct 2021 to Sept 2022"

builder:
$622,735 came from actual Oct 2021-Sept 2022 cost data provided by NRWS on 12-12-19 (see worksheet labeled "NRWS Energy - Oct 21 to Sept 22") with 600 Tower Road and Lincoln Ave electricity costs removed per MOU & 2018 Contract Amendment.

builder:
$845,655 came from actual Oct 2018-Sept 2019 cost data provided by NRWS on 12-4-19 (see worksheet labeled "Est. CY2019 NRWS Fuel")

builder:
$376,503.63 came from actual Oct 2018-Sept 2019 cost data provided by NRWS on 12-4-19 (see worksheet labeled "Est. CY2018 NRWS Energy") with 600 Tower Road and Lincoln Ave electricity costs removed per MOU & 2018 Contract Amendment.

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Instructions: Summarize all proposed c

COST CATEGORIES	Current Index Name	Current Index	Current Annual Costs	New Index
COLLECTION				
Operating Expenses				
Labor	CPI	1.045	2,806,633	CPI-Labor
Supplies	PPI	1.041	193,870	CPI-Other
Vehicle O&M				
Oil & Other Fluids	PPI	1.041	45,818	CPI-Other
Vehicle Insurance	PPI	1.041	113,209	CPI-Other
Vehicle Repair & Maintenance	PPI	1.041	1,030,585	CPI-Other
Total			**4,190,116**	
G & A Expenses				
Customer Service				
Customer Service Labor	CPI	1.045	228,796	CPI-Labor
Billing	PPI	1.041	197,589	CPI-Other
Administration				
Admin Services	CPI	1.045	591,517	CPI-Labor
General Insurance	PPI	1.041	596,799	CPI-Other
Office Expenses	PPI	1.041	628,237	CPI-Other
Public Information & Education	PPI	1.041	115,625	CPI-Other
Total			**2,358,563**	
Vehicle & Equipment Capital T-2				
Overhead, Tax	None	1.025	247,276	CPI-Other
Total			**247,276**	
Subtotal Collection Costs			**6,795,954**	
PROCESSING				
O&M				
Labor			1,858,193	
Operations			866,941	
Contingency				
Total			**2,725,134**	
Capital				
Capital Improvements				
Equipment			601,181	
Other Start Up Costs				
Contingency				
Total			**601,181**	
Subtotal Baseline Processing Expenses			**3,326,315**	
Total Baseline Expenses			**10,122,269**	
Less NCRWS (County) Discount			(125,000)	
Net Baseline Expenses			9,997,269	

Costs - Reimbursed at Current Costs			
Fuel	Fuel	505,412	Actual plus 3%
Fuel - Table 4		348,488	
Electricity - Table 4		128,780	
		982,680	
		10,979,949	

ATTACHMENT T-2: COLLECTION CAPITAL COSTS 2018$

t

Schedule of Assets	Cost	Amortized Annual Cost	Year Purchased	Year Replacement or Refurbished	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)
Residential: Number & Type of Vehicles																		
29cy Sideloader / CNG / 2	$ 424,199	$ 848,398	2018	2032	$ 60,600	$ 60,600	$ 60,600	$ 60,600	$ 60,600	$ 60,600	$ 60,600	$ 60,600	$ 60,600	$ 60,600	$ 60,600	$ 60,600	$ 60,600	$ 60,600
Refurbished Sideloader / CNG / 4	$ 239,487	$ 957,946	2018	2032	$ 68,425	$ 68,425	$ 68,425	$ 68,425	$ 68,425	$ 68,425	$ 68,425	$ 68,425	$ 68,425	$ 68,425	$ 68,425	$ 68,425	$ 68,425	$ 68,425
29cy Sideloader / CNG / 4	$ 439,046	$ 1,756,183	2019	2033		$ 135,091	$ 135,091	$ 135,091	$ 135,091	$ 135,091	$ 135,091	$ 135,091	$ 135,091	$ 135,091	$ 135,091	$ 135,091	$ 135,091	$ 135,091
29cy Sideloader / CNG / 3	$ 454,412	$ 1,363,237	2020	2034			$ 113,603	$ 113,603	$ 113,603	$ 113,603	$ 113,603	$ 113,603	$ 113,603	$ 113,603	$ 113,603	$ 113,603	$ 113,603	$ 113,603
Engines / Transmissions	$ 390,000	$ 390,000	2026											$ 78,000	$ 78,000	$ 78,000	$ 78,000	$ 78,000
Floors	$ 195,000	$ 195,000	2026											$ 39,000	$ 39,000	$ 39,000	$ 39,000	$ 39,000
Hydraulic systems	$ 130,000	$ 130,000	2026											$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 26,000
Cart Delivery / CNG / 1	$ 77,623	$ 77,623	2018	2032	$ 7,762	$ 7,762	$ 7,762	$ 7,762	$ 7,762	$ 7,762	$ 7,762	$ 7,762	$ 7,762	$ 7,762				
Route Sup / Unleaded / 1	$ 45,717	$ 45,717	2018	2032	$ 4,572	$ 4,572	$ 4,572	$ 4,572	$ 4,572	$ 4,572	$ 4,572	$ 4,572	$ 4,572	$ 4,572				
Shop / Unleaded / 1	$ 82,574	$ 82,574	2018	2032	$ 8,257	$ 8,257	$ 8,257	$ 8,257	$ 8,257	$ 8,257	$ 8,257	$ 8,257	$ 8,257	$ 8,257				
Manager / Unleaded / .50	$ 50,000	$ 25,000	2018	2032	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500				
Continue as needed																		
Residential Subtotal	$ 2,528,058	$ 5,871,679			$ 152,116	$ 287,207	$ 400,810	$ 400,810	$ 400,810	$ 400,810	$ 400,810	$ 400,810	$ 400,810	$ 543,810	$ 520,719	$ 520,719	$ 520,719	$ 520,719
Commercial: Number of & Type of Vehicles																		
40cy Frontloader w/ Curotto Can / CNG / 1	$ 506,417	$ 506,417	2018	2032	$ 36,173	$ 36,173	$ 36,173	$ 36,173	$ 36,173	$ 36,173	$ 36,173	$ 36,173	$ 36,173	$ 36,173	$ 36,173	$ 36,173	$ 36,173	$ 36,173
Refurbished Frontloader / CNG / 1	$ 200,000	$ 200,000	2018	2032	$ 14,286	$ 14,286	$ 14,286	$ 14,286	$ 14,286	$ 14,286	$ 14,286	$ 14,286	$ 14,286	$ 14,286	$ 14,286	$ 14,286	$ 14,286	$ 14,286
40cy Frontloader w/ Curotto Can / CNG / 2	$ 506,417	$ 1,012,834	2018	2032		$ 77,910	$ 77,910	$ 77,910	$ 77,910	$ 77,910	$ 77,910	$ 77,910	$ 77,910	$ 77,910	$ 77,910	$ 77,910	$ 77,910	$ 77,910
Refurbished Frontloader / CNG / 2	$ 200,000	$ 400,000	2018	2032		$ 30,769	$ 30,769	$ 30,769	$ 30,769	$ 30,769	$ 30,769	$ 30,769	$ 30,769	$ 30,769	$ 30,769	$ 30,769	$ 30,769	$ 30,769
40cy Frontloader w/ Curotto Can / CNG / 1	$ 524,142	$ 524,142	2019	2033			$ 43,678	$ 43,678	$ 43,678	$ 43,678	$ 43,678	$ 43,678	$ 43,678	$ 43,678	$ 43,678	$ 43,678	$ 43,678	$ 43,678
40cy Frontloader / CNG / 1	$ 468,510	$ 468,510	2019	2033			$ 39,043	$ 39,043	$ 39,043	$ 39,043	$ 39,043	$ 39,043	$ 39,043	$ 39,043	$ 39,043	$ 39,043	$ 39,043	$ 39,043
Refurbished Frontloader / CNG / 1	$ 200,000	$ 200,000	2019	2033			$ 16,667	$ 16,667	$ 16,667	$ 16,667	$ 16,667	$ 16,667	$ 16,667	$ 16,667	$ 16,667	$ 16,667	$ 16,667	$ 16,667
Engines / Transmissions	$ 270,000	$ 270,000	2026											$ 54,000	$ 54,000	$ 54,000	$ 54,000	$ 54,000
Floors	$ 135,000	$ 135,000	2026											$ 27,000	$ 27,000	$ 27,000	$ 27,000	$ 27,000
Hydraulic systems	$ 90,000	$ 90,000	2026											$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000
Bin Delivery / Diesel / 1	$ 65,710	$ 65,710	2018	2032	$ 4,694	$ 4,694	$ 4,694	$ 4,694	$ 4,694	$ 4,694	$ 4,694	$ 4,694	$ 4,694	$ 4,694	$ 4,694	$ 4,694	$ 4,694	$ 4,694
Route Sup / Unleaded / .75	$ 45,717	$ 34,288	2018	2032	$ 2,449	$ 2,449	$ 2,449	$ 2,449	$ 2,449	$ 2,449	$ 2,449	$ 2,449	$ 2,449	$ 2,449	$ 2,449	$ 2,449	$ 2,449	$ 2,449
Shop / Unleaded / .75	$ 82,574	$ 61,931	2018	2032	$ 4,424	$ 4,424	$ 4,424	$ 4,424	$ 4,424	$ 4,424	$ 4,424	$ 4,424	$ 4,424	$ 4,424	$ 4,424	$ 4,424	$ 4,424	$ 4,424
Manager / Unleaded / .35	$ 50,000	$ 17,500	2018	2032	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250
Continue as needed																		
Commercial Subtotal	$ 3,344,487	$ 3,986,332			$ 63,275	$ 171,954	$ 271,342	$ 271,342	$ 271,342	$ 271,342	$ 271,342	$ 271,342	$ 271,342	$ 370,342	$ 370,342	$ 370,342	$ 370,342	$ 370,342
Roll Off: Number & Type of Vehicles																		
Rolloff 4-axle / CNG / 2	$ 338,224	$ 676,448	2018	2032	$ 48,318	$ 48,318	$ 48,318	$ 48,318	$ 48,318	$ 48,318	$ 48,318	$ 48,318	$ 48,318	$ 48,318	$ 48,318	$ 48,318	$ 48,318	$ 48,318
Rolloff 4-axle / CNG / 2	$ 349,662	$ 699,324	2019	2033		$ 53,794	$ 53,794	$ 53,794	$ 53,794	$ 53,794	$ 53,794	$ 53,794	$ 53,794	$ 53,794	$ 53,794	$ 53,794	$ 53,794	$ 53,794
Engines / Transmissions	$ 120,000	$ 120,000	2026											$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000
Hydraulic systems	$ 40,000	$ 40,000	2026											$ 8,000	$ 8,000	$ 8,000	$ 8,000	$ 8,000
Route Sup / Unleaded / .25	$ 45,717	$ 11,429	2018	2032	$ 816	$ 816	$ 816	$ 816	$ 816	$ 816	$ 816	$ 816	$ 816	$ 816	$ 816	$ 816	$ 816	$ 816
Shop / Unleaded / .25	$ 82,574	$ 20,644	2018	2032	$ 1,475	$ 1,475	$ 1,475	$ 1,475	$ 1,475	$ 1,475	$ 1,475	$ 1,475	$ 1,475	$ 1,475	$ 1,475	$ 1,475	$ 1,475	$ 1,475
Manager / Unleaded / .15	$ 50,000	$ 7,500	2018	2032	$ 536	$ 536	$ 536	$ 536	$ 536	$ 536	$ 536	$ 536	$ 536	$ 536	$ 536	$ 536	$ 536	$ 536
Continue as needed																		
Roll Off Subtotal	$ 1,026,177	$ 1,575,345			$ 51,144	$ 104,939	$ 104,939	$ 104,939	$ 104,939	$ 104,939	$ 104,939	$ 104,939	$ 104,939	$ 136,939	$ 136,939	$ 136,939	$ 136,939	$ 136,939
All Vehicle Subtotals (Sum Residential, Commercial and Roll Off):		$ 11,433,356			$ 266,535	$ 564,100	$ 777,091	$ 777,091	$ 777,091	$ 777,091	$ 777,091	$ 777,091	$ 777,091	$ 1,051,091	$ 1,027,999	$ 1,027,999	$ 1,027,999	$ 1,027,999
# of Residential & Commercial Recycling Containers																		
# of Residential & Commercial Compostables Containers																		
# of Residential & Commercial MSW Containers																		
Carts		$ 250,000	2018		$ 17,857	$ 17,857	$ 17,857	$ 17,857	$ 17,857	$ 17,857	$ 17,857	$ 17,857	$ 17,857	$ 17,857	$ 17,857	$ 17,857	$ 17,857	$ 17,857
Carts		$ 250,000	2019			$ 19,231	$ 19,231	$ 19,231	$ 19,231	$ 19,231	$ 19,231	$ 19,231	$ 19,231	$ 19,231	$ 19,231	$ 19,231	$ 19,231	$ 19,231
Carts		$ 250,000	2020				$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833	$ 20,833
Carts		$ 250,000	2021					$ 22,727	$ 22,727	$ 22,727	$ 22,727	$ 22,727	$ 22,727	$ 22,727	$ 22,727	$ 22,727	$ 22,727	$ 22,727
Carts		$ 250,000	2022						$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Carts		$ 250,000	2023							$ 27,778	$ 27,778	$ 27,778	$ 27,778	$ 27,778	$ 27,778	$ 27,778	$ 27,778	$ 27,778
Carts		$ 250,000	2024								$ 31,250	$ 31,250	$ 31,250	$ 31,250	$ 31,250	$ 31,250	$ 31,250	$ 31,250
Carts		$ 250,000	2025									$ 35,714	$ 35,714	$ 35,714	$ 35,714	$ 35,714	$ 35,714	$ 35,714
Carts		$ 250,000	2026										$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667
Carts		$ 250,000	2027											$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000

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Schedule of Assets	Cost	Amortized Annual Cost	Year Purchased	Year Replacement or Refurbished	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)
Carts		$ 250,000	2028												$ 62,500	$ 62,500	$ 62,500	$ 62,500
Carts		$ 250,000	2029													$ 83,333	$ 83,333	$ 83,333
Carts		$ 250,000	2030														$ 125,000	$ 125,000
Carts		$ 250,000	2031															$ 250,000
# of Commercial Bins:																		
1.5 CY 13	$ 489	$ 6,354	2018		$ 635	$ 635	$ 635	$ 635	$ 635	$ 635	$ 635	$ 635	$ 635	$ 635				
2 CY 78	$ 539	$ 42,015	2018		$ 4,202	$ 4,202	$ 4,202	$ 4,202	$ 4,202	$ 4,202	$ 4,202	$ 4,202	$ 4,202	$ 4,202				
3 CY 52	$ 619	$ 32,197	2018		$ 3,220	$ 3,220	$ 3,220	$ 3,220	$ 3,220	$ 3,220	$ 3,220	$ 3,220	$ 3,220	$ 3,220				
4 CY 76	$ 730	$ 55,502	2018		$ 5,550	$ 5,550	$ 5,550	$ 5,550	$ 5,550	$ 5,550	$ 5,550	$ 5,550	$ 5,550	$ 5,550				
6 CY 47	$ 877	$ 41,199	2018		$ 4,120	$ 4,120	$ 4,120	$ 4,120	$ 4,120	$ 4,120	$ 4,120	$ 4,120	$ 4,120	$ 4,120				
1.5 CY 6	$ 489	$ 2,933	2019			$ 293	$ 293	$ 293	$ 293	$ 293	$ 293	$ 293	$ 293	$ 293	$ 293			
2 CY 35	$ 539	$ 18,853	2019			$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885			
3 CY 23	$ 619	$ 14,241	2019			$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424			
4 CY 34	$ 730	$ 24,830	2019			$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483			
6 CY 21	$ 877	$ 18,408	2019			$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841			
1.5 CY 6	$ 489	$ 2,933	2020				$ 293	$ 293	$ 293	$ 293	$ 293	$ 293	$ 293	$ 293	$ 293	$ 293		
2 CY 35	$ 539	$ 18,853	2020				$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885		
3 CY 23	$ 619	$ 14,241	2020				$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424		
4 CY 34	$ 730	$ 24,830	2020				$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483		
6 CY 21	$ 877	$ 18,408	2020				$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841		
1.5 CY 6	$ 489	$ 2,933	2021					$ 293	$ 293	$ 293	$ 293	$ 293	$ 293	$ 293	$ 293	$ 293	$ 293	
2 CY 35	$ 539	$ 18,853	2021					$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	$ 1,885	
3 CY 23	$ 619	$ 14,241	2021					$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	$ 1,424	
4 CY 34	$ 730	$ 24,830	2021					$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	$ 2,483	
6 CY 21	$ 877	$ 18,408	2021					$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	$ 1,841	
1.5 CY 6	$ 489	$ 2,935	2022						$ 294	$ 294	$ 294	$ 294	$ 294	$ 294	$ 294	$ 294	$ 294	$ 294
2 CY 35	$ 539	$ 18,872	2022						$ 1,887	$ 1,887	$ 1,887	$ 1,887	$ 1,887	$ 1,887	$ 1,887	$ 1,887	$ 1,887	$ 1,887
3 CY 23	$ 620	$ 14,255	2022						$ 1,426	$ 1,426	$ 1,426	$ 1,426	$ 1,426	$ 1,426	$ 1,426	$ 1,426	$ 1,426	$ 1,426
4 CY 34	$ 731	$ 24,855	2022						$ 2,486	$ 2,486	$ 2,486	$ 2,486	$ 2,486	$ 2,486	$ 2,486	$ 2,486	$ 2,486	$ 2,486
6 CY 21	$ 877	$ 18,427	2022						$ 1,843	$ 1,843	$ 1,843	$ 1,843	$ 1,843	$ 1,843	$ 1,843	$ 1,843	$ 1,843	$ 1,843
1.5 CY 6	$ 490	$ 2,938	2023							$ 326	$ 326	$ 326	$ 326	$ 326	$ 326	$ 326	$ 326	$ 326
2 CY 35	$ 540	$ 18,890	2023							$ 2,099	$ 2,099	$ 2,099	$ 2,099	$ 2,099	$ 2,099	$ 2,099	$ 2,099	$ 2,099
3 CY 23	$ 620	$ 14,269	2023							$ 1,585	$ 1,585	$ 1,585	$ 1,585	$ 1,585	$ 1,585	$ 1,585	$ 1,585	$ 1,585
4 CY 34	$ 732	$ 24,880	2023							$ 2,764	$ 2,764	$ 2,764	$ 2,764	$ 2,764	$ 2,764	$ 2,764	$ 2,764	$ 2,764
6 CY 21	$ 878	$ 18,445	2023							$ 2,049	$ 2,049	$ 2,049	$ 2,049	$ 2,049	$ 2,049	$ 2,049	$ 2,049	$ 2,049
1.5 CY 6	$ 490	$ 2,941	2024								$ 368	$ 368	$ 368	$ 368	$ 368	$ 368	$ 368	$ 368
2 CY 35	$ 540	$ 18,909	2024								$ 2,364	$ 2,364	$ 2,364	$ 2,364	$ 2,364	$ 2,364	$ 2,364	$ 2,364
3 CY 23	$ 621	$ 14,284	2024								$ 1,786	$ 1,786	$ 1,786	$ 1,786	$ 1,786	$ 1,786	$ 1,786	$ 1,786
4 CY 34	$ 732	$ 24,905	2024								$ 3,113	$ 3,113	$ 3,113	$ 3,113	$ 3,113	$ 3,113	$ 3,113	$ 3,113
6 CY 21	$ 879	$ 18,464	2024								$ 2,308	$ 2,308	$ 2,308	$ 2,308	$ 2,308	$ 2,308	$ 2,308	$ 2,308
1.5 CY 6	$ 491	$ 2,944	2025									$ 421	$ 421	$ 421	$ 421	$ 421	$ 421	$ 421
2 CY 35	$ 541	$ 18,928	2025									$ 2,704	$ 2,704	$ 2,704	$ 2,704	$ 2,704	$ 2,704	$ 2,704
3 CY 23	$ 622	$ 14,298	2025									$ 2,043	$ 2,043	$ 2,043	$ 2,043	$ 2,043	$ 2,043	$ 2,043
4 CY 34	$ 733	$ 24,930	2025									$ 3,561	$ 3,561	$ 3,561	$ 3,561	$ 3,561	$ 3,561	$ 3,561
6 CY 21	$ 880	$ 18,482	2025									$ 2,640	$ 2,640	$ 2,640	$ 2,640	$ 2,640	$ 2,640	$ 2,640
1.5 CY 6	$ 491	$ 2,947	2026										$ 491	$ 491	$ 491	$ 491	$ 491	$ 491
2 CY 35	$ 541	$ 18,947	2026										$ 3,158	$ 3,158	$ 3,158	$ 3,158	$ 3,158	$ 3,158
3 CY 23	$ 622	$ 14,312	2026										$ 2,385	$ 2,385	$ 2,385	$ 2,385	$ 2,385	$ 2,385
4 CY 34	$ 734	$ 24,954	2026										$ 4,159	$ 4,159	$ 4,159	$ 4,159	$ 4,159	$ 4,159
6 CY 21	$ 881	$ 18,500	2026										$ 3,083	$ 3,083	$ 3,083	$ 3,083	$ 3,083	$ 3,083
1.5 CY 5	$ 492	$ 2,458	2027											$ 492	$ 492	$ 492	$ 492	$ 492
2 CY 34	$ 542	$ 18,424	2027											$ 3,685	$ 3,685	$ 3,685	$ 3,685	$ 3,685
3 CY 22	$ 623	$ 13,704	2027											$ 2,741	$ 2,741	$ 2,741	$ 2,741	$ 2,741
4 CY 33	$ 735	$ 24,245	2027											$ 4,849	$ 4,849	$ 4,849	$ 4,849	$ 4,849
6 CY 20	$ 882	$ 17,637	2027											$ 3,527	$ 3,527	$ 3,527	$ 3,527	$ 3,527
# of Roll-Off Boxes:																		
10 CY 15	$ 3,070	$ 46,050	2018		$ 4,605	$ 4,605	$ 4,605	$ 4,605	$ 4,605	$ 4,605	$ 4,605	$ 4,605	$ 4,605	$ 4,605				
20 CY 20	$ 3,919	$ 78,380	2018		$ 7,838	$ 7,838	$ 7,838	$ 7,838	$ 7,838	$ 7,838	$ 7,838	$ 7,838	$ 7,838	$ 7,838				
20 CY split 5	$ 4,311	$ 21,555	2018		$ 2,156	$ 2,156	$ 2,156	$ 2,156	$ 2,156	$ 2,156	$ 2,156	$ 2,156	$ 2,156	$ 2,156				
20 CY round bottom 20	$ 6,590	$ 131,800	2018		$ 13,180	$ 13,180	$ 13,180	$ 13,180	$ 13,180	$ 13,180	$ 13,180	$ 13,180	$ 13,180	$ 13,180				
30 CY 20	$ 4,584	$ 91,680	2018		$ 9,168	$ 9,168	$ 9,168	$ 9,168	$ 9,168	$ 9,168	$ 9,168	$ 9,168	$ 9,168	$ 9,168				
40 CY 5	$ 5,499	$ 27,495	2018		$ 2,750	$ 2,750	$ 2,750	$ 2,750	$ 2,750	$ 2,750	$ 2,750	$ 2,750	$ 2,750	$ 2,750				
Total Roll-Off Boxes 85																		
10 CY 15	$ 3,101	$ 46,511	2019			$ 4,651	$ 4,651	$ 4,651	$ 4,651	$ 4,651	$ 4,651	$ 4,651	$ 4,651	$ 4,651	$ 4,651			
20 CY 20	$ 3,958	$ 79,164	2019			$ 7,916	$ 7,916	$ 7,916	$ 7,916	$ 7,916	$ 7,916	$ 7,916	$ 7,916	$ 7,916	$ 7,916			
20 CY split 5	$ 4,354	$ 21,771	2019			$ 2,177	$ 2,177	$ 2,177	$ 2,177	$ 2,177	$ 2,177	$ 2,177	$ 2,177	$ 2,177	$ 2,177			
20 CY round bottom 20	$ 6,656	$ 133,118	2019			$ 13,312	$ 13,312	$ 13,312	$ 13,312	$ 13,312	$ 13,312	$ 13,312	$ 13,312	$ 13,312	$ 13,312			
30 CY 20	$ 4,630	$ 92,597	2019			$ 9,260	$ 9,260	$ 9,260	$ 9,260	$ 9,260	$ 9,260	$ 9,260	$ 9,260	$ 9,260	$ 9,260			
40 CY 5	$ 5,554	$ 27,770	2019			$ 2,777	$ 2,777	$ 2,777	$ 2,777	$ 2,777	$ 2,777	$ 2,777	$ 2,777	$ 2,777	$ 2,777			
Total Roll-Off Boxes 85																		

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Schedule of Assets	Cost	Amortized Annual Cost	Year Purchased	Year Replacement or Refurbished	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)
Shop & Wash Equipment:																		
Compressors	$ 6,029	$ 6,029	2018		$ 603	$ 603	$ 603	$ 603	$ 603	$ 603	$ 603	$ 603	$ 603	$ 603				
Roll up doors	$ 8,424	$ 8,424	2018		$ 842	$ 842	$ 842	$ 842	$ 842	$ 842	$ 842	$ 842	$ 842	$ 842				
Welders	$ 2,681	$ 2,681	2018		$ 268	$ 268	$ 268	$ 268	$ 268	$ 268	$ 268	$ 268	$ 268	$ 268				
Body lift jacks	$ 4,536	$ 4,536	2018		$ 454	$ 454	$ 454	$ 454	$ 454	$ 454	$ 454	$ 454	$ 454	$ 454				
Air pumps	$ 6,912	$ 6,912	2018		$ 691	$ 691	$ 691	$ 691	$ 691	$ 691	$ 691	$ 691	$ 691	$ 691				
Battery load tester	$ 2,268	$ 2,268	2018		$ 227	$ 227	$ 227	$ 227	$ 227	$ 227	$ 227	$ 227	$ 227	$ 227				
Air impact wrenches 1"	$ 1,771	$ 1,771	2018		$ 177	$ 177	$ 177	$ 177	$ 177	$ 177	$ 177	$ 177	$ 177	$ 177				
Roll up doors	$ 9,048	$ 9,048	2023						$ 905	$ 905	$ 905	$ 905	$ 905	$ 905	$ 905	$ 905	$ 905	$ 905
Welders	$ 11,600	$ 11,600	2023						$ 1,160	$ 1,160	$ 1,160	$ 1,160	$ 1,160	$ 1,160	$ 1,160	$ 1,160	$ 1,160	$ 1,160
10 ton jacks	$ 3,306	$ 3,306	2023						$ 331	$ 331	$ 331	$ 331	$ 331	$ 331	$ 331	$ 331	$ 331	$ 331
Wash Equipment	$ 15,700	$ 15,700	2023						$ 1,570	$ 1,570	$ 1,570	$ 1,570	$ 1,570	$ 1,570	$ 1,570	$ 1,570	$ 1,570	$ 1,570
Computers:																		
Laptops	$ 4,536	$ 4,536	2018		$ 907	$ 907	$ 907	$ 907	$ 907									
Workstations	$ 15,120	$ 15,120	2018		$ 3,024	$ 3,024	$ 3,024	$ 3,024	$ 3,024									
Laptops	$ 5,670	$ 5,670	2023							$ 1,134	$ 1,134	$ 1,134	$ 1,134	$ 1,134				
Workstations	$ 18,900	$ 18,900	2023							$ 3,780	$ 3,780	$ 3,780	$ 3,780	$ 3,780				
Software:																		
Office licenses	$ 34,590	$ 34,590	2018		$ 6,918	$ 6,918	$ 6,918	$ 6,918	$ 6,918									
Server licenses	$ 7,854	$ 7,854	2018		$ 1,571	$ 1,571	$ 1,571	$ 1,571	$ 1,571									
Exchange licenses	$ 2,781	$ 2,781	2018		$ 556	$ 556	$ 556	$ 556	$ 556									
Interest		$ 2,396,724			$ 416,133	$ 380,168	$ 343,052	$ 304,748	$ 265,218	$ 224,423	$ 182,321	$ 138,872	$ 94,032	$ 47,757				
GRAND TOTAL Assets		$ 19,178,736			$ 774,186	$ 1,103,036	$ 1,307,671	$ 1,300,020	$ 1,297,390	$ 1,285,136	$ 1,284,221	$ 1,287,856	$ 1,297,959	$ 1,590,977	$ 1,517,030	$ 1,552,344	$ 1,669,418	$ 1,911,491
Total Annual Cost		Foots																

ATTACHMENT T-3: PROCESSING CAPITAL COSTS - BASELINE THROUGHPUT 2018$

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Capital Cost Item	Cost	Amortized Annual Cost	Year Purchased	Year Replacement or Refurbished	Economic Life (years)	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)
Capital Improvements																			
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fixed Equipment																			
Recondition MRF Sort line / Baler	$ 3,859,981	$ 3,859,981	2018	2032	14	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713
Replacements - Sort line	$ 225,000	$ 225,000	2026	2030-2032 & 2037 - 2041	5										$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000
Replacements - CASP	$ 165,000	$ 165,000	2026	2030-2032 & 2037 - 2041	5										$ 33,000	$ 33,000	$ 33,000	$ 33,000	$ 33,000
Subtotal	$ 4,249,981	$ 4,249,981				$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 275,713	$ 353,713	$ 353,713	$ 353,713	$ 353,713	$ 353,713
Rolling Stock																			
CAT DP25N5 Forlifts (2)	$ 43,710	$ 87,420	2018	2032	14	$ 6,244	$ 6,244	$ 6,244	$ 6,244	$ 6,244	$ 6,244	$ 6,244	$ 6,244	$ 6,244	$ 6,244	$ 6,244	$ 6,244	$ 6,244	$ 6,244
CAT DP25N5 Forklift	$ 44,691	$ 44,691	2018	2032	14	$ 3,192	$ 3,192	$ 3,192	$ 3,192	$ 3,192	$ 3,192	$ 3,192	$ 3,192	$ 3,192	$ 3,192	$ 3,192	$ 3,192	$ 3,192	$ 3,192
JD 624K Loaders (3)	$ 280,160	$ 840,480	2018	2032	14	$ 60,034	$ 60,034	$ 60,034	$ 60,034	$ 60,034	$ 60,034	$ 60,034	$ 60,034	$ 60,034	$ 60,034	$ 60,034	$ 60,034	$ 60,034	$ 60,034
Water truck (1)	$ 75,000	$ 75,000	2018		14	$ 5,357	$ 5,357	$ 5,357	$ 5,357	$ 5,357	$ 5,357	$ 5,357	$ 5,357	$ 5,357	$ 5,357	$ 5,357	$ 5,357	$ 5,357	$ 5,357
Remove Water truck	$ (64,286)	$ (64,286)	2018					$ (5,357)	$ (5,357)	$ (5,357)	$ (5,357)	$ (5,357)	$ (5,357)	$ (5,357)	$ (5,357)	$ (5,357)	$ (5,357)	$ (5,357)	$ (5,357)
Water truck (New)	$ 207,487	$ 207,487	2020	2034	12			$ 17,291	$ 17,291	$ 17,291	$ 17,291	$ 17,291	$ 17,291	$ 17,291	$ 17,291	$ 17,291	$ 17,291	$ 17,291	$ 17,291
Tymco Model 435 - Street Sweeper (1)	$ 172,054	$ 172,054	2018	2032	14	$ 12,290	$ 12,290	$ 12,290	$ 12,290	$ 12,290	$ 12,290	$ 12,290	$ 12,290	$ 12,290	$ 12,290	$ 12,290	$ 12,290	$ 12,290	$ 12,290
Trommel Screen - post-processing	$ 375,000	$ 375,000	2018	2032	14	$ 26,786	$ 26,786	$ 26,786	$ 26,786	$ 26,786	$ 26,786	$ 26,786	$ 26,786	$ 26,786	$ 26,786	$ 26,786	$ 26,786	$ 26,786	$ 26,786
Screens - Pre-processing	$ 651,000	$ 651,000	2024	2032	8							$ 81,375	$ 81,375	$ 81,375	$ 81,375	$ 81,375	$ 81,375	$ 81,375	$ 81,375
Komptech Crambo 6200	$ 946,822	$ 946,822	2020	2032	11				$ 86,075	$ 86,075	$ 86,075	$ 86,075	$ 86,075	$ 86,075	$ 86,075	$ 86,075	$ 86,075	$ 86,075	$ 86,075
Replacements - Front & Rear axles (loaders)	$ 62,000	$ 62,000	2018	2035	5									$ 12,400	$ 12,400	$ 12,400	$ 12,400	$ 12,400	
Replacements - Water truck	$ 15,000	$ 15,000	2018	2035	5									$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	
Replacements - Street sweeper	$ 45,000	$ 45,000	2018	2035	5									$ 9,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000	
Subtotal	$ 2,809,928	$ 3,457,668				$ 113,903	$ 113,903	$ 125,837	$ 211,911	$ 211,911	$ 211,911	$ 293,286	$ 293,286	$ 317,686	$ 317,686	$ 317,686	$ 317,686	$ 317,686	$ 293,286
Other Costs																			
1.5 CY roll dump bins (10)	$ 962	$ 9,619	2018	2032	14	$ 687	$ 687	$ 687	$ 687	$ 687	$ 687	$ 687	$ 687	$ 687	$ 687	$ 687	$ 687	$ 687	$ 687
3 CY roll dump bins (20)	$ 1,159	$ 23,183	2018	2032	14	$ 1,656	$ 1,656	$ 1,656	$ 1,656	$ 1,656	$ 1,656	$ 1,656	$ 1,656	$ 1,656	$ 1,656	$ 1,656	$ 1,656	$ 1,656	$ 1,656
20CY Boxes (4)	$ 3,958	$ 15,831	2018	2032	14	$ 1,131	$ 1,131	$ 1,131	$ 1,131	$ 1,131	$ 1,131	$ 1,131	$ 1,131	$ 1,131	$ 1,131	$ 1,131	$ 1,131	$ 1,131	$ 1,131
30CY Boxes (10)	$ 4,630	$ 46,301	2018	2032	14	$ 3,307	$ 3,307	$ 3,307	$ 3,307	$ 3,307	$ 3,307	$ 3,307	$ 3,307	$ 3,307	$ 3,307	$ 3,307	$ 3,307	$ 3,307	$ 3,307
40CY Boxes (24)	$ 5,554	$ 133,292	2018	2032	14	$ 9,521	$ 9,521	$ 9,521	$ 9,521	$ 9,521	$ 9,521	$ 9,521	$ 9,521	$ 9,521	$ 9,521	$ 9,521	$ 9,521	$ 9,521	$ 9,521
Interest		$ 1,124,617				$ 195,263	$ 178,387	$ 160,971	$ 142,997	$ 124,448	$ 105,306	$ 85,551	$ 65,163	$ 44,123	$ 22,408				
Interest - Komptech Crambo 6200		$ 257,912							$ 76,988	$ 31,364	$ 28,667	$ 25,881	$ 23,003	$ 20,030	$ 16,958	$ 13,784	$ 10,504	$ 7,116	$ 3,617
Interest - Pre-processing screen		$ 100,330										$ 20,058	$ 19,426	$ 16,918	$ 14,327	$ 11,648	$ 8,879	$ 6,017	$ 3,057
Interest - Water truck less 2018 purchase		$ 46,889						$ 6,624	$ 6,208	$ 5,771	$ 5,312	$ 4,831	$ 4,325	$ 3,794	$ 3,236	$ 2,650	$ 2,035	$ 1,390	$ 713
Subtotal	$ 16,263	$ 1,757,974				$ 211,565	$ 194,689	$ 183,897	$ 242,495	$ 177,885	$ 155,587	$ 152,623	$ 128,219	$ 101,167	$ 73,231	$ 44,384	$ 37,720	$ 30,825	$ 23,689
Contingency (__%)																			
Total		$ 9,465,623				$ 601,181	$ 584,305	$ 585,446	$ 730,119	$ 665,509	$ 643,211	$ 721,622	$ 697,218	$ 694,566	$ 744,630	$ 715,783	$ 709,119	$ 702,224	$ 670,688

DNF

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Attachment T-4

4/10/2023

Instructions: Complete form with proposed O&M processing costs with CASP. Costs for Processing, Pre-processing, and CASP are for baseline throughput only. Costs for Storm water are total costs.

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ATTACHMENT T-4: PROCESSING O&M COSTS - BASELINE THROUGHPUT (with CASP) 2018$

	Current Annual Costs (Feb-Jan17)			Clean MRF - Processing (Baseline Throughput) (base scope of work)			Compost - Processing (Baseline Throughput) (base scope of work)			Wood - Processing (Baseline Throughput) (base scope of work)			S/S C&D - Processing (Baseline Throughput) (base scope of work)			Other Areas - Processing (Baseline Throughput) (base scope of work)			Current Annual Costs (Feb-Jan17)			Processing (Baseline Throughput) (base scope of work)		
LABOR	**Annual Salary**	**Number of FTEs**	**Annual Cost**	**Annual Salary**	**Number of FTEs**	**Annual Cost**	**Annual Salary**	**Number of FTEs**	**Annual Cost**	**Annual Salary**	**Number of FTEs**	**Annual Cost**	**Annual Salary**	**Number of FTEs**	**Annual Cost**	**Annual Salary**	**Number of FTEs**	**Annual Cost**	**Annual Salary**	**Number of FTEs**	**Annual Cost**	**Annual Salary**	**Number of FTEs**	**Annual Cost**
Salaries (by labor category)																								
General Manager	176,559	0.5	$ 88,279.59	79,452	0.225	$ 39,725.82	88,280	0.25	$ 44,139.80	4,414	0.0125	$ 2,206.99	4,414	0.0125	$ 2,206.99				176,559	0.50	$ 88,279.59	176,559	0.50	$ 88,279.59
Manager, Recycling	81,722	0.75	$ 61,291.26	40,861	0.375	$ 30,645.63	40,861	0.375	$ 30,645.63										81,722	0.75	$ 61,291.26	81,722	0.75	$ 61,291.26
Lab Technician/Regulatory Compliance																								
Administrative Assistant	43,760	0.5	$ 21,792.44	43,585	0.5	$ 21,792.44													43,585	0.50	$ 21,792.44	43,585	0.50	$ 21,792.44
Customer Service (Scale house)	54,700	1	$ 54,481.12	24,615	0.45	$ 24,516.50	27,350	0.5	$ 27,240.56	1,368	0.025	$ 1,362.03	1,368	0.025	$ 1,362.03				54,700	1.00	$ 54,481.12	54,700	1.00	$ 54,481.12
Composting Equipment Operator	50,571	3	$ 151,105.66				50,571	3	###########										50,571	3.00	$ 151,105.66	50,571	3.00	$ 151,105.66
Composting Sorter/Processor																						-	0.00	$ -
Clean MRF Sorter/Processor	28,991	17	$ 490,874.83	28,991	17	$ 490,874.83													28,991	17.00	$ 490,874.83	28,991	17.00	$ 490,874.83
Clean MRF Equipment Operator	31,726	3	$ 94,797.15	31,726	3	$ 94,797.15													31,726	3.00	$ 94,797.15	31,726	3.00	$ 94,797.15
Wood Processing Equipment Operator	50,571	0.34	$ 17,125.31							50,571	0.34	$ 17,125.31							50,571	0.34	$ 17,125.31	50,571	0.34	$ 17,125.31
C&D Processing (S.Sep.) Equipment Operator	50,570	0.33	$ 16,621.62										49,685	0.33	$ 16,621.62				49,685	0.33	$ 16,621.62	49,685	0.33	$ 16,621.62
C&D Processing (Mixed) Sorter/Processor	50,570	0	$ -																-	0.00	$ -	-	0.00	$ -
C&D Processing (Mixed) Equipment Operator	50,570	0.33	$ 16,621.62										49,865	0.33	$ 16,621.62				49,865	0.33	$ 16,621.62	49,865	0.33	$ 16,621.62
Residential Food Waste Equipment Operator	-	0	$ -																-	0.00	$ -	-	0.00	$ -
Mechanics	70,338	0.5	$ 35,028.71	31,652	0.225	$ 15,762.92	35,169	0.25	$ 17,514.36	1,758	0.0125	$ 875.72	1,758	0.0125	$ 875.72				70,338	0.50	$ 35,028.71	70,338	0.50	$ 35,028.71
Mechanics Helper	41,456	0.5	$ 20,645.44	18,655	0.225	$ 9,290.45	20,728	0.25	$ 10,322.72	1,036	0.0125	$ 516.14	1,036	0.0125	$ 516.14				41,456	0.50	$ 20,645.44	41,456	0.50	$ 20,645.44
Subtotal			$ 1,068,664.75			$ 727,405.74			###########			$ 22,086.18			$ 38,204.11						###########			###########
Fringe Benefits			$ 434,899.66			$ 280,829.88			###########			$ 16,369.00			$ 10,019.00						$ 434,899.88			$ 434,899.88
Total			**$ 1,503,564.41**			**$ 1,008,235.62**			###########			**$ 38,455.18**			**$ 48,223.11**						###########			###########
Leased Equipment																								
Total																								
Other Operating Expenses																								
Water and Sewer			$ 7,553.66						$ 7,553.66												$ 7,553.66			$ 7,553.66
Supplies			$ 49,098.88			$ 22,094.50			$ 24,549.44			$ 1,227.47			$ 1,227.47						$ 49,098.88			$ 49,098.88
Outside Services			$ 32,732.62			$ 14,729.68			$ 16,366.31			$ 818.32			$ 818.32						$ 32,732.62			$ 32,732.62
Maintenance			$ 16,366.30			$ 7,364.84			$ 8,183.15			$ 409.16			$ 409.16						$ 16,366.30			$ 16,366.30
Tires																								$ -
Oil & Filters																								$ -
Licenses - DMV																								$ -
Permits																								$ -
Equipment rental																								$ -
Taxes, Property			$ 81,498.52			$ 59,493.92			$ 20,374.63			$ 814.99			$ 814.99						$ 81,498.52			$ 81,498.52
Business Licenses			$ 4,708.56			$ 2,118.85			$ 2,354.28			$ 117.71			$ 117.71						$ 4,708.56			$ 4,708.56
Insurance																								$ -
Property			$ 24,808.24			$ 18,110.01			$ 6,202.06			$ 248.08			$ 248.08						$ 24,808.24			$ 24,808.24
Liability			$ 14,471.47			$ 6,512.16			$ 7,235.74			$ 361.79			$ 361.79						$ 14,471.47			$ 14,471.47
Pollution			$ 12,404.12			$ 5,581.85			$ 6,202.06			$ 310.10			$ 310.10						$ 12,404.12			$ 12,404.12
Worker's Comp			$ 155,051.50			$ 97,682.44			$ 45,263.05			$ 4,435.00			$ 7,671.40						$ 155,051.90			$ 155,051.90
Vehicle																								$ -
Engineering and lab services			$ 6,294.72						$ 6,294.72												$ 6,294.72			$ 6,294.72
Fire inspection fees																								$ -
Payroll service			$ 18,984.92			$ 8,543.21			$ 9,492.46			$ 474.62			$ 474.62						$ 18,984.92			$ 18,984.92
First Aid Costs			$ 6,294.72			$ 2,832.62			$ 3,147.36			$ 157.37			$ 157.37						$ 6,294.72			$ 6,294.72
Management Fee			$ 134,604.00			$ 60,571.80			$ 67,302.00			$ 3,365.10			$ 3,365.10						$ 134,604.00			$ 134,604.00
Disposal:			$ -																		$ -			$ -
Tires			$ 15,107.34															$ 15,107.34			$ 15,107.34			$ 15,107.34
Waste Oil			$ 5,035.76															$ 5,035.76			$ 5,035.76			$ 5,035.76
eWaste			$ 62,947.32															$ 62,947.32			$ 62,947.32			$ 62,947.32
Total			**$ 647,962.65**			**$ 305,635.89**			###########			**$ 12,739.71**			**$ 15,976.11**			**$ 83,090.42**			**$ 647,963.05**			**$ 647,963.05**
SUMMARY																								
Labor			$ 1,503,564.41			$ 1,008,235.62			###########			$ 38,455.18			$ 48,223.11			$ -			###########			###########
Leased Equipment			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -
O&M			$ 647,962.65			$ 305,635.89			###########			$ 12,739.71			$ 15,976.11			$ 83,090.42			$ 647,963.05			$ 647,963.05
Subtotal			**$ 2,151,527.06**			**$ 1,313,871.51**			###########			**$ 51,194.89**			**$ 64,199.22**		**-**	**$ 83,090.42**			###########			###########
Contingency (__%)																								
Total			**$ 2,151,527.06**			**$ 1,313,871.51**			###########			**$ 51,194.89**			**$ 64,199.22**		**-**	**$ 83,090.42**			###########			###########
Costs - Reimbursed at Current Costs																								
Electricity			$ 243,986.42			$ 243,986.42															$ 243,986.42			$ 40,146.42
Fuel			$ 105,619.00						$ 79,214.25			$ 8,977.62			$ 17,427.14						$ 105,619.00			$ 105,619.00

Linda Eggerth:
Increased 0.25 FTE per KM email 1/27/11 (amendment 3)
8/13/2014 increased .25fte per 3rd amendment

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Attachment T-4

4/10/2023

Instructions: Complete form with proposed C

LABOR	Pre-Processing (Baseline Throughput) Annual Salary	Number of FTEs	Annual Cost	CASP (Baseline Throughput) Annual Salary	Number of FTEs	Annual Cost	Storm water Annual Salary	Number of FTEs	Annual Cost	Adjustments		Proposed Total (Baseline Throughput) Annual Salary	Number of FTEs	Annual Cost	Current Index Name	Current Index	Current Annual Costs	New Index
Salaries (by labor category)																		
General Manager												176,559	0.50	$ 88,279.59	CPI	1.045	$ 92,252.17	CPI-Labor
Manager, Recycling												81,722	0.75	$ 61,291.26	CPI	1.045	$ 64,049.37	CPI-Labor
Lab Technician/Regulatory Compliance																		
Administrative Assistant												43,585	0.50	$ 21,792.44	CPI	1.045	$ 22,773.10	CPI-Labor
Customer Service (Scale house)												54,700	1.00	$ 54,481.12	CPI	1.045	$ 56,932.77	CPI-Labor
Composting Equipment Operator							73,931	1.50	##########			124,502	4.50	$ 262,002.16	CPI	1.045	$ 273,792.26	CPI-Labor
Composting Sorter/Processor	31,303	1.65	$ 51,649.29									31,303	1.65	$ 51,649.29	CPI	1.045	$ 53,973.51	CPI-Labor
Clean MRF Sorter/Processor												28,991	17.00	$ 490,874.83	CPI	1.045	$ 512,964.20	CPI-Labor
Clean MRF Equipment Operator												31,726	3.00	$ 94,797.15	CPI	1.045	$ 99,063.02	CPI-Labor
Wood Processing Equipment Operator												50,571	0.34	$ 17,125.31	CPI	1.045	$ 17,895.95	CPI-Labor
C&D Processing (S.Sep.) Equipment Operator												49,685	0.33	$ 16,621.62	CPI	1.045	$ 17,369.59	CPI-Labor
C&D Processing (Mixed) Sorter/Processor												-	0.00	$ -	CPI	1.045	$ -	CPI-Labor
C&D Processing (Mixed) Equipment Operator												49,865	0.33	$ 16,621.62	CPI	1.045	$ 17,369.59	CPI-Labor
Residential Food Waste Equipment Operator												-	0.00	$ -	CPI	1.045	$ -	CPI-Labor
Mechanics												70,338	0.50	$ 35,028.71	CPI	1.045	$ 36,605.00	CPI-Labor
Mechanics Helper												41,456	0.50	$ 20,645.44	CPI	1.045	$ 21,574.48	CPI-Labor
Subtotal			$ 51,649.29			$ -			##########		-			$ 1,231,210.54			$ 1,286,615.01	
Fringe Benefits			$ 37,578.45						$ 74,486.00					$ 546,964.33	CPI	1.045	$ 571,577.72	CPI-Labor
Total			**$ 89,227.74**			**$ -**			##########		-			**$ 1,778,174.87**			**$ 1,858,192.74**	
Leased Equipment																		
Total																		
Other Operating Expenses																		
Water and Sewer														$ 7,553.66	PPI	1.041	$ 7,863.36	CPI-Other
Supplies			$ 14,800.00						$ 7,500.00					$ 71,398.88	PPI	1.041	$ 74,326.23	CPI-Other
Outside Services			$ 5,500.00						$ 8,600.00					$ 46,832.62	PPI	1.041	$ 48,752.76	CPI-Other
Maintenance			$ 79,417.88						$ 6,378.00					$ 102,162.18	PPI	1.041	$ 106,350.83	CPI-Other
Tires			$ 4,560.00						$ 3,240.00					$ 7,800.00	PPI	1.041	$ 8,119.80	CPI-Other
Oil & Filters			$ 17,685.00						$ 3,600.00					$ 21,285.00	PPI	1.041	$ 22,157.69	CPI-Other
Licenses - DMV									$ 3,700.00					$ 3,700.00	PPI	1.041	$ 3,851.70	CPI-Other
Permits			$ 4,800.00						$ 1,632.00					$ 6,432.00	PPI	1.041	$ 6,695.71	CPI-Other
Equipment rental			$ 1,320.00											$ 1,320.00	PPI	1.041	$ 1,374.12	CPI-Other
Taxes, Property									$ 3,545.00					$ 85,043.52	PPI	1.041	$ 88,530.30	CPI-Other
Business Licenses			$ 3,465.91											$ 8,174.47	PPI	1.041	$ 8,509.62	CPI-Other
Insurance														$ -				
Property									$ 4,091.00					$ 28,899.24	PPI	1.041	$ 30,084.11	CPI-Other
Liability			$ (1,750.25)											$ 12,721.22	PPI	1.041	$ 13,242.79	CPI-Other
Pollution														$ 12,404.12	PPI	1.041	$ 12,912.69	CPI-Other
Worker's Comp			$ 3,266.18											$ 158,318.07	PPI	1.041	$ 164,809.11	CPI-Other
Vehicle									$ 3,600.00					$ 3,600.00	PPI	1.041	$ 3,747.60	CPI-Other
Engineering and lab services									$ 3,600.00					$ 9,894.72	PPI	1.041	$ 10,300.40	CPI-Other
Fire inspection fees			$ 1,250.00											$ 1,250.00	PPI	1.041	$ 1,301.25	CPI-Other
Payroll service			$ 1,032.90											$ 20,017.82	PPI	1.041	$ 20,838.55	CPI-Other
First Aid Costs														$ 6,294.72	PPI	1.041	$ 6,552.80	CPI-Other
Management Fee														$ 134,604.00	PPI	1.041	$ 140,122.76	CPI-Other
Disposal:														$ -				
Tires														$ 15,107.34	PPI	1.041	$ 15,726.74	CPI-Other
Waste Oil														$ 5,035.76	PPI	1.041	$ 5,242.23	CPI-Other
eWaste														$ 62,947.32	PPI	1.041	$ 65,528.16	CPI-Other
Total			**$ 135,347.61**			**$ -**			**$ 49,486.00**		-			**$ 832,796.66**			**$ 866,941.33**	
SUMMARY																		
Labor			$ 89,227.74			$ -			##########		-			$ 1,778,174.87			$ 1,858,192.74	
Leased Equipment			$ -			$ -			$ -		-			$ -			$ -	
O&M			$ 135,347.61			$ -			$ 49,486.00		-			$ 832,796.66			$ 866,941.33	
Subtotal			**$ 224,575.35**			**$ -**			##########		-			**$ 2,610,971.53**			**$ 2,725,134.07**	
Contingency (__%)																		
Total			**$ 224,575.35**			**$ -**			##########		-			**$ 2,610,971.53**			**$ 2,725,134.07**	
Costs - Reimbursed at Current Costs																		
Electricity			$ 203,840.00			$ 93,002.00			$ 3,000.00					$ 339,988.42	PPI		$ 348,488.13	
Fuel									$ 20,020.00					$ 125,639.98	Fuel		$ 128,779.98	

Linda Eggerth: Increased 0.25 FTE per KM email 1/27/11 (amendment 3) 8/13/2014 increased .25fte per 3rd amendment

Comment: $100,000 starts in year 4

builder: $65,422 in G. Kelley file

builder: $1,298,064 in G. Kelley file

builder: $1,877,972 in G. Kelley file

builder: $60,794 in G. Kelley file

builder: $78,230 in G. Kelley file

builder: $53,047 in G. Kelley file

builder: $149,099 in G. Kelley file

builder: $11,680 in G. Kelley file

builder: $28,100 in G. Kelley file

builder: $11,440 in G. Kelley file

builder: $13,178 in G. Kelley file

builder: $165,530 in G. Kelley file

builder: $7,495 in G. Kelley file

builder: $21,067 in G. Kelley file

builder: $6,750 in G. Kelley file

builder: $981,527 in G. Kelley file

builder: $1,877,972 in G. Kelley file

builder: $981,527 in G. Kelley file

builder: $2,859,000 in G. Kelley file

builder: $2,859,500 in G. Kelley file

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Attachment T-5A

4/10/2023

ATTACHMENT T-5A: OPERATING & CAPITAL COSTS 2018$ - COMMERCIAL FOOD SCRAP COLLECTION

COST CATEGORIES	Current Annual Costs (Feb-Jan17)	Adjustments	Proposed Total	Year 1 Effective 1-1-18 Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Year 2 Effective 1-1-19 Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Year 3 Effective 1-1-20 Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Year 4 Effective 1-1-21 Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted
COLLECTION															
Operating Expenses															
Labor	124,835		124,835	Labor	1.035	$ 135,018	Labor	1.035	$ 139,744	Labor	1.035	$ 144,635	Labor	1.035	$ 149,697
Supplies			-												
Vehicle O&M			-												
Oil & Other Fluids			-												
Vehicle Insurance	2,672		2,672	Non-Labor	1.025	$ 2,851	Non-Labor	1.025	$ 2,923	Non-Labor	1.025	$ 2,996	Non-Labor	1.025	$ 3,071
Vehicle Repair & Maintenance	15,317		15,317	Non-Labor	1.025	$ 16,344	Non-Labor	1.025	$ 16,753	Non-Labor	1.025	$ 17,171	Non-Labor	1.025	$ 17,601
Total	**142,824**		**142,824**	**Total**		**$ 154,213**	**Total**		**$ 159,419**	**Total**		**$ 164,802**	**Total**		**$ 170,368**
G & A Expenses															
Customer Service															
Customer Service Labor			-												
Billing			-												
Administration															
Admin Services			-												
General Insurance	270		270	Non-Labor	1.025	$ 288	Non-Labor	1.025	$ 295	Non-Labor	1.025	$ 302	Non-Labor	1.025	$ 310
Office Expenses	6,078		6,078	Non-Labor	1.025	$ 6,486	Non-Labor	1.025	$ 6,648	Non-Labor	1.025	$ 6,814	Non-Labor	1.025	$ 6,984
Public Information & Education			-												
Total	**6,348**		**6,348**	**Total**		**$ 6,773**	**Total**		**$ 6,943**	**Total**		**$ 7,116**	**Total**		**$ 7,294**
Vehicle & Equipment Capital	51,465		51,465	Non-Labor	NA	$ 51,465	Non-Labor	NA	$ 51,465	Non-Labor	NA	$ 44,092	Non-Labor	NA	$ 50,895
Overhead, Tax			-												
Total	**51,465**		**51,465**	Total		**$ 51,465**	Total		**$ 51,465**	Total		**$ 44,092**	Total		**$ 50,895**
Subtotal Collection Costs	**200,637**		**200,637**	**Subtotal Collection Costs**		**$ 212,451**	**Subtotal Collection Costs**		**$ 217,826**	**Subtotal Collection Costs**		**$ 216,010**	**Subtotal Collection Costs**		**$ 228,557**
PROCESSING															
O&M															
Labor			-												
Operations			-												
Contingency															
Total	**-**	**-**	**-**												
Capital															
Capital Improvements															
Equipment	-		-												
Other Start Up Costs	-														
Contingency															
Total	**-**	**-**	**-**												
Subtotal Baseline Processing Expenses	-	-	-	Subtotal Baseline Processing		$ -	Subtotal Baseline Processing		$ -	Subtotal Baseline Processing		$ -	Subtotal Baseline Processing		$ -
Total Baseline Expenses	**200,637**	**-**	**200,637**	**Total Baseline Expenses**		**$ 212,451**	**Total Baseline Expenses**		**$ 217,826**	**Total Baseline Expenses**		**$ 216,010**	**Total Baseline Expenses**		**$ 228,557**
Less NCRWS (County) Discount			-												
Net Baseline Expenses	200,637	-	200,637												

Costs - Reimbursed at Current Costs

Fuel	19,695		19,695

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ACHMENT T-5A: OPERATING & CAPITAL

COST CATEGORIES	Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Year 5 Effective 1-1-22 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 6 Effective 1-1-23 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 7 Effective 1-1-24 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 8 Effective 1-1-25 Contract Payment - Inflation Adjusted
COLLECTION												
Operating Expenses												
Labor	Labor	1.035	$ 154,936	Labor	1.035	$ 160,359	Labor	1.035	$ 165,972	Labor	1.035	$ 171,781
Supplies												
Vehicle O&M												
Oil & Other Fluids												
Vehicle Insurance	Non-Labor	1.025	$ 3,147	Non-Labor	1.03	$ 3,242	Non-Labor	1.025	$ 3,323	Non-Labor	1.025	$ 3,406
Vehicle Repair & Maintenance	Non-Labor	1.025	$ 18,041	Non-Labor	1.03	$ 18,582	Non-Labor	1.025	$ 19,046	Non-Labor	1.025	$ 19,523
Total	**Total**		**$ 176,124**	**Total**		**$ 182,183**	**Total**		**$ 188,341**	**Total**		**$ 194,709**
G & A Expenses												
Customer Service												
Customer Service Labor												
Billing												
Administration												
Admin Services												
General Insurance	Non-Labor	1.025	$ 318	Non-Labor	1.03	$ 327	Non-Labor	1.025	$ 336	Non-Labor	1.025	$ 344
Office Expenses	Non-Labor	1.025	$ 7,159	Non-Labor	1.03	$ 7,374	Non-Labor	1.025	$ 7,558	Non-Labor	1.025	$ 7,747
Public Information & Education												
Total	**Total**		**$ 7,477**	**Total**		**$ 7,701**	**Total**		**$ 7,893**	**Total**		**$ 8,091**
Vehicle & Equipment Capital	Non-Labor	NA	$ 50,895	Non-Labor	NA	$ 50,895	Non-Labor	NA	$ 50,895	Non-Labor	NA	$ 91,483
Overhead, Tax												
Total	Total		**$ 50,895**	Total		**$ 50,895**	Total		**$ 50,895**	Total		**$ 91,483**
Subtotal Collection Costs	**Subtotal Collection Costs**		**$ 234,496**	**Subtotal Collection Costs**		**$ 240,778**	**Subtotal Collection Costs**		**$ 247,129**	**Subtotal Collection Costs**		**$ 294,283**
PROCESSING												
O&M												
Labor												
Operations												
Contingency												
Total												
Capital												
Capital Improvements												
Equipment												
Other Start Up Costs												
Contingency												
Total												
Subtotal Baseline Processing Expenses	Subtotal Baseline Processing		$ -	Subtotal Baseline Processing		$ -	Subtotal Baseline Processing		$ -	Subtotal Baseline Processing		$ -
Total Baseline Expenses	**Total Baseline Expenses**		**$ 234,496**	**Total Baseline Expenses**		**$ 240,778**	**Total Baseline Expenses**		**$ 247,129**	**Total Baseline Expenses**		**$ 294,283**
Less NCRWS (County) Discount												
Net Baseline Expenses												

Costs - Reimbursed at Current Costs

Fuel

ACHMENT T-5A: OPERATING & CAPITAL

COST CATEGORIES	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 9 Effective 1-1-26 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 10 Effective 1-1-27 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 11 Effective 1-1-28 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 12 Effective 1-1-29 Contract Payment - Inflation Adjusted
COLLECTION												
Operating Expenses												
Labor	Labor	1.035	$ 177,793	Labor	1.035	$ 184,016	Labor	1.035	$ 190,456	Labor	1.035	$ 197,122
Supplies												
Vehicle O&M												
Oil & Other Fluids												
Vehicle Insurance	Non-Labor	1.025	$ 3,491	Non-Labor	1.025	$ 3,578	Non-Labor	1.025	$ 3,668	Non-Labor	1.025	$ 3,759
Vehicle Repair & Maintenance	Non-Labor	1.025	$ 20,011	Non-Labor	1.025	$ 20,511	Non-Labor	1.025	$ 21,024	Non-Labor	1.025	$ 21,549
Total	**Total**		**$ 201,295**	**Total**		**$ 208,105**	**Total**		**$ 215,148**	**Total**		**$ 222,431**
G & A Expenses												
Customer Service												
Customer Service Labor												
Billing												
Administration												
Admin Services												
General Insurance	Non-Labor	1.025	$ 353	Non-Labor	1.025	$ 361	Non-Labor	1.025	$ 370	Non-Labor	1.025	$ 380
Office Expenses	Non-Labor	1.025	$ 7,941	Non-Labor	1.025	$ 8,139	Non-Labor	1.025	$ 8,343	Non-Labor	1.025	$ 8,551
Public Information & Education												
Total	**Total**		**$ 8,293**	**Total**		**$ 8,500**	**Total**		**$ 8,713**	**Total**		**$ 8,931**
Vehicle & Equipment Capital	Non-Labor	NA	$ 83,870	Non-Labor	NA	$ 83,870	Non-Labor	NA	$ 83,870	Non-Labor	NA	$ 83,870
Overhead, Tax												
Total	Total		**$ 83,870**	Total		**$ 83,870**	Total		**$ 83,870**	Total		**$ 83,870**
Subtotal Collection Costs	**Subtotal Collection Costs**		**$ 293,458**	**Subtotal Collection Costs**		**$ 300,475**	**Subtotal Collection Costs**		**$ 307,731**	**Subtotal Collection Costs**		**$ 315,232**
PROCESSING												
O&M												
Labor												
Operations												
Contingency												
Total												
Capital												
Capital Improvements												
Equipment												
Other Start Up Costs												
Contingency												
Total												
Subtotal Baseline Processing Expenses	Subtotal Baseline Processing		$ -	Subtotal Baseline Processing		$ -	Subtotal Baseline Processing		$ -	Subtotal Baseline Processing		$ -
Total Baseline Expenses	**Total Baseline Expenses**		**$ 293,458**	**Total Baseline Expenses**		**$ 300,475**	**Total Baseline Expenses**		**$ 307,731**	**Total Baseline Expenses**		**$ 315,232**
Less NCRWS (County) Discount												
Net Baseline Expenses												

Costs - Reimbursed at Current Costs

Fuel

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Attachment T-5A

4/10/2023

ACHMENT T-5A: OPERATING & CAPITAL

COST CATEGORIES	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 13 Effective 1-1-30 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 14 Effective 1-1-31 Contract Payment - Inflation Adjusted	Previous (CY2017) Index Name	Previous (CY2017) Index	Previous (CY2017) Annual Costs	New (2018 Contract Amendment) Index
COLLECTION										
Operating Expenses										
Labor	Labor	1.035	$ 204,022	Labor	1.035	$ 211,162	CPI	1.045	130,452	CPI-Labor
Supplies							PPI	1.041	-	CPI-Other
Vehicle O&M										
Oil & Other Fluids							PPI	1.041	-	CPI-Other
Vehicle Insurance	Non-Labor	1.025	$ 3,853	Non-Labor	1.025	$ 3,950	PPI	1.041	2,782	CPI-Other
Vehicle Repair & Maintenance	Non-Labor	1.025	$ 22,088	Non-Labor	1.025	$ 22,640	PPI	1.041	15,945	CPI-Other
Total	**Total**		**$ 229,963**	**Total**		**$ 237,752**			**149,179**	
G & A Expenses										
Customer Service										
Customer Service Labor							CPI	1.045	-	CPI-Labor
Billing							PPI	1.041	-	CPI-Other
Administration										
Admin Services							CPI	1.045	-	CPI-Labor
General Insurance	Non-Labor	1.025	$ 389	Non-Labor	1.025	$ 399	PPI	1.041	281	CPI-Other
Office Expenses	Non-Labor	1.025	$ 8,765	Non-Labor	1.025	$ 8,984	PPI	1.041	6,327	CPI-Other
Public Information & Education							PPI	1.041	-	CPI-Other
Total	**Total**		**$ 9,154**	**Total**		**$ 9,383**			**6,608**	
Vehicle & Equipment Capital	Non-Labor	NA	$ 83,870	Non-Labor	NA	$ 83,870			51,465	
Overhead, Tax							None	1	-	CPI-Other
Total	Total		**$ 83,870**	Total		**$ 83,870**			**51,465**	
Subtotal Collection Costs	**Subtotal Collection Costs**		**$ 322,987**	**Subtotal Collection Costs**		**$ 331,005**			**207,252**	
PROCESSING										
O&M										
Labor										
Operations										
Contingency										
Total									**-**	
Capital										
Capital Improvements										
Equipment										
Other Start Up Costs										
Contingency										
Total									**-**	
Subtotal Baseline Processing Expenses	Subtotal Baseline Processing		$ -	Subtotal Baseline Processing		$ -			**-**	
Total Baseline Expenses	**Total Baseline Expenses**		**$ 322,987**	**Total Baseline Expenses**		**$ 331,005**			**207,252**	
Less NCRWS (County) Discount									-	
Net Baseline Expenses									207,252	

Costs - Reimbursed at Current Costs

Fuel							Fuel		20,187.44	

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTACHMENT T-5B: COLLECTION CAPITAL COSTS 2018$ - COMMERCIAL FOOD SCRAP COLLECTION

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Schedule of Assets	Cost	Amortized Annual Cost	Year Purchased	Year Replacement or Refurbished	Year 1 (2015) Start 3/1	Year 2 (2016)	Year 3 (2017)	Year 4 (2018)	Year 5 (2019)	Year 6 (2020)	Year 7 (2021)	Year 8 (2022)	Year 9 (2023)	Year 10 (2024)	Year 11 (2025)	Year 12 (2026)	Year 13 (2027)	Year 14 (2028)	Year 15 (2029)	Year 16 (2030)	Year 17 (2031)	
Residential: Number & Type of Vehicles																						
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
Residential Subtotal	$ -	$ -			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
																						$ -
Commercial: Number of & Type of Vehicles																						$ -
2015 Autocar CNG, 22 yd sideloader	$ 426,178	$ 426,178	2015	2025	$ 35,515	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 7,103							
																						$ -
																						$ -
FW Collection, 22cy sideloader	$ 532,723	$ 532,723	2025	2038											$ 76,103	$ 76,103	$ 76,103	$ 76,103	$ 76,103	$ 76,103	$ 76,103	$ -
																						$ -
																						$ -
																						$ -
Commercial Subtotal	$ 958,901	$ 958,901			$ 35,515	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 83,206	$ 76,103	$ 76,103	$ 76,103	$ 76,103	$ 76,103	$ 76,103	$ -
																						$ -
Roll Off: Number & Type of Vehicles																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
Roll Off Subtotal	$ -	$ -			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
																						$ -
All Vehicle Subtotals (Sum Residential, Commercial and Roll Off):		$ 958,901			$ 35,515	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 42,618	$ 83,206	$ 76,103	$ 76,103	$ 76,103	$ 76,103	$ 76,103	$ 76,103	
																						$ -
# of Resident. Recyc. Containers																						$ -
# of Resident. Yardwaste. Containers																						$ -
# of Resident. MSW. Containers																						$ -
																						$ -
																						$ -
																						$ -
																						$ -

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTACHMENT T-5C: OPERATING & CAPITAL COSTS 2022$ - SB 1383

COST CATEGORIES	Current Annual Costs (2022$)		Year 6 Effective 1-1-23 Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Year 7 Effective 1-1-24 Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted
COLLECTION								
Operating Expenses								
Labor	129,517	1.0 FTE Driver for additional Commerical Compost Route	Labor	1.035	$ 134,050	Labor	1.035	$ 138,742
Supplies								
Vehicle O&M								
Contract Services	80,000	Cart cleaning (Subcontractor)	Non-Labor	1.03	$ 82,400	Non-Labor	1.025	$ 84,460
Oil & Other Fluids								
Vehicle Insurance	6,352		Non-Labor	1.03	$ 6,543	Non-Labor	1.025	$ 6,706
Vehicle Repair & Maintenance	54,400		Non-Labor	1.03	$ 56,032	Non-Labor	1.025	$ 57,433
Total	**270,269**		**Total**		**$ 279,025**	**Total**		**$ 287,341**
G & A Expenses								
Customer Service								
Customer Service Labor	112,942	1.5 FTE CSRs (0.5 FTE NCRWS)	Labor	1.035	$ 116,895	Labor	1.035	$ 120,986
Billing								
Administration								
Admin Services								
General Insurance	5,820		Non-Labor	1.03	$ 5,995	Non-Labor	1.025	$ 6,144
Office Expenses	29,677		Non-Labor	1.03	$ 30,567	Non-Labor	1.025	$ 31,331
Public Information & Education	19,600		Non-Labor	1.03	$ 20,188	Non-Labor	1.025	$ 20,693
Public Information & Education - Labor	188,077	2 FTE Recycling Specialists	Labor	1.035	$ 194,660	Labor	1.035	$ 201,473
Total	**356,116**		Total		**$ 368,305**	Total		**$ 380,628**
Vehicle & Equipment Capital	7,818	2022 depreciation & interest; Full new commercial sideloader capital costs begin CY2023 (from Attachment T-5D)	NA		$ 92,509	NA		$ 90,457
Overhead, Tax								
Total	**7,818**		**Total**		$ 92,509	**Total**		$ 90,457
Subtotal Collection Costs	**634,203**		**Subtotal Collection Costs**		**$ 739,838**	**Subtotal Collection Costs**		**$ 758,426**
PROCESSING			**PROCESSING**			**PROCESSING**		
O&M			O&M			O&M		
Labor	269,384	2 FTE Additional Compost Equipment Operators (to begin by 4/1/2023)	Labor	1.035	$ 278,812	Labor	1.035	$ 288,571
Operations	494,867	From Attachment T-17 beginning CY2023 (to begin by 4/1/2023)	Non-Labor	1.03	$ 509,713	Non-Labor	1.025	$ 522,456
Contingency								
Total	**764,251**		**Total**		**$ 788,525**	**Total**		**$ 811,027**
Capital								
Capital Improvements								
Equipment	377,367	Non-Grant Funded Processing Capital Costs beginning CY2024 (from Attachment T-17B)	NA		$ -	NA		$ 377,367
Other Start Up Costs								
Contingency								
Total	**377,367**		**Total**		$ -	**Total**		$ 377,367
Subtotal Baseline Processing Expenses	**1,141,618**		**Subtotal Baseline Processing**		**$ 788,525**	**Subtotal Baseline Processing**		**$ 1,188,394**
Total Baseline Expenses	**1,775,821**		**Total SB 1383 Baseline Expenses**		**$ 1,528,364**	**Total SB 1383 Baseline Expenses**		**$ 1,946,819**
Less NCRWS (County) Discount								
Net Baseline Expenses	1,775,821							

Changed to CY2022 Collection Capital (M99 from Attachment T-5D)

Per 2022 Contract Amendment terms, 2.5% Non-Labor Index increased by half CPI exceeding 5% (CPI = 6% thus half of 1% = 0.5%).

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Year 8 Effective 1-1-25			Year 9 Effective 1-1-26			Year 10 Effective 1-1-27			Year 11 Effective 1-1-28		
Labor or Non-Labor	**2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)**	**Contract Payment - Inflation Adjusted**	**Labor or Non-Labor**	**2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)**	**Contract Payment - Inflation Adjusted**	**Labor or Non-Labor**	**2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)**	**Contract Payment - Inflation Adjusted**	**Labor or Non-Labor**	**2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)**	**Contract Payment - Inflation Adjusted**
Labor	1.035	$ 143,598	Labor	1.035	$ 148,624	Labor	1.035	$ 153,826	Labor	1.035	$ 159,209
Non-Labor	1.025	$ 86,572	Non-Labor	1.025	$ 88,736	Non-Labor	1.025	$ 90,954	Non-Labor	1.025	$ 93,228
Non-Labor	1.025	$ 6,874	Non-Labor	1.025	$ 7,046	Non-Labor	1.025	$ 7,222	Non-Labor	1.025	$ 7,402
Non-Labor	1.025	$ 58,869	Non-Labor	1.025	$ 60,340	Non-Labor	1.025	$ 61,849	Non-Labor	1.025	$ 63,395
Total		**$ 295,912**	**Total**		**$ 304,745**	**Total**		**$ 313,850**	**Total**		**$ 323,235**
Labor	1.035	$ 125,221	Labor	1.035	$ 129,604	Labor	1.035	$ 134,140	Labor	1.035	$ 138,835
Non-Labor	1.025	$ 6,298	Non-Labor	1.025	$ 6,456	Non-Labor	1.025	$ 6,617	Non-Labor	1.025	$ 6,782
Non-Labor	1.025	$ 32,115	Non-Labor	1.025	$ 32,918	Non-Labor	1.025	$ 33,741	Non-Labor	1.025	$ 34,584
Non-Labor	1.025	$ 21,210	Non-Labor	1.025	$ 21,740	Non-Labor	1.025	$ 22,284	Non-Labor	1.025	$ 22,841
Labor	1.035	$ 208,524	Labor	1.035	$ 215,823	Labor	1.035	$ 223,376	Labor	1.035	$ 231,195
Total		**$ 393,368**	Total		**$ 406,540**	Total		**$ 420,157**	Total		**$ 434,237**
NA		$ 88,334	NA		$ 86,136	NA		$ 83,921	NA		$ 82,207
Total		$ 88,334	**Total**		$ 86,136	**Total**		$ 83,921	**Total**		$ 82,207
Subtotal Collection Costs		**$ 777,614**	**Subtotal Collection Costs**		**$ 797,421**	**Subtotal Collection Costs**		**$ 817,929**	**Subtotal Collection Costs**		**$ 839,678**
PROCESSING			**PROCESSING**			**PROCESSING**			**PROCESSING**		
O&M			O&M			O&M			O&M		
Labor	1.035	$ 298,671	Labor	1.035	$ 309,124	Labor	1.035	$ 319,944	Labor	1.035	$ 331,142
Non-Labor	1.025	$ 535,517	Non-Labor	1.025	$ 548,905	Non-Labor	1.025	$ 562,628	Non-Labor	1.025	$ 576,693
Total		**$ 834,188**	**Total**		**$ 858,029**	**Total**		**$ 882,571**	**Total**		**$ 907,835**
NA		$ 367,593	NA		$ 357,477	NA		$ 347,006	NA		$ 336,169
Total		$ 367,593	**Total**		$ 357,477	**Total**		$ 347,006	**Total**		$ 336,169
Subtotal Baseline Processing		**$ 1,201,781**	**Subtotal Baseline Processing**		**$ 1,215,506**	**Subtotal Baseline Processing**		**$ 1,229,577**	**Subtotal Baseline Processing**		**$ 1,244,004**
Total SB 1383 Baseline Expenses		**$ 1,979,395**	**Total SB 1383 Baseline Expenses**		**$ 2,012,928**	**Total SB 1383 Baseline Expenses**		**$ 2,047,506**	**Total SB 1383 Baseline Expenses**		**$ 2,083,683**

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Year 12 Effective 1-1-29			Year 13 Effective 1-1-30			Year 14 Effective 1-1-31		
Labor or Non-Labor	**2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)**	**Contract Payment - Inflation Adjusted**	**Labor or Non-Labor**	**2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)**	**Contract Payment - Inflation Adjusted**	**Labor or Non-Labor**	**2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)**	**Contract Payment - Inflation Adjusted**
Labor	1.035	$ 164,782	Labor	1.035	$ 170,549	Labor	1.035	$ 176,518
Non-Labor	1.025	$ 95,559	Non-Labor	1.025	$ 97,948	Non-Labor	1.025	$ 100,396
Non-Labor	1.025	$ 7,587	Non-Labor	1.025	$ 7,777	Non-Labor	1.025	$ 7,971
Non-Labor	1.025	$ 64,980	Non-Labor	1.025	$ 66,604	Non-Labor	1.025	$ 68,270
Total		**$ 332,908**	**Total**		**$ 342,878**	**Total**		**$ 353,156**
Labor	1.035	$ 143,694	Labor	1.035	$ 148,723	Labor	1.035	$ 153,928
Non-Labor	1.025	$ 6,952	Non-Labor	1.025	$ 7,126	Non-Labor	1.025	$ 7,304
Non-Labor	1.025	$ 35,449	Non-Labor	1.025	$ 36,335	Non-Labor	1.025	$ 37,243
Non-Labor	1.025	$ 23,412	Non-Labor	1.025	$ 23,997	Non-Labor	1.025	$ 24,597
Labor	1.035	$ 239,286	Labor	1.035	$ 247,661	Labor	1.035	$ 256,330
Total		**$ 448,793**	Total		**$ 463,842**	Total		**$ 479,402**
NA		$ 79,771	NA		$ 77,248	NA		$ 74,637
Total		$ 79,771	**Total**		$ 77,248	**Total**		$ 74,637
Subtotal Collection Costs		**$ 861,472**	**Subtotal Collection Costs**		**$ 883,969**	**Subtotal Collection Costs**		**$ 907,195**
PROCESSING			**PROCESSING**			**PROCESSING**		
O&M			O&M			O&M		
Labor	1.035	$ 342,732	Labor	1.035	$ 354,727	Labor	1.035	$ 367,143
Non-Labor	1.025	$ 591,111	Non-Labor	1.025	$ 605,889	Non-Labor	1.025	$ 621,036
Total		**$ 933,842**	**Total**		**$ 960,616**	**Total**		**$ 988,179**
NA		$ 324,953	NA		$ 313,344	NA		$ 301,335
Total		$ 324,953	**Total**		$ 313,344	**Total**		$ 301,335
Subtotal Baseline Processing		**$ 1,258,795**	**Subtotal Baseline Processing**		**$ 1,273,960**	**Subtotal Baseline Processing**		**$ 1,289,514**
Total SB 1383 Baseline Expenses		**$ 2,120,267**	**Total SB 1383 Baseline Expenses**		**$ 2,157,929**	**Total SB 1383 Baseline Expenses**		**$ 2,196,709**

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTACHMENT T-5D: COLLECTION CAPITAL COSTS 2022$ - SB 1383

Schedule of Assets	Cost	Amortized Annual Cost	Year Purchased	Year Replacement or Refurbished	Year 1 (2015) Start 3/1	Year 2 (2016)	Year 3 (2017)	Year 4 (2018)	Year 5 (2019)	Year 6 (2020)	Year 7 (2021)	Year 8 (2022)	Year 9 (2023)	Year 10 (2024)	Year 11 (2025)	Year 12 (2026)	Year 13 (2027)	Year 14 (2028)	Year 15 (2029)	Year 16 (2030)	Year 17 (2031)	
Residential: Number & Type of Vehicles																						
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
Residential Subtotal	$ -	$ -			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
																						$ -
Commercial: Number of & Type of Vehicles																						$ -
Automated Sideloader (1)	$ 409,891	$ 409,891	2023	2033									$ 45,543	$ 45,543	$ 45,543	$ 45,543	$ 45,543	$ 45,543	$ 45,543	$ 45,543	$ 45,547	$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
Commercial Subtotal	$ 409,891	$ 409,891			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 45,543	$ 45,543	$ 45,543	$ 45,543	$ 45,543	$ 45,543	$ 45,543	$ 45,543	$ 45,547	$ -
																						$ -
Roll Off: Number & Type of Vehicles																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
Roll Off Subtotal	$ -	$ -			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
																						$ -
Vehicles:Other																						$ -
Electric Vehicle (1)	$ 53,756	$ 53,756	2023	2033									$ 5,973	$ 5,973	$ 5,973	$ 5,973	$ 5,973	$ 5,973	$ 5,973	$ 5,973	$ 5,972	$ -
Electric Vehicle (1)	$ 50,500	$ 50,500	2022	2032								$ 5,050	$ 5,050	$ 5,050	$ 5,050	$ 5,050	$ 5,050	$ 5,050	$ 5,050	$ 5,050	$ 5,050	$ -
Charging Station (1)	$ 10,070	$ 10,070	2023	2033									$ 1,119	$ 1,119	$ 1,119	$ 1,119	$ 1,119	$ 1,119	$ 1,119	$ 1,119	$ 1,118	$ -
Charging Station (1)	$ 4,000	$ 4,000	2022	2032								$ 400	$ 400	$ 400	$ 400	$ 400	$ 400	$ 400	$ 400	$ 400	$ 400	$ -
																						$ -
Vehicles:Other Subtotal	$ 118,326	$ 118,326			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,450	$ 12,542	$ 12,542	$ 12,542	$ 12,542	$ 12,542	$ 12,542	$ 12,542	$ 12,542	$ 12,540	$ -
All Vehicle Subtotals (Sum Residential, Commercial and Roll Off):		$ 528,217			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,450	$ 58,085	$ 58,085	$ 58,085	$ 58,085	$ 58,085	$ 58,085	$ 58,085	$ 58,085	$ 58,087	$ -
																						$ -
# of Resident. Recyc. Containers																						$ -
# of Resident. Yardwaste. Containers																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
# of Commercial Foodwaste Containers																						$ -
200 Lockable Carts	$ 14,000	$ 14,000	2023	2033									$ 1,556	$ 1,556	$ 1,556	$ 1,556	$ 1,556	$ 1,556	$ 1,556	$ 1,556	$ 1,552	$ -
1400 65 gal carts	$ 84,000	$ 84,000	2023	2033									$ 9,333	$ 9,333	$ 9,333	$ 9,333	$ 9,333	$ 9,333	$ 9,333	$ 9,333	$ 9,336	$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
# of Commercial Bins:																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
# of Roll-Off Boxes:																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
Total Roll-Off Boxes																						$ -

Per Attachment U, City and NRWS will revisit truck cost for CY2025 if there has been a change in law requiring purchase of full electric truck vs. CNG vehicle. - KM

Cost Updated per NRWS 3-2-23 review (and confirmed by City on 3-3-23)

Cost Updated per NRWS 3-2-23 review (and confirmed by City on 3-3-23)

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Shop & Wash Equipment:																					$ -
																					$ -
																					$ -
																					$ -
																					$ -
																					$ -
Computers:																					$ -
Mobile-Pak Tablet (1)	$ 1,200	$ 1,200	2023	2028									$ 240	$ 240	$ 240	$ 240	$ 240				$ -
Mobile-Pak Tablet (1)	$ 1,320	$ 1,320	2028	2033														$ 330	$ 330	$ 330	$ -
Mobile-Pak License (1)	$ 2,000	$ 2,000	2023										$ 222	$ 222	$ 222	$ 222	$ 222	$ 222	$ 222	$ 224	$ -
Laptop & Phone (1)	$ 3,000	$ 3,000	2022	2027								$ 600	$ 600	$ 600	$ 600	$ 600					$ -
Laptop & Phone (1)	$ 3,300	$ 3,300	2027	2032													$ 660	$ 660	$ 660	$ 660	$ -
Laptop & Phone (2)	$ 3,000	$ 6,000	2023	2028									$ 1,200	$ 1,200	$ 1,200	$ 1,200	$ 1,200				$ -
Laptop & Phone (2)	$ 3,500	$ 7,000	2028	2033														$ 1,750	$ 1,750	$ 1,750	$ -
																					$ -
																					$ -
																					$ -
Interest		$ 113,001										$ 1,768	$ 21,273	$ 19,221	$ 17,098	$ 14,900	$ 12,625	$ 10,271	$ 7,835	$ 5,312	$ 2,698	$ -
																					$ -
GRAND TOTAL Assets		$ 763,038			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,818	$ 92,509	$ 90,457	$ 88,334	$ 86,136	$ 83,921	$ 82,207	$ 79,771	$ 77,248	$ 74,637	$ -
Total Annual Cost																					$ -

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Attachment T-6A

4/10/2023

Instructions: Summarize all proposed costs (with CASP) on this table. Columns may be added as needed.

ATTACHMENT T-6A: OPERATING & CAPITAL COSTS 2018$ - RECYCLE MORE PROGRAM

COST CATEGORIES	Current Annual Costs (Feb-Jan17)	Adjustments	Proposed Total	Year 1 Effective 1-1-18 Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Year 2 Effective 1-1-19 Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Year 3 Effective 1-1-20 Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Year 4 Effective 1-1-21 Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted
COLLECTION															
Operating Expenses															
Labor			-												
Supplies			-												
Vehicle O&M			-												
Oil & Other Fluids			-												
Vehicle Insurance	2,246		2,246	Non-Labor	1.025	$ 2,397	Non-Labor	1.025	$ 2,456.45	Non-Labor	1.025	$ 2,518	Non-Labor	1.025	$ 2,580.81
Vehicle Repair & Maintenance	1,822		1,822	Non-Labor	1.025	$ 1,944	Non-Labor	1.025	$ 1,992.72	Non-Labor	1.025	$ 2,043	Non-Labor	1.025	$ 2,093.60
Total	**4,068**		**4,068**	**Total**		**$ 4,341**	**Total**		**$ 4,449**	**Total**		**$ 4,560**	**Total**		**$ 4,674**
G & A Expenses															
Customer Service															
Customer Service Labor			-												
Billing			-												
Administration															
Admin Services			-												
General Insurance			-												
Office Expenses	1,422		1,422	Non-Labor	1.025	$ 1,517	Non-Labor	1.025	$ 1,555.24	Non-Labor	1.025	$ 1,594	Non-Labor	1.025	$ 1,633.98
Public Information & Education			-												
Total	**1,422**		**1,422**	**Total**		**$ 1,517**	**Total**		**$ 1,555**	**Total**		**$ 1,594**	**Total**		**$ 1,634**
Vehicle & Equipment Capital			-												
Overhead, Tax			-												
Total	**-**		**-**												
Subtotal Collection Costs	**5,490**		**5,490**	**Subtotal Collection Costs**		**$ 5,858**	**Subtotal Collection Costs**		**$ 6,004**	**Subtotal Collection Costs**		**$ 6,155**	**Subtotal Collection Costs**		**$ 6,308**
PROCESSING															
O&M															
Labor			-												
Operations			-												
Contingency															
Total	**-**	**-**	**-**												
Capital															
Capital Improvements															
Equipment	-		-												
Other Start Up Costs	-														
Contingency															
Total	**-**	**-**	**-**												
Subtotal Baseline Processing Expenses	-	-	-												
Total Baseline Expenses	**5,490**	**-**	**5,490**	**Total Baseline Expenses**		**$ 5,858**	**Total Baseline Expenses**		**$ 6,004**	**Total Baseline Expenses**		**$ 6,155**	**Total Baseline Expenses**		**$ 6,308**
Less NCRWS (County) Discount			-												
Net Baseline Expenses	5,490	-	5,490												

Michael Murray:
Add DMV to proposal tables to be billed monthly intead of annually. 2017 fees wee already 100% paid. Adjustment going forward will be made

Costs - Reimbursed at Current Costs

Fuel	10,931		10,931

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Instructions: Summarize all proposed cc

ATTACHMENT T-6A: OPERATING & CA

COST CATEGORIES	Year 5 Effective 1-1-22 Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Year 6 Effective 1-1-23 Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Year 7 Effective 1-1-24 Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Year 8 Effective 1-1-25 Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Year 9 Effective 1-1-26 Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted
COLLECTION															
Operating Expenses															
Labor															
Supplies															
Vehicle O&M															
Oil & Other Fluids															
Vehicle Insurance	Non-Labor	1.025	$ 2,645	Non-Labor	1.03	$ 2,725	Non-Labor	1.025	$ 2,793	Non-Labor	1.025	$ 2,863	Non-Labor	1.025	$ 2,934
Vehicle Repair & Maintenance	Non-Labor	1.025	$ 2,146	Non-Labor	1.03	$ 2,210	Non-Labor	1.025	$ 2,266	Non-Labor	1.025	$ 2,322	Non-Labor	1.025	$ 2,380
Total	**Total**		**$ 4,791**	**Total**		**$ 4,935**	**Total**		**$ 5,058**	**Total**		**$ 5,185**	**Total**		**$ 5,314**
G & A Expenses															
Customer Service															
Customer Service Labor															
Billing															
Administration															
Admin Services															
General Insurance															
Office Expenses	Non-Labor	1.025	$ 1,675	Non-Labor	1.03	$ 1,725	Non-Labor	1.025	$ 1,768	Non-Labor	1.025	$ 1,812	Non-Labor	1.025	$ 1,858
Public Information & Education															
Total	**Total**		**$ 1,675**	**Total**		**$ 1,725**	**Total**		**$ 1,768**	**Total**		**$ 1,812**	**Total**		**$ 1,858**
Vehicle & Equipment Capital															
Overhead, Tax															
Total															
Subtotal Collection Costs	**Subtotal Collection Costs**		**$ 6,466**	**Subtotal Collection Costs**		**$ 6,660**	**Subtotal Collection Costs**		**$ 6,827**	**Subtotal Collection Costs**		**$ 6,997**	**Subtotal Collection Costs**		**$ 7,172**
PROCESSING															
O&M															
Labor															
Operations															
Contingency															
Total															
Capital															
Capital Improvements															
Equipment												$ 22,467			$ 22,467
Other Start Up Costs															
Contingency															
Total															
Subtotal Baseline Processing Expenses															
Total Baseline Expenses	**Total Baseline Expenses**		**$ 6,466**	**Total Baseline Expenses**		**$ 6,660**	**Total Baseline Expenses**		**$ 6,827**	**Total Baseline Expenses**		**$ 29,464**	**Total Baseline Expenses**		**$ 29,639**
Less NCRWS (County) Discount															
Net Baseline Expenses															

Per 2022 Contract Amendment terms, 2.5% Non-Labor Index increased by half CPI exceeding 5% (CPI = 6% thus half of 1% = 0.5%).

Added in Replacement Recycle More Vehicle amortized over 7 years (CY2025 thru CY2031)

Costs - Reimbursed at Current Costs

Fuel

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Attachment T-6A

4/10/2023

Instructions: Summarize all proposed cc

ATTACHMENT T-6A: OPERATING & CA

COST CATEGORIES	Year 10 Effective 1-27			Year 11 Effective 1-28			Year 12 Effective 1-29			Year 13 Effective 1-30			Year 14 Effective 1-31		
	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted
COLLECTION															
Operating Expenses															
Labor															
Supplies															
Vehicle O&M															
Oil & Other Fluids															
Vehicle Insurance	Non-Labor	1.025	$ 3,008	Non-Labor	1.025	$ 3,083	Non-Labor	1.025	$ 3,160	Non-Labor	1.025	$ 3,239	Non-Labor	1.025	$ 3,320
Vehicle Repair & Maintenance	Non-Labor	1.025	$ 2,440	Non-Labor	1.025	$ 2,501	Non-Labor	1.025	$ 2,563	Non-Labor	1.025	$ 2,627	Non-Labor	1.025	$ 2,693
Total	**Total**		**$ 5,447**	**Total**		**$ 5,584**	**Total**		**$ 5,723**	**Total**		**$ 5,866**	**Total**		**$ 6,013**
G & A Expenses															
Customer Service															
Customer Service Labor															
Billing															
Administration															
Admin Services															
General Insurance															
Office Expenses	Non-Labor	1.025	$ 1,904	Non-Labor	1.025	$ 1,952	Non-Labor	1.025	$ 2,001	Non-Labor	1.025	$ 2,051	Non-Labor	1.025	$ 2,102
Public Information & Education															
Total	**Total**		**$ 1,904**	**Total**		**$ 1,952**	**Total**		**$ 2,001**	**Total**		**$ 2,051**	**Total**		**$ 2,102**
Vehicle & Equipment Capital															
Overhead, Tax															
Total															
Subtotal Collection Costs	**Subtotal Collection Costs**		**$ 7,351**	**Subtotal Collection Costs**		**$ 7,535**	**Subtotal Collection Costs**		**$ 7,724**	**Subtotal Collection Costs**		**$ 7,917**	**Subtotal Collection Costs**		**$ 8,115**
PROCESSING															
O&M															
Labor															
Operations															
Contingency															
Total															
Capital															
Capital Improvements															
Equipment			$ 22,467			$ 22,467			$ 22,467			$ 22,467			$ 22,467
Other Start Up Costs															
Contingency															
Total															
Subtotal Baseline Processing Expenses															
Total Baseline Expenses	**Total Baseline Expenses**		**$ 29,818**	**Total Baseline Expenses**		**$ 30,002**	**Total Baseline Expenses**		**$ 30,190**	**Total Baseline Expenses**		**$ 30,383**	**Total Baseline Expenses**		**$ 30,581**
Less NCRWS (County) Discount															
Net Baseline Expenses															

Costs - Reimbursed at Current Costs

Fuel

Instructions: Summarize all proposed cc

ATTACHMENT T-6A: OPERATING & CA

COST CATEGORIES	Previous (CY2017) Index Name	Previous (CY2017) Index	Previous (CY2017) Annual Costs	New (2018 Contract Amendment) Index
COLLECTION				
Operating Expenses				
Labor	CPI	1.045	-	CPI-Labor
Supplies	PPI	1.041	-	CPI-Other
Vehicle O&M				
Oil & Other Fluids	PPI	1.041	-	CPI-Other
Vehicle Insurance	PPI	1.041	2,338	CPI-Other
Vehicle Repair & Maintenance	PPI	1.041	1,897	CPI-Other
Total			**4,235**	
G & A Expenses				
Customer Service				
Customer Service Labor	CPI	1.045	-	CPI-Labor
Billing	PPI	1.041	-	CPI-Other
Administration				
Admin Services	CPI	1.045	-	CPI-Labor
General Insurance	PPI	1.041	-	CPI-Other
Office Expenses	PPI	1.041	1,480	CPI-Other
Public Information & Education	PPI	1.041	-	CPI-Other
Total			**1,480**	
Vehicle & Equipment Capital			-	
Overhead, Tax	None	1	-	CPI-Other
Total			**-**	
Subtotal Collection Costs			**5,715**	
PROCESSING				
O&M				
Labor				
Operations				
Contingency				
Total			**-**	
Capital				
Capital Improvements				
Equipment				
Other Start Up Costs				
Contingency				
Total			**-**	
Subtotal Baseline Processing Expenses			**-**	
Total Baseline Expenses			**5,715**	
Less NCRWS (County) Discount			-	
Net Baseline Expenses			5,715	

Costs - Reimbursed at Current Costs

Fuel	Fuel	11,204

ATTACHMENT T-6B: COLLECTION CAPITAL COSTS 2018$ - RECYCLE MORE PROGRAM

t

Schedule of Assets	Cost	Amortized Annual Cost	Year Purchased	Year Replacement or Refurbished	Year 1 (2015) Start 3/1	Year 2 (2016)	Year 3 (2017)	Year 4 (2018)	Year 5 (2019)	Year 6 (2020)	Year 7 (2021)	Year 8 (2022)	Year 9 (2023)	Year 10 (2024)	Year 11 (2025)	Year 12 (2026)	Year 13 (2027)	Year 14 (2028)	Year 15 (2029)	Year 16 (2030)	Year 17 (2031)	
Residential: Number & Type of Vehicles																						
																						$ -
																						$ -
Recycle More Truck	$ 157,266	$ 157,266	2025	2039											$ 22,467	$ 22,467	$ 22,467	$ 22,467	$ 22,467	$ 22,467	$ 22,467	$ -
																						$ -
																						$ -
Residential Subtotal	$ 157,266	$ 157,266			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,467	$ 22,467	$ 22,467	$ 22,467	$ 22,467	$ 22,467	$ 22,467	$ -
																						$ -
Commercial: Number of & Type of Vehicles																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
Commercial Subtotal	$ -	$ -			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
																						$ -
Roll Off: Number & Type of Vehicles																						$ -
																						$ -
																						$ -
																						$ -
																						$ -
Roll Off Subtotal	$ -	$ -			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
																						$ -
All Vehicle Subtotals (Sum Residential, Commercial and Roll Off):		$ 157,266			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,467	$ 22,467	$ 22,467	$ 22,467	$ 22,467	$ 22,467	$ 22,467	
																						$ -
# of Resident. Recyc. Containers																						$ -
# of Resident. Yardwaste. Containers																						$ -
# of Resident. MSW. Containers																						$ -
																						$ -
																						$ -
																						$ -
																						$ -

TTACHMENT T-7: PROCESSING O&M COSTS - BASELINE THROUGHPUT (with CASP) 2018$ - ADDITIONAL "PARTNERSHIP" SORTERS

	Current Annual Costs (Feb-Jan17)			Adjustments		Proposed Total (Baseline Throughput)			Year 1			Year 2			Year 3			Year 4			Year 5		
											Effective 1-1-18			Effective 1-1-19			Effective 1-1-20			Effective 1-1-21			Effective 1-1-22
LABOR	**Annual Salary**	**Number of FTEs**	**Annual Cost**			**Annual Salary**	**Number of FTEs**	**Annual Cost**	Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted
Salaries (by labor category)																							
General Manager						-	0.00	-															
Manager, Recycling						-	0.00	-															
Administrative Assistant						-	0.00	-															
Customer Service (Scale house)						-	0.00	-															
Composting Equipment Operator						-	0.00	-															
Composting Sorter/Processor						-	0.00	-															
Clean MRF Sorter/Processor	28,882	4	115,528			28,882	4.00	115,528	Labor	1.035	$ 124,952	Labor	1.035	$ 129,325	Labor	1.035	$ 133,852	Labor	1.035	$ 138,537	Labor	1.035	$ 143,385
Clean MRF Equipment Operator						-	0.00	-															
Wood Processing Equipment Operator						-	0.00	-															
C&D Processing (S.Sep.) Equipment Operator						-	0.00	-															
C&D Processing (Mixed) Sorter/Processor						-	0.00	-															
C&D Processing (Mixed) Equipment Operator						-	0.00	-															
Residential Food Waste Equipment Operator						-	0.00	-															
Mechanics						-	0.00	-															
Mechanics Helper						-	0.00	-															
Subtotal			115,528		-			115,528	Subtotal		$ 124,952	Subtotal		$ 129,325	Subtotal		$ 133,852	Subtotal		$ 138,537	Subtotal		$ 143,385
Fringe Benefits			74,661					74,661	Labor	1.035	$ 77,275	Labor	1.035	$ 79,979	Labor	1.035	$ 82,778	Labor	1.035	$ 85,676	Labor	1.035	$ 88,674
Total			**190,189**		**-**			**190,189**	**Total**		**$ 202,227**	**Total**		**$ 209,305**	**Total**		**$ 216,630**	**Total**		**$ 224,212**	**Total**		**$ 232,060**
Leased Equipment																							
Total																							
Other Operating Expenses																							
Water and Sewer								-															
Supplies			5,731					5,731	Non-Labor	1.025	$ 5,875	Non-Labor	1.025	$ 6,021	Non-Labor	1.025	$ 6,172	Non-Labor	1.025	$ 6,326	Non-Labor	1.025	$ 6,484
Outside Services								-															
Maintenance								-															
Tires								-															
Oil & Filters								-															
Licenses - DMV								-															
Permits								-															
Equipment rental								-															
Taxes, Property								-															
Business Licenses								-															
Insurance								-															
Property								-															
Liability								-															
Pollution								-															
Worker's Comp								-															
Vehicle								-															
Engineering and lab services								-															
Fire inspection fees								-															
Payroll service			1,309					1,309	Non-Labor	1.025	$ 1,342	Non-Labor	1.025	$ 1,375	Non-Labor	1.025	$ 1,410	Non-Labor	1.025	$ 1,445	Non-Labor	1.025	$ 1,481
First Aid Costs								-															
Management Fee								-															
Disposal:								-															
Tires								-															
Waste Oil								-															
eWaste								-															
Total			**7,040**		**-**			**7,040**	Total		$ 7,216	Total		$ 7,397	Total		$ 7,582	Total		$ 7,771	Total		$ 7,965
SUMMARY									Summary			Summary			Summary			Summary			Summary		
Labor			190,189		-			190,189	Labor		$ 202,227	Labor		$ 209,305	Labor		$ 216,630	Labor		$ 224,212	Labor		$ 232,060
Leased Equipment			-		-			-															
O&M			7,040		-			7,040	O&M		$ 7,216	O&M		$ 7,397	O&M		$ 7,582	O&M		$ 7,771	O&M		$ 7,965
Subtotal			**197,230**		-			**197,230**															
Contingency (__%)																							
Total			**197,230**		-			**197,230**	**Partnership Program Total**		**$ 209,443**	**Partnership Program Total**		**$ 216,701**	**Partnership Program Total**		**$ 224,212**	**Partnership Program Total**		**$ 231,983**	**Partnership Program Total**		**$ 240,025**

Linda Eggerth:
Increased 0.25 FTE per KM
email 1/27/11 (amendment 3)
8/13/2014 increased .25fte per 3rd amendment

Costs - Reimbursed at Current Costs								
Electricity								-
Fuel								-

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

HMENT T-7: PROCESSING O&M COST

	Year 6			Year 7			Year 8			Year 9			Year 10			Year 11			Year 12		
			Effective 1-1-23			Effective 1-1-24			Effective 1-1-25			Effective 1-1-26			Effective 1-1-27			Effective 1-1-28			Effective 1-1-29
LABOR	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted
Salaries (by labor category)																					
General Manager																					
Manager, Recycling																					
Administrative Assistant																					
Customer Service (Scale house)																					
Composting Equipment Operator																					
Composting Sorter/Processor																					
Clean MRF Sorter/Processor	Labor	1.035	$ 148,404	Labor	1.035	$ 153,598	Labor	1.035	$ 158,974	Labor	1.035	$ 164,538	Labor	1.035	$ 170,297	Labor	1.035	$ 176,257	Labor	1.035	$ 182,426
Clean MRF Equipment Operator																					
Wood Processing Equipment Operator																					
C&D Processing (S.Sep.) Equipment Operator																					
C&D Processing (Mixed) Sorter/Processor																					
C&D Processing (Mixed) Equipment Operator																					
Residential Food Waste Equipment Operator																					
Mechanics																					
Mechanics Helper																					
Subtotal	Subtotal		$ 148,404	Subtotal		$ 153,598	Subtotal		$ 158,974	Subtotal		$ 164,538	Subtotal		$ 170,297	Subtotal		$ 176,257	Subtotal		$ 182,426
Fringe Benefits	Labor	1.035	$ 91,778	Labor	1.035	$ 94,990	Labor	1.035	$ 98,315	Labor	1.035	$ 101,756	Labor	1.035	$ 105,317	Labor	1.035	$ 109,003	Labor	1.035	$ 112,819
Total	**Total**		**$ 240,182**	**Total**		**$ 248,588**	**Total**		**$ 257,289**	**Total**		**$ 266,294**	**Total**		**$ 275,614**	**Total**		**$ 285,261**	**Total**		**$ 295,245**
Leased Equipment																					
Total																					
Other Operating Expenses																					
Water and Sewer																					
Supplies	Non-Labor	1.025	$ 6,647	Non-Labor	1.025	$ 6,813	Non-Labor	1.025	$ 6,983	Non-Labor	1.025	$ 7,158	Non-Labor	1.025	$ 7,336	Non-Labor	1.025	$ 7,520	Non-Labor	1.025	$ 7,708
Outside Services																					
Maintenance																					
Tires																					
Oil & Filters																					
Licenses - DMV																					
Permits																					
Equipment rental																					
Taxes, Property																					
Business Licenses																					
Insurance																					
Property																					
Liability																					
Pollution																					
Worker's Comp																					
Vehicle																					
Engineering and lab services																					
Fire inspection fees																					
Payroll service	Non-Labor	1.025	$ 1,518	Non-Labor	1.025	$ 1,556	Non-Labor	1.025	$ 1,595	Non-Labor	1.025	$ 1,635	Non-Labor	1.025	$ 1,676	Non-Labor	1.025	$ 1,718	Non-Labor	1.025	$ 1,760
First Aid Costs																					
Management Fee																					
Disposal:																					
Tires																					
Waste Oil																					
eWaste																					
Total	Total		$ 8,165	Total		$ 8,369	Total		$ 8,578	Total		$ 8,792	Total		$ 9,012	Total		$ 9,237	Total		$ 9,468
SUMMARY	Summary			Summary			Summary			Summary			Summary			Summary			Summary		
Labor	Labor		$ 240,182	Labor		$ 248,588	Labor		$ 257,289	Labor		$ 266,294	Labor		$ 275,614	Labor		$ 285,261	Labor		$ 295,245
Leased Equipment																					
O&M	O&M		$ 8,165	O&M		$ 8,369	O&M		$ 8,578	O&M		$ 8,792	O&M		$ 9,012	O&M		$ 9,237	O&M		$ 9,468
Subtotal																					
Contingency (__%)																					
Total	**Partnership Program Total**		**$ 248,346**	**Partnership Program Total**		**$ 256,957**	**Partnership Program Total**		**$ 265,867**	**Partnership Program Total**		**$ 275,086**	**Partnership Program Total**		**$ 284,626**	**Partnership Program Total**		**$ 294,498**	**Partnership Program Total**		**$ 304,713**

Linda Egger
Increased 0.2
email 1/27/1
8/13/2014 in
3rd amendm

Costs - Reimbursed at Current Costs

Electricity
Fuel

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

HMENT T-7: PROCESSING O&M COST

LABOR	Year 13 Labor or Non-Labor	Year 13 2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 13 Effective 1-30 Contract Payment - Inflation Adjusted	Year 14 Labor or Non-Labor	Year 14 2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 14 Effective 1-31 Contract Payment - Inflation Adjusted	Previous (CY2017) Index Name	Previous (CY2017) Index	Previous (CY2017) Annual Costs	New (2018 Contract Amendment) Index
Salaries (by labor category)										
General Manager							CPI	1.045	-	
Manager, Recycling							CPI	1.045	-	
Administrative Assistant							CPI	1.045	-	
Customer Service (Scale house)							CPI	1.045	-	
Composting Equipment Operator							CPI	1.045	-	
Composting Sorter/Processor							CPI	1.045	-	
Clean MRF Sorter/Processor	Labor	1.035	$ 188,811	Labor	1.035	$ 195,419	CPI	1.045	120,727	
Clean MRF Equipment Operator							CPI	1.045	-	
Wood Processing Equipment Operator							CPI	1.045	-	
C&D Processing (S.Sep.) Equipment Operator							CPI	1.045	-	
C&D Processing (Mixed) Sorter/Processor							CPI	1.045	-	
C&D Processing (Mixed) Equipment Operator							CPI	1.045	-	
Residential Food Waste Equipment Operator							CPI	1.045	-	
Mechanics							CPI	1.045	-	
Mechanics Helper							CPI	1.045	-	
Subtotal	Subtotal		$ 188,811	Subtotal		$ 195,419			120,727	
Fringe Benefits	Labor	1.035	$ 116,767	Labor	1.035	$ 120,854	CPI	1.045	78,021	
Total	**Total**		**$ 305,578**	**Total**		**$ 316,274**			**198,748**	
Leased Equipment										
Total										
Other Operating Expenses										
Water and Sewer							PPI	1.041	-	
Supplies	Non-Labor	1.025	$ 7,901	Non-Labor	1.025	$ 8,098	PPI	1.041	5,966	
Outside Services							PPI	1.041	-	
Maintenance							PPI	1.041	-	
Tires							PPI	1.041	-	
Oil & Filters							PPI	1.041	-	
Licenses - DMV							PPI	1.041	-	
Permits							PPI	1.041	-	
Equipment rental							PPI	1.041	-	
Taxes, Property							PPI	1.041	-	
Business Licenses							PPI	1.041	-	
Insurance										
Property							PPI	1.041	-	
Liability							PPI	1.041	-	
Pollution							PPI	1.041	-	
Worker's Comp							PPI	1.041	-	
Vehicle							PPI	1.041	-	
Engineering and lab services							PPI	1.041	-	
Fire inspection fees							PPI	1.041	-	
Payroll service	Non-Labor	1.025	$ 1,804	Non-Labor	1.025	$ 1,850	PPI	1.041	1,363	
First Aid Costs							PPI	1.041	-	
Management Fee							PPI	1.041	-	
Disposal:										
Tires							PPI	1.041	-	
Waste Oil							PPI	1.041	-	
eWaste							PPI	1.041	-	
Total	Total		$ 9,705	Total		$ 9,948			**7,329**	
SUMMARY	Summary			Summary						
Labor	Labor		$ 305,578	Labor		$ 316,274			198,748	
Leased Equipment									-	
O&M	O&M		$ 9,705	O&M		$ 9,948			7,329	
Subtotal									**206,077**	
Contingency (__%)										
Total	**Partnership Program Total**		**$ 315,283**	**Partnership Program Total**		**$ 326,221**			**206,077**	

Costs - Reimbursed at Current Costs

Electricity
Fuel

TABLE 8. PROCESSING O&M COSTS - BASELINE THROUGHPUT (with CASP) 2018$ - Bio-Mass (Two Units)

t

	Current Annual Costs (Feb-Jan17)			Adjustments		Proposed Total (Baseline Throughput)		
LABOR	**Annual Salary**	**Number of FTEs**	**Annual Cost**			**Annual Salary**	**Number of FTEs**	**Annual Cost**
Salaries (by labor category)								
General Manager						-	0.00	-
Manager, Recycling						-	0.00	-
Administrative Assistant	26,000	1	26,000			26,910	1.00	26,910
Customer Service (Scale house)						-	0.00	-
Equipment Operator	75,294	4.5	338,821			77,929	4.50	350,680
Composting Sorter/Processor						-	0.00	-
Clean MRF Sorter/Processor						-	0.00	-
Clean MRF Equipment Operator						-	0.00	-
Wood Processing Equipment Operator						-	0.00	-
C&D Processing (S.Sep.) Equipment Operator						-	0.00	-
C&D Processing (Mixed) Sorter/Processor						-	0.00	-
C&D Processing (Mixed) Equipment Operator						-	0.00	-
Residential Food Waste Equipment Operator						-	0.00	-
Mechanics	77,077	6.5	501,001			77,077	6.50	518,536
Mechanics Helper						-	0.00	-
Subtotal			865,822		-			896,126
Fringe Benefits			471,683					488,192
Total			**1,337,505**		**-**			**1,384,318**
Leased Equipment								
Total								
Other Operating Expenses								
Water and Sewer								-
Cost of Ownership			22,080					22,632
Supplies								-
Outside Services								-
Maintenance			446,438					457,599
Tires								-
Oil & Filters								-
Licenses - DMV								-
Permits								-
Equipment rental								-
Taxes, Property			137,236					140,667
Business Licenses			4,030					4,131
Insurance								-
Property			84,661					86,778
Liability			30,000					30,750
Pollution								-
Worker's Comp								-
Vehicle								-
Engineering and lab services								-
Fire inspection fees								-
Payroll service								-
First Aid Costs								-
Management Fee								-
Disposal:								-
Tires								-
Waste Oil								-
eWaste								-
Total			**724,445**		**-**			**742,556**
SUMMARY								
Labor			1,337,505		-			1,384,318
Leased Equipment			-		-			-
O&M			724,445		-			742,556
Subtotal			**2,061,950**		**-**			**2,126,874**
Contingency (__%)								
Total			**2,061,950**		**-**			**2,126,874**

Linda Eggerth:
Increased 0.25 FTE per KM email 1/27/11 (amendment 3)
8/13/2014 increased .25fte per 3rd amendment

Costs - Reimbursed at Current Costs								
Electricity								-
Fuel								-

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Attachment T-8B (Draft) 4/10/2023

TABLE 3. PROCESSING CAPITAL COSTS - BIO-MASS FACILITY 2018$ (Two Units)

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Capital Cost Item	Cost	Amortized Annual Cost	Year Purchased	Year Replacement or Refurbished	Economic Life (years)	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)
Capital Improvements														
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fixed Equipment														
Bio-mass facility	$ 11,886,000	$ 11,886,000	2019		13		$ 914,308	$ 914,308	$ 914,308	$ 914,308	$ 914,308	$ 914,308	$ 914,308	$ 914,308
		$ -												
		$ -												
Subtotal	$ 11,886,000	$ 11,886,000				$ -	$ 914,308	$ 914,308	$ 914,308	$ 914,308	$ 914,308	$ 914,308	$ 914,308	$ 914,308
Rolling Stock														
		$ -												
		$ -												
		$ -												
		$ -												
		$ -												
		$ -												
		$ -												
		$ -												
		$ -												
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Costs														
PG&E - Generator Interconnection Agreement	$ 750,000	$ 750,000	2019		13		$ 57,692	$ 57,692	$ 57,692	$ 57,692	$ 57,692	$ 57,692	$ 57,692	$ 57,692
		$ -												
		$ -												
		$ -												
		$ -												
Interest		$ 4,851,275					$ 631,800	$ 596,131	$ 558,679	$ 519,354	$ 478,063	$ 434,708	$ 389,184	$ 341,385
Subtotal	$ 750,000	$ 5,601,275				$ -	$ 689,492	$ 653,823	$ 616,371	$ 577,046	$ 535,755	$ 492,400	$ 446,876	$ 399,077
Contingency (__%)														
Total		$ 17,487,275				$ -	$ 1,603,800	$ 1,568,131	$ 1,530,679	$ 1,491,354	$ 1,450,063	$ 1,406,708	$ 1,361,184	$ 1,313,385

Foots

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Attachment T-8B (Draft) 4/10/2023

Capital Cost Item	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)	
Capital Improvements						
Subtotal	$ -	$ -	$ -	$ -	$ -	
Fixed Equipment						
Bio-mass facility	$ 914,308	$ 914,308	$ 914,308	$ 914,308	$ 914,308	$ -
						$ -
						$ -
Subtotal	$ 914,308	$ 914,308	$ 914,308	$ 914,308	$ 914,308	$ -
Rolling Stock						
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
Subtotal	$ -	$ -	$ -	$ -	$ -	$ -
Other Costs						
PG&E - Generator Interconnection Agreement	$ 57,692	$ 57,692	$ 57,692	$ 57,692	$ 57,692	$ -
						$ -
						$ -
						$ -
						$ -
						$ -
						$ -
Interest	$ 291,195	$ 238,496	$ 183,162	$ 125,062	$ 64,056	$ -
Subtotal	$ 348,887	$ 296,188	$ 240,854	$ 182,754	$ 121,748	$ -
Contingency (__%)						
Total	$ 1,263,195	$ 1,210,496	$ 1,155,162	$ 1,097,062	$ 1,036,056	$ -

ATTACHMENT T-9A: PROCESSING CAPITAL COSTS - CLEAN MRF UPGRADE OPTIONS 2018$

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Capital Cost Item	Cost	Amortized Annual Cost	Year Purchased	Year Replacement or Refurbished	Economic Life (years)	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)
Capital Improvements															
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fixed Equipment															
Glass Cleaning System	$ 379,280	$ 379,280	2018	2032	14	$ 27,091	$ 27,091	$ 27,091	$ 27,091	$ 27,091	$ 27,091	$ 27,091	$ 27,091	$ 27,091	$ 27,091
Sorting Robot	$ 323,250	$ 323,250	2018	2032	14	$ 23,089	$ 23,089	$ 23,089	$ 23,089	$ 23,089	$ 23,089	$ 23,089	$ 23,089	$ 23,089	$ 23,089
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal	$ 702,530	$ 702,530				$ 50,181	$ 50,181	$ 50,181	$ 50,181	$ 50,181	$ 50,181	$ 50,181	$ 50,181	$ 50,181	$ 50,181
Rolling Stock															
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
												$ -	$ -	$ -	$ -
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
												$ -	$ -	$ -	$ -
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Costs															
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest		$ 162,354				$ 27,894	$ 25,567	$ 23,148	$ 20,634	$ 18,019	$ 15,300	$ 12,474	$ 9,535	$ 6,480	$ 3,303
Subtotal	$ -	$ 162,354				$ 27,894	$ 25,567	$ 23,148	$ 20,634	$ 18,019	$ 15,300	$ 12,474	$ 9,535	$ 6,480	$ 3,303
Contingency (__%)															
Total		$ 864,884				$ 78,075	$ 75,748	$ 73,329	$ 70,815	$ 68,200	$ 65,481	$ 62,655	$ 59,716	$ 56,661	$ 53,484

Foots

Michael A. Murray:
5% inflation on $620,000

Michael A. Murray:
5% inflation on $620,000

Michael A. Murray:
5% inflation on $620,000

Processing (Baseline Throughput)						$ 78,075	$ 75,748	$ 73,329	$ 70,815	$ 68,200	$ 65,481	$ 62,655	$ 59,716	$ 56,661	$ 53,484
Pre-processing (Baseline Throughput)															
CASP (Baseline Throughput)						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Stormwater						$ 78,075	$ 75,748	$ 73,329	$ 70,815	$ 68,200	$ 65,481	$ 62,655	$ 59,716	$ 56,661	$ 53,484
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Attachment T-9A

4/10/2023

Capital Cost Item	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)	
Capital Improvements					
Subtotal	$ -	$ -	$ -	$ -	
Fixed Equipment					
Glass Cleaning System	$ 27,091	$ 27,091	$ 27,091	$ 27,091	$ -
Sorting Robot	$ 23,089	$ 23,089	$ 23,089	$ 23,089	$ -
	$ -	$ -	$ -	$ -	$ -
Subtotal	$ 50,181	$ 50,181	$ 50,181	$ 50,181	$ -
Rolling Stock					
	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
					$ -
					$ -
					$ -
Subtotal	$ -	$ -	$ -	$ -	$ -
Other Costs					
	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
					$ -
					$ -
Interest					$ -
Subtotal	$ -	$ -	$ -	$ -	$ -
Contingency (__%)					
Total	$ 50,181	$ 50,181	$ 50,181	$ 50,181	$ -

Processing (Baseline Throughput)	$ 50,181	$ 50,181	$ 50,181	$ 50,181
Pre-processing (Baseline Throughput)				
CASP (Baseline Throughput)				
Stormwater	$ -	$ -	$ -	$ -
	$ 50,181	$ 50,181	$ 50,181	$ 50,181
	$ -	$ -	$ -	$ -

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTCHMENT T-9B: PROCESSING O&M COSTS - BASELINE THROUGHPUT) 2018$ - Clean MRF Upgrade Options

	Current Annual Costs (Projected)			Adjustments		Proposed Total (Baseline Throughput)				Year 1 Effective 1-1-18		Year 2 Effective 1-1-19		Year 3 Effective 1-1-20		Year 4 Effective 1-1-21		Year 5 Effective 1-1-22		Year 6 Effective 1-1-23		
LABOR	**Annual Salary**	**Number of FTEs**	**Annual Cost**			**Annual Salary**	**Number of FTEs**	**Annual Cost**		**Annual Cost**	Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted
Salaries (by labor category)																						
General Manager						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
Manager, Recycling						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
Administrative Assistant						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
Customer Service (Scale house)						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
Equipment Operator						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
Composting Sorter/Processor						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
Clean MRF Sorter/Processor						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
Clean MRF Equipment Operator						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
Wood Processing Equipment Operator						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
C&D Processing (S.Sep.) Equipment Operator						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
C&D Processing (Mixed) Sorter/Processor						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
C&D Processing (Mixed) Equipment Operator						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
Residential Food Waste Equipment Operator						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
Mechanics						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
Mechanics Helper						-	0.00	-		-			$ -			$ -			$ -			$ -			$ -
Subtotal			-		-			-		-			$ -			$ -			$ -			$ -			$ -
Fringe Benefits								-		-			$ -			$ -			$ -			$ -			$ -
Total			-		-			-		-			$ -			$ -			$ -			$ -			$ -
										-			$ -			$ -			$ -			$ -			$ -
Leased Equipment										-			$ -			$ -			$ -			$ -			$ -
										-			$ -			$ -			$ -			$ -			$ -
Total										-			$ -			$ -			$ -			$ -			$ -
										-			$ -			$ -			$ -			$ -			$ -
Other Operating Expenses										-			$ -			$ -			$ -			$ -			$ -
Water and Sewer			-					-		-			$ -			$ -			$ -			$ -			$ -
Cost of Ownership								-		-			$ -			$ -			$ -			$ -			$ -
Supplies								-		-			$ -			$ -			$ -			$ -			$ -
Outside Services								-		-			$ -			$ -			$ -			$ -			$ -
Maintenance			42,152					42,152		42,152	Non-Labor	1.025	$ 43,206	Non-Labor	1.025	$ 44,285.95	Non-Labor	1.025	$ 45,393	Non-Labor	1.025	$ 46,528	Non-Labor	1.025	$ 47,691
Tires								-		-			$ -			$ -			$ -			$ -			$ -
Oil & Filters								-		-			$ -			$ -			$ -			$ -			$ -
Licenses - DMV								-		-			$ -			$ -			$ -			$ -			$ -
Permits								-		-			$ -			$ -			$ -			$ -			$ -
Equipment rental								-		-			$ -			$ -			$ -			$ -			$ -
Taxes, Property			8,079					8,079		8,079	Non-Labor	1.025	$ 8,281	Non-Labor	1.025	$ 8,488.00	Non-Labor	1.025	$ 8,700	Non-Labor	1.025	$ 8,918	Non-Labor	1.025	$ 9,141
Business Licenses								-		-			$ -			$ -			$ -			$ -			$ -
Insurance								-		-			$ -			$ -			$ -			$ -			$ -
Property			4,706					4,706		4,706	Non-Labor	1.025	$ 4,824	Non-Labor	1.025	$ 4,944.24	Non-Labor	1.025	$ 5,068	Non-Labor	1.025	$ 5,195	Non-Labor	1.025	$ 5,324
Liability								-		-			$ -			$ -			$ -			$ -			$ -
Pollution								-		-			$ -			$ -			$ -			$ -			$ -
Worker's Comp								-		-			$ -			$ -			$ -			$ -			$ -
Vehicle								-		-			$ -			$ -			$ -			$ -			$ -
Engineering and lab services								-		-			$ -			$ -			$ -			$ -			$ -
Fire inspection fees								-		-			$ -			$ -			$ -			$ -			$ -
Payroll service								-		-			$ -			$ -			$ -			$ -			$ -
First Aid Costs								-		-			$ -			$ -			$ -			$ -			$ -
Management Fee								-		-			$ -			$ -			$ -			$ -			$ -
Disposal:								-		-			$ -			$ -			$ -			$ -			$ -
Tires								-		-			$ -			$ -			$ -			$ -			$ -
Waste Oil								-		-			$ -			$ -			$ -			$ -			$ -
eWaste								-		-			$ -			$ -			$ -			$ -			$ -
Total			**54,937**		**-**			**54,937**		**54,937**	Total		**$ 56,310**	Total		**$ 57,718**	Total		**$ 59,161**	Total		**$ 60,640**	Total		**$ 62,156**
										-			$ -			$ -			$ -			$ -			$ -
SUMMARY										-	**Summary**		$ -	**Summary**		$ -	**Summary**		$ -	**Summary**		$ -	**Summary**		$ -
Labor			-		-			-		-	Labor		$ -	Labor		$ -	Labor		$ -	Labor		$ -	Labor		$ -
Leased Equipment			-		-			-		-			$ -			$ -			$ -			$ -			$ -
O&M			54,937		-			54,937		54,937	O&M		$ 56,310	O&M		$ 57,718	O&M		$ 59,161	O&M		$ 60,640	O&M		$ 62,156
Subtotal			**54,937**		**-**			**54,937**		**54,937**			**$ 56,310**			**$ 57,718**			**$ 59,161**			**$ 60,640**			**$ 62,156**
Contingency (__%)										-			$ -						$ -						$ -
Total			**54,937**		**-**			**54,937**		**54,937**	**MRF Upgrade Options O&M**		**$ 56,310**	**MRF Upgrade Options O&M**		**$ 57,718**	**MRF Upgrade Options O&M**		**$ 59,161**	**MRF Upgrade Options O&M**		**$ 60,640**	**MRF Upgrade Options O&M**		**$ 62,156**

Costs - Reimbursed at Current Costs

Electricity								-	
Fuel								-	

Linda Eggerth:
Increased 0.25 FTE per KM email 1/27/11 (amendment 3)
8/13/2014 increased .25fte per 3rd amendment

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTCHMENT T-9B: PROCESSING

			Year 7 Effective 1-1-24			Year 8 Effective 1-1-25			Year 9 Effective 1-1-26			Year 10 Effective 1-1-27			Year 11 Effective 1-1-28			Year 12 Effective 1-1-29			Year 13 Effective 1-1-30			Year 14 Effective 1-1-31		
	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Contract Payment - Inflation Adjusted
LABOR			**Annual Cost**			**Annual Cost**			**Annual Cost**			**Annual Cost**			**Annual Cost**			**Annual Cost**			**Annual Cost**			**Annual Cost**
Salaries (by labor category)																										
General Manager			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Manager, Recycling			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Administrative Assistant			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Customer Service (Scale house)			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Equipment Operator			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Composting Sorter/Processor			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Clean MRF Sorter/Processor			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Clean MRF Equipment Operator			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Wood Processing Equipment Operator			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
C&D Processing (S.Sep.) Equipment Operator			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
C&D Processing (Mixed) Sorter/Processor			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
C&D Processing (Mixed) Equipment Operator			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Residential Food Waste Equipment Operator			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Mechanics			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Mechanics Helper			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Subtotal			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Fringe Benefits			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Total			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Leased Equipment			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Total			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Other Operating Expenses			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Water and Sewer			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Cost of Ownership			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Supplies			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Outside Services			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Maintenance	Non-Labor	1.025	$ 48,883	Non-Labor	1.025	$ 50,105	Non-Labor	1.025	$ 51,358	Non-Labor	1.025	$ 52,642	Non-Labor	1.025	$ 53,958	Non-Labor	1.025	$ 55,307	Non-Labor	1.025	$ 56,690	Non-Labor	1.025	$ 58,107
Tires			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Oil & Filters			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Licenses - DMV			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Permits			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Equipment rental			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Taxes, Property	Non-Labor	1.025	$ 9,369	Non-Labor	1.025	$ 9,603	Non-Labor	1.025	$ 9,843	Non-Labor	1.025	$ 10,090	Non-Labor	1.025	$ 10,342	Non-Labor	1.025	$ 10,600	Non-Labor	1.025	$ 10,865	Non-Labor	1.025	$ 11,137
Business Licenses			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Insurance			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Property	Non-Labor	1.025	$ 5,458	Non-Labor	1.025	$ 5,594	Non-Labor	1.025	$ 5,734	Non-Labor	1.025	$ 5,877	Non-Labor	1.025	$ 6,024	Non-Labor	1.025	$ 6,175	Non-Labor	1.025	$ 6,329	Non-Labor	1.025	$ 6,487
Liability			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Pollution			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Worker's Comp			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Vehicle			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Engineering and lab services			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Fire inspection fees			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Payroll service			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
First Aid Costs			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Management Fee			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Disposal:			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Tires			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Waste Oil			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
eWaste			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Total	Total		**$ 63,710**	Total		**$ 65,303**	Total		**$ 66,935**	Total		**$ 68,609**	Total		**$ 70,324**	Total		**$ 72,082**	Total		**$ 73,884**	Total		**$ 75,731**
			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
SUMMARY	**Summary**		$ -	**Summary**		$ -	**Summary**		$ -	**Summary**		$ -	**Summary**		$ -	**Summary**		$ -	**Summary**		$ -	**Summary**		$ -	**Summary**		$ -
Labor	Labor		$ -	Labor		$ -	Labor		$ -	Labor		$ -	Labor		$ -	Labor		$ -	Labor		$ -	Labor		$ -	Labor		$ -
Leased Equipment			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -
O&M	O&M		$ 63,710	O&M		$ 65,303	O&M		$ 66,935	O&M		$ 68,609	O&M		$ 70,324	O&M		$ 72,082	O&M		$ 73,884	O&M		$ 75,731
Subtotal			**$ 63,710**			**$ 65,303**			**$ 66,935**			**$ 68,609**			**$ 70,324**			**$ 72,082**			**$ 73,884**			**$ 75,731**
Contingency (__%)			$ -			$ -			$ -			$ -			$ -			$ -			$ -			$ -		
Total	**MRF Upgrade Options O&M**		**$ 63,710**	**MRF Upgrade Options O&M**		**$ 65,303**	**MRF Upgrade Options O&M**		**$ 66,935**	**MRF Upgrade Options O&M**		**$ 68,609**	**MRF Upgrade Options O&M**		**$ 70,324**	**MRF Upgrade Options O&M**		**$ 72,082**	**MRF Upgrade Options O&M**		**$ 73,884**	**MRF Upgrade Options O&M**		**$ 75,731**

Costs - Reimbursed at Current Costs

Electricity
Fuel

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Instructions: Summarize all proposed costs on this table. Columns may be added as needed.

ATTACHMENT T-10A: OPERATING & CAPITAL COSTS 2018$ - SUNDAY SERVICE (DRIVER/HELPER)

COST CATEGORIES	Proposed Costs	Adjustments	Proposed Total	Year 2 Effective 1-1-19: Labor or Non-Labor	Year 2: 2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Year 2: Contract Payment - Inflation Adjusted	Year 3 Effective 1-1-20: Labor or Non-Labor	Year 3: 2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Year 3: Contract Payment - Inflation Adjusted	Year 4 Effective 1-1-21: Labor or Non-Labor	Year 4: 2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Year 4: Contract Payment - Inflation Adjusted	Year 5 Effective 1-1-22: Labor or Non-Labor	Year 5: 2018 Contract Amendment Fixed Inflation Increase (2018 to 2022)	Year 5: Contract Payment - Inflation Adjusted
COLLECTION															
Operating Expenses															
Labor	52,237		52,237	Labor	1.035	54,065	Labor	1.035	55,958	Labor	1.035	57,916	Labor	1.035	59,943
Supplies	1,200		1,200	Non-Labor	1.025	1,230	Non-Labor	1.025	1,261	Non-Labor	1.025	1,292	Non-Labor	1.025	1,325
Vehicle O&M			-			-			-			-			-
Oil & Other Fluids			-			-			-			-			-
Vehicle Insurance			-			-			-			-			-
Vehicle Repair & Maintenance			-			-			-			-			-
Total	**53,437**		**53,437**	**-**		**55,295**	**-**		**57,218**	**-**		**59,208**	**-**		**61,268**
G & A Expenses															
Customer Service															
Customer Service Labor			-			-			-			-			-
Billing			-			-			-			-			-
Administration															
Admin Services			-			-			-			-			-
General Insurance			-			-			-			-			-
Office Expenses			-			-			-			-			-
Public Information & Education			-			-			-			-			-
Total	**-**		**-**	**-**		**-**	**-**		**-**	**-**		**-**	**-**		**-**
Vehicle & Equipment Capital			-			-			-			-			-
Overhead, Tax			-			-			-			-			-
Total	**-**		**-**	**-**		**-**	**-**		**-**	**-**		**-**	**-**		**-**
Subtotal Collection Costs	**53,437**		**53,437**	**-**		**55,295**	**-**		**57,218**	**-**		**59,208**	**-**		**61,268**
PROCESSING															
O&M															
Labor			-			-			-			-			-
Operations			-			-			-			-			-
Contingency															
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital															
Capital Improvements															
Equipment			-			-			-			-			-
Other Start Up Costs															
Contingency															
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Subtotal Baseline Processing Expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Baseline Expenses	**53,437**	**-**	**53,437**	**-**	**-**	**55,295**	**-**	**-**	**57,218**	**-**	**-**	**59,208**	**-**	**-**	**61,268**
Less NCRWS (County) Discount			-			-			-			-			-
Net Baseline Expenses	53,437	-	53,437	-	-	55,295	-	-	57,218	-	-	59,208	-	-	61,268

Costs - Reimbursed at Current Costs

Fuel	8,845		8,845
Fuel - Table 4			
Electricity - Table 4			
			8,845.00

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Instructions: Summarize all proposed cc

ATTACHMENT T-10A: OPERATINC

COST CATEGORIES	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 6 Effective 1-1-23 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 7 Effective 1-1-24 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 8 Effective 1-1-25 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 9 Effective 1-1-26 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 10 Effective 1-1-27 Contract Payment - Inflation Adjusted
COLLECTION															
Operating Expenses															
Labor	Labor	1.035	62,041	Labor	1.035	64,213	Labor	1.035	66,460	Labor	1.035	68,786	Labor	1.035	71,194
Supplies	Non-Labor	1.030	1,364	Non-Labor	1.025	1,398	Non-Labor	1.025	1,433	Non-Labor	1.025	1,469	Non-Labor	1.025	1,506
Vehicle O&M			-			-			-			-			-
Oil & Other Fluids			-			-			-			-			-
Vehicle Insurance			-			-			-			-			-
Vehicle Repair & Maintenance			-			-			-			-			-
Total			**63,405**	**-**		**65,611**	**-**		**67,893**	**-**		**70,255**	**-**		**72,700**
G & A Expenses															
Customer Service															
Customer Service Labor			-			-			-			-			-
Billing			-			-			-			-			-
Administration															
Admin Services			-			-			-			-			-
General Insurance			-			-			-			-			-
Office Expenses			-			-			-			-			-
Public Information & Education			-			-			-			-			-
Total	**-**		**-**	**-**		**-**	**-**		**-**	**-**		**-**	**-**		**-**
Vehicle & Equipment Capital			-			-			-			-			-
Overhead, Tax			-			-			-			-			-
Total	**-**		**-**	**-**		**-**	**-**		**-**	**-**		**-**	**-**		**-**
Subtotal Collection Costs	**-**		**63,405**	**-**		**65,611**	**-**		**67,893**	**-**		**70,255**	**-**		**72,700**
PROCESSING															
O&M															
Labor			-			-			-			-			-
Operations			-			-			-			-			-
Contingency															
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital															
Capital Improvements															
Equipment			-			-			-			-			-
Other Start Up Costs															
Contingency															
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Subtotal Baseline Processing Expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Baseline Expenses	**-**	**-**	**63,405**	**-**	**-**	**65,611**	**-**	**-**	**67,893**	**-**	**-**	**70,255**	**-**	**-**	**72,700**
Less NCRWS (County) Discount			-			-			-			-			-
Net Baseline Expenses	-	-	63,405	-	-	65,611	-	-	67,893	-	-	70,255	-	-	72,700

Per 2022 Contract Amendment terms, 2.5% Non-Labor Index increased by half CPI exceeding 5% (CPI = 6% thus half of 1% = 0.5%).

Costs - Reimbursed at Current Costs

Fuel
Fuel - Table 4
Electricity - Table 4

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Instructions: Summarize all proposed cc

ATTACHMENT T-10A: OPERATINC

COST CATEGORIES	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 11 Effective 1-1-28 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 12 Effective 1-1-29 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 13 Effective 1-1-30 Contract Payment - Inflation Adjusted	Labor or Non-Labor	2022 Contract Amendment Fixed Inflation Increase (2023 to 2031)	Year 14 Effective 1-1-31 Contract Payment - Inflation Adjusted	Previous (CY2017) Index Name	Previous (CY2017) Index	Previous (CY2017) Annual Costs	New (2018 Contract Amendment) Index
COLLECTION																
Operating Expenses																
Labor	Labor	1.035	73,685	Labor	1.035	76,264	Labor	1.035	78,934	Labor	1.035	81,696	CPI	1	52,237	CPI-Labor
Supplies	Non-Labor	1.025	1,544	Non-Labor	1.025	1,582	Non-Labor	1.025	1,622	Non-Labor	1.025	1,662	PPI	1	1,200	CPI-Other
Vehicle O&M			-			-			-			-				
Oil & Other Fluids			-			-			-			-	PPI	1	-	CPI-Other
Vehicle Insurance			-			-			-			-	PPI	1	-	CPI-Other
Vehicle Repair & Maintenance			-			-			-			-	PPI	1	-	CPI-Other
Total	-		**75,229**	-		**77,847**	-		**80,555**	-		**83,359**			**53,437**	
G & A Expenses																
Customer Service																
Customer Service Labor			-			-			-			-	CPI	1	-	CPI-Labor
Billing			-			-			-			-	PPI	1	-	CPI-Other
Administration																
Admin Services			-			-			-			-	CPI	1	-	CPI-Labor
General Insurance			-			-			-			-	PPI	1	-	CPI-Other
Office Expenses			-			-			-			-	PPI	1	-	CPI-Other
Public Information & Education			-			-			-			-	PPI	1	-	CPI-Other
Total	-		-	-		-	-		-	-		-			-	
Vehicle & Equipment Capital			-			-			-			-				
Overhead, Tax			-			-			-			-	None	1	-	CPI-Other
Total	-		-	-		-	-		-	-		-			-	
Subtotal Collection Costs	-		**75,229**	-		**77,847**	-		**80,555**	-		**83,359**			**53,437**	
PROCESSING																
O&M																
Labor			-			-			-			-				
Operations			-			-			-			-				
Contingency																
Total	-	-	-	-	-	-	-	-	-	-	-	-			-	
Capital																
Capital Improvements																
Equipment			-			-			-			-				
Other Start Up Costs																
Contingency																
Total	-	-	-	-	-	-	-	-	-	-	-	-			-	
Subtotal Baseline Processing Expenses	-	-	-	-	-	-	-	-	-	-	-	-			-	
Total Baseline Expenses	-	-	**75,229**	-	-	**77,847**	-	-	**80,555**	-	-	**83,359**			**53,437**	
Less NCRWS (County) Discount			-			-			-			-			-	
Net Baseline Expenses	-	-	75,229	-	-	77,847	-	-	80,555	-	-	83,359			53,437	

Costs - Reimbursed at Current Costs

Fuel													Fuel		8,845	
Fuel - Table 4															8,845	
Electricity - Table 4															**62,282**	

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Instructions: Summarize all proposed costs on this table. Columns may be added as needed.

ATTACHMENT T-10B: OPERATING & CAPITAL COSTS 2018$ - SUNDAY SERVICE (TWO DRIVERS)

COST CATEGORIES	Proposed Costs	Adjustments	t	Current Index Name	Current Index	Current Annual Costs	New Index
COLLECTION							
Operating Expenses							
Labor	62,821		62,821	CPI	1	62,821	CPI-Labor
Supplies	1,200		1,200	PPI	1	1,200	CPI-Other
Vehicle O&M			-				
Oil & Other Fluids			-	PPI	1	-	CPI-Other
Vehicle Insurance			-	PPI	1	-	CPI-Other
Vehicle Repair & Maintenance			-	PPI	1	-	CPI-Other
Total	**64,021**		**64,021**			**64,021**	
G & A Expenses							
Customer Service							
Customer Service Labor			-	CPI	1	-	CPI-Labor
Billing			-	PPI	1	-	CPI-Other
Administration							
Admin Services			-	CPI	1	-	CPI-Labor
General Insurance			-	PPI	1	-	CPI-Other
Office Expenses			-	PPI	1	-	CPI-Other
Public Information & Education			-	PPI	1	-	CPI-Other
Total	-		-			-	
Vehicle & Equipment Capital			-				
Overhead, Tax			-	None	1	-	CPI-Other
Total	-		-			-	
Subtotal Collection Costs	**64,021**		**64,021**			**64,021**	
PROCESSING							
O&M							
Labor			-				
Operations			-				
Contingency							
Total	-	-	-			-	
Capital							
Capital Improvements							
Equipment			-				
Other Start Up Costs							
Contingency							
Total	-	-	-			-	
Subtotal Baseline Processing Expenses	-	-	-			-	
Total Baseline Expenses	**64,021**	-	**64,021**			**64,021**	
Less NCRWS (County) Discount			-			-	
Net Baseline Expenses	64,021	-	64,021			64,021	
Costs - Reimbursed at Current Costs							
Fuel	8,845		8,845	Fuel		8,845	
Fuel - Table 4							
Electricity - Table 4							
			8,845.00			8,845	
						72,866	

ATTACHMENT T-11
UNIT PRICED SERVICES AND ALLOWANCES

ANNUAL PERFORMANCE BOND COST			t
Performance Bond based upon actual cost	$	45,000	(2018 dollars)
ALLOWANCE-BASED PROGRAMS (Static as of 7/1/18, no annual inflation adjustment, may be adjusted at City's discretion for Recycling Award Program & Telephone Directory Recycling Ads)			
Payment for Recycle More Labor in lieu of Annual E-Waste Recycling Collection Event*	$	52,992	(2018 dollars, static
Recycling Awards Program	$	12,000	(2018 dollars, static)
Development & Maintenance of Searchable Recycling Website**	$	6,000	(2018 dollars, static)
UNIT COST-BASED PROGRAMS (Article 12 labor index adjustment beginning CY2019)			
On-Call Commercial Pallet Collection	$	58	(2018 dollars, Article 12 labor index)
On-Call Commercial Metal Collection***	$	-	(2018 dollars, Article 12 labor index)
Curbside Electronic Waste Collection*	$	-	(2018 dollars, Article 12 labor index)
On-Call Bulky Goods Collection****	$	58	(2018 dollars, Article 12 labor index)
City-Directed Spill Clean Up	$	210	(2018 dollars, Article12 labor index)
SCHOOL DISTRICT PROGRAM*** (Adjusted by Labor Index each July 1st, beginning 7/1/18)**			
Cost for School FY 2017/2018 (7/1/17-6/30/18)	$	148,407	
Cost for School FY 2018/2019 (7/1/18-6/30/19)	$	153,601	(with 3.5% increase)
Cost for School FY 2019/2020 (7/1/19-6/30/20)	$	158,977	(with 3.5% increase)
Cost for School FY 2020/2021 (7/1/20-6/30/21)	$	164,541	(with 3.5% increase)
Cost for School FY 2021/2022 (7/1/21-6/30/22)	$	170,300	(with 3.5% increase)
Cost for School FY 2022/2023 (7/1/22-6/30/23)	$	176,261	(with 3.5% increase)
Cost for School FY 2023/2024 (7/1/23-6/30/24)	$	182,430	(with 3.5% increase)
Cost for School FY 2024/2025 (7/1/24-6/30/25)	$	188,815	(with 3.5% increase)
Cost for School FY 2025/2026 (7/1/25-6/30/26)	$	195,424	(with 3.5% increase)
Cost for School FY 2026/2027 (7/1/26-6/30/27)	$	202,264	(with 3.5% increase)
Cost for School FY 2027/2028 (7/1/27-6/30/28)	$	209,343	(with 3.5% increase)
Cost for School FY 2028/2029 (7/1/28-6/30/29)	$	216,670	(with 3.5% increase)
Cost for School FY 2029/2030 (7/1/29-6/30/30)	$	224,253	(with 3.5% increase)
Cost for School FY 2030/2031 (7/1/30-6/30/31)	$	232,102	(with 3.5% increase)
Cost for School FY 2031/2032 (7/1/31-6/30/32)******	$	240,226	(with 3.5% increase)

revised agreed to dollar amount

Updated to correct per NRWS review on 3-2-23

* As of 5/1/2020, City-NRWS reduced by $20,000 to not hold an annual one-day collection event. At City's discretion, $20,000 would be restored if directed by City.
** Original Telephone Recycling Ads Allowance was replaced and readjusted for development and maintenance of searchable recycling website.
*** Cost reduced to $0 due to implementation of Recycle More Program. If program is discontinued by City, unit costs will be restored to orginal levels
**** The two annual bulky good collections to be provided by Contractor as part of basic service. Contractor to be compensated for three or more bulky item collections per household.
***** Cost for processing school district material is included in Attachment T-1.
****** Costs reflect July 2031 through June 2031 school year although term of agreement terminates December 31, 2031

ATTACHMENT T-13: PROCESSING O&M COSTS - BASELINE THROUGHPUT (with CASP)
2020$ - CASP (YEAR ONE)

		Current Annual Costs (Jan-Dec)		
LABOR		**Annual Salary**	**Number of FTEs**	**Annual Cost**
Salaries (by labor category)				
General Manager				
Manager, Recycling				
Lab Technician/Regulatory Compliance		75,000	1.5	112,500
Administrative Assistant				
Customer Service (Scale house)				
Composting Equipment Operator		73,931	0.5	~~36,966~~
Composting Sorter/Processor		73,931	0.35	25,876
Clean MRF Sorter/Processor				
Clean MRF Equipment Operator				
Wood Processing Equipment Operator				
C&D Processing (S.Sep.) Equipment Operator				
C&D Processing (Mixed) Sorter/Processor				
C&D Processing (Mixed) Equipment Operator				
Residential Food Waste Equipment Operator				
Mechanics				
Mechanics Helper				
Subtotal				175,341
Fringe Benefits				85416.25
Total				**260,758**
Leased Equipment				
Trailer/Equipment rental				24,000
Total				**24,000**
Other Operating Expenses				
Water and Sewer				45,811
Supplies				10,500
Outside Services				4,500
Outside Services - Testing				200,000
Maintenance				7,500
Tires				
Oil & Filters				
Licenses - DMV				
Permits				
Taxes, Property				804
Business Licenses				700
Insurance				
Property				3,540
Liability				
Pollution				
Worker's Comp				10,177
Vehicle				
Engineering and lab services				20,000
Fire inspection fees				
Payroll service				
First Aid Costs				
Management Fee				
Disposal:				
Tires				
Waste Oil				
eWaste				
Total				**303,532**
SUMMARY				
Labor				260,758
Leased Equipment				24,000
O&M				303,532
Subtotal				**588,290**
Contingency (__%)				
Total				**588,290**

Compost/Stormwater Equipment Operator reduced from 1.0 FTE to 0.5 FTE per City-NRWS agreed dealpoint.

Added 0.35 FTE per G. Kelley file

Added $25,876 per G. Kelley provided file

Costs - Reimbursed at Current Costs

Electricity				
Fuel				

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTACHMENT T-13B: PROCESSING CAPITAL COSTS - BASELINE THROUGHPUT 2020$ - CASP

t

Capital Cost Item	Cost	Amortized Annual Cost	Year Purchased	Year Replacement or Refurbished	Economic Life (years)	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)	
Capital Improvements																				
Trailer foundation & electrical	$ 10,236	$ 10,236	2020		5			$ 2,047	$ 2,047	$ 2,047	$ 2,047	$ 2,047								
Subtotal	$ 10,236	$ 10,236				$ -	$ -	$ 2,047	$ 2,047	$ 2,047	$ 2,047	$ 2,047	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Fixed Equipment																				
																				$ -
																				$ -
																				$ -
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rolling Stock																				
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Costs																				
Lab Equipment	$ 18,210	$ 18,210	2020	2025	5			$ 3,642	$ 3,642	$ 3,642	$ 3,642	$ 3,642								$ -
Office equipment	$ 6,250	$ 6,250	2020	2025	5			$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250								$ -
Computer	$ 9,159	$ 9,159	2020	2025	5			$ 1,832	$ 1,832	$ 1,832	$ 1,832	$ 1,832								$ -
Lab Equipment	$ 19,120	$ 19,120	2025	2030	5								$ 3,824	$ 3,824	$ 3,824	$ 3,824	$ 3,824			$ -
Office equipment	$ 1,616	$ 1,616	2025	2030	5								$ 323	$ 323	$ 323	$ 323	$ 323			$ -
Computer	$ 2,371	$ 2,371	2025	2030	5								$ 474	$ 474	$ 474	$ 474	$ 474			$ -
Temperature probes (100)	$ 539	$ 53,875	2026		6									$ 8,979	$ 8,979	$ 8,979	$ 8,979	$ 8,979	$ 8,979	$ -
Lab Equipment	$ 20,076	$ 20,076	2030		2													$ 10,038	$ 10,038	$ -
Office equipment	$ 1,697	$ 1,697	2030		2													$ 849	$ 849	$ -
Computer	$ 2,489	$ 2,489	2030		2													$ 1,245	$ 1,245	$ -
																				$ -
Subtotal	$ 81,526	$ 134,862				$ -	$ -	$ 6,724	$ 6,724	$ 6,724	$ 6,724	$ 6,724	$ 4,621	$ 13,601	$ 13,601	$ 13,601	$ 13,601	$ 21,110	$ 21,110	$ -
Contingency (__%)																				
Interest		$ 22,013						$ 2,193	$ 1,796	$ 1,379	$ 942	$ 481	$ 1,155	$ 3,640	$ 3,025	$ 2,378	$ 1,699	$ 2,200	$ 1,125	$ -
Total		$ 167,112				$ -	$ -	$ 10,964	$ 10,567	$ 10,150	$ 9,713	$ 9,252	$ 5,776	$ 17,241	$ 16,626	$ 15,979	$ 15,300	$ 23,310	$ 22,235	$ -
		Foots																		

Processing (Baseline Throughput)								$ 10,964	$ 10,567	$ 10,150	$ 9,713	$ 9,252	$ 5,776	$ 17,241	$ 16,626	$ 15,979	$ 15,300	$ 23,310	$ 22,235	
Pre-processing (Baseline Throughput)	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
CASP (Baseline Throughput)	$ -	$ -				$ -	$ -	$ 10,964	$ 10,567	$ 10,150	$ 9,713	$ 9,252	$ 5,776	$ 17,241	$ 16,626	$ 15,979	$ 15,300	$ 23,310	$ 22,235	
Stormwater	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
								$ 48,950												
								$ 1,141												

ATTACHMENT T-14: PROCESSING O&M COSTS - BASELINE THROUGHPUT (with CASP)
2020$ - CASP (YEAR TWO)

t

		Current Annual Costs (Jan-Dec)		
LABOR		**Annual Salary**	**Number of FTEs**	**Annual Cost**
Salaries (by labor category)				
General Manager				
Manager, Recycling				
Lab Technician/Regulatory Compliance		75,000	1	75,000
Administrative Assistant				
Customer Service (Scale house)				
Composting Equipment Operator		73,931	0.5	36,966
Composting Sorter/Processor		73,931	0.35	25,876
Clean MRF Sorter/Processor				
Clean MRF Equipment Operator				
Wood Processing Equipment Operator				
C&D Processing (S.Sep.) Equipment Operator				
C&D Processing (Mixed) Sorter/Processor				
C&D Processing (Mixed) Equipment Operator				
Residential Food Waste Equipment Operator				
Mechanics				
Mechanics Helper				
Subtotal				137,841
Fringe Benefits				69871.25
Total				**207,713**
Leased Equipment				
Trailer/Lab equipment				24,000
Total				24,000
Other Operating Expenses				
Water and Sewer				45,811
Supplies				10,500
Outside Services				4,500
Outside Services - Testing				75,000
Maintenance				7,500
Tires				-
Oil & Filters				-
Licenses - DMV				-
Permits				-
Taxes, Property				804
Business Licenses				400
Insurance				-
Property				3,540
Liability				-
Pollution				-
Worker's Comp				10,177
Vehicle				
Engineering and lab services				20,000
Fire inspection fees				-
Payroll service				-
First Aid Costs				-
Management Fee				
Disposal:				
Tires				
Waste Oil				
eWaste				
Total				**178,232**
SUMMARY				
Labor				207,713
Leased Equipment				24,000
O&M				178,232
Subtotal				**409,945**
Contingency (__%)				
Total				**409,945**

Costs - Reimbursed at Current Costs

Electricity				
Fuel				

Restored to 1 FTE for lab tech per original amendment proposal for year 2 (CY2021).

Compost/Stormwater Equipment Operator reduced from 1.0 FTE to 0.5 FTE per agreed City-NRWS dealpoint. - KM

Lab Tech Fringe Benefits reset for 1 FTE vs. 1.5 FTE for year 2 (CY2021).

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTACHMENT T-15B: PROCESSING CAPITAL COSTS - BASELINE THROUGHPUT 2020$ - STORMWATER

Capital Cost Item	Cost	Amortized Annual Cost	Year Purchased	Year Replacement or Refurbished	Economic Life (years)	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)	
Capital Improvements																				
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Fixed Equipment																				
																				$ -
																				$ -
																				$ -
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rolling Stock																				
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Costs																				
Compost covers	$ 26,500	$ 26,500	2025	2030	5								$ 5,300	$ 5,300	$ 5,300	$ 5,300	$ 5,300			$ -
Compost covers	$ 29,500	$ 29,500	2030		2													$ 14,750	$ 14,750	$ -
Pond Improvements - Concrete extension	$ 199,584	$ 199,584	2020		12			$ 16,632	$ 16,632	$ 16,632	$ 16,632	$ 16,632	$ 16,632	$ 16,632	$ 16,632	$ 16,632	$ 16,632	$ 16,632	$ 16,632	$ -
Pond Improvements - Fencing	$ 30,835	$ 30,835	2020		12			$ 2,570	$ 2,570	$ 2,570	$ 2,570	$ 2,570	$ 2,570	$ 2,570	$ 2,570	$ 2,570	$ 2,570	$ 2,570	$ 2,570	$ -
Pond Equipment - Sump pump & control panel	$ 54,473	$ 54,473	2020		12			$ 4,539	$ 4,539	$ 4,539	$ 4,539	$ 4,539	$ 4,539	$ 4,539	$ 4,539	$ 4,539	$ 4,539	$ 4,539	$ 4,539	$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
Subtotal	$ 340,892	$ 340,892				$ -	$ -	$ 23,741	$ 23,741	$ 23,741	$ 23,741	$ 23,741	$ 29,041	$ 29,041	$ 29,041	$ 29,041	$ 29,041	$ 38,491	$ 38,491	$ -
Contingency (__%)																				
Interest		$ 107,156						$ 14,245	$ 13,350	$ 12,410	$ 11,423	$ 10,387	$ 10,625	$ 9,242	$ 7,791	$ 6,268	$ 4,666	$ 4,463	$ 2,286	$ -
Total		$ 448,048				$ -	$ -	$ 37,986	$ 37,091	$ 36,151	$ 35,164	$ 34,128	$ 39,666	$ 38,283	$ 36,832	$ 35,309	$ 33,707	$ 42,954	$ 40,777	$ -
		Foots																		

Processing (Baseline Throughput)
Pre-processing (Baseline Throughput)
CASP (Baseline Throughput)
Stormwater

$ -	$ -	$ 37,986	$ 37,091	$ 36,151	$ 35,164	$ 34,128	$ 39,666	$ 38,283	$ 36,832	$ 35,309	$ 33,707	$ 42,954	$ 40,777	
$ -	$ -	$ 37,986	$ 37,091	$ 36,151	$ 35,164	$ 34,128	$ 39,666	$ 38,283	$ 36,832	$ 35,309	$ 33,707	$ 42,954	$ 40,777	
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	

ATTACHMENT T-16: PROCESSING O&M COSTS - BASELINE THROUGHPUT - PRE-PROCESSING 2020$

t

		Current Annual Costs (Jan-Dec)									
LABOR		**Annual Salary**	**Number of FTEs**	**Annual Cost**	2021	2022	2023	2024	2025	2026	2027	2028
Salaries (by labor category)												
General Manager												
Manager, Recycling												
Lab Technician/Regulatory Compliance				-								
Administrative Assistant												
Customer Service (Scale house)												
Composting Equipment Operator				-								
Composting Sorter/Processor												
Clean MRF Sorter/Processor												
Clean MRF Equipment Operator												
Wood Processing Equipment Operator												
C&D Processing (S.Sep.) Equipment Operator												
C&D Processing (Mixed) Sorter/Processor												
C&D Processing (Mixed) Equipment Operator												
Residential Food Waste Equipment Operator												
Mechanics												
Mechanics Helper												
Subtotal				-								
Fringe Benefits												
Total				**-**								
Leased Equipment												
Trailer/Lab equipment												
Total				-								
Other Operating Expenses												
Water and Sewer												
Supplies												
Outside Services												
Parts				75,000								
Maintenance				55,000								
Tires												
Oil & Filters												
Licenses - DMV												
Permits												
Taxes, Property				11,048								
Business Licenses				100								
Insurance												
Property				35,866								
Liability												
Pollution												
Worker's Comp												
Vehicle												

Changed from $66,000 to $75,000 per G. Kelley provided file

Changed from $24,000 to $55,000 per G. Kelley provided file

ATTACHMENT T-16: PROCESSING O&M COSTS - BASELINE THROUGHPUT - PRE-PROCESSING 2020$

t

		Current Annual Costs (Jan-Dec)		
Engineering and lab services				
Fire inspection fees				
Payroll service				
First Aid Costs				
Management Fee				
Disposal:				
Tires				
Waste Oil				
eWaste				
Total				**177,014**
SUMMARY				
Labor				-
Leased Equipment				-
O&M				177,014
Subtotal				**177,014**
Contingency (__%)				
Total				**177,014**

Costs - Reimbursed at Current Costs

Electricity				
Fuel				

ATTACHMENT T-16B: PROCESSING CAPITAL COSTS - BASELINE THROUGHPUT 2020$ - PRE-PROCESING

Capital Cost Item	Cost	Amortized Annual Cost	Year Purchased	Year Replacement or Refurbished	Economic Life (years)	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)	
Capital Improvements																				
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Fixed Equipment																				
																				$ -
																				$ -
																				$ -
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rolling Stock																				
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Costs																				
Electrical connection	$ 35,000	$ 35,000	2020		11				$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ -
Removal of old equipment	$ 7,800	$ 7,800	2020		1				$ 7,800											$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
Subtotal	$ 42,800	$ 42,800				$ -	$ -	$ -	$ 10,982	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ -
Contingency (__%)																				
Interest																				$ -
Total		$ 42,800				$ -	$ -	$ -	$ 10,982	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ -

Foots

Processing (Baseline Throughput)	$ 35,000
Pre-processing (Baseline Throughput)	$ (772,212)
CASP (Baseline Throughput)	
Stormwater	

$ -	$ -	$ -	$ 10,982	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182
$ -	$ -	$ -	$ 10,982	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182	$ 3,182
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

ATTACHMENT T-17B: PROCESSING CAPITAL COSTS - BASELINE THROUGHPUT 2022$ - SB 1383

t

		Current Annual Costs (Jan-Dec)		
LABOR		**Annual Salary**	**Number of FTEs**	**Annual Cost**
Salaries (by labor category)				
General Manager				
Manager, Recycling				
Lab Technician/Regulatory Compliance				-
Administrative Assistant				
Customer Service (Scale house)				
Composting Equipment Operator		77,506	2	155,012
Composting Sorter/Processor				
Clean MRF Sorter/Processor				
Clean MRF Equipment Operator				
Wood Processing Equipment Operator				
C&D Processing (S.Sep.) Equipment Operator				
C&D Processing (Mixed) Sorter/Processor				
C&D Processing (Mixed) Equipment Operator				
Residential Food Waste Equipment Operator				
Mechanics				
Mechanics Helper				
Subtotal				155,012
Fringe Benefits				114,372
Total				**269,384**
Leased Equipment				
Trailer/Lab equipment				
Total				-
Other Operating Expenses				
Supplies				
Outside Services				
Parts				120,000
Maintenance				243,727
Tires				
Oil & Filters				
Licenses - DMV				
Permits				1,251
Taxes, Property				28,415
Business Licenses				
Insurance				
Property				101,114
Liability				
Pollution				
Worker's Comp				
Vehicle				
Engineering and lab services				
Fire inspection fees				
Payroll service				360
First Aid Costs				
Management Fee				
Disposal:				
Tires				
Waste Oil				
eWaste				
Total				**494,867**
SUMMARY				
Labor				269,384
Leased Equipment				-
O&M				494,867
Subtotal				**764,251**
Contingency (__%)				
Total				**764,251**

Costs - Reimbursed at Current Costs

Electricity				30,000
Fuel				81,120

1,252,738

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTACHMENT T-17B: PROCESSING CAPITAL COSTS - BASELINE THROUGHPUT 2022$ - SB 1383

Capital Cost Item	Cost	Amortized Annual Cost	Year Purchased	Year Replacement or Refurbished	Economic Life (years)	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)	
Capital Improvements																				
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Fixed Equipment																				
Optical Sorter (85%)	$ 1,444,550	$ 1,227,868	2024		8							$ 153,483	$ 153,483	$ 153,483	$ 153,483	$ 153,483	$ 153,483	$ 153,483	$ 153,487	$ -
		$ -																		$ -
		$ -																		$ -
Subtotal	$ 1,444,550	$ 1,227,868				$ -	$ -	$ -	$ -	$ -	$ -	$ 153,483	$ 153,483	$ 153,483	$ 153,483	$ 153,483	$ 153,483	$ 153,483	$ 153,487	$ -
Rolling Stock																				
Wheel Loader	$ 312,995	$ 312,995	2024		8							$ 39,124	$ 39,124	$ 39,124	$ 39,124	$ 39,124	$ 39,124	$ 39,124	$ 39,127	$ -
Excavator	$ 323,895	$ 323,895	2024		8							$ 40,487	$ 40,487	$ 40,487	$ 40,487	$ 40,487	$ 40,487	$ 40,487	$ 40,486	$ -
Trommel Screen	$ 446,394	$ 446,394	2024		8							$ 55,799	$ 55,799	$ 55,799	$ 55,799	$ 55,799	$ 55,799	$ 55,799	$ 55,801	$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
Subtotal	$ 1,083,284	$ 1,083,284				$ -	$ -	$ -	$ -	$ -	$ -	$ 135,410	$ 135,410	$ 135,410	$ 135,410	$ 135,410	$ 135,410	$ 135,410	$ 135,414	$ -
Other Costs																				
		$ -																		$ -
		$ -																		$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
																				$ -
Subtotal	$ -	$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contingency (__%)																				
Interest		$ 414,092										$ 88,474	$ 78,700	$ 68,584	$ 58,113	$ 47,276	$ 36,060	$ 24,451	$ 12,434	$ -
Total		$ 2,725,244				$ -	$ -	$ -	$ -	$ -	$ -	$ 377,367	$ 367,593	$ 357,477	$ 347,006	$ 336,169	$ 324,953	$ 313,344	$ 301,335	$ -
		Foots																		
Processing (Baseline Throughput)		$ 2,725,244										$ 377,367	$ 367,593	$ 357,477	$ 347,006	$ 336,169	$ 324,953	$ 313,344	$ 301,335	$ -
Pre-processing (Baseline Throughput)																				
CASP (Baseline Throughput)																				
Stormwater																				
						$ -	$ -	$ -	$ -	$ -	$ -									
						$ -	$ -	$ -	$ -	$ -	$ -	$ 377,367	$ 367,593	$ 357,477	$ 347,006	$ 336,169	$ 324,953	$ 313,344	$ 301,335	
						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	

Updated formula to begin sum with B19 instead of B20 - KM

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUURS49BSA0
Not Seasonally Adjusted
Series Title: All items in San Francisco-Oakland-Hayward, CA, all
Area: San Francisco-Oakland-Hayward, CA
Item: All items
Base Period: 1982-84=100
Years: 2012 to 2022

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2012		236.880		238.985		239.806		241.170		242.834		239.533	239.650	238.099	241.201
2013		242.677		244.675		245.935		246.072		246.617		245.711	245.023	243.894	246.152
2014		248.615		251.495		253.317		253.354		254.503		252.273	251.985	250.507	253.463
2015		254.910		257.622		259.117		259.917		261.019		260.289	258.572	256.723	260.421
2016		262.600		264.565		266.041		267.853		270.306		269.483	266.344	263.911	268.777
2017		271.626		274.589		275.304		275.893		277.570		277.414	274.924	273.306	276.542
2018		281.308		283.422		286.062		287.664		289.673		289.896	285.550	282.666	288.435
2019		291.227		294.801		295.259		295.490		298.443		297.007	295.004	293.150	296.859
2020		299.690		298.074		300.032		300.182		301.736		302.948	300.084	299.109	301.059
2021		304.387		309.419		309.497		311.167		313.265		315.805	309.721	306.724	312.718
2022		320.195		324.878		330.539		328.871		332.062		331.222	327.060	323.408	330.711

Culculation for October 2021 to October 2022 Change:

Oct-21	313.265
Oct-22	332.062
Difference:	18.797
Percentage Change (Increase):	**6.0%**

Percentage Above 5.0%	1.0%
City Share of Increase Above 5.0%	0.5%
NRWS Share of Increase Above 5.0%	0.5%

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

01-2017-NRWS - Fuel and Electricity Costs

01 - NRWS		FUEL		ELECTRICITY					
					PG & E ACCOUNT NUMBERS				
						Compost	600 Tower		
GL Accounts					820 Levitin	Receiving	Road	Lincoln Ave	Total
Direct Truck and Vehicles					5566691058-7	7703705571-0	6513104394-8	2693302993-1	
	601210	$	199,684.18	January	$ 1,374.14	$ 1,360.07	$ 78.38	$ 86.77	
	601211	$	2,018.39	Januray	$ 7,238.61	$ 8,044.66	$ 361.86	$ 50.83	$ 18,595.32
	601215	$	72,337.06						
				February	$ 1,392.04	$ 1,547.05	$ 86.85	$ 72.00	
Diect Equipment				February	$ 6,197.17	$ 6,849.97	$ 311.13	$ 52.56	$ 16,508.77
	601310	$	70,923.70						
	601311	$	493.87	March	$ 1,886.09	$ 2,084.77	$ 113.14	$ 100.33	
				March	$ 6,935.11	$ 8,728.82	$ 264.35	$ 56.49	$ 20,169.10
Container R&M and Delivery									
	601480	$	7,726.59	April	$ 1,444.82	$ 1,818.51	$ 68.96	$ 112.97	
	601481	$	-	April	$ 7,395.75	$ 9,744.28	$ 313.68	$ 49.96	$ 20,948.93
Shop R & M				May	$ 2,070.81	$ 2,728.40	$ 104.56	$ 81.74	
	601701	$	2,064.86	May	$ 9,430.59	$ 16,279.70	$ 300.87	$ 76.69	$ 31,073.36
Supervision				June	$ 2,357.65	$ 4,069.92	$ 91.57	$ 112.08	
	601881	$	1,970.81	June	$ 9,067.14	$ 11,932.82	$ 323.32	$ 84.45	$ 28,038.95
	601882	$	1,967.58						
				July	$ 2,266.79	$ 2,983.21	$ 126.52	$ 145.86	
G & A				July	$ 9,469.61	$ 12,891.35	$ 368.04	$ 101.67	$ 28,353.05
	702225	$	-						
	702226	$	1,570.40	August	$ 2,272.71	$ 3,093.93	$ 117.10	$ 169.46	
				August	$ 9,846.67	$ 14,654.40	$ 338.13	$ 108.76	$ 30,601.16
Public Education									
	710226	$	633.52	September	$ 2,363.20	$ 3,517.05	$ 98.62	$ 187.86	
				September	$ 9,643.99	$ 13,758.02	$ 319.37	$ 68.17	$ 29,956.28
Jan - Dec 2017		$	686,044.85						
				October	$ 2,009.16	$ 2,866.26	$ 111.09	$ 111.55	
July-Dec 2017 Total		$	361,390.96	October	$ 9,601.23	$ 11,646.69	$ 312.66	$ 79.94	$ 26,738.58
Amount to Bill the City:				November	$ 1,846.39	$ 2,239.75	$ 81.56	$ 98.39	
For 2017		$	361,390.96	November	$ 7,428.68	$ 8,788.73	$ 298.58	$ 80.90	$ 20,862.98
For Jan 2018		$	57,170.40						
For Feb 2018		$	57,170.40	December	$ 1,485.74	$ 1,757.75	$ 74.64	$ 118.24	
For Mar 2018		$	57,170.40	December	$ 8,136.75	$ 7,730.98	$ 367.38	$ 74.57	$ 19,746.05
		$	532,902.17	Jan - Dec 2017	**$ 123,160.84**	**$ 161,117.09**	**$ 5,032.36**	**$ 2,282.24**	**$ 291,592.53**
				July-Dec	$ 66,370.92	$ 85,928.12	$ 2,613.69	$ 1,345.37	$ 156,258.10
		Amount Previously Billed to City				$ 85,155.29			
		Amount to bill in 2018							
				For 2017	$ 66,370.92	$ 772.83	$ 2,613.69	$ 1,345.37	$ 71,102.81
					$ 10,263.40		$ 419.36	$ 190.19	$ 10,872.95
					$ 10,263.40		$ 419.36	$ 190.19	$ 10,872.95
					$ 10,263.40		$ 419.36	$ 190.19	$ 10,872.95
									$ 103,721.67

For August PG&E we biled the City $16,975.50
We should have billed $17,748.33

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

01-2019-NRWS - Fuel and Electricity Costs Monthly Payment Determination

	FUEL						ELECTRICITY		
							PG & E ACCOUNT NUMBERS		
Month	Hunt & Sons	NVP	NVP - Red Dye Diesel	Clean Energy	Allied CNG	Total	820 Levitin	Compost Receiving	Total
							5566691058-7	7703705571-0	
Oct-17	$ 14,690.81	$ 514.61				$ 15,205.42	$ 2,009.16	$ 2,866.26	$ 4,875.42
Oct-17	$ 20,315.08	$ 443.92	$ 14,556.73	$ 756.78	$ 10,556.71	$ 46,629.22	$ 9,601.23	$ 11,646.69	$ 21,247.92
Nov-17	$ 20,609.86	$ 700.08				$ 21,309.94	$ 1,846.39	$ 2,239.75	$ 4,086.14
Nov-17	$ 18,617.91	$ 912.94	$ 16,671.30	$ 943.86	$ 11,615.77	$ 48,761.78	$ 7,428.68	$ 8,788.73	$ 16,217.41
Dec-17	$ 20,263.86	$ 803.55				$ 21,067.41	$ 1,485.74	$ 1,757.75	$ 3,243.49
Dec-17	$ 16,372.91	$ 1,094.92	$ 14,198.55	$ 1,644.14	$ 10,503.47	$ 43,813.99	$ 8,136.75	$ 7,730.98	$ 15,867.73
Jan-18	$ 16,674.19	$ 825.77				$ 17,499.96	$ 1,251.81	$ 1,189.37	$ 2,441.18
Jan-18	$ 19,709.47	$ 799.51	$ 12,112.54	$ 774.64	$ 11,920.22	$ 45,316.38	$ 7,877.99	$ 8,273.05	$ 16,151.04
Feb-18	$ 23,870.75	$ 854.22				$ 24,724.97	$ 1,515.00	$ 1,225.63	$ 2,740.63
Feb-18	$ 15,449.03	$ 503.39	$ 11,238.84	$ 927.50	$ 11,686.68	$ 39,805.44	$ 7,042.11	$ 7,728.85	$ 14,770.96
Mar-18	$ 17,610.63	$ 151.60				$ 17,762.23	$ 2,449.43	$ 1,932.21	$ 4,381.64
Mar-18	$ 15,694.34	$ 483.83	$ 11,969.10	$ 387.94	$ 19,486.38	$ 48,021.59	$ 7,776.12	$ 7,731.62	$ 15,507.74
Apr-18	$ 15,665.41	$ 352.55				$ 16,017.96	$ 1,244.18	$ 1,237.06	$ 2,481.24
Apr-18	$ 18,163.02	$ 541.57	$ 13,236.01		$ 19,417.44	$ 51,358.04	$ 8,186.62	$ 10,011.00	$ 18,197.62
May-18	$ 19,998.70	$ 388.58				$ 20,387.28	$ 1,889.22	$ 2,310.23	$ 4,199.45
May-18	$ 22,050.62	$ 393.64	$ 14,350.42		$ 22,885.07	$ 59,679.75	$ 10,965.08	$ 16,215.79	$ 27,180.87
Jun-18	$ 18,047.44	$ 150.30		$ 78.49		$ 18,276.23	$ 2,193.02	$ 3,243.16	$ 5,436.18
Jun-18	$ 16,447.98	$ 508.57	$ 13,674.99	$ 129.62	$ 18,669.74	$ 49,430.90	$ 11,051.70	$ 12,986.47	$ 24,038.17
Jul-18	$ 15,628.85	$ 166.66				$ 15,795.51	$ 2,210.34	$ 2,597.29	$ 4,807.63
Jul-18	$ 22,732.25	$ 387.98	$ 19,493.55	$ 110.19	$ 18,860.38	$ 61,584.35	$ 11,625.93	$ 2,343.13	$ 13,969.06
Aug-18	$ 16,874.00	$ 322.25		$ 253.98		$ 17,450.23	$ 2,235.76	$ 450.60	$ 2,686.36
Aug-18	$ 20,665.54	$ 473.96	$ 15,581.05	$ 238.90	$ 21,269.91	$ 58,229.36	$ 12,001.19	$ 7,441.13	$ 19,442.32
Sep-18	$ 16,529.10	$ 230.64				$ 16,759.74	$ 2,307.92	$ 1,430.99	$ 3,738.91
Sep-18	$ 16,752.68	$ 493.26	$ 10,747.80	$ 99.19	$ 18,905.04	$ 46,997.97	$ 11,702.69	$ 16,927.12	$ 28,629.81
Oct '17-Sep '18	$ 439,434.43	$ 12,498.30	$ 167,830.88	$ 6,345.23	$ 195,776.81	$ 821,885.65	$ 136,034.06	$ 140,304.86	$ 276,338.92
						$ 68,490.47			$ 23,028.24
Amount to bill in 2019 - Combined Fuel and Energy									$ 91,518.71
3% Profit									$ 2,745.56
Total Monthly Payment									$ 94,264.28

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Napa Recycling and Waste Services

Fuel Costs by Month - October 2018 - September 2019

FUEL

	Amount ($$)						Quantity (gals)					
Month	Hunt & Sons	NVP	NVP - Red Dye Diesel	Clean Energy	Allied CNG	Total	Hunt & Sons	NVP	NVP - Red Dye Diesel	Clean Energy	Allied CNG	Total
Oct-18	$ 18,471.09	$ 503.01	$ -	$ -	$ -	$ 18,974.10	4667.561	130.020				4797.581
Oct-18	$ 20,632.29	$ 354.94	$ 14,838.90	$ 252.64	$ 25,974.52	$ 62,053.29	5263.752	96.340	4800.000	77.758	9763.980	20001.830
Nov-18	$ 16,444.84	$ 304.65	$ -	$ -	$ -	$ 16,749.49	4452.194	87.070				4539.264
Nov-18	$ 14,668.95	$ 279.39	$ 11,409.04	$ 151.84	$ 24,914.13	$ 51,423.35	4316.712	82.630	4005.000	46.026	9356.950	17807.318
Dec-18	$ 12,218.10	$ 392.04	$ -	$ -	$ -	$ 12,610.14	3850.301	126.890				3977.191
Dec-18	$ 10,958.74	$ 258.84	$ 8,920.93	$ -	$ 26,536.54	$ 46,675.05	3593.451	84.430	3655.000	0.000	9960.790	17293.671
Jan-19	$ 11,960.51	$ 258.72	$ -	$ -	$ -	$ 12,219.23	3834.955	81.380				3916.335
Jan-19	$ 14,263.87	$ 535.50	$ 8,810.80	$ -	$ 28,809.70	$ 52,419.87	4401.689	170.320	3565.000	0.000	10827.210	18964.219
Feb-19	$ 11,406.30	$ 346.01	$ -	$ -	$ -	$ 11,752.31	3468.563	111.540				3580.103
Feb-19	$ 10,475.26	$ 330.70	$ 9,827.39	$ -	$ 26,454.67	$ 47,088.02	3078.2	98.060	3720.000	0.000	9925.500	16821.760
Mar-19	$ 12,335.81	$ 409.55	$ -	$ -	$ -	$ 12,745.36	3590.690	121.020				3711.710
Mar-19	$ 11,808.05	$ 475.14	$ 10,853.34	$ 85.50	$ 29,395.68	$ 52,617.71	3363.334	133.030	3925.000	26.316	11043.120	18490.800
Apr-19	$ 13,410.65	$ 354.79	$ -	$ -	$ -	$ 13,765.44	3624.336	93.730				3718.066
Apr-19	$ 13,479.64	$ 447.21	$ 14,028.80	$ 259.89	$ 32,319.38	$ 60,534.92	3541.574	114.500	4620.000	0.000	12158.610	20434.684
May-19	$ 14,409.00	$ 169.14	$ -	$ -	$ -	$ 14,578.14	3653.227	44.600				3697.827
May-19	$ 12,412.72	$ 321.44	$ 16,500.72	$ -	$ 37,775.05	$ 67,009.93	3274.104	85.190	5085.000	79.988	14236.470	22760.752
Jun-19	$ 7,608.75	$ 472.58	$ -	$ -	$ -	$ 8,081.33	2264.730	135.850				2400.580
Jun-19	$ 5,678.55	$ 587.41	$ 14,820.74	$ 140.30	$ 40,232.69	$ 61,459.69	1640.459	168.450	5050.000	40.917	15171.270	22071.096
Jul-19	$ -	$ 85.11	$ -	$ -	$ -	$ 85.11		23.280				23.280
Jul-19	$ 3,135.17	$ 266.97	$ -	$ -	$ -	$ 3,402.14	888.840	75.450				964.290
Jul-19	$ 4,023.82	$ 126.51	$ 15,797.43		$ 51,403.99	$ 71,351.75	1163.005	38.800	5450.000	0.000	19426.320	26078.125
Aug-19	$ 3,276.73	$ 532.84	$ -	$ -	$ -	$ 3,809.57	981.337	160.480				1141.817
Aug-19	$ 3,518.89	$ 481.84	$ 16,954.79	$ 67.53	$ 50,265.05	$ 71,288.10	1023.142	141.220	5965.000	19.696	18989.300	26138.358
Sep-19	$ 3,761.05	$ 198.58	$ -	$ -	$ -	$ 3,959.63	1081.093	57.700				1138.793
Sep-19	$ 3,668.91	$ 409.69	$ 17,597.38	$ 258.40	$ 47,066.84	$ 69,001.22	1017.953	109.170	5940.000	73.014	17771.410	24911.547
	$ 254,027.69	$ 8,902.60	$ 160,360.26	$ 1,216.10	$ 421,148.24	$ 845,654.89	72035.202	2571.150	55780.000	363.715	158630.930	289380.997

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Napa Recycling and Waste Services
Electricity Costs by Month - Oct 2018 - Sept 2019
ELECTRICITY

	Amount ($$)			Quantity (kwh)		
MONTH	820 Levitin	Compost Receiving	Total	820 Levitin	Compost Receiving	Total
AC Numbers	5566691058-7	7703705571-0		5566691058-7	7703705571-0	
Oct-18	$ 1,914.10	$ 2,708.34	$ 4,622.44	7258.13372	4893.72414	12151.85786
	$ 11,630.65	$ 13,127.05	$ 24,757.70	47674.08183	32130.29531	79804.37714
Nov-18	$ 2,153.82	$ 2,430.94	$ 4,584.76	8828.53367	5950.05469	14778.58836
	$ 8,693.06	$ 8,504.13	$ 17,197.19	46025.17375	33000.50000	79025.67375
Dec-18	$ 1,738.61	$ 1,700.82	$ 3,439.43	9205.03475	6600.10000	15805.13475
	$ 10,369.86	$ 9,526.11	$ 19,895.97	49538.49712	32948.41875	82486.91587
Jan-19	$ 2,393.04	$ 2,198.33	$ 4,591.37	11431.96088	7603.48125	19035.44213
	$ 11,835.92	$ 10,046.42	$ 21,882.34	61852.90083	34419.50000	96272.40083
Feb-19	$ 2,367.18	$ 2,009.28	$ 4,376.46	12370.58017	6883.90000	19254.48017
	$ 10,550.87	$ 8,488.86	$ 19,039.73	55753.03213	29300.16000	85053.19213
Mar-19	$ 3,836.68	$ 2,583.57	$ 6,420.25	20273.82987	8917.44000	29191.26987
	$ 10,657.41	$ 8,885.50	$ 19,542.91	57329.74065	29865.71613	87195.45678
Apr-19	$ 3,108.41	$ 2,591.61	$ 5,700.02	16721.17435	8710.83387	25432.00822
	$ 11,237.54	$ 10,566.42	$ 21,803.96	55456.36260	25904.32500	81360.68760
May-19	$ 3,420.13	$ 3,215.87	$ 6,636.00	16878.02340	7883.92500	24761.94840
	$ 14,576.71	$ 20,745.57	$ 35,322.28	57042.02247	41410.80000	98452.82247
Jun-19	$ 4,436.40	$ 5,186.39	$ 9,622.79	17360.61553	10352.70000	27713.31553
	$ 14,920.53	$ 10,932.41	$ 25,852.94	58259.89500	21856.38750	80116.28250
Jul-19	$ 4,973.52	$ 3,644.14	$ 8,617.66	19419.96500	7285.46250	26705.42750
	$ 14,776.41	$ 15,653.95	$ 30,430.36	54815.82773	26135.13000	80950.95773
Aug-19	$ 5,373.25	$ 4,764.25	$ 10,137.50	19933.02827	7954.17000	27887.19827
	$ 15,578.70	$ 17,016.97	$ 32,595.67	59593.64700	26868.71250	86462.35950
Sep-19	$ 5,192.90	$ 5,672.33	$ 10,865.23	19864.54900	8956.23750	28820.78650
	$ 14,911.64	$ 13,657.03	$ 28,568.67	54703.80907	20741.41034	75445.21941
	$ 190,647.34	$ 185,856.29	$ 376,503.63	837590.41879	446573.38448	1284163.80327

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01-NRWS Fuel & Electricity Costs by Month - Oct 2019 thru Sept 2020

ELECTRICITY

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PG&E ACCOUNT NUMBERS

MONTH	820 Levitin		CASP		Compost Receiving		**Total**	Billed to City	True - Up	Plus 3% Profit
	kwh	5566691058-7	kwh	5566691058-7	kwh	7703705571-0				
Oct-19	17405.75743	$ 4,744.61			6599.53966	$ 4,345.42	**$ 9,090.03**			
	55245.40097	$ 14,909.05			19666.8	$ 12,541.23	**$ 27,450.28**	$ 23,028.24	$ 13,512.07	$ 13,917.43
Nov-19	11509.45853	$ 3,106.05			4097.25	$ 2,612.76	**$ 5,718.81**			
	59583.7529	$ 12,021.99			17970.12097	$ 6,244.94	**$ 18,266.93**	$ 23,028.24	$ 957.50	$ 986.23
Dec-19	17378.5946	$ 3,506.42			4312.82903	$ 1,498.78	**$ 5,005.20**			
	58185.77574	$ 11,933.02			23729.15323	$ 8,689.87	**$ 20,622.89**	$ 23,028.24	$ 2,599.85	$ 2,677.85
Jan-20	16970.85126	$ 3,480.47			5694.99677	$ 2,085.57	**$ 5,566.04**			
	60125.3016	$ 12,442.87			24520.125	$ 10,500.79	**$ 22,943.66**	$ 31,375.30	$ (2,865.60)	$ (2,951.57)
Feb-20	15031.3254	$ 3,110.72			4904.025	$ 2,100.16	**$ 5,210.88**			
	52984.83766	$ 11,220.26			24769.6875	$ 6,329.38	**$ 17,549.64**	$ 31,375.30	$ (8,614.78)	$ (8,873.22)
Mar-20	20733.19734	$ 4,390.54			8256.5625	$ 2,109.79	**$ 6,500.33**			
	52496.83697	$ 11,141.60			23376.24828	$ 6,620.35	**$ 17,761.95**	$ 31,375.30	$ (7,113.02)	$ (7,326.41)
Apr-20	16703.53903	$ 3,545.06			6098.15172	$ 1,727.05	**$ 5,272.11**			
	56488.3392	$ 12,804.79			22276.55	$ 7,727.05	**$ 20,531.84**	$ 31,375.30	$ (5,571.35)	$ (5,738.49)
May-20	14122.0848	$ 3,201.20			5569.14	$ 1,931.76	**$ 5,132.96**			
	61279.40313	$ 17,442.78			19460.27813	$ 14,327.20	**$ 31,769.98**	$ 31,375.30	$ 5,527.64	$ 5,693.47
Jun-20	17158.23288	$ 4,883.98			5448.87788	$ 4,011.62	**$ 8,895.60**			
	55400.39503	$ 16,315.08			29430.97931	$ 14,312.48	**$ 30,627.56**	$ 31,375.30	$ 8,147.86	$ 8,392.30
Jul-20	14452.27697	$ 4,256.11			7677.62069	$ 3,733.69	**$ 7,989.80**			
	65654.60667	$ 18,630.72			28045.5	$ 14,413.70	**$ 33,044.42**	$ 31,375.30	$ 9,658.92	$ 9,948.69
Aug-20	13130.92133	$ 3,726.14			5609.1	$ 2,882.74	**$ 6,608.88**			
	69817.43151	$ 20,343.14	36745.63862	$ 10,323.28	22325.07931	$ 14,580.08	**$ 45,246.50**	$ 31,375.30	$ 20,480.08	$ 21,094.48
CASP 4/7/20 to 8/5/20			162727.62	$ 42,724.48			**$ 42,724.48**	0	$ 42,724.48	$ 44,006.21
Sep-20	8055.85749	$ 2,347.28	4239.88138	$ 1,191.15	2575.97069	$ 1,682.32	**$ 5,220.75**			
	67726.21529	$ 19,332.99	37272.04875	$ 10,289.47	23056.01719	$ 12,507.21	**$ 42,129.67**	$ 31,375.30	$ 15,975.12	$ 16,454.37
		$ 222,836.87		**$ 64,528.38**		**$ 159,515.94**	**$446,881.19**	**$ 351,462.42**	**$ 95,418.77**	**$ 98,281.33**

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

01-NRWS Fuel & Electricity Costs by Month - Oct 2019 thru Sept 2020

FUEL

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Month	Hunt & Sons		NVP		NVP - Red Dye Diesel		Clean Energy		Allied CNG		**Total**	Billed to City	True - Up	Plus	3% Profit
	Qty (gal)		Qty (gal)		Qty (gal)		Qty (gal)		Qty (gal)						
Oct-19	1319.594	$ 4,801.22	241.13	$ 910.77		$ -		$ -		$ -	$ 5,711.99				
Oct-19	1630.436	$ 5,919.61	151.37	$ 561.32	5305	$ 15,784.59	1376.025	$ 4,954.64	18165.58	$ 48,110.81	$ 75,330.97	$ 68,490.47	$ 12,552.49	$	12,929.06
Nov-19	1148.721	$ 4,372.56	130.69	$ 484.23		$ -		$ -		$ -	$ 4,856.79				
Nov-19	767.138	$ 2,637.53	88.49	$ 287.84	4620	$ 13,672.26		$ -	17577.6	$ 46,533.18	$ 63,130.81	$ 68,490.47	$ (502.87)	$	(517.96)
Dec-19	942.8	$ 3,072.97	29.05	$ 91.71		$ -		$ -		$ -	$ 3,164.68				
Dec-19	795.8	$ 2,660.46	74.25	$ 239.39	5129	$ 14,505.16			17619.73	$ 46,657.25	$ 64,062.26	$ 68,490.47	$ (1,263.53)	$	(1,301.44)
Jan-20	763.28	$ 2,568.95	29.38	$ 99.42		$ -	0	$ -	0	$ -	$ 2,668.37				
Jan-20	958.61	$ 3,171.57	49.51	$ 162.21	4615	$ 13,019.66	35.075	$ 129.74	18310.09	$ 48,472.30	$ 64,955.48	$ 70,471.24	$ (2,847.39)	$	(2,932.81)
Feb-20	801.488	$ 2,544.38	55.61	$ 168.72		$ -	0	$ -	0	$ -	$ 2,713.10				
Feb-20	829.021	$ 2,609.71	56.29	$ 180.13	3973	$ 10,578.33	0	$ -	15748.96	$ 41,728.55	$ 55,096.72	$ 70,471.24	$ (12,661.42)	$	(13,041.26)
Mar-20	837.188	$ 2,492.32	102.3	$ 301.15		$ -	0	$ -	0	$ -	$ 2,793.47				
Mar-20	1025.962	$ 2,803.10	18.18	$ 35.15	5020	$ 12,672.05	0	$ -	17017.25	$ 45,068.17	$ 60,578.47	$ 70,471.24	$ (7,099.30)	$	(7,312.28)
Apr-20	835.066	$ 2,201.58	23.22	$ 38.09		$ -	0	$ -	0	$ -	$ 2,239.67				
Apr-20	1027.457	$ 2,592.01	58.07	$ 117.21	5285	$ 9,061.28	0	$ -	15599.47	$ 41,363.95	$ 53,134.45	$ 70,471.24	$ (15,097.12)	$	(15,550.03)
May-20	1187.38	$ 2,942.24	36.5	$ 80.78		$ -	0	$ -	0	$ -	$ 3,023.02				
May-20	1142.638	$ 2,837.56	40.7	$ 105.18	4710	$ 7,248.78	0	$ -	15427.63	$ 40,883.22	$ 51,074.74	$ 70,471.24	$ (16,373.48)	$	(16,864.68)
Jun-20	1343.945	$ 3,484.99	47.41	$ 126.77		$ -	0	$ -	0	$ -	$ 3,611.76				
Jun-20	1170.878	$ 3,134.57	46.03	$ 123.97	4935	$ 9,476.36	70.376	$ 253.28	17158.1	$ 45,432.93	$ 58,421.11	$ 70,471.24	$ (8,438.37)	$	(8,691.52)
Jul-20	991.01	$ 2,682.48	93.15	$ 261.00		$ -		$ -	0	$ -	$ 2,943.48				
Jul-20	1184.846	$ 3,275.30	34.65	$ 95.91	4905	$ 9,961.01	36.071	$ 129.82	16444.16	$ 43,570.45	$ 57,032.49	$ 70,471.24	$ (10,495.27)	$	(10,810.13)
Aug-20	1075.998	$ 3,093.60	48	$ 132.43		$ -		$ -	0	$ -	$ 3,226.03				
Aug-20	1088.942	$ 3,175.18	0	$ -	5080	$ 11,246.46	70.391	$ 253.35	13645.06	$ 36,207.17	$ 50,882.16	$ 70,471.24	$ (16,363.05)	$	(16,853.94)
Sep-20	1302.182	$ 3,600.52	0	$ -		$ -	0	$ -	0	$ -	$ 3,600.52				
Sep-20	1022.041	$ 2,792.62	36.04	$ 98.38	4815	$ 11,094.23	0	$ -	12578.86	$ 33,403.18	$ 47,388.41	$ 70,471.24	$ (19,482.31)	$	(20,066.78)
	25192.42	**$ 75,467.03**	**1490.02**	**$ 4,701.76**	**58392**	**$ 138,320.17**	**1587.938**	**$ 5,720.83**	**195292.49**	**$ 517,431.16**	**$ 741,640.95**	**$ 839,712.57**	**$ (98,071.62)**	**$**	**(101,013.77)**

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

01-NRWS Fuel & Electricity Costs by Month - Oct 2019 thru Sept 2020

RED DYE DIESEL

Date	Invoice	t Gallons	Inv Total
10/2/2019	633998	575	$ 1,718.11
10/7/2019	634317	600	$ 1,816.40
10/10/2019	634781	600	$ 1,785.36
10/14/2019	635166	625	$ 1,870.88
10/17/2019	635932	650	$ 1,940.44
10/21/2019	636178	650	$ 1,917.63
10/24/2019	636585	475	$ 1,397.50
10/28/2019	637563	670	$ 1,971.22
10/31/2019	637770	460	$ 1,367.05
		5305	**$ 15,784.59**
11/4/2019	638596	675	$ 2,004.12
11/7/2019	638971	500	$ 1,489.95
11/11/2019	639234	550	$ 1,638.95
11/14/2019	639521	500	$ 1,473.96
11/18/2019	640045	625	$ 1,852.29
11/21/2019	640421	650	$ 1,922.52
11/25/2019	640728	825	$ 2,428.49
11/27/2019	641263	295	$ 861.98
		4620	**$ 13,672.26**
12/2/2019	641991	825	$ 2,398.78
12/5/2019	642346	700	$ 2,035.33
12/9/2019	642714	500	$ 1,426.06
12/12/2019	642948	725	$ 2,036.55
12/16/2019	643555	470	$ 1,318.12
12/19/2019	643578	580	$ 1,625.67
12/23/2019	644023	450	$ 1,261.93
12/27/2019	644305	564	$ 1,532.94
12/30/2019	644443	315	$ 869.78
		5129	**$ 14,505.16**
1/2/2020	645092	200	$ 550.07
1/6/2020	645281	500	$ 1,407.26
1/8/2020	646116	600	$ 1,695.50
1/13/2020	646407	650	$ 1,836.79
1/16/2020	647073	500	$ 1,408.77
1/20/2020	647294	525	$ 1,496.18
1/23/2020	647672	500	$ 1,415.88
1/27/2020	647827	640	$ 1,810.25
1/30/2020	648150	500	$ 1,398.96
		4615	**$13,019.66**
2/3/2020	648912	500	$ 1,409.74
2/6/2020	649064	400	$ 1,109.47
2/10/2020	649532	400	$ 1,109.47
2/13/2020	649767	500	$ 1,382.81
2/18/2020	650419	700	$ 1,766.46
2/20/2020	650602	483	$ 1,220.01
2/25/2020	651007	565	$ 1,464.52
2/27/2020	651227	425	$ 1,115.85
		3973	**$ 10,578.33**
3/2/2020	651960	475	$ 1,247.13

3/5/2020	652586	475	$	1,260.52
3/9/2020	652772	600	$	1,576.96
3/12/2020	653060	675	$	1,774.08
3/16/2020	653659	550	$	1,403.29
3/19/2020	653960	425	$	1,066.64
3/23/2020	654285	595	$	1,439.35
3/26/2020	654548	725	$	1,728.59
3/30/2020	654967	500	$	1,175.49
		5020	**$**	**12,672.05**
4/2/2020	656136	550	$	1,268.39
4/6/2020	656399	650	$	1,350.62
4/9/2020	656771	570	$	1,026.90
4/13/2020	656956	440	$	792.69
4/16/2020	657590	700	$	1,261.10
4/20/2020	657751	600	$	1,073.36
4/23/2020	658033	550	$	718.26
4/27/2020	658212	625	$	811.77
4/30/2020	658518	600	$	758.19
		5285		9061.28
5/4/2020	659516	600	$	777.98
5/7/2020	659832	670	$	902.14
5/11/2020	660019	600	$	857.95
5/14/2020	660293	540	$	828.18
5/18/2020	660785	700	$	1,095.75
5/21/2020	661093	475	$	787.05
5/26/2020	661269	700	$	1,223.75
5/28/2020	661466	425	$	775.98
		4710	**$**	**7,248.78**
6/1/2020	662037	700	$	1,267.79
6/4/2020	662263	500	$	910.15
6/8/2020	662583	525	$	978.36
6/11/2020	662840	500	$	981.54
6/15/2020	663334	575	$	1,111.11
6/18/2020	663596	500	$	986.99
6/22/2020	663754	550	$	1,094.58
6/25/2020	664001	485	$	953.46
6/29/2020	664162	600	$	1,192.38
		4935	**$**	**9,476.36**
7/2/2020	664997	465	$	924.11
7/6/2020	665104	660	$	1,316.95
7/9/2020	665342	525	$	1,037.77
7/13/2020	665552	550	$	1,119.63
7/16/2020	666122	570	$	1,158.26
7/20/2020	666287	650	$	1,333.08
7/23/2020	666495	500	$	1,028.14
7/27/2020	666631	660	$	1,366.02
7/30/2020	666818	325	$	677.05
		4905	**$**	**9,961.01**
8/3/2020	667743	645	$	1,343.68
8/6/2020	668075	510	$	1,073.42
8/10/2020	668184	575	$	1,272.19
8/13/2020	668509	625	$	1,396.29
8/17/2020	669010	625	$	1,403.03

8/20/2020	669337	475	$ 1,066.31
8/24/2020	669544	550	$ 1,249.45
8/27/2020	669864	475	$ 1,079.07
8/31/2020	670507	600	$ 1,363.02
		5080	**$ 11,246.46**

9/3/2020	671047	565	$ 1,297.49
9/8/2020	671207	625	$ 1,455.48
9/10/2020	671617	450	$ 1,034.61
9/14/2020	672099	550	$ 1,267.25
9/17/2020	672339	800	$ 1,843.27
9/21/2020	672509	700	$ 1,605.42
9/24/2020	672865	575	$ 1,326.42
9/28/2020	673047	550	$ 1,264.29
		4815	**$ 11,094.23**

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

01-2021-NRWS Fuel & Electricity Costs by Month - Oct 2020 thru Sept 2021

ELECTRICITY

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PG&E ACCOUNT NUMBERS

MONTH	820 Levitin		CASP		Compost Receiving	**Total**	Billed to City	True - Up	Plus 3% Profit
	kwh	5566691058-7	kwh	5566691058-7	kwh	7703705571-0			
Oct-20	12541.89172	$ 3,580.18	6902.23125	$ 1,905.46	4269.63281	$ 2,316.15	**$ 7,801.79**		
	67117.73553	$ 18,548.28	35444.812	$ 8,694.17	9241.4426	$ 5,226.18	**$ 32,468.63**	$ 31,375.30	$ 8,895.12	$ 9,161.97
Nov-20	10325.80547	$ 2,853.58	5453.048	$ 1,337.57	1421.7604	$ 804.03	**$ 4,995.18**		
	65617.59913	$ 13,709.18	35261.1675	$ 8,650.42	28943.11875	$ 8,660.13	**$ 31,019.73**	$ 31,375.30	$ 4,639.61	$ 4,778.80
Dec-20	15142.52288	$ 3,163.66	8137.1925	$ 1,996.25	6679.18125	$ 1,998.49	**$ 7,158.40**		
	64463.74839	$ 13,682.22	34486.74194	$ 8,456.76	40144.59677	$ 10,875.20	**$ 33,014.18**	$ 31,375.30	$ 8,797.28	$ 9,061.20
Jan-21	15471.29961	$ 3,283.73	8276.81806	$ 2,029.62	9634.70323	$ 2,610.05	**$ 7,923.40**		
	67451.51121	$ 14,973.25	33443.53448	$ 8,196.72	29174.74138	$ 10,198.96	**$ 33,368.93**	$ 37,240.10	$ 4,052.23	$ 4,173.80
Feb-21	10792.24179	$ 2,395.72	5350.96552	$ 1,311.47	4667.95862	$ 1,631.83	**$ 5,339.02**		
	61418.544	$ 13,678.49	30542.13	$ 7,544.16	35754.525	$ 10,357.52	**$ 31,580.17**	$ 37,240.10	$ (320.91)	$ (330.54)
Mar-21	20472.848	$ 4,559.50	10180.71	$ 2,514.72	11918.175	$ 3,452.51	**$ 10,526.73**		
	57948.89905	$ 13,909.69	38984.172	$ 9,838.82	31901.46	$ 9,252.60	**$ 33,001.11**	$ 37,240.10	$ 6,287.74	$ 6,476.37
Apr-21	17636.62145	$ 4,233.38	11864.748	$ 2,994.42	9709.14	$ 2,816.01	**$ 10,043.81**		
	58115.30789	$ 13,622.60	34259.11862	$ 8,643.42	33088.83103	$ 9,306.30	**$ 31,572.32**	$ 37,240.10	$ 4,376.03	$ 4,507.31
May-21	15160.51511	$ 3,553.72	8937.16138	$ 2,254.80	8631.86897	$ 2,427.73	**$ 8,236.25**		
	54050.09532	$ 13,363.39	31208.90625	$ 8,118.42	30859.10156	$ 10,660.45	**$ 32,142.26**	$ 37,240.10	$ 3,138.41	$ 3,232.56
Jun-21	15134.02669	$ 3,741.74	8738.49375	$ 2,273.16	8640.54844	$ 2,984.92	**$ 8,999.82**		
	52876.36367	$ 14,956.04	30324.856	$ 8,858.37	30928.1	$ 15,179.95	**$ 38,994.36**	$ 37,240.10	$ 10,754.08	$ 11,076.70
Jul-21	16092.80633	$ 4,551.84	9229.304	$ 2,696.02	9412.9	$ 4,619.99	**$ 11,867.85**		
	54441.31913	$ 15,187.82	31716.9	$ 9,276.80	33144.1875	$ 15,262.14	**$ 39,726.76**	$ 37,240.10	$ 14,354.51	$ 14,785.15
Aug-21	18147.10638	$ 5,062.61	10572.3	$ 3,092.27	11048.0625	$ 5,087.38	**$ 13,242.26**		
	49872.0684	$ 15,766.78	27993.254	$ 8,220.74	33886.36	$ 17,349.00	**$ 41,336.52**	$ 37,240.10	$ 17,338.68	$ 17,858.84
Sep-21	16278.4556	$ 4,798.59	8519.686	$ 2,501.97	10313.24	$ 5,280.13	**$ 12,580.69**		
	65048.2784	$ 19,014.67	29906.78897	$ 8,162.68	34600.53062	$ 15,671.89	**$ 42,849.24**	$ 37,240.10	$ 18,189.83	$ 18,735.52
		$ 226,190.66		**$ 129,569.21**		**$ 174,029.54**	**$529,789.41**	**$ 429,286.80**	**$100,502.61**	**$103,517.69**

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

01-NRWS Fuel & Electricity Costs by Month - Oct 2020 thru Sept 2021

FUEL

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Month	Hunt & Sons		NVP		NVP - Red Dye Diesel		Clean Energy		Allied CNG		**Total**	Billed to City	True - Up	Plus 3% Profit
	Qty (gal)		Qty (gal)		Qty (gal)		Qty (gal)		Qty (gal)					
Oct-20	1025.385	$ 2,792.87	24.13	$ 69.97		$ -	0	$ -	0	$ -	$ 2,862.84			
Oct-20	954.476	$ 2,641.04	38.66	$ 107.21	5410	$ 14,434.84	0	$ -	14287.01	$ 37,909.15	$ 55,092.24	$ 70,471.24	$ (12,516.16)	$ (12,891.64)
Nov-20	963.746	$ 2,723.96	27.49	$ 73.13		$ -	0	$ -	0	$ -	$ 2,797.09			
Nov-20	988.349	$ 2,894.47	0	$ -	5848	$ 12,844.16	0	$ -	16942.52	$ 44,889.81	$ 60,628.44	$ 70,471.24	$ (7,045.71)	$ (7,257.08)
Dec-20	1080.415	$ 3,223.24	0	$ -		$ -	0	$ -	0	$ -	$ 3,223.24			
Dec-20	833.023	$ 2,544.73	0	$ -	4100	$ 10,795.85	17.011	$ 61.22	18034.93	$ 47,761.91	$ 61,163.71	$ 70,471.24	$ (6,084.29)	$ (6,266.82)
Jan-21	689.251	$ 2,123.50	0	$ -		$ -			0	$ -	$ 2,123.50			
Jan-21	1259.019	$ 3,971.36	0	$ -	4155	$ 10,039.74	0	$ -	15825.58	$ 41,944.12	$ 55,955.22	$ 62,727.93	$ (4,649.21)	$ (4,788.69)
Feb-21	931.29	$ 3,030.27							0	$ -	$ 3,030.27			
Feb-21	684.947	$ 2,348.00	38.48	$ 127.86	5175	$ 13,516.61	0	$ -	14924.17	$ 39,577.86	$ 55,570.33	$ 62,727.93	$ (4,127.33)	$ (4,251.15)
Mar-21	986.569	$ 3,478.92	0	$ -					0	$ -	$ 3,478.92			
Mar-21	957.079	$ 3,385.78	0	$ -	5035	$ 14,594.53	0	$ -	47905	$ 49,093.02	$ 67,073.33	$ 62,727.93	$ 7,824.32	$ 8,059.05
Apr-21	975.661	$ 3,434.07							0	$ -	$ 3,434.07			
Apr-21	1047.969	$ 3,706.02	10.87	$ 40.31	4820	$ 13,651.54	0	$ -	16939.1	$ 44,846.27	$ 62,244.14	$ 62,727.93	$ 2,950.28	$ 3,038.79
May-21	911.557	$ 3,333.25	0	$ -					0	$ -	$ 3,333.25			
May-21	1162.769	$ 4,308.81	0	$ -	4175	$ 12,568.15	0	$ -	16206.29	$ 42,924.02	$ 59,800.98	$ 62,727.93	$ 406.30	$ 418.49
Jun-21	1106.521	$ 4,251.49	0	$ -							$ 4,251.49			
Jun-21	1309.972	$ 5,056.60	0	$ -	4440	$ 14,241.91	0	$ -	17335.54	$ 45,914.91	$ 65,213.42	$ 62,727.93	$ 6,736.98	$ 6,939.09
Jul-21	1120.348	$ 4,375.69	25.62	$ 99.11							$ 4,474.80			
Jul-21	1071.598	$ 4,223.94	0	$ -	4600	$ 15,003.67	100.034	$ 375.03	17527.48	$ 46,399.80	$ 66,002.44	$ 62,727.93	$ 7,749.31	$ 7,981.79
Aug-21	966.61	$ 4,033.50	7.37	$ 30.60							$ 4,064.10			
Aug-21	1245.666	$ 4,881.54	0	$ -	4140	$ 14,219.27	0	$ -	17822.21	$ 47,184.30	$ 66,285.11	$ 62,727.93	$ 7,621.28	$ 7,849.92
Sep-21	1048.395	$ 4,099.12	0	$ -							$ 4,099.12			
Sep-21	1172.909	$ 4,679.53	0	$ -	5180	$ 17,370.89	0	$ -	18525.22	$ 49,028.85	$ 71,079.27	$ 62,727.93	$ 12,450.46	$ 12,823.97
Oct-21											$ -			
Oct-21											$ -		$ -	$ -
Nov-21											$ -			
Nov-21											$ -		$ -	$ -
Dec-21											$ -			
Dec-21											$ -		$ -	$ -
	24493.52	**$ 85,541.70**	**172.62**	**$ 548.19**	**57078**	**$ 163,281.16**	**117.045**	**$ 436.25**	**232275.05**	**$ 537,474.02**	**$ 787,281.32**	**$ 775,965.09**	**$ 11,316.23**	**$ 11,655.72**

01-NRWS Fuel & Electricity Costs by Month - Oct 2020 thru Sept 2021

RED DYE DIESEL

Date	Invoice	t Gallons	Inv Total
10/1/2020	674011	425	$ 987.27
10/5/2020	674398	750	$ 1,742.23
10/8/2020	674651	770	$ 1,784.52
10/12/2020	674930	550	$ 1,267.25
10/15/2020	675554	815	$ 1,855.88
10/19/2020	675804	500	$ 1,012.04
10/22/2020	676093	775	$ 1,704.26
10/26/2020	676281	825	$ 1,803.10
10/29/2020	677086	1045	$ 2,278.29
		6455	**$ 14,434.84**
11/2/2020	677645	770	$ 1,678.73
11/5/2020	677848	945	$ 2,039.92
11/9/2020	678139	675	$ 1,471.63
11/12/2020	678232	1000	$ 2,158.64
11/16/2020	679060	573	$ 1,280.11
11/19/2020	679232	525	$ 1,161.57
11/23/2020	679464	475	$ 1,053.51
11/25/2020	679990	335	$ 741.19
11/30/2020	680079	550	$ 1,258.86
		5848	**$ 12,844.16**
12/3/2020	680838	550	$ 1,266.10
12/7/2020	681051	525	$ 1,191.58
12/10/2020	681566	550	$ 1,248.32
12/14/2020	682080	425	$ 964.61
12/17/2020	682356	570	$ 1,296.79
12/21/2020	682502	500	$ 1,164.47
12/24/2020	682829	500	$ 1,183.32
12/28/2020	682940	400	$ 945.85
12/31/2020	683555	650	$ 1,534.81
		4670	**$ 10,795.85**
1/4/2021	683986	300	$ 705.14
1/7/2021	684247	575	$ 1,356.43
1/11/2021	684443	600	$ 1,429.29
1/14/2021	684769	500	$ 1,194.09
1/18/2021	685252	500	$ 1,213.17
1/21/2021	685571	580	$ 1,426.03
1/25/2021	685832	600	$ 1,487.86
1/28/2021	686125	500	$ 1,227.73
		4155	**$ 10,039.74**
2/1/2021	686697	750	$ 1,877.93
2/4/2021	686874	650	$ 1,627.55
2/8/2021	687622	775	$ 1,990.65

Est CY2021 NRWS Red Dye Diesel

2/11/2021	687954	550	$	1,417.76
2/16/2021	688537	725	$	1,898.94
2/18/2021	688774	475	$	1,254.37
2/22/2021	688959	550	$	1,493.02
2/25/2021	689388	700	$	1,956.39
		5175	**$**	**13,516.61**
3/1/2021	690354	750	$	2,099.37
3/4/2021	690538	450	$	1,259.62
3/8/2021	690905	500	$	1,430.56
3/11/2021	691344	635	$	1,847.26
3/15/2021	691923	500	$	1,449.15
3/18/2021	692345	500	$	1,486.33
3/22/2021	692557	500	$	1,479.86
3/25/2021	692987	650	$	1,925.21
3/29/2021	693187	550	$	1,617.17
		5035	**$**	**14,594.53**
4/1/2021	697217	525	$	1,504.07
4/5/2021	697411	525	$	1,504.07
4/8/2021	697747	500	$	1,421.68
4/12/2021	697902	675	$	1,926.54
4/15/2021	698583	575	$	1,613.25
4/19/2021	698837	450	$	1,277.08
4/22/2021	699179	600	$	1,683.37
4/26/2021	699386	445	$	1,248.51
4/29/2021	700082	525	$	1,472.97
		4820	**$**	**13,651.54**
5/3/2021	700521	525	$	1,515.38
5/6/2021	701153	475	$	1,371.53
5/10/2021	701328	525	$	1,549.32
5/13/2021	701551	450	$	1,342.53
5/17/2021	702146	525	$	1,600.25
5/20/2021	702429	525	$	1,622.87
5/24/2021	702642	550	$	1,706.08
5/27/2021	702914	600	$	1,860.19
		4175	**$**	**12,568.15**
6/1/2021	703893	600	$	1,869.76
6/3/2021	704035	265	$	828.15
6/7/2021	704196	475	$	1,506.18
6/10/2021	704485	525	$	1,673.21
6/14/2021	704680	450	$	1,453.57
6/17/2021	705278	550	$	1,779.25
6/21/2021	705455	550	$	1,780.44
6/24/2021	705720	500	$	1,621.01
6/28/2021	706015	525	$	1,730.34
		4440	**$**	**14,241.91**
7/1/2021	706951	675	$	2,203.65
7/6/2021	707103	675	$	2,200.01
7/8/2021	707246	350	$	1,140.36
7/12/2021	707479	350	$	1,130.17

7/15/2021	708076	575	$	1,876.56
7/19/2021	708236	550	$	1,794.38
7/22/2021	708513	375	$	1,209.69
7/26/2021	708707	625	$	2,018.33
7/29/2021	708900	425	$	1,430.52
		4600	**$**	**15,003.67**
8/2/2021	709722	425	$	1,463.95
8/5/2021	709991	500	$	1,727.69
8/9/2021	710194	370	$	1,295.42
8/12/2021	710462	470	$	1,649.09
8/16/2021	710970	500	$	1,747.62
8/19/2021	711266	425	$	1,444.07
8/23/2021	711460	475	$	1,605.27
8/26/2021	711742	475	$	1,613.96
8/30/2021	711942	500	$	1,672.20
		4140	**$**	**14,219.27**
9/2/2021	712917	575	$	1,949.04
9/7/2021	713057	665	$	2,219.01
9/9/2021	713251	350	$	1,168.64
9/13/2021	713517	600	$	2,006.62
9/16/2021	714077	625	$	2,093.61
9/20/2021	714330	650	$	2,173.84
9/23/2021	714654	550	$	1,833.49
9/27/2021	714913	600	$	2,006.62
9/30/2021	715574	565	$	1,920.02
		5180	**$**	**17,370.89**
10/4/2021	716041	650	$	2,215.86
10/7/2021	716420	475	$	1,675.64
10/11/2021	716633	470	$	1,664.11

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

01-NRWS Fuel & Electricity Costs by Month

ELECTRICITY

	PG&E ACCOUNT NUMBERS											
MONTH	820 Levitin		CASP		Compost Receiving		**Total**	Billed to City	True - Up	Plus Profit	3%	
	kwh	5566691058-7	kwh	5566691058-7	kwh	7703705571-0						
Oct-21	16969.1161	$ 4,960.36	7801.77103	$ 2,129.39	9026.22538	$ 4,088.32	**$ 11,178.07**					
	61466.26422	$ 15,256.04	31971.93103	$ 9,809.49	37468.18966	$ 12,543.47	**$ 37,609.00**	$ 37,240.10	$ 11,546.97	$	11,893.38	
Nov-21	9834.60228	$ 2,440.97	5115.50897	$ 1,569.52	5994.91034	$ 2,006.96	**$ 6,017.45**					
	74037.444	$ 17,705.41	32444.24625	$ 8,464.56	41144.14688	$ 12,248.56	**$ 38,418.53**	$ 37,240.10	$ 7,195.88	$	7,411.76	
Dec-21	17085.564	$ 4,085.86	7487.13375	$ 1,953.36	9494.80313	$ 2,826.59	**$ 8,865.81**					
	73767.33577	$ 19,643.24	32739.51724	$ 7,303.59	43524.56897	$ 12,986.11	**$ 39,932.94**	$ 37,240.10	$ 11,558.65	$	11,905.41	
Jan-22	11802.77373	$ 3,142.92	5238.32276	$ 1,168.58	6963.93793	$ 2,077.78	**$ 6,389.28**					
	82670.8482	$ 23,447.79	32328.396	$ 7,705.13	15871.14	$ 10,677.01	**$ 41,829.93**	$ 44,149.12	$ 4,070.09	$	4,192.19	
Feb-22	9185.6498	$ 2,605.31	3592.044	$ 856.13	1763.46	$ 1,186.33	**$ 4,647.77**					
	71321.91679	$ 20,019.26	29384.4375	$ 6,372.13	32322.77344	$ 11,433.48	**$ 37,824.87**	$ 44,149.12	$ (1,676.48)	$	(1,726.77)	
Mar-22	19970.1367	$ 5,605.39	8227.6425	$ 1,784.20	9050.37656	$ 3,201.37	**$ 10,590.96**					
	70666.8184	$ 18,245.38	28834.944	$ 6,633.40	40476.24	$ 13,461.26	**$ 38,340.04**	$ 44,149.12	$ 4,781.88	$	4,925.34	
Apr-22	17666.7046	$ 4,561.35	7208.736	$ 1,658.35	10119.06	$ 3,365.31	**$ 9,585.01**					
	65511.03186	$ 17,764.63	27000.446	$ 5,752.49	38501.13103	$ 11,743.97	**$ 35,261.09**	$ 44,149.12	$ 696.98	$	717.89	
May-22	13648.13164	$ 3,700.96	5625.0931	$ 1,198.44	8021.06897	$ 2,446.66	**$ 7,346.06**					
	79498.05256	$ 21,210.37	29437.395	$ 6,464.13	46215.975	$ 13,560.27	**$ 41,234.77**	$ 44,149.12	$ 4,431.71	$	4,564.66	
Jun-22	18345.70444	$ 4,894.70	6793.245	$ 1,491.72	10665.225	$ 3,129.29	**$ 9,515.71**					
	71799.9016	$ 22,175.32	31175.232	$ 7,958.66	37917.36	$ 20,364.74	**$ 50,498.72**	$ 44,149.12	$ 15,865.31	$	16,341.27	
Jul-22	17949.9754	$ 5,543.83	7793.808	$ 1,989.67	9479.34	$ 5,091.19	**$ 12,624.69**					
	77180.76719	$ 22,746.13	30630.5625	$ 7,808.78	43321.40625	$ 21,814.29	**$ 52,369.20**	$ 44,149.12	$ 20,844.77	$	21,470.11	
Aug-22	21610.61481	$ 6,368.92	8576.5575	$ 2,186.46	12129.99375	$ 6,108.00	**$ 14,663.38**					
	71539.1632	$ 21,924.90	30087.072	$ 7,705.52	38717.04	$ 19,124.63	**$ 48,755.05**	$ 44,149.12	$ 19,269.31	$	19,847.39	
Sep-22	17884.7908	$ 5,481.23	7521.768	$ 1,926.38	9679.26	$ 4,781.16	**$ 12,188.77**					
	77274.46014	$ 23,140.05	25664.07724	$ 6,584.76	39106.67586	$ 17,322.78	**$ 47,047.59**	$ 44,149.12	$ 15,087.24	$	15,539.86	
		$ 296,670.32		**$ 108,474.84**		**$ 217,589.53**	**$622,734.69**	**$ 509,062.38**	**$113,672.31**	**$117,082.48**		

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

01-2022-NRWS Fuel & Electricity Costs by Month

FUEL

Month	Hunt & Sons		NVP		NVP - Red Dye Diesel		Clean Energy		Allied CNG		**Total**	Billed to City	True - Up	Plus	3% Profit
	Qty (gal)		Qty (gal)		Qty (gal)		Qty (gal)		Qty (gal)						
Oct-21	1343.047	$ 5,618.37	33.59	$ 138.19							$ 5,756.56				
Oct-21	865.08	$ 3,820.32	0	$ -	3970	$ 14,371.21	0	$ -	17398.71	$ 46,063.08	$ 64,254.61	$ 62,727.93	$ 7,283.24	$	7,501.74
Nov-21	776.939	$ 3,477.68	0	$ -							$ 3,477.68				
Nov-21	926.065	$ 4,151.07	0	$ -	5070	$ 19,815.03	0	$ -	18273.83	$ 48,365.63	$ 72,331.73	$ 62,727.93	$ 13,081.48	$	13,473.92
Dec-21	1218.319	$ 5,091.26	0	$ -							$ 5,091.26				
Dec-21	1019.724	$ 4,295.46	0	$ -	5280	$ 20,166.71	0	$ -	18375.61	$ 48,647.59	$ 73,109.76	$ 62,727.93	$ 15,473.09	$	15,937.28
Jan-22	997.448	$ 4,263.44	0	$ -							$ 4,263.44				
Jan-22	1072.119	$ 4,731.09	0	$ -	7240	$ 28,303.98	0	$ -	16522.29	$ 43,759.29	$ 76,794.36	$ 65,606.78	$ 15,451.02	$	15,914.55
Feb-22	871.227	$ 4,011.06	19.24	$ 83.41							$ 4,094.47				
Feb-22	671.124	$ 3,123.18	22.55	$ 99.06	7490	$ 30,843.39	0	$ -	15135.94	$ 40,108.73	$ 74,174.36	$ 65,606.78	$ 12,662.05	$	13,041.91
Mar-22	835.311	$ 4,643.02	0	$ -							$ 4,643.02				
Mar-22	1204.994	$ 7,593.32	0	$ -	5790	$ 31,467.64	66.994	$ 308.10	16944.13	$ 44,844.33	$ 84,213.39	$ 65,606.78	$ 23,249.63	$	23,947.12
Apr-22	971.402	$ 5,892.07	49.27	$ 258.72							$ 6,150.79				
Apr-22	1204.994	$ 7,593.32	21.73	$ 133.02	4920	$ 26,341.94	0	$ -	15590.14	$ 41,298.28	$ 75,366.56	$ 65,606.78	$ 15,910.57	$	16,387.89
May-22	885.751	$ 5,395.82	55.62	$ 328.39							$ 5,724.21				
May-22	984.176	$ 6,191.59	44.82	$ 281.37	5405	$ 29,792.59	0		18025.234	$ 47,709.19	$ 83,974.74	$ 65,606.78	$ 24,092.17	$	24,814.94
Jun-22	898.681	$ 6,125.94	21.14	$ 146.29							$ 6,272.23				
Jun-22	1077.685	$ 6,966.96	55.13	$ 356.48	4590	$ 27,384.44	0		18272.92	$ 48,362.94	$ 83,070.82	$ 65,606.78	$ 23,736.27	$	24,448.36
Jul-22	1221.865	$ 7,497.01	15.44	$ 73.88							$ 7,570.89				
Jul-22	992.477	$ 5,739.61	0	$ -	4381	$ 22,985.25	0		16751.51	$ 44,374.75	$ 73,099.61	$ 65,606.78	$ 15,063.72	$	15,515.63
Aug-22	1436.971	$ 7,842.37	60.09	$ 300.42							$ 8,142.79				
Aug-22	1447.452	$ 8,201.86	0	$ -	5245	$ 25,772.86	0	$ -	18182.06	$ 48,102.46	$ 82,077.18	$ 65,606.78	$ 24,613.19	$	25,351.59
Sep-22	1440.047	$ 8,017.57	0	$ -							$ 8,017.57				
Sep-22	1314.256	$ 7,182.09	0	$ -	5700	$ 29,685.78	363.486	$ 1,889.76	17249.02	$ 45,659.88	$ 84,417.51	$ 65,606.78	$ 26,828.30	$	27,633.15
	25677.15	**$ 137,465.48**	**398.62**	**$ 2,199.23**	**65081**	**$ 306,930.82**	**430.48**	**$ 2,197.86**	**206721.39**	**$ 547,296.15**	**$ 996,089.54**	**$ 778,644.81**	**$ 217,444.73**	**$**	**223,968.07**

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

01-2022-NRWS Fuel & Electricity Costs by Month

RED DYE DIESEL

Date	Invoice	Gallons	Inv Total
10/4/2021	716041	650	$ 2,215.86
10/7/2021	716420	475	$ 1,675.64
10/11/2021	716633	470	$ 1,664.11
10/14/2021	716996	600	$ 2,192.17
10/18/2021	717801	450	$ 1,667.11
10/21/2021	718136	450	$ 1,670.50
10/25/2021	718375	400	$ 1,495.07
10/28/2021	718559	475	$ 1,790.75
		3970	**$ 14,371.21**
11/1/2021	719624	600	$ 2,294.32
11/4/2021	719801	485	$ 1,854.50
11/8/2021	719947	475	$ 1,852.07
11/12/2021	720288	725	$ 2,852.70
11/15/2021	720699	295	$ 1,155.06
11/18/2021	721019	650	$ 2,585.59
11/22/2021	721259	600	$ 2,396.40
11/24/2021	721492	500	$ 1,992.15
11/26/2021	721587	195	$ 767.07
11/29/2021	721697	545	$ 2,065.17
		5070	**$ 19,815.03**
12/2/2021	722345	500	$ 1,967.03
12/6/2021	722878	600	$ 2,344.04
12/9/2021	723244	620	$ 2,440.94
12/13/2021	723443	695	$ 2,689.72
12/16/2021	724081	500	$ 1,860.16
12/20/2021	724344	875	$ 3,353.33
12/27/2021	724707	900	$ 3,344.41
12/30/2021	725342	590	$ 2,167.08
		5280	**$ 20,166.71**
1/3/2022	725903	675	$ 2,508.39
1/6/2022	726266	650	$ 2,446.02
1/10/2022	726462	725	$ 2,784.81
1/13/2022	726835	825	$ 3,208.03
1/17/2022	727362	825	$ 3,261.28
1/20/2022	727701	770	$ 3,039.70
1/24/2022	727937	970	$ 3,834.57
1/27/2022	728259	800	$ 3,171.15
1/31/2022	728762	1000	$ 4,050.03
		7240	**$ 28,303.98**
2/3/2022	729621	1000	$ 4,050.03
2/7/2022	729874	1000	$ 4,037.10
2/10/2022	730105	1150	$ 4,769.06
2/14/2022	730372	1065	$ 4,432.63

01-2022-NRWS Fuel & Electricity Costs by Month

RED DYE DIESEL

Date	Invoice	Gallons	Inv Total
2/17/2022	730993	1025	$ 4,267.26
2/22/2022	731176	1025	$ 4,216.46
2/24/2022	731436	625	$ 2,571.01
2/28/2022	732048	600	$ 2,499.84
		7490	**$ 30,843.39**
3/3/2022	732864	575	$ 2,786.01
3/7/2022	733296	700	$ 3,768.79
3/10/2022	737416	445	$ 2,533.00
3/14/2022	733951	575	$ 3,145.73
3/17/2022	734887	600	$ 3,284.62
3/21/2022	735189	750	$ 4,110.63
3/24/2022	735658	800	$ 4,545.95
3/28/2022	735954	695	$ 3,822.75
3/31/2022	736615	650	$ 3,470.16
		5790	**$ 31,467.64**
4/4/2022	737269	425	$ 2,268.05
4/7/2022	737769	625	$ 3,336.71
4/11/2022	737840	650	$ 3,424.64
4/14/2022	738408	600	$ 3,183.19
4/18/2022	739229	725	$ 3,891.67
4/21/2022	739805	550	$ 2,996.14
4/25/2022	740128	600	$ 3,220.04
4/28/2022	740449	745	$ 4,021.50
		4920	**$ 26,341.94**
5/2/2022	741211	520	$ 2,817.71
5/5/2022	741561	550	$ 2,980.27
5/9/2022	742197	550	$ 2,969.49
5/12/2022	743144	550	$ 3,027.27
5/16/2022	743237	625	$ 3,436.03
5/19/2022	743769	700	$ 3,863.97
5/23/2022	743959	600	$ 3,315.46
5/26/2022	744231	560	$ 3,130.58
5/31/2022	744701	750	$ 4,251.81
		5405	**$ 29,792.59**
6/2/2022	745466	300	$ 1,709.42
6/6/2022	745588	575	$ 3,420.81
6/9/2022	745876	525	$ 3,172.52
6/13/2022	746022	650	$ 3,927.87
6/16/2022	746633	515	$ 3,130.30
6/20/2022	746700	400	$ 2,416.53
6/23/2022	746945	550	$ 3,254.66
6/27/2022	747451	550	$ 3,255.79
6/30/2022	747667	525	$ 3,096.54
		4590	**$ 27,384.44**

01-2022-NRWS Fuel & Electricity Costs by Month

RED DYE DIESEL

Date	Invoice	Gallons	Inv Total
7/5/2022	748112	650	$ 3,723.16
7/7/2022	748328	375	$ 2,030.74
7/11/2022	748504	500	$ 2,675.33
7/14/2022	750205	625	$ 3,214.88
7/18/2022	749198	450	$ 2,304.96
7/21/2022	749430	644	$ 3,298.72
7/25/2022	749616	557	$ 2,860.30
7/28/2022	749813	580	$ 2,877.16
		4381	**$ 22,985.25**
8/1/2022	750477	500	$ 2,480.32
8/4/2022	750897	695	$ 3,449.89
8/8/2022	751062	525	$ 2,530.80
8/11/2022	751378	500	$ 2,198.64
8/15/2022	751902	550	$ 2,662.57
8/18/2022	752103	700	$ 3,389.47
8/22/2022	752265	525	$ 2,570.40
8/25/2022	752524	625	$ 3,214.88
8/29/2022	752701	625	$ 3,275.89
		5245	**$ 25,772.86**
9/1/2022	753945	750	$ 4,038.22
9/6/2022	754128	775	$ 4,180.56
9/8/2022	754339	375	$ 2,004.24
9/12/2022	754474	725	$ 3,833.94
9/15/2022	755040	600	$ 3,105.03
9/19/2022	755245	650	$ 3,343.95
9/22/2022	755475	650	$ 3,308.29
9/26/2022	755686	475	$ 2,376.59
9/29/2022	756372	700	$ 3,494.96
		5700	**$ 29,685.78**

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Inputs

YEAR 12-2017 (ACTUAL)

t

Fuel Fuel Series WPU05730302 (# 2 DIESEL)

Annual 2015 (p)	227
Annual 2016 (p)	179.4
Point Difference	-47.6
Adjustment Factor	-0.210

Fuel Series WPU0531 (Natural Gas)

Annual 2015 (p)	106.3
Annual 2016 (p)	96.6
Point Difference	-9.7
Adjustment Factor	-0.091

	Fuel (Weighted Fuel Adjustment per Amendment 1)		Fuel Type	Fuel Indices	Weighted Average	
18	diesel vehicles	0.72	Diesel	-0.210	-0.151	
7	CNG vehicles	0.28	CNG	-0.091	-0.026	
25	total vehicles				-0.177	
	Fuel Adjustment Factor				-0.177	-17.7%

CPI Labor - CPI Series CWUR0000SA0 (All Items)

Annual 2015	231.81	
Annual 2016	234.076	
Point Difference	2.266	
Adjustment Factor	0.010	1.0%

PPI Other Operating - PPI Series WPUFD3500 (Finished Goods Less Food and Energy) (Discontinued)

Annual 2015 (p)	192.3	
Annual 2016	195.3	
Point Difference	3	
Adjustment Factor	0.016	1.6%

PPI Finished Goods Less Foods and Energy (WPSFD4131)

Annual 2015 (p)	192.3	
Annual 2016 (October)	195.3	
Point Difference	3	
Adjustment Factor	0.016	1.6%

ATTACHMENT U

RECONCILIATION REVIEW PROCESS

The "Reconciliation Review Process" described herein and in Attachment U-1 will be performed every two years, beginning in 2022, pursuant to the Reconciliation Review Schedule in Tables 1A and 1B below. Except in the case of new programs, the Reconciliation Review Process will "look backward" to the most recent full year of customer data available to adjust for the actual increase or decrease in number of customers in residential, commercial, and roll off sectors. The most recent full year of customer data will be calculated based on the average of the actual number of customers in residential, commercial, and roll off sectors for the calendar year. Payments made to Contractor, or credits allocated to City, based on the actuals from the previous calendar year, will be made according to the schedules set forth in Tables 1A and 1B below. The base compensation paid to Contractor for commercial and residential service, will be adjusted for each subsequent two-year period, and the base compensation paid to Contractor for roll off service, will be adjusted for each subsequent year, as set forth in Attachment U-1. Commercial service review will include food scrap, recycling and yard trimmings routes.

Prior to initiating the first Reconciliation Review Process for 2021, Contractor and City met and conferred to establish the threshold metrics for the 2021 Reconciliation Review Process (e.g., the number of residential households, the number of commercial "lifts," and the number of roll-off "pulls") and the compensation methodology to be used for additional growth (or reduction) in services provided by Contractor. The threshold metrics and compensation methodology for changes in service levels are set forth in Attachment U-1, Metrics & Methodology For Reconciliation Review. The CY2021 reconciliation payment (or deduction, if lower than comparison year) will occur by September 30, 2022. The same mutually agreed metrics will be employed for CY2022. The resulting payment or deduction will occur by December 31, 2022. As part of each subsequent Reconciliation Review Process, Contractor and City will review the threshold metrics and compensation methodology to determine if any changes are necessary.

The Napa Pipe development project will increase the number of residential households required to be serviced by Contractor. For each additional residential household, Contractor will be compensated pursuant to the compensation rate per household serviced (MSW) annual in Attachment U-1, Table U-1B, based upon the total of Napa Pipe Development households on MSW service reported in the monthly collection reports set forth in Attachment R.

Potential Future Costs

In addition to adjustments in the Contractor's compensation due to increases or decreases in the number of customers in residential, commercial, and roll off sectors as set forth in Attachment U-1, the following costs, while not presently known, are the only other costs eligible for consideration, should they arise during the term of the Agreement:

> Cost increases that arise due to a change in applicable laws, regulations or permit conditions occurring after the execution date of the 2022 Amendment to the Agreement, and that were not expressly addressed by the parties prior to the execution of the 2022 Amendment to the Agreement or otherwise already compensated to Contractor by City through other provisions of this Agreement. Such cost increases will be agreed to in writing through the process set forth in Agreement Section 12.13.

Notwithstanding the potential future costs stated above, changes to the levels of service and corresponding compensation may be addressed through the process set forth in Agreement Sections 4.13 and 14.14.

Non-Compensable Costs

The following are non-compensable costs that will not be considered in the Reconciliation Review Process:

1. Any costs associated with the purchase, operation, repair, maintenance, or retrofit of Collection Vehicles, shop/MDF Vehicles/Rolling Stock, and equipment for compliance with BAAQMD regulations and/or permits.

2. Any costs related to construction, operation, maintenance, and retrofits to CASP, and the stormwater management system.[1]

[1] Costs related to construction, operation, maintenance, and retrofits of the CASP and stormwater management system are fully adjusted as of January 2020.

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

Table 1A: Reconciliation Review Schedule for Residential and Commercial Service

Reconciliation Review Year	Base Year for Comparison	Prior Year for Comparison	Effective Date of City-Approved Reconciliation Review Adjustments[2]	Reconciliation Review Adjustment to be paid by City to Contractor (lump sum followed by applicable monthly payments to from City to Contractor)
2021	2017	2019	January 1, 2021	October 31, 2022
2022	2019	2021	January 1, 2022	December 31, 2022
2024	2021	2023	January 1, 2024	July 31, 2024
2026	2023	2025	January 1, 2026	July 31, 2026
2028	2025	2027	January 1, 2028	July 31, 2028
2030	2027	2029	January 1, 2030	July 31, 2030

Table 1B: Reconciliation Review Schedule for Roll-Off Service

Reconciliation Review Year	Base Year for Comparison	Effective Date of City-Approved Reconciliation Review Adjustments[3]	Reconciliation Review Adjustment to be paid by City to Contractor (lump sum for previous calendar/contract year)
2019	2018	January 1, 2018	October 31, 2022
2020	2019	January 1, 2019	October 31, 2022
2021	2020	January 1, 2020	October 31, 2022
2022	2021	January 1, 2021	December 31, 2022
2023	2022	January 1, 2022	July 31, 2023
2024	2023	January 1, 2023	July 31, 2024
2025	2024	January 1, 2024	July 31, 2025
2026	2025	January 1, 2025	July 31, 2026
2027	2026	January 1, 2026	July 31, 2027
2028	2027	January 1, 2027	July 31, 2028
2029	2028	January 1, 2028	July 31, 2029
2030	2029	January 1, 2030	July 31, 2030
2031	2030	January 1, 2031	July 31, 2031

[2] City approval of the Reconciliation Review adjustment is based on the City Council's delegated authority to the City Manager, as described in Article 14.
[3] City approval of the Reconciliation Review adjustment is based on the City Council's delegated authority to the City Manager, as described in Article 14.

ATTACHMENT U-1

METRICS & METHODOLOGY FOR RECONCILIATION REVIEW

A. PURPOSE

The purpose of this attachment is to describe the metrics (i.e., measurements) and methodology for the Reconciliation Review Process set forth in Attachment U – Reconciliation Review Process (Attachment U).

B. DESCRIPTION OF RECONCILIATION REVIEW GROWTH METRICS

Contractor is paid for growth in each of three lines of collection services (residential, commercial and roll-off service). For residential service, the metric is number of households served in a given time period as compared to the base year described in Attachment U and in this Attachment. For commercial service, the metric is number of "lifts" provided in a month as compared to the base year level of service described in Attachment U and in this Attachment. For roll-off service, the metric is number of "services" by roll-off collection vehicles in a given time period as compared to the base year level of service described in Attachment U and this Attachment. Pursuant to the 2018 Contract Amendment, all growth is measured against a base year level of compensation as described below.

C. RESIDENTIAL SERVICE METRIC AND METHODOLOGY

Growth in residential service is measured in number of households served (with Municipal Solid Waste or MSW service) and reported by Contractor to the City as part of Contractor's monthly and annual reports compared to October 2017's total number of households served (21,877), which will serve as the base comparison. For each comparison year, that year's October totals for households served will be compared to the October 2017 total number. Accordingly, the comparison for growth or reduction in residential service will be as follows:

Table U1A: Residential Service Growth Comparison Schedule

Reconciliation Review Year	Base Comparison Month	Number of Households Serviced (MSW)	Growth Comparison Month	Number of Households Serviced (MSW)
2021	October 2017	21,877	October 2019	22,104
2022	October 2017	21,877	October 2021	22,504
2024	October 2017	21,877	October 2023	TBD
2026	October 2017	21,877	October 2025	TBD
2028	October 2017	21,877	October 2027	TBD
2030	October 2017	21,877	October 2029	TBD

D. RESIDENTIAL SERVICE – SAMPLE CALCULATIONS

The following compensation schedule applies for residential service growth or reduction based on fixed 3 percent annual escalation applied to the preceding year's

compensation rate per household serviced:

Table U1B: Residential Service Growth Compensation Schedule

Reconciliation Review Year	Compensation Rate per Household Serviced (MSW) annual	Growth (or Reduction) in Number of Households Serviced (MSW)	Annual Compensation	Monthly Compensation
2021	$263.78	227 (22,104 – 21,877)	$59,878.06	$4,989.84
2022	$271.70	627 (22,504 – 21,877)	$170,355.90	$14,196.33
2024	$288.24	TBD	TBD	TBD
2026	$305.80	TBD	TBD	TBD
2028	$324.42	TBD	TBD	TBD
2030	$344.18	TBD	TBD	TBD

Sample Residential Calculation No. 1 (Reconciliation Review Year 2021):

For Reconciliation Review Year 2021, the growth would be measured as the difference between number of October 2017 households for the base (21,877 households with MSW service) against the number of households in the comparison month and year (October 2019 being 22,104 households with MSW service). The difference is 227 households of growth (22,104 households less base of 21,877 households). At $263.78 annual compensation rate for the 2021 Reconciliation Review Year, the compensation from City to Contractor would be $59,878.06 for the year (227 households of growth multiplied by $263.78 per household) or $4,989.84 per month ($59,878.06 divided by 12 months).

Sample Residential Calculation No. 2 (Reconciliation Review Year 2022):

For Reconciliation Review Year 2022, the growth would be measured as the difference between number of October 2017 households for the base (21,877 households with MSW service) against the number of households in the comparison month and year (October 2021 being 22,504 households with MSW service). The difference is 627 households of growth (22,104 households less base of 21,877 households). At $271.70 annual compensation rate for the 2022 Reconciliation Review Year ($263.78 (2021 compensation rate) increased by 3 percent annual escalation), the compensation from City to Contractor would be $170,355.90 for the year (627 households of growth multiplied by $271.70 per household) or $14,196.33 per month ($170,355.90 divided by 12 months). This compensation would continue until following reconciliation review year (calendar year 202).

Sample Residential Calculation No. 3 (Reduction in Service Example):

If a Reconciliation Review year results in a level of residential service lower than the October 2017 base year of comparison, then the reduction would be a payment (or credit) from Contractor to the City until the time of the subsequent Reconciliation Review

process. For example, for Reconciliation Review Year 2021, the reduction in service would be measured as the difference between number of households for the base (October 2017 being 21,877 households with MSW service) against the comparison month and year (if October 2019 had been 21,750 households with MSW service). The difference is a reduction of 127 households (21,750 households compared against the October 2017 base of 21,877 households). The 2021 Reconciliation Review Year payment (or credit) from Contractor to City would be $33,500.06 for the year (127 households fewer households on MSW service multiplied by $263.78 per household (2021 compensation rate per household served) or $2,791.67 per month ($33,500.06 divided by 12 months).

E. COMMERCIAL SERVICE METRIC AND METHODOLOGY

Growth in commercial service is measured in number of "lifts" (including carts and bins) in an October comparison month, compared to October 2017's adjusted total commercial lift count (7,793). A commercial lift includes all commercial waste streams (i.e., MSW, Recyclable Materials, and Compostables). Contractor will provide the number of commercial lifts to the City as part of Attachment R quarterly and annual report entitled "Annual Reconciliation Review Report" (Reconciliation Report). Because the City already compensates Contractor for the first commercial food scrap collection route (since April 2015), both parties have agreed to deduct 750 commercial lifts for the first commercial collection route from the "all lifts" totals shown in the Reconciliation Report. The City also already compensates Contractor for Sunday commercial service (since July 2018) and both parties have agreed to deduct 150 lifts for Sunday commercial service from the "all lifts" totals shown in the Reconciliation Report. For each comparison year, the City and Contractor have agreed that the month of October totals will deduct 750 lifts for first commercial food scrap route and 150 lifts for Sunday commercial service route).

Consequently, the comparison months for growth or reduction in commercial service will be as follows:

Table U1C: Commercial Service Growth Comparison Schedule

Reconciliation Review Year	Base Comparison Month	Adjusted Total Commercial Lift Count (All Streams)	Growth Comparison Month	Adjusted Total Commercial Lift Count (All Streams)
2021	October 2017	7,793	October 2019	8,784
2022	October 2017	7,793	October 2021	9,054
2024	October 2017	7,793	October 2023	TBD
2026	October 2017	7,793	October 2025	TBD
2028	October 2017	7,793	October 2027	TBD
2030	October 2017	7,793	October 2029	TBD

F. COMMERCIAL SERVICE – SAMPLE CALCULATIONS

The following compensation schedule applies for commercial service growth (or reduction) based on fixed 3 percent annual escalation applied to the preceding year's

compensation rate per commercial lift:

Table U1D: Commercial Service Growth Compensation Schedule

Reconciliation Review Year	Compensation Rate per commercial lift (All Eligible Streams) annual	Growth (or Reduction) in Number of Commercial Lifts (All Eligible Streams)	Annual Compensation	Monthly Compensation
2021	$416.10	991 (8,784 – 7,793)	$412,355.10	$34,362.93
2022	$428.59	1,261 (9,054 – 7,793)	$540,451.99	$45,037.67
2024	$454.69	TBD	TBD	TBD
2026	$482.38	TBD	TBD	TBD
2028	$511.75	TBD	TBD	TBD
2030	$542.92	TBD	TBD	TBD

Sample Commercial Calculation No. 1 (Reconciliation Review Year 2021):

For Reconciliation Review Year 2021, the growth would be measured as the difference between number of commercial lifts for the base (October 2017 being 7,793 totals lifts – all streams – after 750 lifts have been deducted for first commercial food scrap route) and the comparison month and year (October 2021 being 8,784 totals lifts – all streams – after 750 lifts have been deducted for first commercial food scrap route and 150 lifts are deducted for Sunday commercial service which began July of 2018). The difference is 991 units of growth as represented by eligible commercial lifts (8,784 commercial lifts less base of 7,793 of commercial lifts). At $416.10 annual compensation rate for the 2021 Reconciliation Review Year, the compensation from City to Contractor would be $412,355.10 for the year (991 increased commercial lifts multiplied by $416.10) or $34,362.93 per month ($412,335.10 divided by 12 months).

Sample Commercial Calculation No. 2 (Reconciliation Review Year 2022):

For Reconciliation Review Year 2022, the growth would be measured as the difference between the October 2017 base comparison month (7,793) and the comparison month and year (October 2021 being 9,054 totals lifts – all streams – after 750 lifts deducted for first commercial food scrap route and 150 lifts deducted for Sunday commercial service which began July of 2018). The difference is an increase of 1,261 commercial lifts (9,054 commercial lifts minus base of 7,793 of commercial lifts). At the $428.59 annual commercial lift compensation rate for the 2021 Reconciliation Review Year, the compensation from City to Contractor would be $540,451.99 for the year (1,261 commercial lifts multiplied by $428.59) or $45,037.67 per month ($540,451.99 divided by 12 months).

Sample Commercial Calculation No. 3 (Reduction in Service Example):

If a given Reconciliation Review year reflects a level of commercial service lower than the base year of comparison, then the reduction would be a payment (or credit) to the

City until the time of the subsequent Reconciliation Review process. For example, for Reconciliation Review Year 2021, the reduction in service would be measured as the difference between the October 2017 base comparison month (7,793) and the comparison month and year (if October 2019 had 7,582 in commercial lifts). The difference is a reduction of 211 in commercial lifts (7,582 of commercial lifts compared against the base of 7,793 commercial lifts). At the $416.10 annual commercial lift compensation rate for the 2021 Reconciliation Review Year, the payment (or credit) from Contractor to City would be $87,797.10. for the year (211 commercial lifts multiplied by $416.10) or $7,316.43 per month ($87,797.10 divided by 12 months).

G. ROLL-OFF SERVICE METRIC AND METHODOLOGY

A roll-off service is applicable for all waste streams (i.e., MSW, Recyclable Materials and Compostables) and represents the placement (delivery) as well as the collection (pull) of roll-off collection boxes to customers. The number of roll-off services will be provided to the City as part of Attachment R's monthly and annual collection reports, and Reconciliation Report. The City already compensates Contractor for four roll-off trucks and drivers with a base assumption that eight services can be provided per truck. This translates to a base level of 32 services per day (eight services per truck multiplied by four roll-off trucks) or 8,320 service per year (32 services per day multiplied by 260 Monday-Friday route days per year). Because roll-off reporting is provided on a monthly basis and it reflects season impacts and demands (where Contractor must pay overtime labor to provide excess service), the parties have agreed that growth should be measured against month "base" level of 693 services per month (8,320 services per year divided by 12 months). Unlike residential and commercial metrics, the parties have agreed to measure roll-off growth beginning in Calendar Year (CY) 2018 and provide compensation in a lump sum for the previous year (as is the current approach for over baseline processing and diversion incentive payments contained in current City-Contractor agreement). Consequently, the comparison timelines for growth (or reduction) in roll-off service will be as follows:

Table U1E: Roll-off Service Growth Comparison Schedule

Reconciliation Review Year	Base Comparison Year (Calendar Year = CY)	Maximum Number of "Services" per month	Total Number of Services Exceeding Monthly Maximum for Calendar Year (CY)
2019	CY 2018	693	404
2020	CY 2019	693	1,615
2021	CY 2020	693	535
2022	CY 2021	693	39
2023	CY 2022	693	TBD
2024	CY 2023	693	TBD
2025	CY 2024	693	TBD
2026	CY 2025	693	TBD
2027	CY 2026	693	TBD

2028	CY 2027	693	TBD
2029	CY 2028	693	TBD
2030	CY 2029	693	TBD
2031	CY 2030	693	TBD

H. ROLL-OFF SERVICE – SAMPLE CALCULATIONS

The following compensation schedule applies for roll-off service growth (or reduction) based on fixed 3 percent annual escalation applied to the preceding year's compensation rate per "service" for qualifying services exceeding maximum:

Table U1F: Roll-off Service Growth Compensation Schedule

Reconciliation Review Year	Compensation Rate annual per "Service" for Qualifying Services Exceeding Maximum	Total Number of Services Exceeding Monthly Maximum for Calendar Year (CY)	Annual Compensation (Lump Sum Annual Payment from City to Contractor)
2019	$183.98	404	$74,327.92
2020	$189.50	1,615	$306,042.50
2021	$195.19	535	$104,426.65
2022	$201.04	39	$7,840.56
2023	$207.07	TBD	TBD
2024	$213.29	TBD	TBD
2025	$219.69	TBD	TBD
2026	$226.28	TBD	TBD
2027	$233.06	TBD	TBD
2028	$240.06	TBD	TBD
2029	$247.26	TBD	TBD
2030	$254.68	TBD	TBD
2031	$262.32	TBD	TBD

Sample Roll-Off Service Calculation No. 1 (Reconciliation Review Year 2019):

For Reconciliation Review Year 2019, the growth/additional compensation would be measured using CY2018 data. Each month of CY2018 would be compared against the baseline figure of 693 services per month. The cumulative total of services exceeding 693 services (i.e., 96 in May; 58 in July; 47 in August; 119 in October; and 84 in November) was a total of 404 services in CY2018. At a $183.98 compensation rate per "service" for qualifying services exceeding maximum for the Reconciliation Review Year 2019, the compensation from City to Contractor would be $74,327.94 (404 eligible services exceeding baseline multiplied by $183.98). Since calendar year 2018 has already passed at the time of the 2022 Contract Amendment, City would pay Contractor as a lump sum of $74,327.92 for the Reconciliation Review Year 2019.

Sample Roll-Off Service Calculation No. 2 (Reconciliation Review Year 2021):

For Reconciliation Review Year 2021, the growth/additional compensation would be measured using CY2018 data. Each month of CY2020 would be compared against the baseline figure of 693 services per month. The cumulative total of services exceeding 693 services (i.e., 136 in January; 103 in February; 67 in March; 1 in June; 15 in July; 12 in August; 10 in September; and 191 in October) was a total of 535 services in CY2020. At a $195.19 annual compensation rate per "service" for qualifying services exceeding maximum Reconciliation Review Year 2021, the compensation from City to Contractor would be $104,426.65 (535 services exceeding baseline multiplied by $195.19).

Sample Roll-Off Service Calculation No. 3 (No Payment Example):

If a given Reconciliation Review year reflected level of roll-off service where the number of services never exceeds 693 services per month, no additional compensation would be paid by City to Contractor for roll-off service.

I. APPROVED DOCUMENTS OF RECORD AND REPORTING

Contractor shall report monthly, quarterly and on annual basis as required in Attachment R. For residential service, the number of households will continue to be reported on a monthly basis as part of the monthly collection service reports. For commercial service, the number of commercial lifts will be submitted on a quarterly basis as part of a report entitled "NRWS Commercial service, yards and allocations." For roll-off service, three rows will be added to monthly and annual collection service reports for roll-off service activity that will display "Total Services," "Qualifying above 693" and "Total Services above 693 per month." City reserves right to independently verify and confirm data with source records (i.e., account information, Contractor work orders or other relevant source documents).

J. POTENTIAL CHANGES IN ROLL-OFF SERVICE BASE METRIC

Parties agree that the base level of compensation from City to Contractor for roll-off services is based on four roll-off trucks and routes. If the City chooses to approve a fifth roll-off truck and driver during this agreement, the baseline compensation will be adjusted to reflect this change. Specifically, each additional roll-off truck and route will increase baseline level of service by 2,080 services per year (eight service per day multiplied by 260 operating days per year) or 173 services per month. Thus, the addition of one roll-off truck and route will increase the monthly baseline service from 693 services per month to 866 services per month (693 services plus 173 services) and would need to be exceeded to qualify for additional compensation.

ATTACHMENT V-1

TARGETED INCENTIVE (TI)

A. PURPOSE

The purposes of the Targeted Incentive are: (i) to increase the amount of heavy source-separated Construction and Demolition Debris as defined in the Napa Municipal Code (C&D Debris) collected by Contractor and delivered to the MDF for processing; (ii) to increase the quantity of new C&D Debris tons processed at the MDF; and (iii) to incentivize the Contractor to compete for customers requiring collection service for source-separated C&D Debris as part of the customer's compliance with the City's Construction Debris Diversion Ordinance (Napa Municipal Code Section 15.32).

B. DESCRIPTION OF INCENTIVE

Contractor is paid one hundred dollars ($100.00) per roll-off box load (10 cubic yard box or larger) of eligible clean source-separated C&D Debris that is collected by Contractor, delivered to and processed at the MDF in excess of the established threshold number of loads. Contractor is paid one hundred dollars ($100.00) per roll-off box load regardless of the size of the roll-off box as long as the box is at least ten (10) cubic yards in size. (See treatment of split roll-off boxes below.)

C. FORMULA FOR CALCULATION OF TI

A = Number of TI eligible loads for the calendar year
B = 820 which is the threshold number of TI loads
C = Number of loads on which TI is paid

Formula is: A – B = C
Amount of TI incentive is: C x $100.00

D. ELIGIBLE MATERIALS

Roll off box loads containing the following source-separated materials are eligible for the TI:

Wood Waste, concrete, asphalt, sheetrock, Yardwaste, "yardwaste-to-wood", carpet, metal, and metal appliances. All roll off box loads of metal appliances shall be counted as "metal" and are eligible for the TI, including roll off box loads of metal appliances from the City-sponsored Annual E-Waste Event described in Attachment B, Section 5.07.1.

Acceptable and unacceptable types and levels of contamination in source-separated roll off boxes of the above-listed materials are listed in Section 6.8 of Attachment B to the Contract.

E. EXCLUDED MATERIALS

Roll-off box loads containing the following materials are excluded from the TI:

1. Electronic Waste, universal waste, automobile parts, Bulky Goods, chipped wood, sawdust, dirt, ADC, stumps, pomace, manure, tires, toilets, cardboard, film plastics, plastics (both mixed and source separated such as PET, and LDPE including colored and natural), glass, single stream recyclable materials, mixed CRV containers, newspaper, mixed paper, white paper and other recyclable fiber.

2. All roll-off loads of City-facility-generated materials are excluded from the TI. Examples include but are not limited to: Material from any City facility or City job including Corporation Yard, City Hall, Parks, Municipal Golf Course, Streets, water main breaks, Water Treatment Facility, etc. including all City Facilities listed in Attachment D. This includes, but is not limited to, roll-off loads of the following types of materials generated at City facilities: filter soil, native soil, street sweepings, leaves, and C&D Debris.

3. Roll off boxes containing concrete, asphalt, asphalt grindings, rock, gravel, wood and other such materials that are delivered to the MDF property for a specific construction project on the MDF property (e.g. materials delivered for the Southwest Corner project) are excluded from the TI. If Contractor hauls such materials into the MDF, the Contractor's driver delivering such a load will inform the scale house attendant that the load is for a construction project at the MDF and this will be noted in the Soft-Pak scale system as such.

4. Loads of any type of material collected from City-Sponsored Special Events pursuant to Section 4.2 of Attachment B are excluded from the TI.

5. Loads of any materials (even those listed in Section D above) that are collected and delivered to the MDF in containers other than roll off boxes are also excluded from the TI. This means that materials collected from bins and wheeled carts (Toters) using bin and Toter trucks (including front and side loaders, pickup trucks, flatbed trucks, etc.) are not eligible for the TI.

6. Materials collected by the Recycle More program described in Attachment B, Section 7.02 of the Contract are excluded from the TI because they are not collected in roll off boxes.

7. Roll off boxes that are "pulled" when empty, either because they are being delivered to a customer, collected (empty) from a customer, or pulled (empty) for repair, cleaning, graffiti removal, etc. do not count toward the TI.

F. OTHER ELIGIBILITY REQUIREMENTS

In order to qualify for the TI a load must, according to the MRF scalehouse records, meet all of the following requirements:

a. Be in a NRWS roll-off box
b. Be collected by a NRWS truck and driver
c. Be collected for a NRWS customer from an address in the City of Napa and be billed to that customer
d. Have a NRWS work order
e. Be delivered to and processed at the Napa MDF.

The loads must be weighed at the MDF scales and receive a MDF weight ticket. Clean concrete and asphalt loads delivered directly to Syar can be an exception if City receives a Syar weight ticket containing all the required information and the load meets all above-listed criteria with the exception of (e).

Contractor may submit a written request to City to direct-haul to a processor other than Syar. City will grant or deny the request and inform Contractor of its decision within thirty (30) days of receiving the request. City's strong preference is that TI-eligible materials be delivered to the MDF and receive an MDF weight ticket in order to count toward the TI.

G. SPLIT ROLL OFF BOXES

In the case of split roll off boxes (boxes with a metal divider that splits the box into two separate sections), the materials in the box must be source-separated. A split box that is a minimum of 10 cubic yards in size and contains two types of TI-eligible source separated-materials will count as one (1) roll off box toward the TI. If a split roll off box contains half source-separated TI-eligible materials and half MSW, the load will count as one-half (0.5) of a load towards the TI and Contractor will receive fifty dollars ($50) for that load if Contractor exceeds the annual threshold number of loads.

H. THRESHOLD

The Targeted Incentive begins after the threshold number of eight hundred twenty (820) loads of eligible materials is reached in a single calendar year. (See the sample calculation below.)

I. APPROVED DOCUMENTS OF RECORD

The MDF inbound scale house data from the Soft-Pak Scale System shall be the document of record for calculating the number of eligible loads for the TI. Contractor's collection and billing database shall not be the approved document of record for calculation of the number of loads meeting the TI criteria. For loads of concrete and asphalt hauled directly by Contractor from customers in Napa to Syar, the monthly Syar invoices to the City will be used by the City to create an MDF inbound weight ticket. Those weight tickets will be included in calculating the number of TI-eligible loads delivered to Syar.

J. DISASTER DEBRIS

In the event of an earthquake, flood or similar natural disaster (such as the 2005/06 New Year's Eve flood) the intent of the parties is that Contractor neither benefit nor be penalized due to excess debris generated from the event. In the case of such an event, the City Council will declare an emergency situation and City will inform Contractor that an emergency situation exists. The tons of emergency debris and/or disaster debris will be tracked separately and will be excluded from the TI calculations for that calendar year.

K. ADDING NEW ELIGIBLE MATERIALS

City may add new eligible materials to the TI in its sole discretion. (Example: ABS pipe could be added in the future). In such event, City will notify Contractor in writing at least thirty (30) days prior to the addition of the new material. Contractor may also submit a written request for the addition of a new eligible material to be included. City will respond to all such requests in writing within sixty (60 days of the request. The City's determination as to whether or not a new material will be added to "eligible materials" shall be final.

L. REPORTING

Contractor shall report monthly in the Attachment R reports on the year-to-date number of roll-off box loads that Contractor believes are eligible for the TI for the current calendar year. Contractor shall, at City's request, provide all requested documentation on roll-off box loads that Contractor believes are eligible for the TI including, but not limited to, work orders, dispatch logs, customer billing information, and all other documents requested by City in order to verify the eligibility of roll-off loads for the TI.

M. SAMPLE CALCULATION

Step One. Identify All TI-Eligible Roll Off Loads For the Calendar Year

Using the above-listed criteria, use the Soft-Pak Scale System database to sort for TI-eligible roll off loads and/or review all MDF weight tickets for NRWS roll-off loads. An example of the glossary of the Soft-Pak database codes that are referred to herein appears in Attachment V-4. The Soft-Pak database codes will be periodically revised by City when codes change or new material codes are added. Make sure the most current version is being used. Eligible material codes for the TI include: APPL, ASPH, CARPET, CONCR, METAL, SHEET, WOOD, YW, YWTOWOOD. Review Contractor work orders, billing records and other data as needed to research whether or not each load meets the eligibility requirements. (As noted above, these ancillary records are not the documents of record but can be used by the City to cross-check eligibility or to determine that a load does not meet the eligibility criteria.)

Step Two. Sum All TI-Eligible Roll Off Loads For the Calendar Year

Add all the TI-eligible roll off loads identified in Step One.

Step Three. Perform the TI Calculation

Subtract 820 (number of threshold loads) from the result of Step Two.

Step Four. Calculate the Amount of the TI Incentive Due (If Any)

If the result of Step Three is a negative number, stop here. There is no TI incentive due for the calendar year.

If the result of Step Three is a positive number, multiply the number by $100. The result is the amount of the TI incentive due to Contractor, subject to the cap in Section 12.04 B of the Contract.

Sample Numerical TI Calculation

Assume the number of TI-eligible loads for the calendar year is 901.5 loads.

901.5 – 820 = 81.5 loads.

81.5 x $100 = $8,150.

$8,150 is due to the Contractor for the TI incentive.

ATTACHMENT V-2

RESIDUE REDUCTION INCENTIVE (RRI)

A. PURPOSE

The purpose of the Residue Reduction Incentive (RRI) is to incentivize Contractor to decrease the quantity of RRI Residue disposed from the MDF and to increase the quantity of material diverted at the MDF.

B. DESCRIPTION OF INCENTIVE

The amount of the RRI incentive earned by Contractor is determined by the level (percentage) of RRI Residue disposed from the MDF that is achieved in each calendar year. The RRI brackets shown in the table below were created by averaging the percentage of RRI Residue for calendar years 2006, 2007, 2008 and 2009. (Note: Compost Overs delivered to the Transfer Station as Residue in 2006 and Recovered Compost Overs delivered to Zamora in 2009 were both included as RRI Residue in developing the brackets because at the time of the Third Amendment there was no viable alternative to disposal as Residue.)

The average percentage of RRI Residue for years 2006 through 2009 is 4.6% percent. A standard deviation of 1.6% was calculated and is used to create the brackets in the table herein. The brackets list a range of RRI Residue percentages achieved. If the level of RRI Residue increases to 6.3% or more, Contractor pays the City a debit. The incentive amounts are as follows: In brackets #1 and #2 the City pays NRWS 50% and 75% respectively, of the avoided Transfer Station tip fee in effect for the given calendar year for every ton of RRI Residue reduced below the threshold of 4.6% RRI Residue. In the Neutral Bracket, Contractor earns no incentive and pays no debit. The final bracket is a Debit Bracket where Contractor pays the City 25% of the Transfer Station tip fee for every ton of RRI Residue of 6.3% or more.

If the Transfer Station tip fee changes during the calendar year, the tip fee will be pro-rated in the calculations to reflect the mid-year change. In the event the Transfer Station establishes different tipping fees for mixed Construction & Demolition (C&D) Debris and for MSW (or for other materials), the tons of each material will be multiplied by the respective percentages of the pro-rated applicable tipping fee for each type of material (mixed C&D and MSW) delivered as RRI Residue from the MDF.

RRI TABLE

Incentive Bracket	RRI Residue Percent Achieved	Contractor Is Paid	Contractor Pays City
Bracket #2	0% - 2.9%	75% of tip fee	$0
Bracket #1	3.0% - 4.5%	50% of tip fee	$0
Neutral Bracket	4.6% – 6.2%	0	$0
Debit Bracket	6.3% and above	0	25% of tip fee

C. FORMULA FOR CALCULATION OF RRI

A = Total RRI-Eligible Inbound Tons to MDF for the calendar year
B = Tons of RRI Residue Hauled to Transfer Station from the MDF for Disposal
C = RRI Residue percentage
D = the difference between the historical average (4.6%) and the RRI Residue percentage achieved for the calendar year
E = the number of tons the RRI incentive or debit is paid upon
F = the applicable percent of the Transfer Station tip fee per ton from the table above
G = the amount of the RRI incentive or debit

The RRI formula is:

$$\frac{B}{A} = C$$

4.6% - C = D
D x A = E
E x F = G
G = the amount of the RRI incentive or debit

First, the RRI Residue percentage is calculated. Then, the RRI Residue percentage is subtracted from the historical average MDF RRI Residue of 4.6%. If the result falls within Bracket #1 Bracket #2 or the Debit Bracket in the RRI Table, the result is multiplied by the Eligible Inbound Tons to the MDF for the calendar year. This yields the number of tons that the incentive or debit is paid upon. The number of tons is then multiplied by the applicable unit cost (percent of Transfer Station tipping fee) per ton from the table above. If the result falls in the Neutral Bracket, no incentive or debit is owed. A full Sample Calculation of the RRI appears in Section M of this Attachment V-2.

D. RRI-ELIGIBLE INBOUND MDF TONS

"Eligible inbound tons" for calculating the RRI in this Attachment V-2 ("A" in the formula above) includes all Clean MRF Recyclables, Organic materials including Yardwaste, Food Waste, Pomace, Cannabis Waste, and Manure, Wood Waste, drywall (sheetrock), carpet padding (but not carpet), metal, appliances, tires, all Electronic Waste and universal waste (anything with a cord), all Bulky Goods and materials collected by the Recycle More program described in Attachment B, Section 7.02 of the Contract except used cooking oil.

E. EXCLUDED MATERIALS

Excluded materials that are not counted as part of "A" in the RRI formula are tons of: all forms of dirt (including, but not limited to, filter soils and native soil), carpet (including self-haul carpet, carpet delivered by Northern Recycling Operations and Waste Services, LLC and carpet delivered by Contractor), and all inert materials including, but not limited to, concrete, asphalt, asphalt grindings, rock and "MDF rock" (rock that is delivered from Cultured Stone [or any similar facility] that is specially processed for that customer by grinding the rock separately from all other materials and then returning the finished finely ground product back to that customer for their use).

F. OTHER ELIGIBILITY REQUIREMENTS

RRI Residue means Residue from all four (4) processing areas of the MDF (Clean MRF Area, Wood Area, Source Separated C&D Processing Area and the Composting Area) plus Residue from all "transfer-only" materials (such as Electronic and universal waste, Bulky Goods, carpet padding (but not carpet) and tires.

RRI Residue does not include any of the following, nor are any of the following included in any way in the RRI calculation:

a. Recovered Recyclable Materials that are marketed at a negative value pursuant to Contract Section 6.15 C 5.
b. Recovered Compost Overs that are periodically cleaned out and shipped off site for Composting, use as rock, fill or any other beneficial use that is permitted by law.
c. "Clean MRF Fines" and any other Recyclable Materials delivered to a clean MRF (other than the MDF) for further sorting. Such Clean MRF Fines and other Recyclable Materials are considered to be "diverted" materials and therefore are not RRI Residue. Any left-over residue material resulting from such sorting operations at other (non-MDF) facilities is also excluded from RRI Residue and is excluded from the RRI calculations.

d. Outbound loads of concrete and asphalt hauled from the MDF to Syar, coded as "Customer = Syar" are not considered RRI Residue.
e. If, in the future, the City directs Contractor to perform new mixed recovery operations (e.g. sorting of "mixed C&D" or "dry recovery of mixed materials") the inbound and outbound tons from that processing shall be tracked separately in the MDF scale records and shall be completely excluded from the RRI calculation.

If it is determined that Residue from the MDF is delivered to any disposal facility other than Transfer Station, without City approval, Contractor shall be ineligible for any RRI payment for the year in which this occurred. In addition, Contractor shall be required to pay the Napa-Vallejo Waste Management Authority the Transfer Station tipping fee in effect for the calendar year for all tons that were delivered to the alternate disposal facility, plus a ten percent (10%) penalty. Contractor shall provide proof of such payment to the City. If Contractor owes the City an RRI debit for the year in question, Contractor shall pay the City the debit owed according to the schedule in Section 12.04 of the Contract. The RRI calculation for any debit that is owed to the City shall include the Residue tons that were improperly disposed at the non-Transfer Station facility.

G. ADDITIONAL SORTING EQUIPMENT

Contractor may, with the City's prior written approval, purchase and install additional sorting equipment at the MDF (e.g. a "re-run" belt) at its sole expense, as long as all contract provisions and procedures are followed. The purchase, installation, repair and maintenance of any such equipment shall be solely at Contractor's expense and at no added cost to the City or the ratepayers. At the end of the Contract, the City will have the option to purchase the equipment at its depreciated book value, at City's sole option, per Contract Section 7.05.

H. THRESHOLD (NEUTRAL POINT)

As noted above, the Contractor is paid the RRI when the percentage of RRI Residue achieved in a calendar year is below the historical average RRI Residue of 4.6%.

I. APPROVED DOCUMENTS OF RECORD

The document of record for Eligible Inbound Tons to the MDF ("A" in the RRI formula) is the Soft-Pak database of inbound scale weights at the MDF. The document of record for Tons of Residue hauled to the Transfer Station for Disposal from the MDF ("B" in the RRI formula) is the Soft-Pak database of outbound scale weights of the Residue loads from the MDF scales.

The City may utilize other data to verify the quantity of RRI Residue for a given calendar year. For example, the City may use the Transfer Station inbound scale

weights to cross check the number of tons of Residue delivered from the MDF. However, the Transfer Station inbound scale weights are not the determinative database for calculation of the number of Tons of RRI Residue. Similarly, the City may utilize the NRWS collection database to cross check tonnages or loads of RRI Residue, however, the NRWS collection database shall not be determinative for calculation of the number of tons or loads of RRI Residue used in calculating the amount of any Residue Reduction incentive or debit.

J. DISASTER DEBRIS

In the event of an earthquake, flood or similar natural disaster (such as the 2005/06 New Year's Eve flood) the intent of the parties is that Contractor not benefit or be penalized with regard to the RRI calculations, due to excess debris from the event. In the case of such an event, the City Council will declare an emergency situation and City will inform Contractor that an emergency situation exists. The tons of emergency debris and/or disaster debris will be tracked separately and will be factored out of the RRI calculations for that calendar year.

K. CITY-DIRECTED CHANGES IN MDF OPERATIONS

In the event the City directs a change in MDF operations that, in the City's opinion, will significantly change (either increase or decrease) the quantity of RRI Residue that will be generated at the MDF from the RRI Residue generated during the period upon which the historical average RRI Residue was calculated (2006, 2007, 2008 and 2009) City may add or subtract materials from the RRI-Eligible MDF Inbound Tons or make other changes and adjustments to the RRI calculation to account for the change. In such event, City will notify Contractor in writing at least thirty (30) days prior to the effective-date of the changes and Contractor shall be given the opportunity to comment on the changes. Contractor may also submit a written request for such changes. City will respond to all such requests in writing within sixty (60 days) of the request. The City's determination as to the manner in which the RRI calculations and/or the list of eligible and ineligible materials is to be changed shall be final.

L. REPORTING

Contractor shall report monthly in the Attachment R reports on the year-to-date number of tons and loads of Residue hauled from the MDF to the Transfer Station (by date and by weight). Contractor shall show the cumulative (year-to-date) RRI calculations in the monthly reports. Contractor shall, at City's request, provide all requested documentation on Residue tons and loads including, but not limited to, work orders, dispatch logs, customer billing information, Transfer Station records, NVWMA records and invoices and all other documents requested by City in order to verify the tonnages, number of loads, and other criteria required for calculation of the RRI and verification of the RRI-eligibility of Inbound MDF Tons and other materials for the RRI calculation. Contractor shall

also submit an annual narrative description of how RRI Residue was reduced (or increased) from the level achieved in the prior calendar year; listing facility(ies) where Clean MRF Fines and/or Recyclable Materials were processed, and the resulting residue (if any), listing the facility(ies) where Recovered Compost Overs were delivered and verifying the type of use for the Recovered Compost Overs at that facility; and all other methods, facilities and additional equipment and/or labor used to achieve the RRI Residue level for the subject calendar year.

M. SAMPLE CALCULATION

Step One. Identify All RRI-Eligible Inbound Tons to the MDF

Using the above-listed criteria, use the MDF scalehouse Soft-Pak database to sort for the RRI-Eligible Inbound Tons to the MDF and/or review all MDF weight tickets for loads of eligible materials. An example of the glossary of the Soft-Pak database codes that are referred to herein appears in Attachment V-4, which will be periodically revised by City when codes change or new material codes are added. Make sure the current list is being used. Eligible material codes for the Residue Reduction Incentive include: ALUM, APPL, BULKY, CANNABIS, CARD, CARD12, CARPTPAD, COMIN, ELEC, FOOD, GLASS, GLASSBR, GLASSCL, GLASSGR, HDPEMIX, HDPENAT, LDPEMIX, LDPENAT, MANURE, METAL, MILKB, MIXCONT, MXPLAS, NEWS, PAPERMX, PAPERWH, PET, PETFOIL, PKGLIQ, PKGORG, PUM, RECMRE, SAW, SINGLE, SINGLEC, TIN, TIRE, TIRECOUP, STUMPS, SHEET, WOOD, WDCP, YW, YWTOWOOD. Review Contractor or MDF scalehouse documentation to research any questionable materials and/or loads.

Step Two. Total All The RRI-Eligible Inbound MDF Tons ("A" in the RRI Formula)

Add all the RRI-Eligible Inbound MDF Tons identified in Step One.

Step Three. Identify All Tons of Residue Hauled to Transfer Station From the MDF For Disposal ("B" in the RRI Formula)

Using the above-listed criteria, use the MDF scalehouse Soft-Pak database to sort for outbound loads and tons of RRI Residue hauled to the Transfer Station for the calendar year. Review additional Contractor and City scalehouse documentation as needed to research any questionable materials, loads and/or destinations for materials. RRI Residue codes for the RRI include: RESBL, RESFOOD, RESMRF, RESCOM, and RESCD.

Research the destination of all Residue loads to determine whether any loads of Residue were delivered for disposal at a disposal facility other than the Transfer Station. Soft-Pak facility codes for facilities that have processed Clean MRF

Fines in the past include MT DIABLO RECYCLING and SMURFIT-STONE ROCKTE.

Step Four. Total All the Tons of RRI Residue Hauled to Transfer Station From the MDF For Disposal

Add all of the RRI Residue tons identified in Step Three.

Step Five. Perform the RRI Calculation

Divide the result of Step Four by the result of Step Two and subtract that percentage from 4.6%.

Step Six. Determine Whether Any Incentive or Debit is Owed

Using the result of Step Five consult the RRI Table in Section B above. Determine if any incentive is owed to Contractor by the City, subject to the cap in Section 12.04 B of the Contract. Determine if any debit is owed by Contractor to City.

Step Seven. If Any Incentive or Debit is Owed, Calculate The Applicable Transfer Station Tip Fee

A. If the Transfer Station tip fee remained constant over the entire calendar year for which the incentive or debit is being calculated, use the tip fee that was in effect for the entire year.
B. If the Transfer Station tip fee was changed by the Napa-Vallejo Waste Management Authority during the calendar year, pro-rate the tip fee according to the number of months that each tip fee was in effect. Example: If the tip fee was $60/Ton for 9 months of the calendar year and was $61/ton for the remaining 3 months of the calendar year, the Transfer Station tip fee to be used in the calculation would be $60.25 calculated as follows:

    9 months/12 months = 0.75
    3 months/12 months = 0.25
    0.75 x $60 = $45/Ton
    0.25 x $61 = $15.25/Ton
    $45/Ton = $15.25/Ton = $60.25/Ton.

C. If the Transfer Station charged differential rates for C&D materials, MSW, and/or other material(s) during the calendar year for which the incentive or debit is being calculated, follow the procedure below:

    a. Determine the number of Tons of each type of material that were charged each tip fee (and that were billed to the City and paid for by the City).

b. Determine the total number of Tons of all materials billed by the Napa-Vallejo Waste Management Authority to the City and paid for by the City.
c. Divide the number of Tons of each type of material by the total Tons paid for by the City to determine the percentage of Tons charged for that material type (e.g. Tons of mixed Construction and Demolition Debris divided by the total Tons paid for by the City; Tons of MSW divided by the total Tons paid for by the City)
d. Multiply the tip fee charged for each material type by the percentage of each material calculated in Step C (c) above. Example: 70% of the material paid for by the City was MSW and the tip fee for MSW was $61/Ton. The result is .70 x $61 = $42.70/Ton. If 30% of the material paid for by the City was mixed Construction and Demolition Debris and the tip fee for mixed Construction and Demolition Debris was $50/Ton, the result is 0.30 x $50 = $15/Ton.
e. Sum all of the results from Step C (d) above to determine the applicable Transfer Station tip fee to be used in the calculation in Step Eight. Example: $42.70/Ton + $15.00/Ton = $57.70/Ton.

D. If the Transfer Station tip fee(s) was/were changed by the Napa-Vallejo Waste Management Authority during the calendar year for which the incentive or debit is being calculated, and the Transfer Station charged differential rates for C&D materials, MSW, and/or other material(s) during the calendar year for which the incentive or debit is being calculated, first follow the steps in subpart B above to calculate the pro-rated tip fee for each type of material. Then follow the steps in subpart C above to determine the percentage of each type of material delivered to the Transfer Station and paid for by the City. Then use the appropriate pro-rated tip fee for each material type to determine the applicable Transfer Station tip fee to be used.

Step Eight. Calculate the Amount of the Incentive or Debit Owed (If Any)

A. If an incentive is owed, multiply the result of Step Five by the total RRI-Eligible Inbound Tons to the MDF. Multiply the result by the result of Step Seven (applicable Transfer Station tip fee for the calendar year).

B. If a debit is owed, multiply the result of Step Five by the total RRI-Eligible Inbound Tons to the MDF. Multiply the result by the result of Step Seven (applicable Transfer Station tip fee for the calendar year).

The following are sample numerical calculations for the RRI based upon the RRI formula:

Note: All of the sample calculations assume a Transfer Station tip fee of $61.00 per ton for both C&D and MSW materials. This is an assumption for example purposes only. When the RRI calculations are performed, the actual tip fee(s) in effect at the Transfer Station for each type of material during the calendar year shall be used.

Sample #1. NRWS Achieves RRI Residue Percentage in Incentive Bracket #2

Assumptions:

RRI-Eligible Inbound tons = 90,000
RRI Residue tons = 2,250
Transfer Station Tip Fee = $61/ton

Sample Calculation:

2,250/90,000 = 0.25 = 2.5% RRI Residue percentage

4.6% – 2.5% = 2.1%

0.021 x 90,000 tons = 1,890 tons

From RRI Table in Section B above, 2.1% is in Bracket #2

In Bracket #2 Contractor is paid 75% of Transfer Station tip fee

$61/ton x 0.75 = $45.75/ton

1,890 tons x $45.75/ton = $86,467.50

Sample #2. NRWS Achieves RRI Residue Percentage in Incentive Bracket #1

Assumptions:

RRI-Eligible Inbound tons = 88,000
RRI Residue tons = 3,344
Transfer Station Tip Fee = $61/ton

Sample Calculation:

3,344/88,000 = 0.038 = 3.8% RRI Residue percentage

4.6% - 3.8% = 0.8%

0.008 x 88,000 = 704 tons

From RRI Table in Section B above, 3.8% is in Bracket #1

In Bracket #1 Contractor is paid 50% of Transfer Station tip fee

$61/ton x 0.50 = $30.50/ton

704 tons x $30.50/ton = $21,472.00

Sample #3. NRWS Achieves RRI Residue Percentage In Neutral Bracket

Assumptions:

Eligible Inbound tons = 100,000
Residue tons = 4,600
Transfer Station Tip Fee = $61/ton

4,600/100,000 = 0.046 = 4.6% RRI percentage

Stop here. No incentive due to NRWS and no debit owed by NRWS.

Sample #4. NRWS Achieves RRI Residue Percentage At Lower Edge of Neutral Bracket

Assumptions:

Eligible Inbound tons = 91,000
Residue tons = 5,460
Transfer Station Tip Fee = $61/ton
Sample Calculation:

5,460/91,000 = 0.06 = 6% RRI percentage

Stop here. No incentive due to NRWS and no debit owed by NRWS.

Sample #5. NRWS RRI Residue Percentage Is In The Debit Bracket

Assumptions:

Eligible Inbound tons = 90,000
Residue tons = 5,850
Transfer Station Tip Fee = $61/ton

5,850/90,000 = 0.065 = 6.5% RRI percentage

4.6% - 6.5% = 1.9%

0.019 x 90,000 = 1,710 tons

From RRI Table in Section B above, 6.5% is in Debit Bracket

In Debit Bracket Contractor pays City 25% of Transfer Station tip fee

$61/ton x 0.25 = $15.25/ton

1,710 tons x debit of $15.25/ton = $26,077.50 owed to City

ATTACHMENT V-3

COLLECTION INCENTIVE (CI)

A. PURPOSE

The purpose of the Collection Incentive (CI) is to increase diversion of tons collected by Contractor from within the City, from disposal.

B. DESCRIPTION OF INCENTIVE

The incentive formula calculates the percentage of Total Tons Collected for Recycling for the calendar year. This is compared to the baseline level of diversion, which is 50.4%. For every one tenth ($1/10^{th}$) of one percent (1%) increase (e.g. each 0.1%) achieved by Contractor, Contractor is paid $1,000. Thus, an increase of a full 1.0% over the baseline of 50.4% diversion would result in a CI payment of $10,000 for that calendar year.

C. FORMULA FOR CALCULATION OF CI

a. A = Total Tons Collected for Recycling by Contractor
b. B = Total Tons of MSW Collected by Contractor
c. C = Total Percent Diverted
d. D = Percent Diverted over the baseline level of Diversion
e. E = D x 0.01 (E is D expressed as a decimal e.g. 7% x 0.01 = 0.07)
f. F = Amount of Incentive Due to Contractor

The CI formula is: $\frac{A}{A + B} = C$

C – 50.4% = D
D x 0.01 = E
E x 100 x $10,000 = F

D. TOTAL TONS COLLECTED FOR RECYCLING BY CONTRACTOR ("A" in the CI formula)

For the purposes of this Attachment V-3, "A" = "Total Tons Collected for Recycling By Contractor" within the City of Napa from residential, multifamily, commercial, roll-off, NVUSD and special events. This also includes tons of source-separated Recyclable Materials collected by Contractor at the City Corporation Yard and at City job sites, provided that these materials are collected by Contractor at the direction of City and further provided that the materials are delivered to the MDF for processing. Total Tons Collected for Recycling By Contractor includes the Tons collected by the Recycle More program described

in Attachment B, Section 7.02 of the Contract, with the exception of used cooking oil.

"Total Tons Collected for Recycling" in this Attachment V-3 includes the following materials collected by Contractor and weighed inbound at the MDF: Single-Stream and Source and Type-Separated Recyclable Materials (excluding Food Waste except as noted herein), Yardwaste, Residential Co-Collected Organics, pomace, manure, source-separated concrete, asphalt, wood, woodchips, sheetrock, rock, sawdust, stumps, metal, metal appliances, carpet and carpet underpadding, bulky items; Recyclable Materials (excluding Food Waste) collected at special events as defined in Section 4.2 of Attachment B; Electronic-Waste and universal waste (anything with a cord) collected from residents and commercial businesses (currently collected through the Recycle More program), including Electronic Waste, universal waste and metal appliances from the City's annual public E-Waste Drop-Off Event. NOTE: Food Waste is excluded from the "Total Tons Collected for Recycling" except for culls and trimmings from supermarket produce that have been historically collected by Contractor as part of a Yardwaste route and coded as "Yardwaste" when delivered to the MDF. Such supermarket produce was included in the initial baseline level diversion calculation, which resulted in a 50.4% baseline diversion rate. Therefore, tons of supermarket culls and produce trimmings that are collected by Contractor as part of a regular Yardwaste route(s) and that are coded as "Yardwaste" when delivered to the MDF shall be included in the "Total Tons Collected for Recycling." As noted above, tons of Residential Co-Collected Organics shall also be included.

The following are excluded from "Total Tons Collected for Recycling": Food Waste collected in the pilot Commercial Food Waste collection program and any expansions of that program including the full-scale program; Electronic Waste and Universal Waste (anything with a cord) delivered to the MDF by customers; Bulky Goods delivered by customers to the MDF (with or without the City-issued coupon); dirt; any materials self-hauled by NVUSD to the MDF; used motor oil collected by Contractor; used cooking oil collected by Contractor as part of the Recycle More program.

E. TOTAL TONS OF MSW COLLECTED BY CONTRACTOR

For the purposes of this Attachment V-3, "B" = "Total Tons of MSW Collected by Contractor" from residential, multi-family, commercial, roll-off, NVUSD and special events within the City of Napa, that are delivered to the Transfer Station and billed by the Napa-Vallejo Waste Management Authority to the City. Tons hauled by Contractor in roll-off boxes from the City Corporation Yard directly to the Transfer Station as MSW are included in "B". Tons of MSW or any other material hauled by Contractor at the City's request from a City job site to the Transfer Station are included in "B". The following materials are excluded from "B": (i) Tons of MSW or any other material self-hauled by NVUSD to the Transfer

Station or to any other facility; (ii) Tons of MSW or any other material direct-hauled by City to the Transfer Station; (iii) Tons of RRI Residue hauled by the Contractor from the MDF to the Transfer Station; (iv) Tons of metal hauled by the Contractor from the MDF to the Transfer Station; (v) Tons of dirt and soils hauled by Contractor to the Transfer Station.

All loads of mixed C&D that are collected by Contractor and delivered to the Transfer Station are included in "B" as part of "Total Tons of MSW Collected by Contractor" and are not part of "A" ("Total Tons Collected for Recycling by Contractor") regardless of whether or not those tons were ultimately diverted at the Transfer Station.

F. OTHER ELIGIBILITY REQUIREMENTS

1. For both "A" and "B" the tons must meet all of the following requirements:

a. Be collected by a vehicle owned by Contractor, operated by Contractor's driver, and collected from a Contractor-owned container (bin, cart or roll-off box).
b. Be collected from a customer at an address within the City of Napa
c. Be delivered by Contractor to either the MDF (in the case of "A") or to the Transfer Station (in the case of "B")
d. Have either a work order issued by Contractor (for roll-off loads) or be part of one of Contractor's regularly scheduled collection routes that is one hundred percent (100%) within the City of Napa, or be collected as part of the "by appointment" Recycle More collection routes.

2. In order to be included in the CI calculation as part of "A", the tons must be weighed inbound at the MDF scales and receive an MDF weight ticket. In the event Contractor desires to resume direct-haul of concrete and/or asphalt to Syar or of metals to Steel Mill (or an equivalent facility) Contractor may submit a written request to City to direct-haul such materials to a specified processor and still have the tons included in the CI calculation. The City will consider and either grant or deny the request in writing within sixty (60) days of receipt. However, the City's strong preference is for CI-eligible materials to be delivered to the MDF and receive an MDF weight ticket in order to count toward the CI. No tons will be included in the CI calculation without City-approved weight tickets from a certified scale.

G. THRESHOLD (CI BASELINE)

As noted above, the Contractor is paid the CI when the percentage of diverted materials exceeds the baseline of 50.4%.

H. APPROVED DOCUMENTS OF RECORD

The document of record for "Total Tons Collected For Recycling by Contractor" ("A" in the CI formula) is the MDF scale data for Tons weighed inbound at the MDF. The document of record for "Total Tons of MSW Collected by Contractor" ("B" in the CI formula) is the total tons listed in the NVWMA invoices to City that are City-approved and paid for, minus Tons of MDF RRI Residue delivered to the Transfer Station, minus Tons of metal delivered to the Transfer Station by Contractor, minus Tons of City direct-hauled materials to the Transfer Station, and minus Tons of dirt and soil delivered to the Transfer Station by Contractor.

The document of record for the Tons of MDF RRI Residue delivered to the Transfer Station and for Tons of metal delivered to the Transfer Station by Contractor is the MDF outbound scale records.

The City may utilize other data to verify the quantities of "Total Tons Collected for Recycling by Contractor", "Total Tons of MSW Collected by Contractor", and Tons of MDF RRI Residue for a given calendar year. For example, the City may use the Transfer Station inbound scale weights to cross check the number of tons of MSW, metal and/or RRI Residue delivered from the MDF and/or by Contractor. However, the Transfer Station inbound scale weights are not the determinative database for calculation of the number of tons of RRI Residue or metal delivered to the Transfer Station. Similarly, the City may utilize Contractor's collection database to cross check tonnages or loads of Recyclable Materials, and/or RRI Residue, however, Contractor's collection database shall not be determinative for calculation of the number of tons to be included in either "A" or "B" for the CI calculation.

I. DISASTER DEBRIS

In the event of an earthquake, flood or similar natural disaster (such as the 2005/06 New Year's Eve flood) the intent of the parties is that Contractor not benefit or be penalized with regard to the CI calculation, due to excess debris from the event. In the case of such an event, the City Council will declare an emergency situation and City will inform Contractor that an emergency situation exists. The tons of emergency debris and/or disaster debris will be tracked separately and will be excluded from the CI calculation for that calendar year.

J. REPORTING

Contractor shall report monthly in the Attachment R reports on the year-to-date "Total Tons Collected For Recycling by Contractor" and the "Total Tons of MSW Collected by Contractor". Contractor shall show the cumulative (year-to-date) CI calculations in the monthly reports. Contractor shall, at City's request, provide all requested documentation on "Total Tons Collected for Recycling by Contractor" and on the "Total Tons of MSW Collected by Contractor" including, but not limited

to, work orders, dispatch logs, customer billing information, Transfer Station records, Napa-Vallejo Waste Management Authority records and invoices and all other documents requested by City in order to verify the tonnages, number of loads, and other criteria required for calculation of the CI and verification of the eligibility of tons to be included in the "Total Tons Collected for Recycling by Contractor", and the "Total Tons of MSW Collected by Contractor" for the CI calculation. Contractor shall also submit an annual narrative description of how diversion of tons collected by Contractor changed from the level achieved in the prior calendar year; listing all new, expanded and/or enhanced programs, new diversion methods, all other methods, facilities and additional equipment and/or labor used to achieve the diversion level achieved by Contractor for the subject calendar year.

K. SAMPLE CALCULATION

Step One. Identify and Sum "Total Tons Collected for Recycling by Contractor" During Year ("A" in the CI Formula)

Use the MDF scale house Soft-Pak database to sort for inbound diversion loads collected residential, commercial, and roll-off sources collected by NRWS from City of Napa. An example of the glossary of the Soft-Pak database codes that are referred to herein appears in Attachment V-4. The Soft-Pak database codes will be periodically revised by City when codes change or new material codes are added. For residential inbound diversion (coded as NRWS CITY RESIDENTIAL) collected in the City, the following materials codes are considered eligible: SINGLE, YW, YWTOWOOD and ORGCOCOL. For commercial inbound diversion (coded NRWS CITY COMMERCIAL) collected in the City, the following materials codes are considered eligible: CARD, SINGLE, YW, YWTOWOOD. For roll-off diversion (coded NRWS CITY ROLL OFF) and collected from the City, the following material codes are considered eligible for inclusion in the diversion tons collected by NRWS: ALUM, APPL, ASPH, BULKY, CARD, CARD12, CARPET, CARPTPAD, CONCR, ELEC, GLASS, GLASSBR, GLASSCL, GLASSGR, HDPEMIX, HDPENAT, LDPEMIX, LDPENAT, MANURE, METAL, MIXCONT, MXPLAS, NEWS, PAPERMX, PAPERWH, PET, PETFOIL, PUM, RECMRE, ROCK, SAW, SHEET, SINGLE, SINGLEC, STUMPS, TIN, TIRE, WOOD, WDCP, YW, YWTOWOOD. Check to see if Contractor was approved by City to direct-haul any Recyclable Materials directly to Syar or another processor. If so, and City approved this method of delivery, retrieve MDF weight tickets for these materials and/or weight tickets from a certified scale at the third party processor (e.g. Syar). If Recyclable Materials were direct-hauled to Syar or a similar processor and no City-approved weight tickets exist for those materials, do not include them in the total. Sum all of the diversion weights from residential, commercial, roll-off, and Syar to determine total eligible tons collected for recycling by contractor for the year.

Step Two. Identify and Sum "Total Tons of MSW Collected by Contractor" During Year ("B" in the CI Formula)

Use the Napa-Vallejo Waste Management Authority (NVWMA) invoices approved and paid by City to determine the "Total Tons of MSW Collected by Contractor" for the subject calendar year. Divide the monthly total amount invoiced to the City by the per ton disposal cost for each month to determine total tons of City-collected disposal sent to Transfer Station from MDF.

Step 2.1: Deduct Net Tons of MDF Residue Sent to Transfer Station from Total MSW Tons Collected by the Contractor
Calculate MDF RRI Residue by totaling the outbound tons sent to the Transfer Station of RESBL, RESCOM, RESCD, and RESMRF. Deduct MDF Residue tonnage sent for reprocessing (Soft-Pak facility code 'SMURFIT STONE ROCKTE') from total MDF RRI Residue sent to Transfer Station to calculate the net MDF RRI Residue sent to Transfer Station. Deduct the net MDF sent to the Transfer Station from the total disposal tonnage.

Step 2.2: Deduct Metal Tons Sent to Transfer Station from Total MSW Tons Collected by the Contractor
Calculate tons of metal sent to the Transfer Station (Soft-Pak facility code 'NORTHERN RECYCLING – M') from the MDF using the MDF outbound tickets. Deduct the metal tonnage sent to the Transfer Station from the total disposal tonnage.

Step Three. Perform the CI Calculation

Divide the result from Step 1 by the sum of the results from Step 1 and Step 2 and multiply the quotient by 100 to obtain diversion percentage. Subtract this percentage from 50.4%. If the result is a negative number or zero, stop here. No incentive is owed because Contractor did not exceed the baseline of 50.4%.

Step Four. Calculate the Amount of the Incentive Owed

If the result of Step 3 is a positive number, multiply the result from Step 3 by 100 to convert from percentage. Multiply this number by $10,000 to determine the CI owed to Contractor (if any) subject to the cap in Section 12.04 B of the Contract.

The following are sample numerical calculations for the CI:

Sample #1. NRWS Exceeds the Baseline Diversion Rate

"Total Tons Collected for Recycling by Contractor" ("A") = 42,000 tons
"Total Tons of MSW Collected by Contractor" ("B") = 34,000 tons

42,000/(42,000+ 34,000) = 0.553 X 100 = 55.3% diversion

55.3% – 50.4% = 4.9%

4.9% x 0.01= 0.049

0.049 x 100 x $10,000 = $49,000

Sample #2. NRWS Does Not Exceed the Baseline Diversion Rate

"Total Tons Collected for Recycling by Contractor" ("A") = 42,000 tons
"Total Tons of MSW Collected by Contractor" ("B") = 42,000 tons

42,000/(42,000+ 42,000) = 0.500 X 100 = 50.0% diversion

50.0% – 50.4% = -0.4%

The result is a negative number. Therefore, no incentive is owed because Contractor did not exceed the baseline of 50.4%.

ATTACHMENT V-4

SAMPLE GLOSSARY OF MATERIAL & FACILITY CODES

The following is a list of the codes in the Soft-Pak database for all materials. The list will be updated periodically by the City as codes change or new codes are added. **IMPORTANT**: Check with City to obtain the most current version.

Collection Incentive:

Table 1: Collection Incentive Material Codes

Material Code	Material
ALUM	Aluminum
SINGLE	Single-stream recycling
BULKY	Bulky Items
YW	Yardwaste
YWTOWOOD	Yardwaste coded and processed as wood
CARD	Cardboard
CARD12	Cardboard #12
APPL	Appliances
ASPH	Asphalt
CARPET	Carpet
CARPTPAD	Carpet Padding
CONCR	Concrete
ELEC	Electronic waste
GLASS	Mixed Glass
GLASSBR	Brown Glass
GLASSCL	Clear Glass
GLASSGR	Green Glass
HDPEMIX	Colored HDPE Plastic
HDPENAT	Natural HDPE Plastic
LDPEMIX	Colored LDPE Plastic
LDPENAT	Natural LDPE Plastic
MANURE	Manure
METAL	Metal
MIXCONT	Mixed CRV Containers
MXPLAS	Mixed Rigid Plastic
NEWS	Newspaper
PAPERMX	Mixed paper
PAPERWH	White paper
PET	PET
PETFOIL	PET Film Plastic
PUM	Pomace

ROCK	Rock
SAW	Sawdust
SHEET	Sheetrock
SINGLEC	Single Commercial/RO
STUMPS	Stumps
TIN	Tin Cans
TIRE	Tires
WOOD	Wood
WDCP	Woodchips
MRF FINE	MRF Fines
RECMRE	Recycle More Route
RESCD	Residual Cons & Demo
RESBL	Residual Bulky items
ORGCOCOL	Residential Co-Collected Organics
RESMRF	Residual Clean MRF
RESCOM	Residual Yard Waste

Residue Reduction Incentive:

Table 2: Residue Reducion Incentive Material Codes

Material Code	Material
ALUM	Aluminum
APPL	Appliances
BULKY	Bulky items
CANNABIS	Cannabis Waste
CARD	Cardboard
CARD12	Cardboard #12
CARPTPAD	Carpet padding
COMIN	Comingled recyclables
ELEC	Electronic waste
FOOD	Food waste
GLASS	Mixed Glass
GLASSBR	Brown glass
GLASSCL	Clear glass
GLASSGR	Green glass
HDPEMIX	Colored HDPE Plastic
HDPENAT	Natural HDPE Plastic
LDPEMIX	Colored LDPE Plastic
LDPENAT	Natural LDPE Plastic
MANURE	Manure
METAL	Metal
MILKB	Baled Milk Carton In

MIXCONT	Mixed CRV containers
MXPLAS	Mixed Rigid plastics
NEWS	Newspaper
PAPERMX	Mixed paper
PAPERWH	White paper
PET	PET
PETFOIL	PET film
PKGLIQ	Packaged Liquids
PKGORG	Packaged Organics
PUM	Pomace
RECMRE	Recycle More Route
SAW	Sawdust
SHEET	Sheetrock
SINGLE	Single stream recyclables
SINGLEC	Single Commercial/RO
STUMPS	Stumps

TIN	Tin Cans
TIRECOUP	Tire Coupon Used
TIRE	Tires
WOOD	Wood
WDCP	Woodchips
YW	Yardwaste
YWTOWOOD	Yardwaste coded and processed as wood
RESBL	Residual Bulky items
RESFOOD	Resid Foodwaste
RESMRF	Residual Clean MRF
RESCOM	Residual Yard Waste
RESCD	Residual Cons & Demo

Targeted Incentive:

Table 3: Targeted Incentive Material Codes

Material Code	Material
ASPH	Asphalt
CARPET	Carpet
CONCR	Concrete
METAL	Metal
SHEET	Sheetrock
WOOD	Wood
YW	Yardwaste
YWTOWOOD	Yardwaste coded and processed as wood

ATTACHMENT W

TRANSITION PLAN AT THE EXPIRATION OF TERM (DECEMBER 31, 2031)

The objectives of this Transition Plan are to (1) provide uninterrupted collection service to all customers while new equipment is delivered, (2) provide processing and marketing of residential and commercial recyclables while the existing Clean MRF equipment not purchased by City is dismantled and the new equipment is installed, (3) allow the selected New Contractor adequate time to properly install, test, and operate the new Clean MRF equipment at full design capacity prior to expiration of this contract, and (4) provide for a transparent transition of data management system.

The City and Contractor agree to cooperate fully with one another and to work together to achieve a smooth, timely, and efficient transition that enables (a) collection of residential and commercial MSW, Recyclables, Yard Trimmings and (b) the MDF operations to be conducted effectively, and without interruption (as more fully described below) both in the months prior to the transition to the new contract and immediately preceding expiration of this contract.

This Transition Plan also will apply to Contractor in the event Contractor is the selected New Contractor to ensure a smooth transition from the then existing mode of operations to the new mode of operations.

The terms “Clean MRF equipment” and “processing equipment” used in this Transition Plan refer to those pieces of equipment that are used in, or immediately adjacent to, the MRF Building to process “recyclables.” “Recyclables” refer to residential and commercial source separated or commingled “single stream” recyclables.

The following tasks shall be completed as part of this Transition Plan:

A. ACCESS TO MDF FACILITY FOR CITY AND SELECTED NEW CONTRACTOR

1. The City and its agents shall have the right to access all parts of the MDF to carry out any activities related to this Transition Plan.

2. In exercising its rights under this section, City shall enter the Premises in a manner consistent with safety laws and regulations and appropriate to the nature of the operations conducted on the Premises, and shall not interfere with the daily operations of the MDF.

   If Contractor has concerns regarding the impact that access by City and City invitees may have on safety or operations efficiency, it may bring them to City's attention. City shall give due consideration to such concerns but is not required to modify its access procedures in light of them, provided such access complies with the other provisions of this Attachment.

3. The City's right to access the MDF shall include the personnel of the City's selected New Contractor (including its employees, officers, agents, equipment manufacturers, vendor representatives, consultants, engineers, and subcontractors). During the period two months prior to expiration of this contract, the City need not give advance notification of entry onto the MDF by the New Contractor.

B. SURRENDER OF PREMISES

1. On the expiration or earlier termination of Contract, Contractor shall quit the Premises and surrender possession to City. Contractor shall leave the Premises in as good order, condition, and repair as it was on the Commencement Date except for reasonable wear and tear, and damage caused by casualty losses. Contractor shall leave the Premises free of all liens, charges or encumbrances resulting from any act or omission on Contractor's part and shall indemnify City

against any loss, expense, damage, costs or attorney fees arising out of Contractor's failure to do so.

2. City may purchase equipment, inventory, or other items from Contractor prior to expiration of Contract. City shall notify Contractor of intent to purchase on or before 120 days prior to expiration of Contract. The price shall be determined as provided in section 7.05 of the Contract. Items purchased by City shall not be removed from the MDF site upon expiration of Contract.

3. On expiration or earlier termination of this Contract, Contractor shall, without expense to City, remove or cause to be removed from Premises:

   a. All debris, rubbish and waste, including but not limited to "electronic waste" (televisions, computers, etc.);

   b. All furniture, equipment, and other items of personal property owned by Contractor not purchased by City.

   c. All recyclables, baled or unbaled;

   d. All stockpiled concrete and asphalt, which shall be crushed and sold, or otherwise moved off the Premises, on or before 30 days prior to expiration of this contract;

   e. All stockpiled wood (except that required for compost operations during the month prior to expiration of this contract), which shall be chipped, ground, or otherwise processed and moved off the Premises, by 30 days prior to expiration of this contract;

   f. All chipped wood stored and sold for biomass fuel; and

g. All finished compost.

4. Contractor shall, at its expense, repair all damage that may occur to Premises caused by Contractor's removal of these items. None of the items listed in b through g above shall be disposed at a landfill or transfer station, but shall be sold or donated for such uses as shall provide the City with diversion credit under the Act.

5. The following materials shall be left on the Premises:

   a. Organic materials still in the composting process;

   b. Concrete, asphalt and wood received during the month prior to expiration of this contract from the construction/demolition program shall be left in stockpiles.

6. City shall pay Contractor the market value of materials required to be left on the Premises, with market value determined by reference to amounts received by Contractor from sale of those materials to the public or third party, arms-length purchasers during the immediately preceding month.

7. If Contractor leaves behind materials with no or "negative" value based on commercially reasonable markets and prices (i.e., which City must pay a third party to accept or remove), Contractor shall reimburse City for those costs.

C. REMOVAL, DELIVERY AND INSTALLATION OF NEW CLEAN MRF PROCESSING, COMPOSTING, AND CONSTRUCTION AND DEMOLITION EQUIPMENT

1. At the request of the City, beginning at least two months prior to expiration of this contract, Contractor will transfer all recyclables delivered to the Clean MRF from

all sources then using the Clean MRF, to an Alternate Facility for sorting, processing and marketing. Contractor's compensation will be adjusted to reflect the additional cost, if any, associated with transferring recyclables to the Alternate Facility. During this period, Contractor will transfer and haul the recyclables from the Clean MRF on a daily basis for all days that recyclables are collected in the City of Napa. During this period, storage and transfer of recyclables shall be conducted in an area not to exceed one quarter of the area of the Clean MRF building under roof; areas outside the Clean MRF building may also be used if such usage does not adversely affect the quality of the recyclables, is in conformance with all existing permits, laws, and regulations, and does not impede the installation of Clean MRF equipment by the selected New Contractor (see below). Contractor shall invoice the City of Napa on a monthly basis for the transfer of the recyclables as provided herein and shall submit an invoice by the 10th day of the following month that shows the individual weigh scale transactions and total tons of material received at the Alternate Facility each day during the preceding month, the total amount due from the City, and the tons of each of the following materials that were diverted to the Alternate Facility: newspaper, glass, HDPE, PET, cardboard, mixed paper, aluminum, steel, and tin. The City shall pay said invoice within thirty (30) days of receipt. With respect to the tons of each type of material diverted to the Alternate Facility, Contractor shall calculate a percentage of such material that is recycled based on the average diversion for the subject material types processed at the Alternate Facility for the prior three (3) month period.

2. Contractor shall remove all processing equipment (except that purchased by the City pursuant to section B.2, above, and Article 7) inside, protruding through, or immediately outside and adjacent to the Clean MRF building, including all conveyor belts, balers, and screens, between 45 and 60 days prior to expiration of this contract. Said equipment is to be moved completely off the MDF site and hauled away at the expense of Contractor. On or about 45 days prior to expiration of this contract, representatives of the City and the selected New Contractor shall

meet at the MDF with representatives of Contractor to review the condition of the property, MDF buildings, and to confirm that the equipment has been removed to the satisfaction of the City. The City representatives shall inspect the site and document any damage to the Clean MRF buildings resulting from the removal of the Clean MRF equipment. If damage is found, Contractor shall be responsible for the cost of repair.

3. Contractor shall remove processing equipment (except that purchased by the City pursuant to section B.2, above, and Article 7) used for composting operations, including all grinders and screens, by 1 day prior to expiration of this contract. Such removal may begin 2 weeks prior to the expiration of this contract. Said equipment is to be moved completely off the MDF site and hauled away at the expense of Contractor. On or about 1 day prior to expiration of this contract, representatives of the City and the selected New Contractor shall meet at the MDF with representatives of Contractor to review the condition of the property and to confirm that the equipment has been removed to the satisfaction of the City. The City representatives shall inspect the site and document any damage to the MDF resulting from the removal of the composting equipment. If damage is found, Contractor shall be responsible for the cost of repair.

4. Contractor shall remove processing equipment (except that purchased by the City pursuant to section B.2, above, and Article 7) used for construction and demolition debris processing operations, including all grinders and screens, between 7 and 15 days prior to expiration of this contract. Said equipment is to be moved completely off the MDF site and hauled away at the expense of Contractor. On or about 6 days prior to expiration of this contract representatives of the City and the selected New Contractor shall meet at the MDF with representatives of Contractor to review the condition of the property and to confirm that the equipment has been removed to the satisfaction of the City. The City representatives shall inspect the site and document any damage to the MDF resulting from the removal of the

construction and demolition debris processing equipment. If damage is found, Current Contractor shall be responsible for cost of repair.

5. Beginning 45 days prior to expiration of this Contract, the New Contractor will begin installation of the new Clean MRF equipment. Said installation, equipment testing and operation of the equipment will continue until termination of current contract. Contractor shall cooperate fully with the selected New Contractor's installation of equipment during this period. Said cooperation shall include, but not be limited to, (1) assisting the selected New Contractor in storing equipment on the MDF site; (2) promptly and completely responding to the then current actual knowledge and belief of Contractor to questions about utilities, the MDF buildings, and any other issues that the City, the selected New Contractor, the new Clean MRF equipment manufacturer, and all individuals assisting with the equipment installation may have; (3) conducting operation of the compost facility, C&D facility, maintenance operations, and all other functions at the MDF site so as to create as much space as possible, without interference to Contractor operations, for the selected New Contractor to assemble and install the new Clean MRF equipment; and (4) complying with the area restrictions for storage and transfer of recyclables described in Section C.1., above.

6. Beginning 45 days prior to expiration of this contract, the New Contractor will begin receiving equipment at the MDF related to composting and C&D processing activities, which continue until expiration of Contract. Contractor shall cooperate fully with the selected New Contractor's receipt of equipment during this period. Said cooperation shall include, but not be limited to, (1) assisting the selected New Contractor in storing equipment on the MDF site; (2) promptly and completely responding to the then current actual knowledge and belief of Contractor to questions about the MDF site, and any other issues that the City, the selected New Contractor, new equipment manufacturers, and all individuals assisting with collection, composting and other processing activities may have; (3) conducting operation of the compost facility, C&D facility, maintenance operations, and all

other functions at the MDF site so as to create as much space as possible, without interference to Contractor operations, for the selected New Contractor to assemble and install the new equipment; and (4) complying with the area restrictions for storage and transfer of recyclables described in Section C.1., above.

7. When the new Clean MRF equipment is ready for testing, Contractor shall, at the request of the selected New Contractor, leave at the Clean MRF (and not transport to the Alternate Facility) a quantity of recyclables to be specified by the selected New Contractor. Said materials, which shall continue to be owned by Contractor, will be processed through the newly-installed Clean MRF equipment to test the equipment. The selected New Contractor will inform Contractor of the quantity of materials it wants to process in writing at least forty-eight (48) hours prior to the proposed testing. When the equipment is ready to process additional materials, as it is being operated closer to its full design capacity, the selected New Contractor will provide written notice to Contractor of the increased quantities of recyclables to be left at the Clean MRF for processing. This process will continue until the new Clean MRF equipment is tested and operated at its full design capacity and is accepted by the City. From 60 days prior to expiration of this contract, Contractor shall provide roll-off boxes for residual storage from the new processing lines and shall haul said boxes to the transfer station when full; provided, however, that after expiration of this contract, the New Contractor shall be required to provide such roll-off boxes for residual storage from the new processing lines.

8. The parties plan that the new Clean MRF equipment will be installed, fully tested, and accepted by the City on or before expiration of this Contract. Regardless of whether or not the City accepts the new Clean MRF equipment before expiration of this Contract, Contractor will continue to transfer, process, and market the recyclables from the MDF at the Alternate Facility through the close of business on final day of this contract.

9. In the event that the installation, testing, or acceptance of the new Clean MRF processing equipment is not completed by expiration of this contract, the selected New Contractor shall transfer material from the Napa MDF to the Alternate Facility until the new Clean MRF equipment is fully installed, tested, and accepted by the City. City shall likewise provide seven (7) days written notice to Contractor of the date when the new Clean MRF equipment will be ready for full operation and the transfer and use of the Alternate Facility can cease.

D. REMOVAL AND DELIVERY OF COLLECTION EQUIPMENT AND ALL OTHER EQUIPMENT

1. Contractor shall remove all carts, bins, roll offs and other collection equipment (except that purchased by the City pursuant to Section B.2, above, and Article 7) in service prior to expiration of this contract. Said equipment is to be removed completely from service and hauled away at the expense of the Current Contractor. Current Contractor's removal schedule shall be coordinated with delivery schedule of new Contractor. On or about 45 days prior to expiration of this contract representatives of the City and the selected New Contractor shall meet with representatives of Contractor to coordinate and verify equipment removal schedule.

2. Contractor shall remove inventory of all carts, bins, roll offs, vehicles and other collection related equipment (except that purchased by the City pursuant to Section B.2, above, and Article 7) between 7 and 15 days prior to expiration of this contract. Said equipment is to be moved completely off the MDF site and hauled away at the expense of the Contractor. On or about 6 days prior to termination of this contract representatives of the City and the selected New Contractor shall meet at the MDF with representatives of Contractor to review the condition of the property, Clean MRF buildings, and to confirm that the equipment has been removed to the satisfaction of the City. The City representatives shall inspect the site and document any damage to the Clean MRF buildings resulting from the

removal of the collection equipment. If damage is found, Contractor shall be responsible for the cost of repair.

3. Contractor shall remove all other equipment including maintenance shop, tools, parts, lifts, shelving, truck wash; and all items inside Clean MRF buildings from the MDF site between 1 and 7 days prior to expiration of this contract. Said equipment is to be moved completely off the MDF site and hauled away at the expense of the Contractor.

4. Beginning 45 days prior to expiration of this contract the New Contractor will begin receiving equipment at the MDF related to collection which will continue until expiration of current contract. Contractor shall cooperate fully with the selected New Contractor's receipt of equipment during this period. Said cooperation shall include, but not be limited to, (1) assisting the selected New Contractor in storing equipment on the MDF site; (2) promptly and completely responding to the then current actual knowledge and belief of Contractor to questions about current customer routes, and any other issues that the City, the selected New Contractor, new equipment manufacturers, and all individuals assisting with collection activities may have; and (3) conducting operation of the compost facility, C/D facility, maintenance operations, and all other functions at the MDF site so as to create as much space as possible, without interference to Contractor operations, for the selected New Contractor to assemble and store the new collection equipment.

5. Contractor shall leave all equipment, inventory and items owned by City. Contractor shall provide a list of such equipment, inventory and items to City 30 days before end of current contract.

E. SCALE HOUSE OPERATIONS AND REPORTS

1. At the close of business on final day of Contract, at the City's discretion, a qualified representative of PC Scales shall be on site at the MDF to oversee the closeout of

the scale records by Contractor and the processing of reports from the PC Scales software program to memorialize the final days and weeks of transactions. The City shall bear the cost of the PC Scales representative and shall work with PC Scales to determine the best-qualified representative to perform this work.

2. By the final day of Contract, Contractor shall make an electronic copy of the customer credit account data, all transactions stored in the system, all invoicing and billing information, all tonnage reports, all customer lists for collection, all routing lists, and all other information, programs, and reports in the PC Scales software system (or any other data storage system maintained by Contractor) and shall provide same to the City. If requested by City, Contractor shall also prepare a hard copy printout of the last thirty (30) days worth of transactions and submit same to the City. The electronic and hard copies of said data and information shall be delivered to the City within four (4) and twenty-four (24) hours, respectively.

3. One time quarterly for each quarter of the final year of the Contract, Contractor shall provide the City with electronic copies of all of the customer credit account data; all transactions stored in the PC Scales or any other data storage system; all invoicing and billing information; all tonnage reports; all customer lists for collection; all routing lists; an equipment inventory of all carts, bins, roll offs; and all other information, programs and reports in the PC Scales software system or any other data storage system, in a form acceptable to the City and via electronic media to be mutually agreed upon by the City and Contractor. Not later than 30 days prior to expiration of this Contract, Current Contractor shall provide the fourth electronic copy of said system data and information. The fifth and final copy of the data and information shall be delivered to the City at the close of business on final day of current contract, as described in Section E.2. above.

4. As said electronic copies of the PC Scales data and information are provided to the City, Contractor shall respond promptly to questions from the City concerning such data and information.

F. PROVISION OF STORAGE AREAS FOR DELIVERY OF EQUIPMENT FOR SELECTED NEW CONTRACTOR

1. During the 60 days prior to expiration of this contract, Contractor shall allow the selected New Contractor to take delivery of, and store, new Clean MRF equipment, new collection equipment and all ancillary parts and components thereof, at the MDF site (lay down yard). Contractor shall allow the selected New Contractor to establish a secure inventory system and storage area for all equipment and parts stored at the MDF site. This may include use of temporary fencing and security personnel to control access to, and movement of, new equipment and inventory. The selected New Contractor will store said equipment so as to minimize any impact on MDF operations.

2. A meeting between the City, Contractor, and the selected New Contractor shall be held approximately 3 months prior to expiration of this Contract, to discuss the coordination of delivery and storage of Clean MRF equipment, collection equipment and such other equipment that can be stored on the MDF site without interference with MDF operations by Contractor. The decisions agreed to at the meeting will be recorded by the City and confirmed in a letter to Contractor and the selected New Contractor.

ATTACHMENT X

GUARANTY

THIS GUARANTY (the "Guaranty") is given as of the ____ day of _____, 20___, by GREG KELLEY (hereafter "Guarantor"), to the CITY OF NAPA, a public agency (hereafter "the City").

THIS GUARANTY is made with reference to the following facts and circumstances:

A. Napa Recycling & Waste Services, LLC is a limited liability company organized under the laws of the State of California ("Contractor"). Guarantor is a member of Contractor and has been appointed its Manager.

B. The City contemplates entering into a "Contract for the Collection and Transportation of Municipal Solid Waste, Recyclable Materials, and Yardwaste and the Operation of the Napa Materials Diversion Facility," under which Contractor is to provide specified services to the City, its residents and businesses. A copy of this Agreement is attached hereto and incorporated herein by this reference.

C. It is a requirement of the Agreement, and a condition to the City's entering into the Agreement, that Guarantor guaranty Contractor's performance of the Agreement.

D. Guarantor is providing this Guaranty to induce the City to enter into the Agreement.

NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

1. **Guaranty of the Agreement**. Guarantor hereby irrevocably and unconditionally guarantees to the City the complete and timely performance, satisfaction and observation by Contractor of each and every term and condition of the Agreement which Contractor is required to perform, satisfy or observe. In the event that Contractor fails to perform, satisfy or observe any of the terms and conditions of the Agreement, Guarantor will promptly and fully perform, satisfy or observe them in the place of the Contractor. Guarantor hereby guarantees payment to the City of any damages, costs or expenses which might become recoverable by the City from Contractor due to its breach of the Agreement.

2. **Guarantor's Obligations Are Absolute**. The obligations of the Guarantor hereunder are direct, immediate, absolute, continuing, unconditional and unlimited, and with respect to any payment obligation of Contractor under the Agreement, shall constitute a guarantee of payment and not of collection, and are not conditional upon the genuineness, validity, regularity or enforceability of the Agreement.

3. **Waivers**. The Guarantor shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from its obligations under it for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or

cessation of existence of the Contractor; (2) any amendment, modification or waiver of any provision of the Agreement; (3) the actual or purported rejection by a trustee in bankruptcy of the Agreement, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (4) any waiver, extension, release or modification with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of the City's rights or remedies against Contractor; or (5) any merger or consolidation of the Contractor with any other corporation, or any sale, lease or transfer of any or all the assets of the Contractor. Without limiting the generality of the foregoing, Guarantor hereby waives the rights and benefits under California Civil Code Section 2819.

The Guarantor hereby waives any and all benefits and defenses under California Civil Code Sections 2845, 2849 and 2850, including, without limitation, the right to require the City to (a) proceed against Contractor, (b) proceed against or exhaust any security or collateral the City may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agrees that the City may proceed against Guarantor for the obligations guaranteed herein without taking any action against Contractor or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral the City may hold now or hereafter hold. Guarantor agrees that the City may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against Contractor or any other guarantor or pledgor without impairing the City's rights and remedies in enforcing this Guarantee.

The Guarantor hereby waives and agrees to waive at any future time at the request of the City, to the extent now or then permitted by applicable law, any and all rights which the Guarantor may have or which at any time hereafter may be conferred upon it, by statute, regulation or otherwise, to avoid any of its obligations under, or to terminate, cancel, quit or surrender this Guaranty. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of the Guarantor hereunder: (a) at any time or from time to time, without notice to the Guarantor, the time for Contractor's performance of or compliance with any of its obligations under the Agreement is extended, or such performance or compliance is waived; (b) the Agreement is modified or amended in any respect; (c) any other indemnification with respect to Contractor's obligations under the Agreement or any security therefor is released or exchanged in whole or in part or otherwise dealt with; or (d) any assignment of the Agreement is effected which does not require the City's approval.

The Guarantor hereby expressly waives diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantor's obligations hereunder shall continue and remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from the City as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of revocation given by Guarantor or Contractor prior to such avoidance or recovery, and (b) payment in full of any obligations then outstanding.

4. **Term**. This Guaranty is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed by Contractor, and Guarantor shall remain fully responsible under this Guaranty

without regard to the acceptance by the City of any performance bond or other collateral to assure the performance of Contractor's obligations under the Agreement. Guarantor shall not be released of its obligations hereunder so long as there is any claim by the City against Contractor arising out of the Agreement based on Contractor's failure to perform which has not been settled or discharged.

5. **No Waivers by City**. No delay on the part of the City in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of the City to take other or further action without notice or demand. No modification or waiver by City of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by the City and by Guarantor, nor shall any waiver by City be effective except in the specific instance or matter for which it is given.

6. **Attorney's Fees**. In addition to the amounts guaranteed under this Guaranty, Guarantor agrees to pay actual attorney's fees and all other costs and expenses incurred by the City in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the parties hereunder.

7. **Governing Law; Jurisdiction**. This Guaranty is and shall be deemed to be a contract entered into in and pursuant to the laws of the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws rules for all purposes, including, but not limited to, matters of construction, validity and performance. Guarantor agrees that any action brought by the City to enforce this Guaranty may be brought in any court of the State of California and Guarantor consents to personal jurisdiction over it by such courts. Guarantor appoints the following person as its agent for service of process in California:

[PLEASE INSERT THE CORRECT AGENT FOR SERVICE OF PROCESS]

2255 Third Avenue
Napa, CA 94558

8. **Severability**. If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity shall have no effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.

9. **Binding on Successors**. This Guaranty shall inure to the benefit of the City and its successors and shall be binding upon Guarantor and its successors, including transferee(s) of substantially all of its assets.

10. **Subordination**. Any claims Guarantor may have against Contractor are hereby subordinated to any and all claims of the City against Contractor until such time as the obligations of Contractor to the City are fully satisfied and discharged.

11. **Notices**. Notice shall be given in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To the City: City of Napa
Attention: Finance Department
P.O. Box 660
Napa, CA 94559-0660
Attention: Finance Director

With a copy to the City Attorney at the same address.

To Guarantor: Greg Kelley
3216 Vichy Avenue
Napa, CA 94558

The parties may change the address to which notice is to be sent by giving the other party notice of the change as provided in this Section.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty on the day and year first above written.

_____
Greg Kelley

ATTACHMENT Y

ARBITRATION OF DISPUTES ARISING UNDER SECTIONS 12.13 AND 12.14

1. Demand for Arbitration

If Contractor is dissatisfied with a decision of the City under Section 12.13 or 12.14, it shall serve a Demand for Arbitration on the City within thirty (30) days of that decision. The Demand for Arbitration shall describe the issues to be arbitrated and Contractor's contentions relating to those issues. The Demand shall be served on the City Manager with a copy delivered to the City Attorney.

2. Number and Qualifications of Arbitrators

The arbitration shall be conducted by a panel of three (3) arbitrators. One arbitrator shall be appointed by Contractor, one arbitrator shall be appointed by the City, and the third arbitrator shall be appointed by the other two arbitrators. The third arbitrator of the arbitration panel shall be an attorney licensed to practice within the courts of the State of California and shall be the "neutral arbitrator" referred to in California Code of Civil Procedure Section 1280(d). No member of the panel shall be an officer, employee, agent, or attorney of Contractor or the City, or an affiliate of Contractor. Alternatively, the parties may agree on a single arbitrator, in which case that arbitrator shall be the "neutral arbitrator".

3. Appointment

Within thirty (30) days after a Demand for Arbitration has been served, each party shall personally serve the other with notice of the names of the arbitrators they have selected.

The two arbitrators named by the parties shall select the third arbitrator within thirty (30) days. If they are unable to agree upon a third arbitrator, either may request the Presiding Judge of the Superior Court in Napa County to make the appointment.

4. Powers of Arbitrators; Conduct of Proceedings

(a) Except as hereinafter provided, arbitrations shall be conducted under and be governed by the provisions of California Code of Civil Procedure, Sections 1282.2 through 1284.2 (hereinafter, collectively, "Code sections"), and arbitrators appointed hereunder shall have the powers and duties specified by the Code sections.

(b) Unless waived in writing by the parties, the notice of hearing served by the neutral arbitrator shall not be less than 90 days.

(c) The lists of witnesses (including expert witnesses), and the lists of documents (including the reports of expert witnesses) referred to in Code of Civil Procedure Section 1282.2 shall be mutually exchanged, without necessity of demand therefor, no later than sixty (60) days prior to the date of the hearing, unless otherwise agreed in writing by the parties.

(d) The time for making the award shall be no later than twelve (12) months after service of the initial Demand for Arbitration, provided that such time may be waived or extended as provided in Code of Civil Procedure Section 1283.8.

(e) The arbitrators shall not base their award on information not obtained at the hearing.

(f) The provisions for discovery set forth in Code of Civil Procedure Section 1283.05 are incorporated into and made part of this contract, except that (1) leave of the arbitration panel need not be obtained for the taking of depositions, including the depositions of expert witnesses; (2) the provisions of Code of Civil Procedure Section 2034.010 *et seq.*, relating to discovery of expert witnesses, shall also be applicable to arbitration proceedings arising under this contract, except that the time period set forth in Section 2037(a) shall be deemed to be not later than sixty (60) days prior to the date for the hearing; and (3) all reports, documents, and other materials prepared or reviewed by any expert designated to testify at the arbitration shall be discoverable.

(g) The arbitration award shall be in writing and determined by a majority of the members of the arbitration panel.

(h) The arbitration panel jurisdiction and authority are limited to a determination of the amount of compensation due to Contractor under this contract and directing payment thereof. The arbitration panel is not authorized, and does not have jurisdiction, to determine or award money damages against City, its officers, employees or agents.

5. <u>Costs</u>.

Each party shall pay the compensation and expense of the arbitrator which it appoints, as well as its own costs and attorneys' fees, expert and witness fees, and other expenses incurred in preparing and presenting its case. The compensation and expenses of the neutral arbitrator, rental of the hearing room, costs of a stenographic reporter, and other costs of the arbitration shall be divided equally between and paid equally by Contractor and City.

ATTACHMENT Z

Napa Recycling & Waste Services
3216 Vichy Ave
Napa, CA 94558

12-7-2004

Waste Management Employees
Teamsters Local 490

In response to questions that have been asked concerning our intentions about employees who will be performing collection services under the new contract and the union representation of those employees, I offer the following. We intend to hire our collection employees from the pool of current union-represented employees of Waste Management who are performing collection service under the existing contract with the City of Napa. We intend to start the hiring process in January 2005, after which we will start the negotiations on a new collective bargaining agreement. NRWS will also recognize the current collective bargaining agreement as it was originally drafted and signed in 2000 and that is currently due to expire June 1, 2005. NRWS will not recognize any side letters, agreements or modifications to the original agreement that have taken place or may take place during the life of the agreement. NRWS will recognize Teamsters Local 490 as the bargaining agent. NRWS will enter into good faith negotiations with the Union for a new collective bargaining agreement.

Please feel free to contact Greg Kelley at 252-4312 if you have any questions.

Sincerely,

Greg Kelley
General Manager

EXHIBIT A

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTACHMENT AA

AGREEMENT BETWEEN THE CITY OF NAPA AND NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC

INCLUDES:

PART 1 – ORGINAL AGREEMENT
PART 2 – FIRST AMENDMENT
PART 3 -- SECOND AMENDMENT

City of Napa
Agreement No. C2010-142

AGREEMENT

This Agreement is entered into as of the 6th day of July, 2010, by and between the CITY OF NAPA, a charter city and municipal corporation (hereinafter referred to as the "City") and NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC, a California limited liability company (hereinafter referred to as "Northern").

RECITALS

1. In January 2004 the City purchased the Napa Materials Diversion Facility ("Napa MDF") located at 820 Levitin Way, Napa County in order (a) to control the capital facilities necessary to collect and process residential and commercial Recyclable Materials and Yardwaste generated in Napa, (b) to control the costs for collecting and processing these materials in the future, and (c) to be able to offer a publicly-owned facility to other jurisdictions for processing their Recyclable Materials.

2. During 2004 the City conducted a competitive Request for Proposals process for operation of the Napa MDF and collection of Recyclable Materials and municipal solid waste in the City. The City awarded a ten year contract to Napa Recycling and Waste Services, LLC ("NRWS") in December 2004. NRWS took over operation of the City's collection system and the Napa MDF on October 1, 2005.

3. As required by its contract with the City, NRWS installed new Recyclable Materials sorting equipment in the Napa MDF in 2005. The new equipment included a conveyor belt system, sorting platform, newspaper sorting screens, a debris roll screen, overhead magnet, air conveying system, storage bins and a new baler.

4. In May 2005 the City executed a Memorandum of Understanding ("MOU") with the County of Napa to process Recyclable Materials and Yardwaste collected in County unincorporated areas by Napa County Recycling and Waste Services, LLC ("NCRWS") for a period of ten (10) years. NCRWS is an affiliate to NRWS and shares common ownership, management and control.

5. The Napa MDF receives and processes Recyclable Materials, Yardwaste, and other materials from the public and materials collected in other jurisdictions that are delivered by the jurisdictions' designated waste and recycling haulers.

6. The residue left over after the processing of materials at the Napa MDF, that can neither be recycled nor composted, is delivered to the Devlin Road Transfer Station ("DRTS"), located adjacent to the Napa MDF at 889 Devlin Road. The DRTS is owned by the Napa-Vallejo Waste Management Authority ("Authority"), a joint powers agency whose members include the City, the County of Napa and the cities of Vallejo and American Canyon.

7. Pursuant to the Authority formation agreement and subsequent amendments, the City committed to deliver Municipal Solid Waste collected in Napa and residue from the Napa MDF to the DRTS for disposal. The formation agreement also states: "The Authority shall not provide any recycling services that duplicate or compete with recycling services provided by any Member (at the time the Authority determines to provide new or expanded recycling services) without the consent of the Member."

8. In late 2006 the Authority issued a Request for Proposals for operation of the DRTS which included a requirement that the operator divert for recycling a minimum of twelve percent (12%) of the incoming Municipal Solid Waste. The Authority's contract with the former operator (Allied) ended

June 30, 2007. Three proposals were received and in April 2007 the Authority awarded a fifteen (15) year contract to Northern Recycling Operations and Waste Services, LLC ("Northern"). Northern is an affiliate to NRWS and NCRWS and shares common ownership, management and control with each.

9. The Northern proposal to the Authority stated Northern would recycle twenty-five percent (25%) of the incoming material at the DRTS, and diversion would increase to 35%. Northern's proposal stated that many types of Recyclable Materials recovered at the DRTS would be processed at the Napa MDF.

10. After submittal of the proposal to the Authority, Northern requested pricing from the City for processing Recyclable Materials from the DRTS at the Napa MDF. In addition to the pricing issue, the Northern proposal also created several significant changes to conditions that were not contemplated in the terms of the contract between the City and NRWS. There was not sufficient time for the parties to complete negotiations on these issues prior to the Authority's award of the DRTS operations contract to Northern.

11. The City and Northern agreed to an interim arrangement for the period July 1 through December 31, 2007 wherein Northern would deliver materials for processing at the Napa MDF via NCRWS at the prices set forth in the May 2005 MOU between the City of Napa and Napa County. In addition, the parties outlined concepts to address other changed conditions created by the Northern proposal. The City, Northern and NRWS memorialized their intention to address concerns raised by Northern's proposal in a April 9, 2007 Joint Summary Report, signed by the parties and presented to the Napa City Council at its regular meeting on April 17, 2007. The City Council directed staff to complete the negotiations and return with a final agreement between the City and Northern and a Second Amendment to the contract between the City and NRWS.

12. On March 19, 2010 the Authority approved an amended and restated agreement with Northern that reduced the required diversion level from twenty five percent (25%) to fourteen percent (14%) of the inbound tonnage at the DRTS. The amendment made other changes to the Authority's agreement with Northern.

13. This Agreement is the result of negotiations between the City and Northern. The Second Amendment to the City-NRWS contract is the result of negotiations between the City and NRWS. The two documents are intended to coordinate the activities of the City, NRWS and Northern in the regional use of the Napa MDF and the DRTS so that the facilities do not compete and do not duplicate infrastructure. Neither the City nor Northern will employ any artifice, business structure or other stratagem to circumvent or undermine the spirit and purpose of this Agreement or the spirit and purpose of the City-NRWS 2004 contract.

14. It is the intention of the parties that this Agreement provide the terms and pricing for processing of materials normally received at the DRTS. This Agreement is not intended to apply to materials that would not normally be delivered to or received at a transfer station or at a transfer station with a buy back facility.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, and for other good and valuable consideration, the parties agree as follows:

SECTION 1. MATERIALS TO BE DELIVERED AND PROCESSED

A. Materials To Be Delivered.

Northern must deliver all of the following listed materials that have been received and processed at the DRTS (including materials received at the drop off and reuse center and at the buyback center) to the Napa MDF for baling (where applicable) and marketing. Northern further agrees that it will not utilize any other processing or marketing facility, recycling center or broker for the final baling and/or marketing of the below-listed materials. Northern makes no guarantee as to the number of tons of each material it will deliver to the Napa MDF.

The materials to be delivered by Northern include all of the following:

1) Pre-Processed, Baler-Ready Recyclable Materials:
   a. Cardboard (may be loose or in small bales ready for re-baling into export bales)
   b. Newspaper
   c. Mixed Paper
   d. Waxed Cardboard
   e. #1 PET Plastic Bottles (including CRV RC, CRV CP and CRV CS)
   f. Colored HDPE Plastic Bottles (including CRV RC, CRV CP and CRV CS)
   g. Natural HDPE Plastic Bottles (including CRV RC, CRV CP and CRV CS)
   h. Aluminum Cans (including CRV RC, CRV CP and CRV CS)
   i. Mixed #1-7 Rigid/Non-CRV Plastics (including RC and C&D)
   j. Clear Film Plastic
   k. Colored Film Plastic
   l. PET Film Plastic
   m. #3 PVC (including CRV RC, CRV CP and CRV CS)
   n. #4 LDPE (Low Density Polyethylene (including CRV RC, CRV CP and CRV CS)
   o. #5 PP (Polypropylene (including CRV RC, CRV CP and CRV CS)
   p. #6 PS (Polystyrene) (including CRV RC, CRV CP and CRV CS)
   q. #7 Other (includes pouches and unspecified resins) (including CRV RC, CRV CP and CRV CS)
   r. Bimetal Cans (including CRV RC, CRV CP and CRV CS)

2) Pre-Processed, Market-Ready Recyclable Materials:
   a. Mixed Glass Containers (including CRV RC, CRV CP and CRV CS)
   b. Clear-Only Glass Containers (including CRV RC, CRV CP and CRV CS)
   c. Colored-Only Glass Containers (including CRV RC, CRV CP and CRV CS)
   d. Electronic Waste (Both Covered Electronic Waste and Electronic Waste)
   e. PET Film Plastic (Delivered in rolls in Gaylord boxes ready for shipment to market)
   f. Carpet Underpadding (Made of polyurethane or other materials)
   g. #12 Cardboard
   h. Source Separated Material Already Baled For Market (including cardboard, waxed cardboard, shrink wrap and other materials in bales)

3) A Mix or Combination of Any Two or More of the Above-Listed Materials

   If Northern is unable to sort any of the above-listed materials received at the DRTS, such that a mix or combination of any two or more of the above-listed materials remains, Northern shall deliver all such DRTS Pre-Sorted Mixed Recyclable Materials to the Napa MDF for processing,

and for baling (if applicable).

The parties intend and agree that Single Stream Recyclable Materials will not be delivered to the DRTS and will not be eligible for processing at the Napa MDF under the pricing and terms of this Agreement. The parties agree to work collaboratively with each other and with the City's MDF operator (currently NRWS) to secure the flow of Single Stream Recyclable Materials for processing at the Napa MDF pursuant to the terms of the 2004 contract between the City and NRWS. This includes, but is not limited to, (1) the Single Stream Recyclable Materials currently processed at the Napa MDF from Sonoma Garbage, Berryessa Garbage and from the City of Paradise, and (2) the Single Stream Recyclable Materials from the Cities of Vallejo and American Canyon that have been delivered to, and processed at, the Napa MDF in the past. Because Single Stream Recyclable Materials will not be delivered to the Napa MDF by Northern, the prices paid to Northern shall not include any of the revenue received by NRWS and the City for the Annual Curbside Payment from CalRecycle (or any successor agencies) pursuant to Public Resources Code Section 14549.6(a).

The City shall accept all of the above listed materials from Northern and will direct the operator of the Napa MDF, currently NRWS, to process and market them.

B. Yardwaste.

Northern is not required to deliver Yardwaste from the DRTS for composting at the Napa MDF. However, the City will accept Yardwaste from Northern provided (1) there is sufficient capacity at the Napa MDF and (2) such delivery will not interfere with City and the Napa MDF operator's compliance with all applicable permits and state and local regulations.

C. Addition of DRTS New Materials as Market Conditions Change.

Changes in secondary materials markets are likely to create conditions where additional materials can be economically recovered and marketed. For example, it recently became possible to accept used carpet underpadding at the Napa MDF and to market the materials in a manner and at a value that is beneficial to the parties. The City shall have the right of first refusal to accept and process any DRTS New Materials that are accepted at the DRTS and require baling and marketing after the Effective Date of this Agreement.

Northern will notify the City that it requires baling and marketing of a DRTS New Material in writing at least thirty (30) days prior to the date Northern would like to begin delivering the DRTS New Material to the Napa MDF for baling and marketing. In its sole discretion, the City may accept or reject Northern's request to bale and market the DRTS New Material. If the City decides to accept the DRTS New Material, the City will notify Northern in writing of this determination and will document the category the DRTS New Material falls into for purposes of payment to Northern. The categories are those listed in Section 3, subparts A through E.

In the event that the City has no marketing experience or market data for a DRTS New Material that can be used to calculate the per ton Quarterly Average Materials Revenue Received for the New Material, the City will request that the operator of the Napa MDF obtain the best possible estimate of the per ton revenue for which the DRTS New Material may be marketed. The City will use the MDF operator's estimate as the basis for payment to Northern until the City has sufficient data to calculate the per ton Quarterly Average Materials Revenue Received for the DRTS New Material. At that time, the City will begin to calculate payments to Northern based upon the per ton Quarterly Average Materials Revenue Received. At the end of the calendar year in which a DRTS New Material has been accepted for

processing by the City, the City will reconcile the payments made to Northern for the DRTS New Material that were based upon estimated market values (if any) to the actual revenue received for the DRTS New Material and will either pay Northern the difference, if any funds are owed to Northern, or invoice Northern for the difference if Northern owes funds to the City. The City will submit the reconciliation to Northern on or before March 31 of each year. If additional payment is owed to Northern, Northern will submit an invoice to the City for the amount due and the City will pay approved invoices with payment of Northern's next monthly invoice. If payment is owed from Northern to the City, the amount will be included in the next monthly invoice to Northern.

If market conditions change, the City reserves the right to cease to accept a DRTS New Material it had previously approved. If the City decides to cease to accept any DRTS New Material, it will notify Northern in writing thirty (30) days before discontinuing acceptance of any previously approved DRTS New Material at the Napa MDF.

In the event the City decides either not to accept a DRTS New Material, or ceases to accept a DRTS New Material as described in this Section 1C, Northern shall have the right to utilize another facility for the baling and marketing of such material, provided Northern, as an Affiliated Entity to NRWS, follows the provisions regarding no duplication of balers as described in the 2004 contract between the City and NRWS, as amended.

D. Addition of Other Materials

In the event Northern identifies other material(s) that fall outside the definition of DRTS New Materials but which Northern would like to deliver to the Napa MDF for baling and marketing, the City shall consider accepting such materials and shall respond to any such request within thirty (30) business days of a written request by Northern.

SECTION 2. METHOD OF DELIVERY OF MATERIALS

A. Vehicles and Personnel.

Northern shall not use NRWS vehicles, equipment or personnel to deliver material from the DRTS to the Napa MDF.

B. Information to be Provided By Northern at Napa MDF Scale House.

Northern will clearly identify each load of materials to Napa MDF scale house personnel for proper coding and tracking purposes. Specifically, Northern shall ensure that the driver of each load provides the following information in writing, in the format shown in Attachment Eight (as it may be modified by the City), at the MDF scale house when each load is delivered:

(1) the specific material type (e.g. "cardboard", "clear glass containers CRV RC", "#1-7 non-CRV plastics", "Covered Electronic Waste", "Electronic Waste", "baled cardboard" etc.) in the load;

(2) that the material is coming from Northern at the DRTS; and the specific DRTS processing area (e.g. sorting area, Re-Use Area, Buy Back Area, etc.);

(3) the company and vehicle number delivering the load (e.g. Northern truck #308);

(4) with regard to bales of cardboard, plastic or other materials delivered by an Affiliated Entity (such as NCRWS, 600 Tower Road (dba Valley Recycling) or others), the written information shall clearly indicate which company and vehicle number is delivering the load and the customer on whose behalf the load is being delivered (e.g. NCRWS, Northern or other).

If Northern fails to provide any of the above-listed information to Napa MDF scale house personnel in the specified format at the time of delivering a load, the City will not allow the vehicle to unload until the above-described information is provided. If the information has not been provided by the normal closing time for the Napa MDF the vehicle shall leave the MDF premises without unloading.

C. Napa MDF Operating Regulations.

Northern shall comply with the Operating Regulations for the Napa MDF as set forth in Attachment Five and as they may be updated from time to time by the City. The City will provide Northern with updated versions of the Operating Regulations five (5) working days prior to implementation of any new or revised regulations.

SECTION 3. PRICES AND CHARGES

The following are the prices and charges for each material received by the City from Northern.

A. Yardwaste.

Northern agrees to pay the City twenty-seven dollars ($27.00) per ton for Yardwaste delivered to the Napa MDF during calendar year 2009. This is based upon the current price paid by the County of Napa pursuant to the MOU between the City and the County of Napa dated May 3, 2005 (attached hereto as Attachment Two; see Section II Part 8) plus one dollar ($1.00) per ton. The price charged to Northern for Yardwaste delivered to the Napa MDF will increase annually beginning January 1, 2010 by the Producer Price Index (PPI) formula shown in Attachment Three.

B. Pre-Processed, Baler-Ready Recyclable Materials.

1) Fiber. City agrees to pay Northern sixty-one percent (61%) of the per ton Quarterly Average Materials Revenue Received for the following materials delivered by Northern:

   a. Cardboard
   b. Mixed Paper
   c. Newspaper
   d. Waxed Cardboard

2) Non-CRV Materials. City agrees to pay Northern sixty-one percent (61%) of the per ton Quarterly Average Materials Revenue Received for the following materials delivered by Northern:

   a. Mixed #1-7 Rigid/Non-CRV Plastic C&D Sort
   b. Mixed #1-7 Rigid/Non-CRV Plastic Re-Use/Buy Back
   c. Clear Film Plastic
   d. Colored Film Plastic
   e. PET Film Plastic

3) CRV Materials. City agrees to pay Northern sixty-nine percent (69%) of the per ton Quarterly

Average Materials Revenue Received for the following materials delivered by Northern:

a. #1 PET Plastic Bottles (including CRV RC, CRV CP and CRV CS)
b. Aluminum Cans (including CRV RC, CRV CP and CRV CS)
c. #2 Colored HDPE Plastic Bottles (including CRV RC, CRV CP, and CRV CS)
d. #2 Natural HDPE Plastic Bottles (including CRV RC, CRV CP, and CRV CS)
e. #3 PVC (including CRV RC, CRV CP and CRV CS)
f. #4 LDPE (Low Density Polyethylene) (including CRV RC, CRV CP and CRV CS)
g. #5 PP (Polypropylene) (including CRV RC, CRV CP and CRV CS)
h. #6 PS (Polystyrene) (including CRV RC, CRV CP and CRV CS)
i. #7 Other (includes pouches and unspecified resins) (including CRV RC, CRV CP and CRV CS)
j. Bimetal Cans (including CRV RC, CRV CP and CRV CS)

As an example, if the Quarterly Average Materials Revenue Received for cardboard was one hundred dollars per ton ($100.00), Northern would be paid sixty-one percent (61%) or sixty-one dollars ($61.00) per ton for cardboard delivered by Northern to the Napa MDF.

For materials that are eligible for the CalRecycle Quality Incentive Payment ("QIP"), (currently color-sorted glass, PET and HDPE) the parties acknowledge and agree that the DR-6 and DR-7 reports submitted by NRWS to CalRecycle will note the quantities of such materials that were delivered to the Napa MDF from Northern and from other companies and jurisdictions delivering such materials to the Napa MDF. Based upon the information in the DR-6 and DR-7 reports, CalRecycle will pay Northern and other companies and jurisdictions directly for any applicable QIP that is due. Northern shall not be entitled to receive any portion of any QIP payments received by NRWS or the City from CalRecycle or any successor agencies. The Quarterly Average Materials Revenue Received shall exclude QIP payments received by the City and QIP payments received by NRWS.

C. Pre-Processed, Market-Ready Recyclable Materials.

1) Glass. City agrees to pay Northern sixty-nine percent (69%) of the per ton Quarterly Average Materials Revenue Received for the following materials delivered by Northern:

a. Mixed Glass Containers (including CRV RC, CRV CP and CRV CS)
b. Clear-Only Glass (including CRV RC, CRV CP and CRV CS)
c. Colored-Only Glass (including CRV RC, CRV CP and CRV CS)

The City reserves the right to upgrade the mixed glass containers by performing a color sort. If the City chooses to do so, Northern will still receive payment based upon the Quarterly Average Materials Revenue Received for mixed glass containers. The provisions concerning QIP payments stated above in Section 3 B 3 shall apply to any QIP-eligible glass delivered by Northern.

2) PET Plastic Rolls. City agrees to pay Northern sixty-nine percent (69%) of the per ton Average Quarterly Materials Revenue Received for PET Plastic Rolls. For purposes of calculating payment to Northern, the total tons of PET Plastic Rolls delivered by Northern will be reduced by forty-five (45) pounds per pallet to account for the weight of standard packaging.

3) Single-Material Baled Recyclable Materials. City agrees to pay Northern sixty-nine percent (69%) of the per ton Average Quarterly Materials Revenue Received for baled materials consisting of a single material (including but not limited to cardboard, waxed cardboard and shrink wrap) delivered by Northern. The one exception to the requirement that bales contain a single material is

"sandwich bales" consisting of cardboard and shrink wrap, with cardboard being incidental to the primary material of shrink wrap. Baled materials delivered by Affiliated Entities from within a five (5) mile radius of the entrance to the Napa MDF in accordance with the requirements specified in the 2004 contract between the City and NRWS, as amended, shall receive this pricing.

The pricing and delivery of baled materials collected or otherwise delivered by NCRWS or other Affiliated Entities from within the County of Napa collection area, and identified as being delivered to the Napa MDF on behalf of Napa County (via NCRWS as its authorized collection contractor) shall not be governed under this Agreement. The City–County MOU, Attachment Two, describes the terms and procedures agreed upon by the City and the County of Napa for pricing and handling of that baled material .

D. Electronic Waste and Covered Electronic Waste.

Pursuant to Section 1, Northern is required to deliver all Electronic Waste and Covered Electronic waste received and processed at the DRTS to the Napa MDF. In order to most efficiently package and ship the Electronic Waste and covered Electronic Waste to market and avoid unnecessary or duplicate handling of the material, the parties agree that for this specific commodity only, Northern will package and ship Electronic Waste and Covered Electronic Waste directly to a permitted electronic recycling processor.

The Electronic Waste and the Covered Electronic Waste will be marketed by Northern. Northern will pay the City one percent (1%) of the DRTS Buyer-Paid Revenue for each ton of Electronic Waste and Covered Electronic Waste marketed by Northern from the DRTS.

Northern will provide the City with monthly reports showing all details concerning the processing and payment transactions completed in the prior calendar month including but not limited to the following:

- Date each load of material was shipped
- Date payment for each load was received
- Copies of all checks received
- Copies of all paperwork received with each payment
- Name, address, telephone number, contract person and e-mail address of each recycling processor receiving the Electronic Waste and Covered Electronic Waste
- Prices paid (per pound) for each type of Electronic Waste and Covered Electronic Waste by material type (e.g. CRT's, computer hard drives, etc.)
- Deductions made by the processor from the payment for packaging weight, contamination and all other items
- Destination of residue disposal.

Reports shall be in electronic, sortable format (Excel pivot tables or equivalent) with hard copies of all records provided (including copies of all payments, checks and paperwork received from the buyer of Electronic Waste and Covered Electronic Waste). City shall provide Northern with a sample reporting format for Electronic Waste and Covered Electronic Waste. The monthly reports shall be submitted on the fifteenth (15^{th}) day of each month. The City reserves the right to request additional information concerning the sale of Electronic Waste and Covered Electronic Waste and Northern agrees to provide any additional information within ten (10) days of a written request for additional information from City. All records of Northern pertaining to receipt, packaging, and sale of Electronic Waste and Covered Electronic Waste from the DRTS shall not be considered proprietary or confidential by Northern.

The provisions of this Section 3D concerning Electronic Waste and Covered Electronic Waste shall be effective as of March 1, 2010.

As markets for Electronic Waste change and additional items of Electronic Waste are either added to Covered Electronic Waste or are paid for either due to market conditions or new legislation, such additional items shall be treated the same as those currently being marketed as of the Effective Date of this Agreement, as described in this section; such materials shall be shipped and sold directly from the DRTS by Northern and the City shall receive one percent (1%) of the DRTS Buyer-Paid Revenue for each ton of such materials.

E. Other Transfer-Only Recyclable Materials

In the event Northern delivers Recyclable Materials not covered by the other pricing terms in this Section 3 that are delivered in a market-ready condition such that the materials can literally be transferred into vehicles and shipped to market, the City will pay Northern sixty-nine percent (69%) of the Quarterly Average Materials Revenue Received for such materials. The sixty-nine percent (69%) shall be net of any deductions for packaging made by end markets, brokers or others.

F. DRTS Pre-Sorted Mixed Recyclable Materials.

The parties envision that Northern will deliver Pre-Processed, Baler-Ready Recyclable Materials and Pre-Processed, Market-Ready Recyclable Materials from the DRTS to the Napa MDF for baling (where applicable) and marketing. In the event that Northern cannot completely type-separate the materials, and delivers DRTS Pre-Sorted Mixed Recyclable Materials, the following procedures shall be followed. Northern shall ensure that (1) the quantity of DRTS Pre-Sorted Mixed Recyclable Materials delivered to the Napa MDF does not exceed ten percent (10%) of the total tons delivered each calendar year, and (2) the residue and/or contamination in the DRTS Pre-Sorted Mixed Recyclable Materials is less than one percent (1%) by weight, as measured by the characterization described herein. Northern shall not utilize any other processing, sorting or marketing facility, recycling center or broker for the sorting, processing, baling or marketing of DRTS Pre-Sorted Mixed Recyclable Materials.

Northern shall provide the City with written notice forty-five (45) calendar days in advance of when it will need to deliver DRTS Pre-Sorted Mixed Recyclable Materials. The parties will work together to schedule a characterization of the materials prior to delivery. Based upon the results of the characterization, the City will calculate the Average Per Ton Market Value of the materials and will share the results with Northern. The parties will then arrange for the DRTS Pre-Sorted Mixed Recyclable Materials to be delivered to the Napa MDF. Northern shall have the right to request delivery of DRTS Pre-Sorted Mixed Recyclable Materials up to four (4) times in one calendar year, excluding emergency situations as described herein.

(1) **Characterization of the Materials.** A characterization of the materials will be conducted by the City (most likely using labor provided by the Napa MDF operator with independent oversight by either City employees, independent contractors, or other agents of the City) to determine the Average Per Ton Market Value of the material and the percent residue remaining after the material is sorted. The City shall prescribe the sampling technique and protocol, the size and number of samples, the sorting methodology, the method for weighing sorted materials, the method for inputting the data and the protocol used to calculate the following: (i) the percent of each material in the mix, (ii) the Quarterly Average Materials Revenue Received for each type of material in the mix, and (iii) the percent residue. The parties envision that the characterization will be conducted by taking samples of the mixed materials in sample boxes and manually sorting the material such that the sorting belts at the Napa MDF are not used, and normal MDF operations are not impacted. The City reserves the right to change the sampling methodology and protocol, and also to utilize any sorting labor it chooses (including but not limited to

City forces, third parities, independent contractors, interns and other agents of the City) to conduct the characterization. Once the Average Per Ton Market Value of the material mix is established, additional characterizations may be conducted at frequencies determined at the sole discretion of the City.

(2) **Establish Average Per Ton Market Value For the Mixed Materials.** Using the results of the characterization, the City will calculate the Average Per Ton Market Value for the mixed materials using the methodology listed in Attachment Six. The City shall use the Quarterly Average Materials Revenue Received for each material in the mix to compute the Average Per Ton Market Value of the mixed material. If no Quarterly Average Materials Revenue Received is available for a specific type of material, the City will ask the MDF operator to obtain the best possible estimate of the market value of the material and that value will be used in the calculation.

(3) **Payment To Northern/Payment Due From Northern.** The City will retain nine percent (9%) of the Average Per Ton Market Value for the DRTS Pre-Sorted Mixed Recyclable Materials. Depending upon the Average Per Ton Market Value for the DRTS Pre-Sorted Mixed Recyclable Materials, either the City will pay Northern for the materials or Northern will pay the City for processing the materials. The method used to calculate the payment to or from Northern for DRTS Pre-Sorted Mixed Recyclable Materials is shown in Attachment Seven, Part A.

a. *Non-City Payment of MDF Residue Disposal.* The City currently pays for disposal of residue from the Napa MDF. If this changes in the future and the MDF operator is required to pay for disposal of MDF residue, the procedure used to calculate payment to Northern in Attachment Seven, Part A shall be adjusted as shown in Attachment Seven, Part B.

b. *Negative and Zero Value Materials.* The calculation procedure shown in Attachment Seven shall be used to calculate payments due to or from Northern for DRTS Pre-Sorted Mixed Recyclable Materials with an Average Per Ton Market Value of any amount larger than zero. If the Average Per Ton Market Value of the DRTS Pre-Sorted Recyclable Materials is zero or a negative number, up to and including negative thirty-five dollars (-$35.00) per ton, the provisions of Section 3.H shall apply.

c. *Residue Exceeding One Percent.* In the event the characterization shows the residue for the DRTS Pre-Sorted Mixed Recyclable Materials exceeds one percent (1%), City shall notify Northern and Northern shall have one week (7 calendar days) to further sort to reduce the residue to the acceptable level. If a second characterization or review of residue shows residue still exceeds one percent (1%) this process shall be repeated. This provision shall apply to DRTS Pre-Sorted Mixed Recyclable Materials in lieu of the provisions of Section 6.A, "Contamination of Loads," unless additional contamination is discovered in loads of DRTS Pre-Sorted Mixed Recyclable Materials, in which event, the provisions of Section 6.A will also apply.

In the event Northern experiences a temporary emergency situation such as equipment breakdown, labor dispute of other than Northern's employees (including strike, work stoppage, slowdown, sick out, picketing, or other concerted job action), flood, earthquake, fire or other sudden occurrence which is beyond the control of and not the fault of Northern that prevents it from providing forty-five (45) days written notice to the City that it intends to deliver DRTS Pre-Sorted Mixed Recyclable Materials, the City will accept DRTS Pre-Sorted Mixed Recyclable Materials as soon as possible for processing, (once scale house account codes and other logistics are set up) for a additional flat fee of twenty dollars ($20.00) per ton in lieu of retaining nine percent (9%) of the Average Per Ton Market Value for the DRTS Pre-Sorted Mixed Recyclable Materials. The parties will then work cooperatively to complete a characterization of

the materials as described in this subsection F as soon as possible. The additional fee of twenty dollars ($20.00) per ton shall apply until the characterization is completed and the Average Per Ton Market Value of the DRTS Pre-Sorted Mixed Recyclable Materials being delivered under the emergency circumstances is established by the City.

In the event of an emergency situation that has an expected duration of less than thirty (30) calendar days, the parties may mutually agree to utilize an in-field observation of the DRTS Pre-Sorted Mixed Recyclable Materials (in lieu of the characterization described herein) by viewing the materials as they are sorted at the DRTS, viewing the materials as they are tipped on the MDF tipping floor, viewing the materials as they are being processed at the Napa MDF and viewing the residue remaining after processing of the materials. The field observations will be used to estimate the percentage of each material type in the mix and the percent of residue. These estimates will be used to calculate the Average Per Ton Market Value of the DRTS Pre-Sorted Mixed Recyclable Materials. Once the Average Per Ton Market Value of the DRTS Pre-Sorted Mixed Recyclable Materials is established, that pricing shall be applied to the materials and the flat fee of twenty dollars ($20.00) per ton paid to the City shall cease. If the parties cannot agree on the percentages or materials and residue based upon an in-field observation, a characterization shall be performed.

In the event, the actual duration of the temporary emergency situation exceeds thirty (30) calendar days, a characterization must be performed as described herein and the results used to establish the Average Per Ton Market Value of the DRTS Pre-Sorted Mixed Recyclable Materials.

In the event the percentage of residue as determined by either the field estimate or the characterization exceeds one percent (1%), Northern shall pay the actual City tipping fee at the DRTS for the quantity of residue over one percent (1%) for the duration of the emergency situation.

The provisions in this section are intended by the parties to apply only to true emergency situations as described above, that are beyond the control of and not the fault of Northern, and that prohibit DRTS sorting operations. Economic conditions such as increased costs, economic downturn, changes in secondary materials prices, reduction in inbound tonnages to the DRTS, changes in the mix of inbound materials to the DRTS, voluntary decisions by Northern to reduce sorting operations, to cease sorting for certain materials, to cease sorting apart certain materials, and other such conditions shall not constitute emergency situations.

In the event Northern experiences more than four (4) emergency situations within any consecutive twelve (12) month period, the City's flat fee for accepting DRTS Pre-Sorted Mixed Recyclable Materials at the Napa MDF shall increase from twenty dollars ($20.00) per ton to forty dollars ($40.00) per ton for the fifth (5^{th}) and all subsequent emergency situations that occur within the twelve (12) month period. Mixed materials delivered under emergency circumstances shall be counted toward the ten percent (10%) cap on DRTS Pre-Sorted Mixed Recyclable Materials contained in this subsection F.

G. Use of Quarterly Average Materials Revenue Received.

The parties agree that use of the Quarterly Average Materials Revenue Received is the most fair and accurate method to establish the prices to be paid by the City to Northern for materials (excluding Yardwaste) because it takes into account California Redemption Value payments, contamination deductions and moisture deductions by the end markets, transportation costs to haul the materials to market, and the like. A sample calculation of the Quarterly Average Materials Revenue Received for a sample material appears in Attachment Four.

H. Zero-Value and Negative-Value Materials.

The parties acknowledge that secondary materials markets fluctuate due to world-wide economic and geopolitical conditions that are beyond the control of the parties. In the event that the Quarterly Average Materials Revenue Received for any of the materials listed in Section 1(A) drops to a level of Zero dollars ($0) per ton or to a Negative Value, the parties agree to proceed as follows:

(1) The City will continue to accept affected materials so long as the City, through its MDF operator, can still market the materials at a Negative Value of up to thirty-five ($35.00) per ton within a driving distance from the Napa MDF of up to three hundred (300) miles (one way). In this event, Northern will deliver the affected materials to the Napa MDF but will receive no payment for any of the materials.

(2) If the Negative Value of one or more affected materials is more than thirty-five ($35.00) per ton or the market is more than three hundred (300) miles (one way) from the Napa MDF, Northern may elect to either:

(i) deliver the materials to the Napa MDF and pay the City the cost differential over and above thirty-five dollars ($35.00) per ton and transportation costs to haul the materials in excess of three hundred (300) miles (one way), or

(ii) cease delivery of the affected material(s) until such time as the value of the affected materials becomes negative thirty-five (-$35.00) per ton or better, and a market becomes available within three hundred (300) miles (one way) from the Napa MDF. If this option is selected, Northern agrees it will not utilize any other processing or marketing facility , recycling center or broker for the final baling and/or marketing of any of the materials listed in Section 1 A.

In either event Northern will not receive any payment for any of the affected materials.

I. Contamination of Loads.

If there is Contamination in the load (as further defined in Section 6.A) the City may downgrade the value of the load and adjust the amount paid for the load according to the quantity and type of Contamination in the load.

SECTION 4. INVOICING AND PAYMENT

A. Invoicing.

Northern will submit an invoice to the City by the fifteenth (15^{th}) day of each month for all materials delivered to the Napa MDF in the prior calendar month except for Yardwaste. The invoice will show the number of tons of each specific type of material delivered to the Napa MDF and the Quarterly Average Materials Revenue Received for each material. A subtotal showing the amount owed by the City to Northern will be included for each specific material. In the case of Negative Value Materials, the subtotal will reflect the negative value of such materials. At the bottom of the invoice all the subtotals will be added together to show the final amount due to Northern from the City.

To assist Northern in preparing the monthly invoice, City will send Northern, either in hard copy or electronic format, the applicable Quarterly Average Materials Revenue Received for each material type,

by the tenth (10th) day of each quarter. (Example: For the quarter beginning January 1, 2011 the City will receive pricing data from the MDF operator on December 20 for the period August 21 through November 20. The City will then calculate the Quarterly Average Materials Revenue Received for each material type for the quarter August 21 through November 20, and will provide that information to Northern by January 10.) The table in Attachment Nine shows the key dates and the flow of information for the invoicing process, as well as the dates included in each quarter.

The City will send Northern a monthly summary of all tons received, by material type, by the tenth (10th) day of each month. In the event the tenth (10th) day of the month or of the quarter falls on a Saturday, Sunday, or is a holiday, City will send Northern the monthly tonnage summary and the list of applicable Quarterly Average Materials Revenue Received on or before the next business day.

For Yardwaste delivered by Northern to the Napa MDF, the City will issue an invoice by the fifteenth (15th) day of each month showing the number of tons of Yardwaste delivered and the amount due to the City. Yardwaste tonnages will be those recorded at the Napa MDF scale house.

B. Payment.

City will pay each invoice received from Northern within forty-five (45) days of receipt. Payment will be based upon the number of tons of each material delivered to the Napa MDF as recorded at the Napa MDF scale house.

Northern will pay each invoice received from the City for Yardwaste within forty-five (45) days of receipt.

C. Department of Resources Recycling and Recovery Regulations.

Both parties agree to comply with all regulations of the California Department of Resources Recycling and Recovery ("CalRecycle") and any successor agencies that administer the California Beverage Container Recycling and Litter Reduction Act, including but not limited to regulations concerning (1) tracking of tonnages and material types and (2) preparation of documentation required for transactions involving CRV materials and payments for same, as set forth in Public Resources Code Division 12.1, Chapter 1, Section 14500 *et seq.* and all regulations relating thereto.

D. Retroactivity of Pricing for Materials Received Prior To Effective Date.

Due to the urgency of opening the new Buy Back Center at the DRTS, Northern began delivering materials to the Napa MDF on May 1, 2008, prior to the effective date of this Agreement. Northern was paid for those materials pursuant to the pricing in the City-County MOU. The parties agree that City will pay Northern the difference between the prices already paid pursuant to the City-County MOU and the prices listed in Section 3 of this Agreement for the materials delivered from May 1, 2008 through December 31, 2009. In addition, the City will pay Northern interest on the balance due for the period May 1, 2008 through December 31, 2009 at the rate of 1.91% which reflects the average rate of interest earned by the City on its investment portfolio for the period May 1, 2008 through December 31, 2009.

For the sole purpose of establishing prices to be paid to Northern for the period of the retroactive payment for materials delivered between May 1, 2008 and December 31, 2009, and only for this purpose, the City will calculate a straight average of all revenue deposited in the City of Napa's revenue account for each material type delivered by Northern during this period. The straight average will be calculating by adding all revenue received and deposited into the City's revenue account from sale of each material type by NRWS between April 21, 2008 and December 20, 2009, divided by the total tons of that material sold

(using Buyer Paid Tons) during the same period. The City will use a detailed Attachment DD MDF Materials Paid Sales Report from NRWS, which is an attachment to the 2004 City contract with NRWS, showing all the material types marketed, the prices, tons, CRV totals and other information for materials sales deposits made to the City's revenue account during the period April 21, 2008 through December 20, 2009 to calculate the straight average prices for the retroactive payment. The parties agree that Quality Incentive Payments and the Annual Curbside payment from CalRecycle shall be excluded from the revenue used to calculate the straight average prices. The parties further agree that the use of a straight average to determine pricing will only be used for the purpose of the retroactive payment to Northern. The prices paid to Northern for materials delivered by Northern from January 1, 2010 forward shall be established by calculating the Quarterly Average Materials Revenue Received for each type of material as described in Section 3 G.

Pursuant to the 2004 contract between the City and NRWS, as amended, the City will receive the special Attachment DD report on or before August 16, 2010 and will provide the calculated straight average prices to Northern no later than twenty (20) days after receipt of said special Attachment DD report. Northern will then submit an invoice to the City for the difference between the calculated prices and the prices Northern was already paid for materials delivered to the Napa MDF for the period May 1, 2008 through December 31, 2009. The invoice will show the calculations of the difference in the amount already received by Northern, the new calculated straight average prices provided by the City for each material type and the tons of each material type delivered during the period May 1, 2008 through December 31, 2009. The invoice will also show the calculations for the interest to be paid by the City as described in this Section. The City will pay Northern's invoice for the retroactive payment within forty-five (45) days of receipt.

If submittal of the special Attachment DD report from NRWS is delayed, the date on which the City will deliver the calculation of the straight average prices for each material to Northern shall be delayed by the same number of days that the Attachment DD report is late, and the above-described schedule for completing the retroactive payment shall be adjusted accordingly.

For all materials delivered by Northern between January 1, 2010 and March 31, 2010 the City will receive the second special Attachment DD report showing prices received for the period August 21, 2009 through November 20, 2009 on or before August 16, 2010 and the City will provide the calculated Quarterly Average Materials Revenue Received prices to Northern no later than twenty (20) days after receipt of the second special Attachment DD report from NRWS. Northern will then submit an invoice to the City for materials delivered January 1 through March 31, 2010 that provides all the information and detail as described herein. City will pay Northern's invoice within forty-five (45) days of receipt. If submittal of the second special Attachment DD report from NRWS for the period August 21, 2009 through November 20, 2009 is late, the date on which the City will deliver the calculation of the Quarterly Average Materials Revenue Received to Northern shall be delayed by the same number of days that the Attachment DD report is late, and the schedule for Northern submitting its invoice and receiving payment for materials delivered January 1 through March 31, 2010 shall be adjusted accordingly.

With regard to Electronic Waste and Covered Electronic Waste only, the following provisions shall apply. The parties agree that from April 21, 2008 through February 28, 2010 revenues from the sale of Electronic Waste and Covered Electronic Waste by Northern were inadvertently commingled with revenues received by its Affiliated Entity NRWS from sale of Electronic and Covered Electronic Waste by NRWS from the Napa MDF and were deposited into the City's revenue account. Pursuant to Section 12.06 of the City-NRWS contract, NRWS was paid thirty percent (30%) of this revenue. The parties agree that City will retain one percent (1%) of the revenue from sale of Northern's Electronic and Covered Electronic Waste during this period of time, Northern will receive sixty-nine percent (69%) of the revenue, and NRWS will retain the thirty percent (30%) of the revenue already received from City.

For all Electronic Waste and Covered Electronic Waste sold by Northern beginning March 1, 2010, the provisions of Section 3D shall apply.

The City has agreed to the above schedule in order to complete the retroactive payments to Northern in a timely manner. However, this schedule does not give the City adequate time to perform due diligence review to verify and audit all the new data that will be submitted by NRWS with regard to materials sales dating back to May 2008 in the special Attachment DD reports. Therefore, the parties agree that if the City finds discrepancies, errors or irregularities in the data that ultimately affect the amount of the payments that will have been made to Northern as described in this Section 4 D, the City may adjust the amount of the affected payment accordingly at any time up to and including December 31, 2010. In such event, City shall notify Northern in writing of the amount and reasons for the adjustment and will provide copies of electronic or hard copy records concerning the transaction(s) in question and the City's calculations of the adjustment to the payment.

For all materials delivered by Northern to the Napa MDF on and after April 1, 2010, the standard pricing and terms will apply as described in this Agreement. The timing of the regular invoicing process will be as shown in Attachment Nine.

SECTION 5. TERM

The Term of this Agreement shall begin on July 6, 2010 and end on December 31, 2015.

SECTION 6. OTHER AGREEMENTS

A. Contamination of Loads.

The City or its representative will issue Contamination notices to Northern as follows:

1) Pre-Processed Baler-Ready Recyclable Materials, Pre-Processed Market-Ready Recyclable Materials, and DRTS Pre-Sorted Mixed Recyclable Materials delivered to the Napa MDF which contain one percent or more (1% or more) by weight of materials constituting Contamination that will need to be removed before the material may be marketed.

2) DRTS Pre-Sorted Mixed Recyclable Materials delivered to the Napa MDF which contain one percent or more (1% or more) by weight of materials constituting Contamination that will need to be removed before the material may be marketed.

3) Yardwaste, Electronic Waste and Covered Electronic Waste delivered to the Napa MDF which contain five percent (5%) or more by weight of materials constituting Contamination that will need to be removed before the material may be processed and marketed.

4) For any load containing any Hazardous Waste.

For any loads containing Contamination as described herein, the City may:

(i) direct the operator of the Napa MDF to process the Contaminated load and charge Northern a "Contaminated load surcharge" for the load, which shall be calculated based upon the standard per ton Contaminated load surcharge rate posted at the Napa MDF scale house multiplied by the total number of tons in the load; or

(ii) direct the current operator of the Napa MDF to reload the Contaminated load and require Northern to remove the load from the Napa MDF, and charge Northern a standard "reload fee" which shall be the rate posted at the scale house.

The City will provide notification of Contaminated loads to Northern within twenty-four (24) hours of either the City's discovery of the Contamination or notification to the City from its contract operator of discovery of the Contamination.

Northern shall comply with all Hazardous Waste exclusion program regulations adopted by the City and with all State and Federal Hazardous Waste exclusion regulations.

B. Insurance.

Northern shall procure from an insurance company or companies licensed to do business in the State of California and shall maintain in force at all times during the Term the following types and amounts of insurance:

1) Comprehensive General Liability Insurance with a combined single limit of not less than One Million Dollars ($1,000,000) per occurrence and One Million Dollars ($1,000,000) annual aggregate covering all claims and all legal liability for personal injury, bodily injury, death and property damage, including the loss of use thereof, arising out of, or occasioned in any way by, directly or indirectly, Northern's activities pursuant to this Agreement.
2) Comprehensive Automobile Liability Insurance with a combined single limit of not less than One Million Dollars ($1,000,000) per occurrence and One Million Dollars ($1,000,000) annual aggregate covering all claims and all legal liability for personal injury, bodily injury, death and property damage, including the loss of use thereof, arising out of, or occasioned in any way by, directly or indirectly, Northern's activities pursuant to this Agreement.
3) Workers' Compensation and Employer's Liability insurance covering the employees in statutory amounts and otherwise in compliance with the laws of the State of California. Northern shall maintain Employer's Liability insurance in an amount not less than One Million Dollars ($1,000,000) per accident or disease.

The insurance policies required by this section shall be issued by an insurance company or companies with a rating in the most recent edition of Best's Insurance Reports of size category X or larger and a rating classification of A or better. Northern shall submit copies of insurance certificates showing the above listed insurance coverage to the City within thirty (30) days of the Effective Date of this Agreement, and shall submit updated certificates annually on or before May 1 of each year of the Term.

C. Indemnification.

Northern shall indemnify, defend and hold harmless City, its officers, employees and agents, (collectively the "Indemnitees") from and against any and all loss, liability, penalty, forfeiture, claim, demand, action, proceeding or suit, of any and every kind and description, whether judicial, quasi-judicial or administrative in nature including, but not limited to, injury to and death of any person and damage to property or for contribution or indemnity claimed by third parties (collectively, the "Claims"), arising out of or occasioned in any way by, directly or indirectly, Northern's performance of, or its failure to perform, its obligations under this Agreement. The foregoing indemnity shall not apply to the extent that the Claim is caused solely by the negligence or intentional misconduct of City, its officers, employees or agents, but shall apply if the Claim is caused by the joint negligence of Northern or other persons including any of the Indemnitees. Upon the occurrence of any Claim, Northern, at Northern's sole cost and expense, shall defend (with attorneys reasonably acceptable to City) City, its officers, employees, and

agents. Northern's duty to indemnify and defend shall survive the expiration or earlier termination of this Agreement.

D. Annual Meeting.

The parties will hold an annual meeting in January of each year to discuss market conditions, plans for the year and other issues germane to this Agreement. The City will contact Northern to schedule the annual meeting.

E. Capitalized Terms.

Capitalized terms in this Agreement shall have the meanings assigned to them in Attachment One, unless the context indicates otherwise.

F. Assignment.

Northern may not assign any of its rights or duties under this Agreement without the prior written consent of the City.

G. Binding On Successors.

All of the rights and duties of the parties shall inure to the benefit of, and be binding upon, their respective successors and permitted assigns.

H. Notices.

All notices given under this Agreement shall be in writing. Notices shall be sent:

If to the City:	City of Napa Department of Public Works 1600 First Street P. O. Box 660 Napa, California 94559 Attn: Materials Diversion Administrator Facsimile: (707) 257-9522
If to Northern:	Northern Recycling Operations and Waste Services, LLC P. O. Box 177 Napa, California 94559 Attn: Greg Kelley, Managing Member Fax: (707) 224-2707

Notice shall be sufficiently given when (a) personally delivered to the recipient, (b) mailed first class postage prepaid, (c) delivered by overnight delivery service with charges prepaid, or (d) sent by facsimile to the last facsimile number of recipient as long as a duplicate copy of the notice is promptly given by first class mail or the receiving party delivers a written confirmation receipt. Either party may change the address to which notices to it are to be sent by means of a notice delivered to the other party as provided above.

I. No Rights of Third Parties.

Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties and their respective successors and permitted assigns, any rights or remedies.

J. Failure To Perform.

If, and for as long as, performance by a party is made impossible or extremely impracticable by acts of God, casualty, State or Federal government action, civil commotion, labor unrest (including strike, work stoppage, slowdown, picketing or other concerted job action), acts of terrorism or other causes not the fault of and beyond the reasonable control of the party obligated to perform, performance by that party is excused. This section does not excuse a failure to pay money when due.

K. Napa MDF Unavailable.

If the Napa MDF is non-operational for a period longer than three (3) days but less than thirty (30) days, City will give written notice to Northern indicating the City's plans to restore the Napa MDF to operational status and the City's estimate of the period of time the MDF will be unavailable. While the Napa MDF is unavailable, Northern will be relieved of its obligation to deliver the materials listed in Section 1 to the Napa MDF and must locate an alternate processing facility while the Napa MDF is not in operation.

If the Napa MDF is destroyed or substantially damaged by earthquake, fire, or other cause, and is non-operational for over one hundred twenty (120) days and if the City elects not to rebuild or reconstruct it, this Agreement will terminate thirty (30) days after the City gives written notice to Northern of its election. If the City elects to rebuild or repair the Napa MDF but work is not completed within 10 months of written notice to Northern of the City's intention to rebuild or repair, the City will notify Northern of the planned date of operation and Northern will continue to utilize an alternative processing facility until that date, after which Northern will resume use of the Napa MDF. City will provide written notice to Northern at least sixty (60) days prior to the date when the Napa MDF will become operational, so Northern may notify the alternate processing facility(s) that it will resume use of the Napa MDF for all of the materials listed in Section 1 A as of the date in the City's notice to Northern.

If one or more DRTS New Material(s) are identified during the time that the Napa MDF is unavailable, the City's right of first refusal shall not be waived. Once the Napa MDF becomes operational, the City shall have up to ninety (90) days to exercise its right of first refusal to accept the DRTS New Material(s) pursuant to Section 1.C.

L. Time of the Essence.

Time is of the essence in this Agreement and each of its provisions.

M. Invalidation of Single Term or Provision.

If any term or provision of this Agreement is held invalid or unenforceable, the remainder of the Agreement shall not be affected and the contract will be enforced as if the invalid or unenforceable provision had not been contained herein.

N. No Waiver.

The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach of violation of the same or any other provision. The subsequent acceptance by either party of any monies

that become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other party of any provision of this Agreement.

O. Title and Headings.

The title and headings of the sections of this Agreement are intended solely for reference and do not modify, explain, or construe any provision of this Agreement. All references to sections and recitals refer to the sections and recitals of this Agreement. In construing this Agreement, the singular form shall include the plural and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared the Agreement with the assistance of independent legal counsel for each.

P. Signature Authority.

All persons executing this Agreement on behalf of a party warrant that they have the authority to execute this Agreement on behalf of that party.

Q. Attachments.

The attachments to this Agreement numbered One through Nine are a part of this Agreement and are incorporated into it by this reference.

R. Applicable Law.

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

S. Interpretation.

Each party has participated in the preparation of this Agreement with the assistance of legal counsel to the extent desired. Accordingly, this Agreement shall be interpreted and construed reasonably and neither for nor against either party.

T. Good Faith and Fair Dealing.

Both parties each acknowledge their obligation under California law to act in good faith toward, and deal fairly with, each other with respect to this Agreement. Neither party will employ any artifice, business structure or other stratagem to circumvent or undermine the spirit and purpose of this Agreement or the spirit and purpose of the City-NRWS 2004 contract, as amended.

U. Amendment.

This Agreement may not be modified or amended in any respect except by a writing signed by the parties.

V. Entire Agreement.

This Agreement, including the Attachments, represents the full and entire agreement between the parties with respect to the matters covered herein and supersedes all prior negotiations and agreements, either written or oral.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

CITY OF NAPA:

By: _____
(Signature)

Jacques R. LaRochelle, Public Works Director
(Type Name and Title)

ATTEST:

_____
(Signature)

Dorothy Roadman, City Clerk
(Type Name and Title)

COUNTERSIGNED:

_____
(Signature)

Ann Mehta, City Auditor
(Type Name and Title)

APPROVED AS TO FORM:

_____
(Signature)

Michael Barrett, City Attorney
(Type Name and Title)

NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY*:

By: _____
(Signature)

Greg Kelley, Managing Member
(Print Name and Title)

By: _____
(Signature)

_____
(Print Name and Title)

*Unless corporate resolution delegates an individual to sign contracts, an agreement with a corporation shall be signed by the President or Vice President **and** the Secretary or Assistant Secretary of the corporation. A general partner shall sign on behalf of a general partnership. The managing member, if authorized, may sign on behalf of a limited liability company.

Budget Code: Expenditure Account #51005-58911 (MDF-Facility, Payment for Materials)
Revenue Account #51005-33402 (MDF Facility, MDF Gate Fees

LIST OF ATTACHMENTS

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ATTACHMENT ONE

DEFINITIONS

1. "Affiliated Entity" means any Person which is related to Northern by virtue of a direct or indirect ownership interest or common management. Affiliated Entities include (1) a Person, in which Northern has a direct or indirect ownership interest, (2) a Person which has a direct or indirect ownership interest in Northern, and (3) a Person which is owned or controlled by Person which has a direct or indirect ownership interest in Northern. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of the Internal Revenue Code, in effect as of this Effective Date, shall apply except that "ten percent (10%) shall be substituted for "fifty percent (50%)" in Section 318(a)(2)(C) and 318(a)(3)(C).

2. "Agreement" means this Agreement between the City and Northern dated as of July 6, 2010, including all attachments and any amendments hereto.

3. **"Buyer Paid Tons"** means the price that a purchaser paid for a specified number of tons in a given materials shipment or load that is marketed by NRWS from the MDF. Buyer Paid Tons may differ from the actual number of tons in the outbound weight of the materials taken at the MDF scales due to moisture, contamination, packaging weight, or other difference in the weight of the load when it is weighed at the buyer's scales.

4. "California Redemption Value" ("CRV") means the value established by CalRecycle, or any successor agencies, for each type of beverage container, that is paid by recycling centers, processors and CalRecycle as described in the California Beverage Container Recycling and Litter Reduction Act of 1986 (Public Resources Code Division 12.1, Chapter 1, Section 14500 *et seq.*). "CRV Material" means any material that has a CRV value established by the state and paid by recycling centers, processors and state agencies.

5. "Contamination" means materials mixed in with Pre-Processed, Market-Ready Recyclable Materials, Pre-Processed, Baler-Ready Recyclable Materials, Yardwaste, Covered Electronic Waste, Electronic Waste, or DRTS New Materials that would reduce the quality and value of the materials to end markets. For example, the presence of glass in a load of mixed paper would be considered Contamination. The level of unacceptable Contamination is described in Section 6(A) of this Agreement.

6. "Covered Electronic Waste" or "Covered Electronic Device" or "Covered E-Waste" means a discarded video display device containing a screen greater than four inches, measured diagonally, as defined in the regulations adopted by the California Department of Toxic Substances Control pursuant to subdivision (b) of Section 25214.10.1 of the California Health and Safety Code, and as further defined in Section 42463 of the California Public Resources Code. With regard to this Agreement, Covered Electronic Waste refers to devices for which the state collects a recycling fee from retailers and for which the state reimburses collectors and processors who recycle such waste.

7. "CRV CP" means CRV materials that were collected as part of a collection program in the State of California. When such materials are marketed from the Napa MDF the price received for the materials will include a payment from CalRecycle, or any successor agencies, that is based upon the specific source of the materials, in this case, a collection program. The term "CRV CP" is applied as a modifier to a specific material type. For example "PET CRV CP" means PET plastic with CRV value that was collected through a collection program. This designation indicates the material is eligible for a CRV payment for PET originally collected through a collection program, which differs from the payment for

PET originally delivered to a buy back center or collected through a curbside recycling program.

8. "CRV CS" means CRV materials that were collected via a curbside recycling program in the State of California. When such materials are marketed from the Napa MDF the price received for the materials will include a payment from the CalRecycle, or any successor agencies, that is based upon the specific source of the materials, in this case, a curbside recycling program. The term "CRV CS" is applied as a modifier to a specific material type. For example, "HDPE CRV CS" means HDPE plastic with CRV value that was collected by a curbside recycling program. This designation indicates the material is eligible for a CRV payment for HDPE collected through a curbside recycling program which differs from the payment for HDPE originally delivered to a buy back center or collected through a collection program.

9. "CRV RC" means CRV materials that were delivered to a buy back recycling center and for which a consumer or customer was paid the specified redemption value established by CalRecycle, or any successor agencies. When such materials are marketed from the Napa MDF the price received for the materials will include a payment from the CalRecycle, or any successor agencies, that is based upon the specific source of the materials, in this case, a buy back center. The term "CRV RC" is applied as a modifier to a specific material type. For example, "Aluminum CRV RC" means aluminum with CRV value that was accepted at a buy back center. This designation indicates the material is eligible for a CRV payment for aluminum accepted at a buy back center, which differs from the payment for aluminum originally collected in a collection program or in a curbside recycling program.

10. "Devlin Road Transfer Station" or "DRTS" means the Municipal Solid Waste transfer facility located at 889 Devlin Road, in the unincorporated area of Napa County, which is owned by the Napa-Vallejo Waste Management Authority ("Authority") and which is currently operated by Northern pursuant to an Agreement with the Authority dated March 1, 2007.

11. "DRTS Buyer-Paid Revenue" means all revenue received by Northern from sale of Electronic Waste and Covered Electronic Waste received at the DRTS. DRTS Buyer-Paid Revenue includes all funds paid to Northern by the Buyer. The parties agree the end-market for the Electronic Waste and Covered Electronic Waste will have taken certain deductions out of the payment for packaging weight, contamination and potentially other items. However, Northern shall not make any additional deductions for transportation, brokerage fees, sorting or any other costs.

12. "DRTS New Materials" means materials not listed in Section 1, that are delivered to the DRTS and that require baling and/or marketing. Pursuant to Section 1 C the City has the right of first refusal to bale and market such materials. The following materials are excluded from DRTS New Materials: loose, unbaled scrap metal, wood, drywall, sheetrock, concrete and asphalt that are already being sorted and marketed directly by Northern from the Construction and Demolition sorting line at the DRTS as of January 1, 2008.

13. "DRTS Pre-Sorted Mixed Recyclable Materials" means a mix of two or more Recyclable Materials from the DRTS delivered by Northern, that have been collected, stored, delivered or pre-sorted such that different material types are mixed together and are not completely source or type separated. Such materials must be further sorted and processed before they are ready to go to market. DRTS Pre-Sorted Mixed Recyclable Materials does not include Single Stream Recyclable Materials, regardless of their residue content.

14. "Electronic Waste" or "E-Waste" means discarded electronic devices both with and without screens including computers, stereos, cellular telephones, electronic games, PDA's and other similar devices. With regard to this Agreement, Electronic Waste refers to waste for which the state does not

collect a recycling fee and for which the state pays no collection or processing fee for the recycling of such waste, also known as non-covered electronic waste.

15. "Hazardous Waste" means a waste, or combination of wastes which because of its quantity, concentration or physical, chemical or infectious characteristics, may do either of the following: (1) cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible illness; (2) pose a substantial present or potential hazard to human health or environment when improperly treated, stored, transported or disposed of or otherwise managed. Hazardous Waste includes all substances defined as hazardous waste, extremely hazardous waste or acutely hazardous waste in California Health and Safety Code Sections 25110.02, 25115 and 25117 or in future amendments to or recodifications of such statutes or identified and listed as hazardous waste by the U.S. Environmental Protection Agency pursuant to the Resource Conservation and Recovery Act (42 U.S.C. Sections 6901, et seq.).

16. "Monthly Average Materials Revenue Expected" means the average of the revenue expected by the City for a specific material marketed from the Napa MDF for the month in which either party makes a written request to the other (pursuant to Section 3 F) to utilize a Monthly Average Materials Revenue Expected instead of the Quarterly Average Materials Revenue Received. To arrive at the average revenue expected to be received for a specified material type the City will perform the following calculation: (1) For each planned sales transaction (booking, purchase order, etc.) multiply the number of tons being sold by the price per ton listed in the booking or purchase order. (2) Add the net dollars of revenue expected from each planned sales transaction (excluding estimated costs for freight, taxes, broker fees, and any other charges) to arrive at a total revenue expected from sale of the specific material for the month. (3) Divide the total revenue expected for the month by the total number of tons of the material being marketed in all the planned sales transactions for the month. (4) This results in a weighted average price per ton of revenue expected from the sales transactions. A sample calculation of the "Monthly Average Materials Revenue Expected" appears in Attachment Four Part B.

The Monthly Average Materials Revenue Expected by the City will reflect one hundred percent (100%) of the revenue expected to be received by the City for sale of the specified type of material, prior to the seventy percent/thirty percent (70%/30%) revenue split with the operator of the Napa MDF.

17. "Municipal Solid Waste" or "MSW" means all fractions of discarded putrescible and non-putrescible solid, semi-solid and liquid wastes, including garbage, trash, refuse, rubbish, ashes, industrial wastes, discarded home and industrial appliances, manure, vegetable or animal solid and semi-solid wastes, and other discarded substances or materials.

18. "Napa MDF" means the City of Napa Materials Diversion Facility located at 820 Levitin Way, Napa County, owned by the City of Napa.

19. "Negative Value Materials" or "Negative Value" means materials which, during downturns in the secondary materials market, will only be accepted by end markets if a price is paid for acceptance of the material. For example, under strong market conditions, a ton of mixed paper would have a positive value of one hundred dollars ($100.00). In a down market the same ton of mixed paper could have a negative value of ten dollars ($10.00) per ton, meaning that instead of paying the City for the material, the market would charge the City ten dollars per ton to accept the material.

20. "Person" includes any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, the County, municipality or special purpose district or any other entity whatsoever.

21. "Pre-Processed, Baler-Ready Recyclable Materials" means fiber, plastics, aluminum and other Recyclable Materials segregated by type and sorted to remove contaminants so that they are "baler-ready" and do not require any additional sorting.

22. "Pre-Processed, Market-Ready Recyclable Materials" means glass, Covered Electronic Waste, Electronic Waste and other materials that are pre-sorted, ready to go directly to market, and do not require baling. In the case of Covered Electronic Waste and Electronic Waste, the material is to be already sorted into those two categories, stacked on pallets, wrapped and ready for shipment to markets.

23. "Quarterly Average Materials Revenue Received" means the average of the revenue received by the City for a specific material marketed from the Napa MDF for each of the three months of the preceding quarter as defined below. For purposes of calculating the Quarterly Average Materials Revenue Received, the following quarters will be used: the Quarterly Average Materials Revenue Received prices to be applied for the period October 1 through December 31 will be based upon the revenue received by the City for each material type during the period May 21 through August 20. The Quarterly Average Materials Revenue Received prices to be applied for the period January 1 through March 31 will be based upon the revenue received by the City for each material type during the period August 21 through November 20. The Quarterly Average Materials Revenue Received prices to be applied for the period April 1 through June 30 will be based upon the revenue received by the City for each material type during the period November 21 through February 20. The Quarterly Average Materials Revenue Received prices to be applied for the period July 1 through September 30 will be based upon the revenue received by the City for each material type during the period February 21 through May 20. The City will calculate the Quarterly Average Materials Revenue Received for each quarter by taking the revenue received each quarter divided by the number of tons of that material sold in the quarter. A sample calculation of the "Quarterly Average Materials Revenue Received" appears in Attachment Four.

The Quarterly Average Materials Revenue Received will reflect one hundred percent (100%) of the revenue received by the City for sale of each type of material, prior to the seventy percent/thirty percent (70%/30%) revenue split with the operator of the Napa MDF.

24. "Recyclable Materials" means material which otherwise would become or be treated as MSW but which, by means of a process of collecting, sorting, cleaning, treating and reconstructing, may be returned to the economic mainstream in the form of finished or source material for new, reused or reconstituted products, which may be used in the market place. "Recyclable Materials" includes paper, magazines, cardboard, boxes, plastic, metal cans, glass and other similar materials. Whenever the context requires, "Recyclable Materials" includes Yardwaste, Covered Electronic Waste, Electronic Waste and DRTS New Materials.

25. "Single Stream Recyclable Materials" means those Recyclable Materials collected as separated from Municipal Solid Waste by the Customer and consisting of a mixture of metals, glass, plastics #1-7, and all paper grades from residential, commercial and business establishments, and industrial customers. For purposes of this agreement "Single Stream Recyclable Materials also includes Recyclable Materials collected in any community or jurisdiction on a regular basis by any entity pursuant to a contract with a public agency, or by a public agency, as part of a ratepayer funded residential, commercial or industrial (roll off) recycling program. This includes materials collected as part of a residential curbside or backyard recycling program, a commercial program and an industrial (roll off) program. Such materials may be collected as commingled, dual stream or in the case of a residential curbside, side yard or backyard recycling program, may be source separated.

26. "Yardwaste" means clean loads of tree trimmings, grass cuttings, leaves, branches and similar organic materials including vineyard clippings that do not contain contaminants such as metal, plastics,

glass and the like that would interfere with the composting process or contaminate the final compost product.

ATTACHMENT TWO

MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF NAPA AND THE CITY OF NAPA RELATING TO THE NAPA MATERIALS DIVERSION FACILITY

NAPA COUNTY AGREEMENT NO. 6430

City Agreement #8782

Budget Account #

MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF NAPA AND THE CITY OF NAPA RELATING TO THE NAPA MATERIALS DIVERSION FACILITY

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made as of May 3, 2005, by and between the COUNTY OF NAPA, a political subdivision of the State of California ("County") and the CITY OF NAPA, a charter city ("City").

RECITALS

A. The City has recently purchased a materials diversion facility ("Facility") located at 820 Levitan Way, Napa. The Facility is operated by USA Waste of California, Inc. ("USA Waste") pursuant to an Interim Operating Lease which will expire on September 30, 2005.

B. Recyclable Materials and Yardwaste which originate in the City and in portions of the County, as well as from within other jurisdictions, are delivered to the Facility for processing and composting.

C. The residue of materials delivered to the Facility that can neither be recycled nor composted is delivered to a Transfer Station, which is located adjacent to the Facility and is operated by the Napa-Vallejo Waste Management Authority, a joint powers agency whose members include the County and the City.

D. The contracts between the City and Napa Garbage Service ("NGS"), a division of USA Waste of California, Inc. ("USA Waste"), and between the County and Napa Valley Disposal Service ("NVDS"), also a division of USA Waste, each expire on September 30, 2005, concurrently with the expiration of the Interim Operating Lease of the Facility.

E. The County solicited proposals to provide collection of municipal solid waste, Recyclable Materials, and Yardwaste within the portion of its jurisdiction called Zone 1 commencing October 1, 2005.

F. The City solicited proposals to provide collection of municipal solid waste, Recyclable Materials and Yardwaste within the City and to operate the Facility commencing October 1, 2005.

G. The City has awarded a contract for these services to Napa Recycling and Waste Services, LLC, and the County has awarded a contract for these services to Napa County Recycling and Waste Services, LLC, two affiliated companies with common ownership.

H. The County has determined that it will be in the best interests of residents and businesses in Zone 1 for certain Recyclable Materials and Yardwaste collected within that Zone by Napa County Recycling and Waste Services, LLC and by County employees to be delivered to the Facility for processing and composting. The City has determined that it is in its best interest to accept such materials at the Facility on the terms contained in this Agreement.

THE PARTIES AGREE AS FOLLOWS:

I. COOPERATIVE PROVISIONS APPLICABLE TO PHASE ONE (BEFORE THE CITY BEGINS OPERATING THE FACILITY)

The parties recognize that there will be a transition period during which the equipment currently in use at the Facility will be removed and new equipment installed, tested and placed into service by Napa Recycling and Waste Services, LLC, on behalf of the City. The Interim Operating Lease between the City and USA Waste contemplates that this transition period will end on or about September 30, 2005, and that during this period Clean MRF Recyclable Materials delivered to the Facility will be accepted, but then transferred by the City's Contractor to another facility for processing. The parties recognize that the transition period may extend beyond September 30, 2005. The City and County will work closely during this transition period to facilitate the installation of new processing equipment and will cooperate with the City and its Contractor's requests and directions relating to vehicle access, parking and materials delivery.

II. COOPERATIVE PROVISIONS APPLICABLE TO PHASE TWO (AFTER THE CITY BEGINS OPERATING THE FACILITY)

1. The City will arrange for the County to have priority (second only to the City's) to the processing capacity of the Facility for Clean MRF Recyclable Materials and Yardwaste. The City will require the Facility operator to refuse to accept Clean MRF Recyclable Materials and Yardwaste delivered by any third party if at any time the operator becomes unable to accommodate all materials of these types delivered by or on behalf of the County and City.

2. The County will direct Napa County Recycling and Waste Services, LLC to deliver to the Facility:

A. All Clean MRF Recyclable Materials collected in the areas of the County that are shown on Attachment 1 (i.e., Zone 1) (1) from residential customers, and (2) from commercial/business customers in containers whose capacity is six cubic yards or less.

B. All Yardwaste collected in the areas of the County that are shown on Attachment 1 (i.e., Zone 1) (1) from residential customers, and (2) from commercial/business customers in containers whose capacity is six cubic yards or less.

3. If the County collects Clean MRF Recyclable Materials or Yardwaste within Zone 1 through its own forces, it will deliver all such materials to the Facility. The County will continue diversion programs (e.g., curbside collection of Clean MRF Recyclable Materials and Yardwaste) as provided in the agreement between the County and Napa County Recycling and Waste Services, LLC, dated as of May 3, 2005, Section 3.2.

4. Clean MRF Recyclable Materials and Yardwaste collected by Napa County Recycling and Waste Services, LLC in Zone 1 in containers whose capacity is greater than six cubic yards may be, but is not required to be, delivered to the Facility under this agreement.

5. The County may direct its contractor to deliver other materials (e.g., bulky goods, tires, electronic waste, wood and concrete) collected in Zone 1 to the Facility, but need not do so. If the City accepts these other materials from third parties it will also accept them from the County.

6. If the City implements Food Waste composting, the County may direct Food Waste to the Facility, but is not obligated to do so.

7. The City will require the operator of the Facility to deliver any residue (i.e., materials which cannot be recycled or successfully composted) to the Transfer Station for disposal. "Residue" does not include materials delivered to landfills for use as "Alternative Daily Cover" or wood chips delivered to Transformation facilities for fuel, whether or not the operator receives payment for such materials.

8. A. The City will charge (or credit) the County, and the County will pay (or accept) exclusively from revenues generated from ratepayers in the Unincorporated Area of Zone 1 commencing October 1, 2005, the following amounts for Yardwaste and Clean MRF Recyclable Materials delivered to the Facility by or for the County from Zone 1.

Period (calendar year)	Charge for Yardwaste ($/ton)	Credit for Clean MRF Recyclable Materials ($/ton)
2005 (10/1-12/31)	25.00	(35.00)
2006	25.00	(35.00)
2007	26.00	(34.00)

B. Commencing January 1, 2008, the City may, after 60 days notice to County, change the rates for Yardwaste and/or Clean MRF Recyclable Materials.

C. The charge for Yardwaste is subject to increase at any time if the processing method at the Facility is modified in order to comply with regulatory requirements or environmental conditions, e.g., if aerated static pile (ASP) composting is implemented to control odors. The charge will be increased by the same amount per Ton that the City is required to pay the Facility operator for processing City-delivered Yardwaste.

D. Napa County Recycling and Waste Services, LLC will be charged no more than the posted Gate Fee for other materials (e.g., bulky goods, tires, electronic waste, wood, concrete) collected in Zone 1 which it elects to deliver to the Facility.

E. If the City implements Food Waste composting and the County wishes to arrange for Food Waste to be delivered to the Facility, the parties will meet and confer to establish the amount per Ton that the County will pay.

F. The amounts set forth in this section II.8 are predicated on Napa County Recycling and Waste Services, LLC serving as the collection contractor for the County's Zone 1 and Napa Recycling and Waste Services, LLC serving as Facility operator under contract with the City. If either party changes its contractor (other than to an affiliated successor with substantially identical ownership), the parties will meet and confer to establish new charges and credits. If the parties cannot reach agreement within 90 days, either party may terminate this

Agreement and the County may thereafter direct both Clean MRF Recyclable Materials and Yardwaste to a different facility.

9. The City will bill the County monthly, in arrears. The City will issue a single invoice for all Clean MRF Recyclable Materials and Yardwaste delivered by the County's collection contractor, all Clean MRF Recyclable Materials and Yardwaste delivered by County employees and all other material delivered by County employees. The invoice will show subtotals by principal material type (Clean MRF Recyclable Materials and Yardwaste) and for each other type of material for which a different charge is payable. The invoice will show a credit for Clean MRF Recyclable Materials and a charge for all other materials, including a separately identified surcharge for contaminated loads. The City's invoice will also indicate the number and value of County coupons issued to residents of and businesses located in County Zone 1 and collected by the City's contractor. The County must pay the City for such collected coupons at face value. The invoice will indicate the portion of materials delivered by the County through its own forces. The invoice total will be a net figure. Concurrently, the City will send a copy of each monthly invoice to Napa County Recycling and Waste Services, LLC.

Invoices are due and payable within forty-five (45) days after issuance. Delinquent payments will bear interest at ten percent (10%) per year, or the maximum legally allowable rate if lower. If the County is delinquent in paying two consecutive monthly invoices, the City may require the County to either or both (1) post a deposit equal to the total payment due for the previous three (3) months or (2) pay an estimated amount each month, in advance. The City will not owe interest on any deposit required in the event of delinquent payments unless required by law. If the County fails to pay an invoice for more than sixty (60) days after it is due, the City may terminate this Agreement. Invoices will be sent to:

Audit Manager
Napa County Auditor-Controller's Office
1195 Third Street, Room B-10
Napa, CA 94559

10. The City will not enter into a contract with any third party allowing it to deliver Clean MRF Recyclable Materials and Yardwaste on terms that are more favorable than those extended to the County in Section II.8.A, taken together.

11. Residents of and businesses located in County Zone 1 will be charged the posted Gate Fees established by the City for materials which they self-haul to the Facility. The City will accept coupons that the County's Contractor issues to residents and businesses in Zone 1 to be applied toward gate fees. The City will honor such coupons at face value.

III. TERM

1. The term of this MOU begins on October 1, 2005 and ends on November 30, 2015, unless earlier terminated as provided below.

2. If the Facility is destroyed or substantially damaged by earthquake, fire or other cause, and if City elects not to rebuild or reconstruct it, this Agreement will terminate thirty (30) days after City gives notice to County of its election.

3. If the City, pursuant to Section II.8.B, changes the charge for Yardwaste, and/or the credit for Clean MRF Recyclable Materials after January 1, 2008, or if charges are changed pursuant to Section II.8.C. at any time, the County may, on 60 days notice to City, terminate this MOU and direct both Yardwaste and Clean MRF Recyclable Materials to a different facility which offers more favorable terms to the County if the City does not elect to match the terms of the offer from the other facility. Any such offer must be in writing and binding on the owner and operator of the other facility and a complete copy must be provided to City at the same time the County provides notice of its intent to terminate this MOU.

IV. OTHER AGREEMENTS

1. The City or its representative will issue contamination violation notices to the County's collection contractor (Napa County Recycling and Waste Services, LLC) and to the County for any loads of Clean MRF Recyclable Materials or of Yardwaste delivered to the Facility which contain more than ten percent (10%) by weight of materials constituting Contamination. For any such load, the City may: 1) direct Napa Recycling & Waste Services to process the contaminated load and charge the County a "contaminated load surcharge" for the load, which shall be calculated based on the $/ton contaminated load surcharge rate posted at the scalehouse multiplied by the total number of tons in the load; or 2) require that the contaminated load be reloaded by Napa Recycling & Waste Services at the expense of the vehicle operators

and remove load from the MDF, and charge the County a standard "reload fee" which shall be the rate posted at the scalehouse. The City will provide notification of contaminated loads to the County on a monthly basis. Notifications will be sent to:

County Executive Office
1195 Third Street
Room 310
Napa, CA 94559

In addition, the County will comply, and require Napa County Recycling & Waste Services, LLC to comply, with all hazardous waste exclusion program regulations adopted by the City.

2. At the request of the County, the City will meet up to one time per calendar year to discuss the list of materials accepted at the Facility under the categories of Clean MRF Recyclable Materials and Yardwaste. Changes to the list of materials may be suggested by the County at the meeting, but must be approved in writing by the City prior to acceptance of the material types at the Facility.

3. The City will have the sole and exclusive right to establish and collect Gate Fees for all materials delivered to the Facility by third parties without contracts, including but not limited to other local government agencies, collection companies engaged by such government agencies, independent landscapers, roofers and contractors, and members of the public.

4. If the City elects to accept Special Recycling Waste at the Facility, residents of and businesses located in Zone 1 of the County may deliver such waste upon payment of the posted Gate Fees, provided that the City is permitted to accept Special Recycling Waste from outside the City. The City has no obligation under this MOU to accept waste of this type and, if it begins to accept it, the City may terminate its acceptance at anytime. If the City elects to discontinue accepting any Special Recycling Waste, City may, on 60 days notice to the County, terminate this service.

5. The City will arrange for reports to be prepared on Tons delivered to the Facility from or by the County and Tons diverted from landfill disposal that are similar in content and format to the reports that the City will prepare for its own use in documenting compliance with the Act. Such reports will be delivered to the County at the same time and frequency as the City's reports are produced. The City will provide the County a monthly report of inbound material delivered by the County in accordance with Section II herein.

V. MISCELLANEOUS AGREEMENTS

1. Capitalized terms in this MOU shall have the meanings assigned to them in Attachment Two, unless the context indicates otherwise.

2. This MOU may be amended only in a writing approved and executed by both parties.

3. The County may not assign any of its rights under this MOU, nor delegate any duties or those of its contractor arising under this MOU, without the prior written consent of the City.

4. Without waiving the provisions of Section V.3, all of the rights and duties of the parties shall inure to the benefit of, and be binding upon, their respective successors and assigns.

5. All notices given under this MOU shall be in writing. Notices shall be sent:

If to the City:	City of Napa 955 School Street Napa, CA 94559 Attention: City Finance Director Facsimile: (707) 257-9251
If to the County:	County of Napa 1195 Third Street, Room 310 Napa, CA 94559 Attention: County Executive Officer Facsimile: (707) 253-4176

Notice shall be sufficiently given when (a) personally delivered to the recipient, (b) mailed first class postage prepaid, (c) delivered by overnight delivery service with charges prepaid, or (d) sent by facsimile to the last facsimile number of the recipient so long as a

duplicate copy of the notice is promptly given by first class mail or the receiving party delivers a written confirmation receipt. Either party may change the address to which notices to it are to be sent by means of a notice delivered to the other party as provided above.

6. Nothing in this MOU, express or implied, is intended to confer upon any person, other than the parties and their respective successors and assigns, any rights or remedies.

7. If, and for as long as, performance by a party is made impossible by acts of God, casualty, State or federal government action, civil commotion, acts of terrorism or other causes not the fault of and beyond the reasonable control of the party obligated to perform, performance by that party is excused. This section does not excuse a failure to pay money when due.

8. Time is of the essence of this MOU and each of its provisions

9. If any term or provision of this MOU is held invalid or unenforceable, the remainder of this MOU shall not be affected.

10. No waiver of a breach of any provision shall be deemed a waiver of any other breach, and no waiver shall be valid unless it is in writing and executed by the waiving party. No extension of time for performance of any obligation or act shall be deemed an extension of time for any other obligation or act.

11. This MOU may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. The execution of the MOU shall be deemed to have occurred, and this MOU shall be enforceable and effective, only upon the complete execution of this MOU by County and City.

12. If any legal action or other proceeding, including arbitration or an action for declaratory relief, is brought to enforce this MOU or because of a dispute, breach, or default in connection with this MOU, the prevailing party shall be entitled to recover reasonable attorney fees and other costs, in addition to any other proper relief. "Prevailing party" includes (a) a party who dismisses an action in exchange for sums allegedly due; (b) the party that receives performance from the other party of an alleged breach or a desired remedy, if it is substantially equal to the relief sought in an action; or (c) the party determined to be prevailing by a court of law.

13. The title and headings of the sections of this MOU are intended solely for reference and do not modify, explain, or construe any provision of this MOU. All references to sections and recitals refer to the sections and recitals of this MOU. In construing this MOU, the singular form shall include the plural and vice versa. This MOU shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared the MOU with the assistance of independent legal counsel for each.

14. This MOU constitutes the entire agreement between the parties. There are no oral agreements which are not expressly set forth in this MOU.

15. All persons executing this MOU on behalf of a party warrant that they have the authority to execute this MOU on behalf of that party.

16. The attachments to this MOU are a part of this MOU and are incorporated into it by this reference.

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

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding as of the day and year first above written.

///

COUNTY OF NAPA

By: Diane Dillon

Name: Diane Dillon

Title: Chair, Board of Supervisors

Date: May 3, 2005

ATTEST: PAMELA MILLER,
Clerk of the Board of Supervisors

By: Pamela A. Miller

APPROVED May 3, 2005
BOARD OF SUPERVISORS
COUNTY OF NAPA

PAMELA A. MILLER
CLERK OF THE BOARD

BY Sherry Vatterott Deputy

APPROVED AS TO FORM:

ROBERT WESTMEYER
Napa County Counsel

By: e-signature by Robert Paul

CITY OF NAPA:

Jill Techel
(Signature)

JILL TECHEL, Mayor
(Type name and title)

ATTEST:

Pamyla Means
(Signature)

PAMYLA MEANS, City Clerk
(Type name and title)

COUNTERSIGNED:

Jason Mayon, Acting
(Signature)

JED CHRISTENSEN, Finance Director
(Type name and title)

APPROVED AS TO FORM:

(Signature)

_____, City Attorney
(Type name and title)

Budget Code:_____

LIST OF ATTACHMENTS

Attachment One

Map of Zone One Service Area

Attachment Two

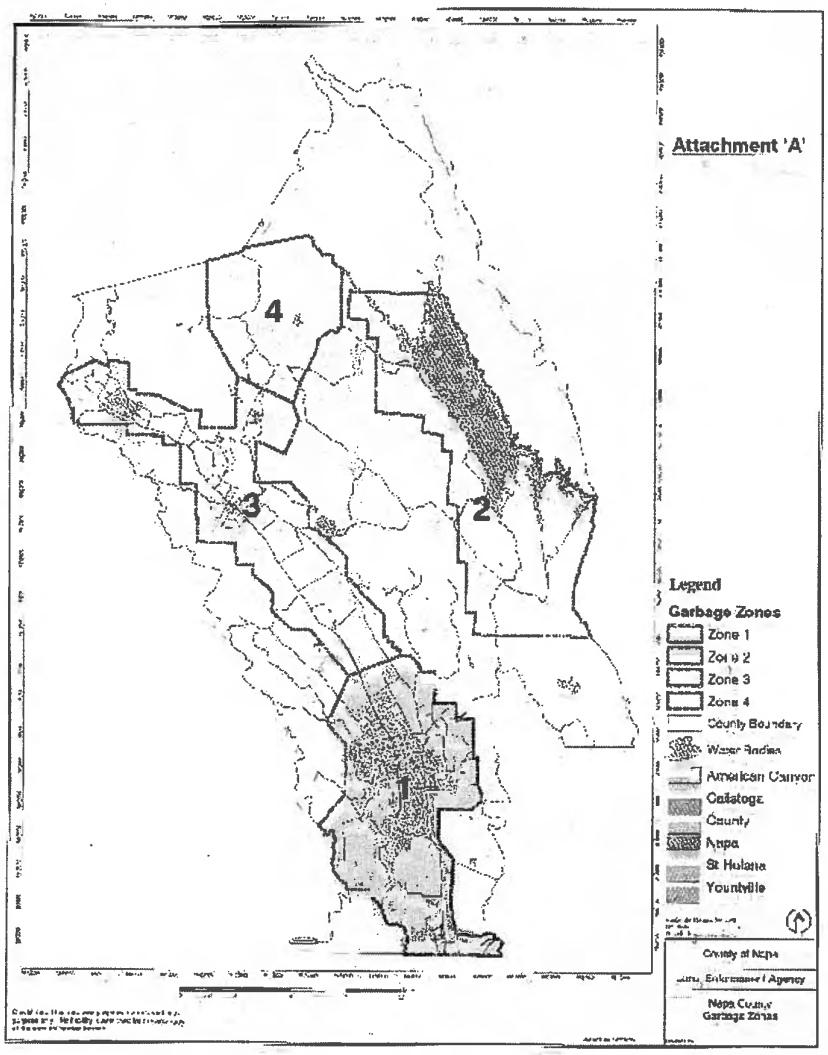
Definitions

Attachment Three

Clean MRF Recyclable Materials

ATTACHMENT ONE

MAP OF ZONE ONE SERVICE AREA



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ATTACHMENT TWO

DEFINITIONS

"Clean MRF Recyclable Materials" means those materials which are to be processed at the Clean MRF areas of the Facility, which are listed in Attachment Three. Clean MRF Recyclable Materials include both Single Stream Recyclables and Source Separated materials listed in Attachment Three.

"Contamination" means materials which are not specified in the definition for Yardwaste or listed as acceptable on Attachment Three for Clean MRF Recyclable Materials. For example, plastics would constitute Contamination if delivered to the Facility in a load of Yardwaste and tree trimmings would constitute Contamination if delivered to the Facility in a load of Clean MRF Recyclable Materials.

"Food Waste" means surplus, spoiled or unsold food, such as vegetables and culls, as well as plate scrapings.

"Single Stream Recyclables" means materials collected after having been separated from municipal solid waste (e.g., garbage or refuse) by a residential or commercial/business customer, consisting of a mixture of some or all of the materials listed in Attachment Three.

"Special Recycling Waste" means electronic waste (including cathode ray tubes, computers, televisions, cell phones, stereos, copiers, fax machines and peripherals), tires and bulky goods (including furniture, household or industrial appliances, shipping crates and containers, other large, and bulky or heavy objects not normally discarded on a regular basis at residential, commercial or business establishments). Items listed may be changed as agreed upon by the City Finance Director and the County Executive Officer.

"Source Separated" means materials collected after having been separated from municipal solid waste (e.g., garbage or refuse) by a residential or commercial/business customer, consisting primarily of a single material.

"Yardwaste" means tree trimmings, grass cuttings, leaves, branches and similar organic materials, including vineyard clippings, weeds, tree prunings, bush prunings, plant material, and tree trunks/stumps/branches 6" or less in diameter. It excludes, for example, rocks, dirt, plastic bags, municipal solid waste, Single-Stream Recyclables, pet waste, Hazardous Waste, and tree trunks/stumps/branches greater than 6" in diameter.

ATTACHMENT THREE

CLEAN MRF RECYCLABLE MATERIALS

Acceptable Materials	Examples of Unacceptable Materials (Contamination)
Newspaper	Paper tissues
Phone books	Paper towels
Catalogs	Paper with plastic coating (i.e., photographs, label paper)
Magazines	Paper with food
Brown paper bags	Wax paper
Packaging	Foil lined paper
Egg cartons	Tyvex (non-tearing) envelopes
White paper	Non-paper bags
Colored paper	Plastic liners (i.e., cereal bags)
Envelopes (windows are not contamination)	Windows
Junk mail	Mirrors
Glossy paper	Dishware
Shredded paper	Ceramics
Carbonless paper	Light bulbs
Chipboard/boxboard	Florescent tubes
Cardboard	Toys
Wrapping paper	Irrigation pipe
Empty aluminum cans	Furniture
Empty tin cans	Styrofoam
Juice containers	MSW
Beer containers	Hazardous Waste
Sauce containers	Hard cover books/manuals
Soda cans	Pyrex materials
Tuna cans	Fiberglass materials
Soup cans	
Loose jar lids	
Empty aerosol	
Empty glass beverage containers	
Empty glass food containers	
All glass colors	
Empty CRV plastic containers and bottles #1 through #7	
Soft cover books/manuals	
Milk/juice cartons	

ATTACHMENT THREE

PRODUCER PRICE INDEX CALCULATION TO ADJUST YARDWASTE PRICE

The Yardwaste gate fee for calendar year 2009 is twenty-seven dollars ($27.00) per ton. The Yardwaste gate fee for 2010 will be adjusted as of January 1, 2010 by the change in the annual average of the Producer Price Index (PPI) - Finished Goods Less Food and Energy (Series ID WPUSOD 3500) for calendar year 2008 and the annual average for calendar year 2009. The Yardwaste gate fee will be adjusted annually thereafter using the same procedure.

If the final version of the above-described index is not publicly available prior to the first City billing of the calendar year, the City will apply the additional adjustment retroactively to all inbound Yardwaste tonnage received from the beginning of the calendar year. For example, if the appropriate annual average PPI for 2009 is not publicly available until March 1, 2010, the City will invoice for the gate fee adjustments for Yardwaste loads delivered by Northern in January and February 2010, in March 2010.

The percentage change in the level of the stated PPI between the reference period and a subsequent time period is calculated by first determining the index point change between the two periods and then the percentage change. The following example illustrates the computation of the percentage change and adjustment of the Yardwaste gate fee for Northern.

Annual Average PPI (Finished Goods less Food and Energy – Series ID WPUSOD 3500) for current period	116.0
Less Annual Average PPI for previous period	113.3
Equals percentage point change	2.7/
Divided by previous period PPI	113.3
Equals	= 0.024
Results multiplied by 100	0.024 x 100
Equals percentage change	= 2.4%
Percentage change multiplied by current gate fee	$27.00 x 2.4%
Equals dollar change	= $0.65
Current gate fee plus dollar change equals new gate fee	$27.00 +$0.65
Equals new gate fee	= $27.65/ton

ATTACHMENT FOUR PART A

SAMPLE CALCULATION OF QUARTERLY AVERAGE RECEIVED REVENUE FROM SALE OF MDF RECYCLABLE MATERIALS

Average of Quarterly MDF Received Revenue by Material Type for Previous Quarter (e.g., November 21, 2008 through February 20, 2009):,

Material/Commodity	Gross Received Revenue in Previous Quarter		Buyer Paid Tons in Previous Quarter		Average Received Received Revenue per Ton in Previous		Payment Percentage per Material		Payment (per Ton) to Northern for Current Quarter (Jan – Mar 08)
Cardboard	$200,160.00	divided by	1251 tons	=	$160.00 per ton	X	61 percent	=	$97.60 per ton
Mixed Paper	$38,906.25	divided by	375 tons	=	$103.75 per ton	X	61 percent	=	$63.29 per ton
PET Plastic Bottles (CRV)	$385,721.70	divided by	195 tons	=	$1,978.06 per ton	X	69 percent	=	$1,364.86 per ton
Mixed #1-7 Rigid/ Non-CRV Plastics	$90,000.00	divided by	750 tons	=	$120.00 per ton	X	61 percent	=	$73.20 per ton
Aluminum Cans (CRV)	$301,278.60	divided by	63 tons	=	$4,782.20 per ton	X	69 percent	=	$3,299.72 per ton
Mixed Glass Containers (CRV)	$2,576.49	divided by	21 tons	=	$122.69 per ton	X	69 percent	=	$84.66 per ton
Clear Glass Containers (CRV)	$8,851.05	divided by	45 tons	=	$196.69 per ton	X	69 percent	=	$135.72 per ton
Clear Film Plastic	$37,620.00	divided by	195 tons	=	$192.92 per ton	X	61 percent	=	$117.68 per ton
Colored Film Plastic	$3,000.00	divided by	75 tons	=	$40.00 per ton	X	61 percent	=	$24.40 per ton
Covered Electronic Waste (CEW)	$10,800.00	divided by	27 tons	=	$400.00 per ton	X	69 percent	=	$276.00 per ton
PET Film Plastic Rolls	$9,300.00	divided by	31 tons		$300.00 per ton		69 percent	=	$207.00 per ton
Computer Hard Drives	$480.00	divided by	4 tons	-	$120.00 per ton	X	69 percent	=	$82.80 per ton

ATTACHMENT FOUR PART B

SAMPLE CALCULATION OF MONTHLY AVERAGE MATERIALS REVENUE EXPECTED

Assumptions:

A. The Quarterly Average Materials Revenue Received for Quarter #1 for cardboard is $100/ton.

B. The following purchase orders and bookings have been made for sale of cardboard from the Napa MDF during the month of May:

Booking #1: 60 tons of cardboard being sold at $100 per ton (net of all estimated freight, shipping, handling, brokerage, demurrage and other charges).

Booking #2: 100 tons of cardboard being sold at $160 per ton (net of all estimated freight, shipping, handling, brokerage, demurrage and other charges).

Purchase Order: 30 tons of cardboard being sold at $180 per ton (net of all estimated freight, shipping, handling, brokerage, demurrage and other charges).

C. The price in Booking #2 ($160/ton) is compared to the Quarterly Average Materials Revenue Received for Quarter #1 ($100/ton). The price has increased by over 20%.

Calculation of Monthly Average Materials Revenue Expected for Cardboard for May:

Step #1. Calculate Total Expected Revenue From Cardboard

60 x $100 = $ 6,000

100 x $160 = $16,000

30 x $180 = $ 5,400

Total $27,400

Step #2. Calculate Total Tons Sold

Total tons sold = 60 + 100 + 30 = 190 tons

ATTACHMENT FOUR PART B (continued)

Step #3. Calculate Monthly Average Materials Revenue Expected Per Ton For the Month of May for Cardboard

$27,400/190 tons = $144.21/ton

Step #4. The Monthly Average Materials Revenue Expected Per Ton of $144.21/ton for cardboard is used in the calculation in Section 3 for payment to Northern for cardboard instead of the Quarterly Average Materials Revenue Received.

ATTACHMENT FIVE

NAPA MDF OPERATING REGULATIONS
(Updated June 25, 2010)

1. **MDF Hours of Operations and Access Policies**

a) For general public users of the MDF, the daily hours are from 8:00 a.m. to 4:00 p.m.
b) The MDF is closed four days each calendar year (New Year's Day, Easter Sunday, Thanksgiving Day and Christmas Day).
c) The MDF will close at 3:00 p.m. on major holidays including Martin Luther King Jr. Birthday, Presidents' Day, Memorial Day, 4th of July, Labor Day, Day after Thanksgiving and at noon on Christmas Eve. Public notices will be posted and sent out to jurisdictional users.
d) For commercial compost and other outbound organics (e.g., wood chips, yardwaste overs, etc.), the MDF may accept vehicles from 6:15 a.m. until 4:00 p.m. This restriction parallels the current permit requirements and operational considerations for the composting and wood processing areas.
e) For commercial users (NRWS/NCRWS & jurisdictional customers) of the clean Materials Recovery Facility (MRF) and source separated construction and demolition materials (C&D), the MDF can accept vehicles for offloading from 6:15 a.m. through 4:00 .p.m.
f) For commercial users of the MRF and C&D areas at the MDF that intend to be loaded with outbound materials, the MDF will accept vehicles between the hours of 6:15 a.m. and 4:00 p.m.

2. **Gatehouse and Weighscale Policies**

a) All inbound loads for processing must be weighed (including loads for transfer only).
b) *With the exception of compost purchased by self-haul users,* all outbound loads must also be weighed.
c) All vehicles must check in with scalehouse attendant when entering or leaving MDF. The only exception to this rule is inbound NRWS/NCRWS or jurisdictional users that have an approved tare weight loaded into the scalehouse tracking software – these inbound users may check prior to off-loading and are not required to go over the scales again after offloading.
d) With the exceptions noted in item b and c above, all vehicles (both inbound and outbound users) must check in with scalehouse attendant to establish an empty tare weight and loaded gross weights. **NO VEHICLE WILL BE ALLOWED TO LEAVE THE MDF WITH A GROSS WEIGHT EXCEEDING 80,000 LBS.**
e) Outbound loads containing more than one type of material must have each material weighed separately (i.e., vehicle must weigh after loading each type of material).
f) Outbound disposal residue from MDF must be separately weighed by processing area.
g) The universal weighing requirements described in 2a through 2f above may be altered or amended periodically by the City is necessary for compliance with permit regulations.

3. **MDF Traffic Flow & Load Check Provisions**

a) MDF spotters must be available to direct customers where to deposit loads, and where to pick up materials. Spotters must be able to speak English.
b) Spotters are to observe loads of materials as they are discharged from vehicles at each processing area for hazardous materials and contamination that exceeds limits
c) As a general rule, customers should be directed to take the oldest compost material first.

4. **Safety & Material Storage Provisions**

a) Except for personnel operating or feeding the shredder, no person (employee, customer, or City personnel) is allowed within 30 ft of the shredder when it is operating.
b) All users of MDF will treat employees of the City and NRWS with courtesy and respect at all times and respond to direction from MDF staff accordingly. Any user or customer that does not comply with this policy may be asked to leave the MDF premises immediately and may be prevented from future access and use privileges at the MDF.
c) Cleanliness
    a. All areas of the MDF are to be swept daily.
    b. Street frontages are to be cleaned at least twice per week.
    c. Materials are to be stored to minimize nuisance, health, and safety problems.

ATTACHMENT SIX

CALCULATION OF AVERAGE PER TON MARKET VALUE FOR DRTS PRE-SORTED MIXED RECYCLABLE MATERIALS

STEP 1: Assume the characterization results described in Section 3 E are as follows:

#6 Plastics	53.5%
#7 Plastics	19%
Tin Cans	27%
Residue	0.5%

Assume the Quarterly Average Materials Revenue Received for these materials is as follows:

#6 Plastics	$60.98/ton
#7 Plastics	$71.07/ton
Tin Cans	$52.00/ton

STEP 2: Calculate the Average Per Ton Market Value by multiplying the percentage of each material by the Quarterly Average Materials Revenue Received for that material.

#6 Plastics	$60.98 x 0.535 = $32.62/ton
#7 Plastics	$71.07 x 0.19 = $13.50/ton
Tin Cans	$52.00 x .27 = $14.04/ton

STEP 3: Add the resulting values for each material in STEP #2.

#6 Plastics	$32.62/ton
#7 Plastics	$13.50/ton
Tin Cans	$14.04/ton
Total	$60.16/ton

STEP #4: The result is the Average Per Ton Market Value of $60.16/ton.

ATTACHMENT SEVEN

CALCULATION OF PAYMENT TO OR FROM NORTHERN FOR DRTS PRE-SORTED MIXED RECYCLABLE MATERIALS

PART A
CALCULATION OF PAYMENT TO NORTHERN

Follow the steps listed below to complete the calculation of the amount of the payment per ton to or from Northern for DRTS Pre-Sorted Mixed Recyclable Materials. Two sample calculations follow the list of steps for completing the calculation. The first sample shows a calculation resulting in payment to Northern from the City for the materials. The second sample shows a calculation resulting in Northern owing a payment to the City for processing the materials due to the lower Average Per Ton Market Value of the mixed materials.

STEP 1: Complete the following background work to obtain values needed for the calculation:

A. Establish the Average Per Ton Market Value for the DRTS Pre-Sorted Mixed Recyclable Materials by performing the characterization described in Section 3 E and the calculation in Attachment Six.

B. Establish the percent of residue in the DRTS Pre-Sorted Mixed Recyclable Materials by performing the characterization described in Section 3 E.

C. Obtain the current per ton cost to the City for disposal of residue at the DRTS.

D. Obtain the current NRWS processing fee for tons over baseline (as adjusted for inflation) as described in Section 12.05 of the agreement between the City and NRWS (City agreement No. 8687) dated December 7, 2004.

STEP 2: Begin the calculation by reducing the Average Per Ton Market Value by the shrinkage due to residue to establish the net per ton average market value. Subtract the percentage of residue from 100, then convert the result to a percentage (e.g. .99). Multiply the Average Per Ton Market Value by this percentage.

STEP 3: Calculate the City's 70% share of the market value by multiplying the net per ton average market value by 0.7.

STEP 4: Calculate the cost to the City for residue disposal by multiplying the per ton disposal cost at the DRTS times the percent of residue in the DRTS Pre-Sorted Mixed Recyclable Materials. Subtract the cost of residue disposal from the result of Step #3.

STEP 5: Subtract the current NRWS over baseline per ton processing fee from the result of Step #4.

STEP 6: Calculate the City's payment (the City receives 9% of the net per ton average market value of the materials) by multiplying the net per ton average market value (calculated in Step 2) times 0.09. Subtract the result from the result of Step #5.

STEP 7: The result of Step #6 equals the per ton payment to Northern or the per ton payment from Northern to the City for processing the materials.

SAMPLE CALCULATION #1

STEP 1: Assume that the following data was obtained for use in the calculations:

A. The Average Per Ton Market Value for the DRTS Pre-Sorted Mixed Recyclable Materials per the characterization is $130 per ton.
B. Residue equals 0.5% per the characterization.
C. The City's current cost of residue disposal at the DRTS is $56.00 per ton.
D. The current NRWS processing fee for tons over baseline is $61 per ton.

STEP 2: 100 – 0.5 (0.5% residue) = 0.995 0.995 x $130/ton = $129.35/ton

STEP 3: $129.35/ton x 0.7 (City's 70% share of revenue) = $90.55/ton

STEP 4: $56/ton (DRTS tip fee) x 0.005(percent of residue disposal) = $0.28/ton
$90.55/ton - $0.28/ton = $90.27/ton

STEP 5: $90.27/ton - $61.00/ton (NRWS over baseline processing fee) = $29.27/ton

STEP 6: $129.35 x 0.09 (City's payment equal to 9% of the net per ton average market value from Step #2) = $11.64/ton
$29.27 - $11.64 = $17.63/ton

STEP 7: Payment to Northern = $17.63/ton

SAMPLE CALCULATION #2

STEP 1: Assume that the following data was obtained for use in the calculations:

A. The Average Per Ton Market Value for the DRTS Pre-Sorted Mixed Recyclable Materials per the characterization is $90 per ton.
B. Residue equals 0.5% per the characterization.
C. The City's current cost of residue disposal at the DRTS is $56.00 per ton.
D. The current NRWS processing fee for tons over baseline is $61 per ton.

STEP 2: 100 – 0.5 (0.5% residue) = 0.995 0.995 x $90/ton = $89.55/ton

STEP 3: $89.55/ton x 0.7 (City's 70% share of revenue) = $62.69/ton

STEP 4: $56/ton (DRTS tip fee) x 0.005(percent of residue disposal) = $0.28/ton
$62.69/ton - $0.28/ton = $62.41/ton

STEP 5: $62.41/ton - $61.00/ton (NRWS over baseline processing fee) = $1.41/ton

STEP 6: $89.55 x 0.09 (City's payment equal to 9% of the net per ton average market value from Step #2) = $8.06/ton
$1.41 - $8.06 =- $6.65/ton (negative $6.65/ton)

STEP 7: Payment to City from Northern = $6.65/ton

ATTACHMENT SEVEN

PART B

CHANGE IN CALCULATION IF CITY CEASES TO PAY FOR NAPA MDF RESIDUE DISPOSAL

In the event that the City ceases to pay for the disposal of residue from the Napa MDF in the future, the above-described calculation shall be modified by omitting STEP #4. All other parts of the calculation shall remain the same.

ATTACHMENT EIGHT
REQUIRED FORMAT FOR WRITTEN INFORMATION ON EACH LOAD DELIVERED TO THE NAPA MDF

Northern Recycling - Devlin Road Transfer Station

Date: _____

Truck #: _____

Driver: _____

(Circle area and material)

Buy Back Center:	ALUM	CRV Aluminum Cans
	PET	CRV #1 PET Plastic Bottles
	HDPENAT	CRV #2 HDPE Natural Plastic Bottles
	HDPEMIX	CRV #2 HDPE Colored Plastic Bottles
	MIXCONT	CRV #3-7 Plastic Bottles
	METAL	CRV Bimetal Cans
	GLASSCL	CRV Clear Glass Bottles
	GLASSBR	CRV Brown Glass Bottles
	GLASSGR	CRV Green Glass Bottles
	CARD	BALED Cardboard
	CARD #12	Cardboard #12
	LDPENAT	BALED Clear Film Plastic
	LDPEMIX	BALED Colored Film Plastic
	OTHER	_____
	OTHER	_____
Re-use Area:	CARD	Cardboard
	CARD #12	Cardboard #12
	ELEC	Electronics
	MXPLAS	Mixed Rigid Plastics
	NEWS	Newspaper
	PAPERMX	Mixed Paper
	TIN	Tin Cans
	OTHER	_____
	OTHER	_____
C&D Sorting Area:	CARD	Cardboard
	CARD #12	Cardboard #12
	PAPERMX	Mixed Paper
	MXPLAS	Mixed Rigid Plastics
	LDPEMIX	Mixed Plastic Film
	MXCONT	Mixed Bottles and Cans
	GLASS	Mixed Glass Bottles
	METAL	Scrap Metal
	OTHER	_____
	OTHER	_____

Please attach yellow and pink weight tickets
If any "Other" handwritten materials are included on this form, copy the form and forward it to the City Materials Diversion Analyst for review.

ATTACHMENT NINE
SCHEDULE FOR PREPARATION OF QUARTERLY AVERAGE MATERIALS REVENUE RECEIVED BY CITY AND INVOICING BY NORTHERN

For Materials Delivered During This Quarter	Use the Quarterly Average Materials Revenue Received Pricing For This Period	City Receives All Pricing Data From MDF Operator for Prior 3 Month Period	City Provides Average Materials Revenue Received Prices to Northern for the New Quarter	Northern Submits First Invoice Using Pricing for the New Quarter
January 1 – March 31	August 21 – November 20	By December 20	By January 10	By January 15
April 1 – June 30	November 21 – February 20	By March 20	By April 10	By April 15
July 1 – Sept. 30	February 21 – May 20	By June 20	By July 10	By July 15
October 1 – December 31	May 21 – August 20	By September 20	By October 10	By October 15

FIRST AMENDMENT TO
AGREEMENT BETWEEN THE CITY OF NAPA AND
NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC
FOR PROCESSING OF RECYCLABLE MATERIALS
(CITY AGREEMENT NO. 2010-147)

THIS FIRST AMENDMENT is entered into as of the 18th day of August 2016, by and between the CITY OF NAPA, a charter city and municipal corporation (hereinafter referred to as the "City") and NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC, a California limited liability company (hereinafter referred to as "Northern").

RECITALS

A. The City and Northern entered into an agreement for the processing of recyclable materials on July 6, 2010 (City Agreement No. 2010-147, hereinafter referred to as "Agreement").

B. Pursuant to the Agreement, Northern agreed to deliver certain recyclable materials received at the Devlin Road Transfer Station to the City's Materials Diversion Facility for processing and marketing.

C. The City's Materials Diversion Facility is operated by Napa Recycling and Waste Services, LLC (hereinafter "NRWS") pursuant to a contract with the City dated December 7, 2004 (City Agreement No. 8687, hereinafter "NRWS Contract").

D. The prices and charges described in Section 3 of the Agreement are inextricably linked to, and dependent upon, the revenue sharing arrangements between the City and NRWS for the sale of recyclable materials, contained in the NRWS Contract, as amended.

E. Therefore, the term of the Agreement was designed to match that of the NRWS Contract, which was originally scheduled to terminate December 31, 2015.

F. On April 16, 2014, the City exercised its right to extend the NRWS Contract by a period of one year, to December 31, 2016.

G. Accordingly, the parties now desire to extend the term of the Agreement for a period of one year so that the Agreement's term continues to correspond to the term of the NRWS Contract.

H. In May 2005, the City executed a Memorandum of Understanding ("MOU") with the County of Napa (City Agreement No. 8782) to process Recyclable Materials and Yardwaste collected in County unincorporated areas by Napa County Recycling and Waste Services, LLC ("NCRWS") for a period of ten (10) years. The pricing for Yardwaste delivered by Northern to the Napa MDF pursuant to the Agreement is

calculated based upon the Yardwaste pricing in the MOU. The MOU was included as Attachment Two to the Agreement in order to disclose certain concepts relating to payments associated with Clean MRF Recyclable Materials and Yardwaste. Since that time, the MOU has been amended and extended. The parties now desire to delete Attachment Two and instead incorporate those concepts relating to payments associated with Clean MRF Recyclable Materials and Yardwaste into the body of the Agreement.

I. The parties further desire to add pricing and terms for delivery of Food Material by Northern to the City's Materials Diversion Facility for processing.

NOW, THEREFORE, in consideration of the mutual promises contained in this First Amendment, and for other good and valuable consideration, the parties agree as follows:

SECTION 1. MATERIALS TO BE DELIVERED AND PROCESSED

Section 1 B of the Agreement is hereby deleted and replaced with the following:

"B. Yardwaste and Food Material.

Northern is not required to deliver Yardwaste from the DRTS for composting at the Napa MDF. However, the City will accept Yardwaste from Northern provided (1) there is sufficient capacity at the Napa MDF and (2) such delivery will not interfere with City and the Napa MDF operator's compliance with all applicable permits and state and local regulations.

At Northern's request the City agrees to accept up to four thousand (4,000) tons per year of Food Material from Northern as long as such delivery does not interfere with City and the Napa MDF operator's compliance with all applicable permits and state and local regulations. Food Material in excess of four thousand (4,000) tons per year may not be delivered without prior written permission from the City."

SECTION 2. TERM

Section 5 of the Agreement is hereby deleted and replaced with the following:

"The term of this Agreement shall begin on July 6, 2010 and end on December 31, 2016."

SECTION 3. INCORPORATE CONCEPTS SET FORTH IN ATTACHMENT TWO INTO THE BODY OF THE AGREEMENT, DELETE ATTACHMENTS TWO AND THREE, AND MODIFY REFERENCES THERETO AND UPDATE SPECIFIC PER TON PRICES

A. Section 3A of the Agreement is hereby deleted and replaced with the following:

"A. Yardwaste and Food Material.

1) Yardwaste. Northern agrees to pay the City thirty-three dollars ($33.00) per ton for Yardwaste delivered to the Napa MDF during calendar year 2016. This is based upon the current price paid by the County of Napa pursuant to the MOU between the City and the County of Napa dated May 3, 2005 (as amended on July 21, 2015) plus one dollar ($1.00) per ton. This price difference is in recognition of the obligation of the City set forth in Section II Part 10 of the MOU that states: "The City will not enter into a contract with any third party allowing it to deliver Clean MRF Recyclable Materials and Yardwaste on terms that are more favorable than those extended to the County in Section II.8.A, taken together."

In the event the term of this Agreement is extended past December 31, 2016, the minimum price charged to Northern for Yardwaste delivered to the Napa MDF will increase annually beginning January 1, 2017 as follows:

January 1, 2017	$34.00/ton
January 1, 2018	$35.00/ton
January 1, 2019	$36.00/ton

In addition to the prices described herein, it is likely the City will further increase the price for processing Yardwaste within twelve to thirty-six months when the City's planned Covered Aerated Static Pile (CASP) composting system is installed and becomes fully operational at the Napa MDF. In that event, the Yardwaste processing price charged by the City to Northern shall be the total per ton price charged to the County of Napa plus one dollar ($1.00) per ton."

2) Food Material. Northern agrees to pay the City forty-five dollars ($45.00) per ton for Food Material delivered to the Napa MDF during calendar year 2016. In the event this Agreement is extended past December 31, 2016, the minimum price charged to Northern for Food Material delivered to the Napa MDF will increase annually beginning January 1, 2017 as follows:

January 1, 2017	$46.00/ton
January 1, 2018	$47.00/ton
January 1, 2019	$48.00/ton

In addition to the prices described herein, it is likely the City will further increase the price for processing Food Material within twelve to thirty-six months when the City's planned Covered Aerated Static Pile (CASP) composting system is installed and becomes fully operational at the Napa MDF."

B. Attachments Two and Three are hereby deleted. The description of Attachments Two and Three in the List of Attachments following the signature page is hereby amended to read as follows:

"Attachment Two. Not Used"
"Attachment Three. Not Used"

SECTION 4. DEFINITIONS

Attachment One is hereby amended by revising the definition of "Contamination" as follows and by adding a new definition for "Food Material":

"Contamination" means materials mixed in with Pre-Processed, Market-Ready Recyclable Materials, Pre-Processed, Baler-Ready Recyclable Materials, Yardwaste, Food Material, Covered Electronic Waste, Electronic Waste or DRTS New Materials that would reduce the quality and value of the materials to end markets. For example, the presence of glass in a load of mixed paper or in a load of Food Material would be considered Contamination. The level of unacceptable Contamination is described in Section 6(A) of this Agreement."

"Food Material" means source separated surplus, spoiled or unsold food that is acceptable to City for composting including, but not limited to, vegetables, meat and bones, seafood, dairy products, eggs and eggshells, rice, beans, bread, pasta, coffee grounds, and plate scrapings of these materials. "Food Material" also includes soiled paper products that are acceptable to City for composting including paper towels, tissue products, paper napkins, paper plates and cups, coffee filters, tea bags, waxed paper, butcher paper, paper take-out boxes and containers, greasy pizza boxes, paper bags, cardboard, and wax-coated cardboard produce boxes. "Food Material" does not include polystyrene, diapers, kitty litter, aluminum foil, foil-lined food wrap, metals, photographic paper, blue-line or blueprint paper, plastic-backed paper, paper containing any plastics, plastics or glass, all of which are considered Contamination."

SECTION 5. CONTAMINATION OF LOADS

Paragraph A "Contamination of Loads" of Section 6 "Other Agreements" is hereby amended by adding the following subparagraph and renumbering the final subparagraph.

"4) Food Material delivered to the Napa MDF which contain five percent (5%) or more by weight of materials constituting Contamination that will need to be removed before the Food Material can be processed and the resulting product(s) marketed.

5) For any load containing Hazardous Waste."

New subpart (iii) is hereby added to Paragraph A as follows:

"(iii) direct the operator of the Napa MDF to reject loads of Food Material that contain less than five percent (5%) Contamination if, in the sole discretion of City, the load contains Contaminants such as rocks or glass that are considered a prohibitive material because the materials could damage the pre-processing equipment and/or result in poor quality or unmarketable compost. If, despite notice from City to Northern, such prohibitive Contamination is found in additional

loads, the City reserves the right to cease accepting Food Materials from Northern within twenty-four (24) hours of providing written notice to Northern."

The paragraph immediately following new subpart (iii) is hereby amended to read as follows:

"The City or its designee will provide notification of Contaminated loads to Northern within twenty-four (24) hours of either the City's discovery of the Contamination or notification to the City from its contract operator of discovery of the Contamination."

All other text of Paragraph A remains unchanged.

SECTION 6. FULL FORCE AND EFFECT

Except as expressly modified by this First Amendment, all terms and conditions contained in the Agreement dated July 6, 2010 shall remain in full force and effect.

IN WITNESS WHEREOF, City and Northern have executed this First Amendment as of the day and year first above written.

CITY OF NAPA:

By: _____
(Signature)

Jacques R. LaRochelle, Public Works Director
(Type Name and Title)

ATTEST:

_____
(Signature)

Dorothy Roberts, City Clerk
(Type Name and Title)

COUNTERSIGNED:

_____
(Signature)

Desiree Brun, City Auditor
(Type Name and Title)

APPROVED AS TO FORM:

_____
(Signature)

Michael Barrett, City Attorney

NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY*:

_____
(Tax I.D. Number)

By: _____
(Signature)

Greg Kelley, Managing Member
(Print Name and Title)

By: _____
(Signature)

(Print Name and Title)

*Unless corporate resolution delegates an individual to sign contracts, an agreement with a corporation shall be signed by the President or Vice President and the Secretary or Assistant Secretary of the corporation. A general partner shall sign on behalf of a general partnership. The managing member, if authorized, may sign on behalf of a limited liability company.

Budget Code(s): 51005-34402 (MDF Gate Fees – Revenue Account)
51005-58911 (Payment for Material – Expenditure Account)

SECOND AMENDMENT TO
CONTRACT FOR THE COLLECTION AND TRANSPORTATION OF MUNICIPAL SOLID WASTE, RECYCLABLE MATERIALS, AND YARDWASTE AND THE OPERATION OF THE NAPA MATERIALS DIVERSION FACILITY
(CITY AGREEMENT No. 8687)

THIS SECOND AMENDMENT is entered into as of the 6th day of July, 2010, by and between the CITY OF NAPA, a charter city and municipal corporation (hereinafter referred to as the "City") and NAPA RECYCLING & WASTE SERVICES, LLC, a California limited liability company (hereinafter referred to as "Contractor")

RECITALS

1. The City and Contractor entered into a contract for Collection and Transportation of Municipal Solid Waste, Recyclable Materials, and Yardwaste and operation of the Napa Materials Diversion Facility on December 7, 2004 (City Agreement No. 8687, hereinafter referred to as "Contract").

2. The parties executed the First Amendment to the Contract on March 1, 2005 to replace seven conventional diesel fuel collection vehicles identified in the Contract with seven collection vehicles powered by engines using compressed natural gas ("CNG").

3. The parties enter into this Second Amendment to (a) formalize agreements made among the parties and an affiliate of Contractor, currently reflected in a signed "Joint Summary Report," dated April 9, 2007, and (b) document the parties' agreements on operational changes that have evolved since Contractor commenced City collection and processing at the Materials Diversion Facility ("MDF") on October 1, 2005.

BACKGROUND TO THIS SECOND AMENDMENT

The Napa Vallejo Waste Management Authority (the "Authority") owns and contracts for the operation of the Devlin Road Transfer Station (the "DRTS") located adjacent to the City of Napa Materials Diversion Facility.

The Authority is comprised of the following member agencies: the City of Napa; the County of Napa; the City of Vallejo; and the City of American Canyon. The DRTS serves all of the member agencies. The primary operation conducted at the DRTS to date has been the transfer and hauling of municipal solid waste to a landfill.

The Authority was created by a Joint Powers Agreement, dated March 17, 1993 and signed by each member (the "JPA Agreement"). Section 6.4 of the JPA Agreement states: "The AUTHORITY shall not provide any recycling services that duplicate or compete with recycling services provided by any MEMBER (at the time the AUTHORITY determines to provide new or expanded recycling services) without consent of the MEMBER." In addition, Section 14.05, "No Affiliated Entity," of the Contract includes a similar statement: "Contractor will not form or use any Affiliated Entity to perform any of the services or activities which Contractor is required or allowed to perform under this Contract, other than as a subcontractor approved by City under Section 14.04."

On September 29, 2006, the Authority issued a Request for Proposals for operation of the DRTS for a ten year period beginning July 1, 2007 ("Authority RFP"). The Authority RFP required the operator of the DRTS to divert a minimum of twelve percent of the incoming tonnage for recycling, composting and reuse.

A new affiliate company, Northern Recycling Operations and Waste Services, LLC ("Northern") was formed by substantially the same persons who own and control Contractor, for the purpose of responding to the Authority RFP. Northern submitted a proposal to the Authority in December 2006 which contemplated using some of the same personnel and equipment that were already contractually committed to the City pursuant to the Contract. In addition, Northern proposed to divert twenty-five percent of the incoming tonnage in year one of the operating agreement, thirty percent by year three, and thirty-five percent by year five. This large proposed increase in diversion had the potential to put the DRTS operations in direct competition with the City's Materials Diversion Facility for processing recyclable materials from the Napa Valley-Vallejo wasteshed.

The Authority selected Northern to be the operator of the DRTS for a fifteen year period beginning July 1, 2007. The selection of Northern as operator of the DRTS under the terms of its contract with the Authority created changed conditions that were not contemplated by the terms of the Contract between the City and Contractor. Several of these changes could, if not addressed in this Second Amendment to the Contract, harm the City.

Subsequently, the City, Contractor and Northern exchanged written correspondence and held a series of meetings to discuss methods to address the City's concerns. These resulted in the Joint Summary Report which was signed by the City, the Contractor and Northern on April 9, 2007 and presented to the Napa City Council on April 17, 2007. At this meeting, Council directed City staff to incorporate the agreements made in the Joint Summary Report into a Second Amendment to the Contract.

On March 19, 2010 the Authority approved an amended and restated agreement with Northern that modified the Authority's agreement with Northern, including reducing the required diversion level from twenty five percent to fourteen percent of the inbound tonnage at the DRTS.

In addition to the background discussed above, this Second Amendment incorporates several modifications to the Contract in order to document minor changes in operations that the parties have informally agreed upon since October 2005.

NOW, THEREFORE, in consideration of the mutual promises contained in this Second Amendment, and for other good and valuable consideration, the parties agree as follows:

SECTION 1. RECEIPT AND CHARACTERIZATION OF MATERIALS

Article 6 of the Contract is amended as follows:

1. The following new paragraph is added at the end of Section 6.01:

   "Contractor shall comply with all MDF Operating Regulations as set forth in Attachment EE, which may be revised from time to time by the City."

The new Attachment EE is attached hereto and incorporated herein as Exhibit 6.

2. The first paragraph of Section 6.03 – **Receipt of Recyclable Materials/Yardwaste** is amended by adding the following clauses at the end of the paragraph:

", (5) entities with which the City has entered into a contract for use of the Materials Diversion Facility, and (6) any other materials delivered to the Materials Diversion Facility by the public, private businesses, other haulers and other public agencies."

3. The following new Section 6.03.01 is added:

"Section 6.03.01 - <u>Receipt and Processing of Materials from Devlin Road Transfer Station</u>

A. Contractor shall accept for processing the following materials delivered from the Devlin Road Transfer Station ("DRTS") pursuant to the City's Agreement with Northern Recycling Operations and Waste Services, LLC (Northern) dated <u>July 6</u>, 2010, attached hereto as Attachment AA and incorporated herein by this reference,: (1) Yardwaste, (2) Recyclable Materials, and (3) DRTS New Materials.

B. Yardwaste will be delivered to the Composting Area. Pre-processed, Baler-Ready Recyclable Materials, Pre-Processed, Market-Ready Recyclable Materials (including carpet underpadding), DRTS Pre-Sorted Mixed Recyclable Materials, and DRTS New Materials will be delivered to the Clean MRF.

C. Yardwaste delivered from the DRTS and DRTS Pre-Sorted Mixed Recyclable Materials (including DRTS Pre-Sorted Mixed Recyclable Materials delivered under emergency circumstances as described in the City-Northern agreement, Attachment AA) will be included in the tonnage used to calculate Contractor's eligibility for an Additional Payment under Section 12.05, and the amount of any such Additional Payment. Pre-Processed, Baler-Ready Recyclable Materials, Pre-Processed, Market-Ready Recyclable Materials, and DRTS New Materials delivered from the DRTS to the Clean MRF will not be included in the tonnage used to calculate Contractor's eligibility for an Additional Payment under Section 12.05 nor the amount of any such Additional Payment.

However, Pre-Processed, Baler-Ready Recyclable Materials, Pre-Processed, Market-Ready Recyclable Materials, and DRTS New Materials delivered from the DRTS will reduce the Maximum Capacity of the Clean MRF and Contractor's obligation to provide processing capacity is accordingly reduced. For example, if 1,500 Tons of Pre-Processed, Baler-Ready Recyclable Materials, Pre-Processed, Market-Ready Recyclable Materials, and DRTS New Materials are delivered from the DRTS in calendar year 2010, they will not be included in the calculations used in determining Contractor's eligibility for an Additional Over Baseline Processing Payment under Section 12.05 for that year, but the Maximum Capacity of the Clean MRF for that year will be reduced from 46,800 tons to 45,300 tons.

D. **Characterization of the Materials.** The quantity of DRTS Pre-Sorted Mixed Recyclable Materials delivered by Northern from the DRTS to the Napa Materials Diversion Facility is not to exceed ten percent (10%) of the total tons delivered by Northern in a single calendar year and residue in these materials is not to exceed one percent (1%). A characterization of the DRTS Pre-Sorted Mixed Recyclable Materials will be conducted by the City using labor provided by Contractor pursuant to Attachment F, Section 6.8. The City will provide independent oversight of the sort using City employees, independent contractors, or agents of

City to determine the Average Per Ton Market Value of the material and the percent residue remaining after the material is sorted. The City shall prescribe the sampling technique and protocol, the size and number of samples, the sorting methodology, the method for weighing sorted materials, the method for inputting the data and the protocol used to calculate the following: (i) the percent of each material in the mix, (ii) the Quarterly Average Materials Revenue Received for each type of material in the mix, and (iii) the percent residue. The City envisions that the characterization will be conducted by collecting samples of the mixed materials in sample boxes and manually sorting the material such that the sorting belts at the Napa Materials Diversion Facility are not impacted. The City reserves the right to change the sampling methodology and protocol, and also to utilize or substitute any sorting labor it chooses (including but not limited to City forces, third parties, independent contractors, interns and other agents of the City) to conduct the characterization. Once the Average Per Ton Market Value of the material mix is established, additional characterizations may be conducted at frequencies determined at the sole discretion of the City. Contractor will cooperate fully with City in conducting all characterizations of DRTS Pre-Sorted Mixed Recyclable Materials. If Contractor has already performed the characterizations required by Attachment F, Section 6.8 for other City-directed purposes, City may conduct additional characterizations using non-Contractor labor, or may compensate Contractor for performing additional characterizations. The number of Tons of material delivered from the DRTS will be based solely on Materials Diversion Facility scalehouse records.

E. Additional terms related to the processing, delivery and pricing of Yardwaste and Pre-Processed, Baler-Ready Recyclable Materials, Pre-Processed, Market-Ready Recyclable Materials, DRTS Pre-Sorted Mixed Recyclable Materials, and DRTS New Materials are contained in the agreement between the City and Northern, Attachment AA. Contractor will cooperate with City and Northern to accomplish the purpose of that agreement. Contractor and Affiliated Entities will not employ any artifice, business structure or other stratagem to circumvent or undermine the spirit and purpose of this Contract or the spirit and purpose of the City-Northern agreement. Nothing in the City-Northern agreement is intended to relieve Contractor of its duties and responsibilities described in this Contract to market the Materials Diversion Facility and to encourage new and repeat customers to bring materials directly to the Materials Diversion Facility.

F. In order for the City to pay Northern for materials delivered to the Materials Diversion Facility since May 1, 2008 pursuant to Section 4 D of the City-Northern agreement, Contractor shall provide the City with a special detailed report in the format shown in Attachment DD, for the period April 21, 2008 through December 20, 2009. The report will be submitted by Contractor on or before August 16, 2010. Contractor shall also submit a similar special Attachment DD report for the period August 21 through November 20, 2009 on or before August 16, 2010. These reports shall include all the information required to be provided in Attachment DD reports.

Attachment AA, the City's agreement with Northern, is attached hereto and incorporated herein as Exhibit 1.

SECTION 2. NO DUPLICATION OF BALER

The following Section 6.03.02 is added to the Contract:

"Section 6.03.02 – Use of Personnel and Equipment

Contractor will not permit Northern or any other Affiliated Entity to use any of Contractor's equipment or personnel to deliver Yardwaste or Pre-Processed, Baler-Ready Recyclable Materials, Pre-Processed, Market-Ready Recyclable Materials, DRTS Pre-Sorted Mixed Recyclable Materials, DRTS New Materials or any other materials from the DRTS to the Materials Diversion Facility.

Contractor and all Affiliated Entities (including Northern) agree not to install, provide, lease, or operate a high capacity baler that is capable of creating export bales within a five (5) mile radius of the entrance to the Materials Diversion Facility. The five (5) mile radius is shown on the map attached hereto and incorporated herein as Attachment BB. Contractor and Affiliated Entities may, for other business purposes, install, provide, lease and operate small balers, which are limited to a vertical "downstroke" type of baler with a single ram and that would produce bales not exceeding 800 pounds each (assuming corrugated cardboard is the materials being baled), at private businesses as long as all of the following conditions are met:

A. All of the Recyclable Materials and all other materials baled are directly delivered to the Materials Diversion Facility for final marketing.

B. If the baled materials are delivered to the Materials Diversion Facility by Napa County Recycling and Waste Services LLC ("NCRWS"), or its subcontractor, pursuant to NCRWS's collection contract with the County of Napa dated May 3, 2005, County of Napa Agreement No. 6431, the tons of such baled materials shall be delivered to the Clean MRF Area for processing and shall be included in the tonnage used to calculate Contractor's eligibility for an Additional Payment under Section 12.05 and to calculate the amount of any such payment. The pricing contained in the City's Memorandum of Understanding with the County of Napa dated May 3, 2005 (City Agreement No. 8782, County of Napa Agreement No. 6430) shall apply to this baled material.

C. The balers are not used to bale any materials committed to be delivered by Northern from the DRTS to the Materials Diversion Facility pursuant to the agreement between the City and Northern, Attachment AA.

D. The balers are not used to bale any DRTS New Materials as defined in the agreement between the City and Northern, Attachment AA, which the City has a right of first refusal to bale and market, unless the City has provided written notice to Northern of the City's refusal to bale and market a specific material.

E. The baler is not used to in any way circumvent, undermine or defeat the purpose of the this Contract or the agreement between the City and Northern, Attachment AA.

Contractor has submitted a list of the small balers installed or operated by Affiliated Entities at private businesses within a five (5) mile radius of the entrance to the Materials Diversion Facility, attached hereto and incorporated herein as Attachment CC. Contractor

shall update the list and submit a new list to City on July 1, October 1, January 1 and April 1 of each year of the Term. The Contractor will submit the list even if there have been no additions or deletions to the list since the prior list was submitted.

Contractor shall make the decision as to whether to re-bale any baled materials received at the Materials Diversion Facility or to market the baled material directly. Contractor shall make reasonable business efforts and act in good faith to maximize the revenue from the sale of such material."

Attachment BB, the five (5) mile radius map, is attached hereto and incorporated herein as Exhibit 3 and Attachment CC, the list of small balers located within a five (5) mile radius of the Materials Diversion Facility, is attached hereto and incorporated herein as Exhibit 4.

SECTION 3. EQUIPMENT

Article 7 "Equipment and Personnel," Section 7.01 **General** is amended by adding the following third paragraph and new subsection at the end of the section to read as follows:

"If Contractor enters into any financial transactions with an Affiliate for the provision of labor, equipment, supplies, services, or capital related to the furnishing of services under this Contract, or for the purchase of Recyclable Materials, that relationship shall be disclosed to City, and in the financial reports submitted to City. In such event, the City's rights to inspect records and obtain financial data shall extend to such Affiliate. The provisions of Section 14.04 shall apply to any proposed subcontractor, whether the proposed subcontractor is an Affiliated Entity or other Person.

A. Management and Use of Equipment.

1. Exclusive use at Materials Diversion Facility. Except as expressly permitted herein, Contractor shall not utilize any of the equipment listed in Attachments K, L and M, or any equipment that Contractor is required by this Contract to provide in the future, for any purpose other than operation of the Materials Diversion Facility. Said equipment shall not be used for operation of the DRTS by Contractor's affiliated company, Northern, any operations of NCRWS, or operations by any other Affiliated Entity.

Equipment that shall not be used for any other purpose includes but is not limited to: the Materials Diversion Facility water truck, forklift and loader; office equipment; computers; printing and postage resources; and collection equipment such as trucks, roll off boxes, carts, and bins.

2. Equipment Identification. All equipment provided by Contractor for operations pursuant to this Contract, including but not limited to vehicles, carts, roll off boxes, bins, and rolling stock in the Materials Diversion Facility shall be specially marked to indicate that the equipment belongs to Napa Recycling and Waste Services, LLC and is for use solely in the City of Napa. Such painted markings shall be easily visible and recognizable from a distance of one hundred (100) feet as distinguishing Contractor's equipment from that of all other Affiliated Entities, including but not limited to Northern, NCRWS and 600 Tower Road (dba Valley Recycling). As part of the markings described herein, Contractor shall consecutively number all three hundred fifty (350) roll off boxes committed by Contractor to City operations as listed in Attachment L. These roll off boxes shall be numbered from 001 to 350 in numbers easily discernable from a distance of one hundred (100) feet.

All vehicles and equipment owned by each of Contractor's Affiliated Entities including but not limited to vehicles and roll off boxes shall also be uniquely painted to identify the vehicles and equipment as belonging to each of the affiliates. Such painted markings shall be easily discernable from a distance of one hundred (100) feet.

Contractor shall complete the above-described painting and marking by September 30, 2010.

3. Accommodation of Affiliate Computer. Contractor may install and operate the AS 400 computer owned by Northern and used to store and manipulate data from operation of the DRTS in the offices of the Materials Diversion Facility. If it does so, Contractor shall be responsible for all maintenance, repair and replacement of the computer, shall carry insurance on it, and shall hold the City harmless for any damage to or destruction of it.

4. No Storage of Other Affiliate Property. Except as provided under the lease between City and NCRWS for storage of NCRWS equipment (City Agreement No. 8891), Contractor shall not install or store any other personal property, including but not limited to computers, printers, fax machine, office equipment or any other items that are not specifically dedicated to operations for the City required by this Contract, without the prior written consent of the City. If the City approves the installation or storage of any such equipment at the Materials Diversion Facility, Contractor agrees to be fully responsible for maintenance, repair and replacement of all such equipment, to carry insurance on all such equipment, and to hold the City harmless for any damage to or destruction of such equipment."

SECTION 4. PERSONNEL

Section 7.06 **Personnel**, subsection A **General** is amended adding the following after the second paragraph:

"1. General Manager and Controller. Contractor originally committed to provide eighty-five percent (85%) of one full time equivalent (FTE) for both the General Manager and Controller positions. Effective July 1, 2007, Contractor has reduced the annual work hours of the General Manager, currently Greg Kelley, from eighty-five percent (85%) of one FTE to seventy-five percent (75%) of one FTE. Contractor agrees the General Manager position will be held by Greg Kelley unless the City approves, in writing, substitution of another General Manager. Contractor further agrees that the annual work hours provided by the General Manager to the City shall not be reduced below seventy-five percent (75%) of one FTE without the written consent of the City. For purposes of this Contract one (1) FTE equals two thousand eighty (2080) work hours per year.

Effective July 1, 2007, Contractor has reduced the annual work hours of the Controller, currently Mike Murray, from eighty-five percent (85%) of one FTE to seventy-five percent (75%) of one FTE. Contractor agrees the Controller position will be held by Michael Murray unless the City approves, in writing, substitution of another Controller. Contractor further agrees that the annual work hours provided by the Controller to the City shall not be reduced below seventy-five percent (75%) of one FTE without the written consent of the City.

In order to accommodate the work being performed by the General Manager and the Controller for Affiliated Entities as described herein, those two (2) management employees may utilize their office space at the Materials Diversion Facility for such work.

2. Reduction In Payment To Contractor For Personnel Reduction. The Operating and Capital Cost Payment to Contractor, as described in Sections 12.02 and 12.03 of the Contract, is reduced effective July 1, 2007 to reflect the reduction in work hours described in Section 7.06A 1. Table 1 of Attachment T, as amended and restated, reflects the revised Operating and Capital Cost Payment to Contractor. The revised figures are expressed in 2004 dollars."

Attachment T, "Combined Operating and Capital Cost for Collection and MDF Operation," is amended by adding two new sets of tables that are included in Exhibit 2 and incorporated herein by this reference. The two new sets of tables are in addition to the existing Attachment T, which will remain as part of the Contract. The first new set of the Attachment T tables shows the reduction in payment to Contractor for the personnel reduction described in this section as of July 1, 2007, "Combined Operating and Capital Cost for Collection and MDF Operation Revised as of July 1, 2007". All tables in Attachment T that were affected by this change have been updated and are included in Exhibit 2. The tables as of July 1, 2007 also reflect changes made in the annual Operating and Capital Cost payment to Contractor as described in Section 12.02, up to and including those for July 1, 2007, as well as a July 2006 adjustment to the costs for providing Collection services to NVUSD resulting from the removal of service to schools in the City of American Canyon and the addition of service to Stonebridge Elementary School. The second new set of Attachment T tables, "Combined Operating and Capital Cost for Collection and MDF Operation Revised as of July 1, 2010" shows the NRWS costs updated as of July 1, 2010. The July 1, 2010 set of tables includes annual cost adjustments made to the Contractor's Operating and Capital Cost payment pursuant to Section 12.02, changes based upon the Cost Review conducted in 2008 pursuant to Section 12.02E, the reductions for changes in personnel described in this section, and the addition of 0.25 FTE scalehouse coverage by NRWS in December 2008.

SECTION 5. LIQUIDATED DAMAGES

Section 13.09 "Liquidated Damages" is amended by adding the following category of Liquidated Damages after subsection "**A. Collection Reliability**":

"A-1. Use of NRWS Personnel or Equipment By Affiliated Entities

(i) For each instance that City documents use of NRWS personnel or equipment being used by Affiliated Entities (via photograph or on-site observation by a City employee or agent) $200.00

(ii) For each instance that City documents use of NRWS personnel or equipment being used by Affiliate Entities (via photograph or on-site observation by a City employee or agent) over 5 such instances within a six (6) month period $400.00"

SECTION 6. REPORTING

Section 6.15 **"Marketing of Recovered Materials and Compost,"** subsection C, **"Marketing Duties,"** is amended with the addition of the following new subsection 6:

"6. Department of Resources Recycling and Recovery Regulations.

Contractor shall comply with all regulations of the California Department of Resources Recycling and Recovery (CalRecyle) and any successor agencies that administer the California Beverage Container Recycling and Litter Reduction Act, including but not limited to regulations concerning (1) tracking of tonnages and material types, (2) calculation and allocations of tonnages of each type of material marketed and reported, (3) preparation of all documentation required for transactions involving materials with California Redemption Value (CRV), and (4) all reports prepared for and tracking of funds received for CRV materials, including but not limited to DR-6 and DR-7 reports, as set forth in Public Resources Code Division 12.1, Chapter, Section 14500 *et seq.* and all regulations relating thereto. Contractor shall be solely responsible for all allocations and calculations of tonnages marketed and all tonnages and pounds reported under each category in the DR-6 and DR-7 reports to CalRecycle."

Section 6.16 **"Contractor Reports,"** is deleted in its entirety and replaced with the following:

"Section 6.16. Contractor Reports. On or before the twentieth (20th) day of each month, Contractor shall submit to City a report showing the information required in Attachment R under the heading "Monthly MDF Reports". On or before the twentieth (20th) day of each month Contractor shall also submit the information required in Attachment DD "MDF Materials Paid Sales Report" as it may revised from time to time by City. The information in attachment DD shall be reported for the Materials Sales Month that includes the 21st day of each month through the 20th day of the previous month. For example, the Materials Paid Sales Report submitted on May 20th of a given year would describe MDF materials sales deposits for the time period of March 21st through April 20th (previous Materials Sales Month). The information shall be submitted in electronic sortable format (e.g. Excel pivot tables or equivalent) compatible with City computer hardware and software. The initial reporting format is shown in Attachment DD. The columns have been color-coded by the parties to facilitate development and use of the new reporting format. Each load shall be identified by, tracked and reported using the MDF weight ticket number for that load.

A. Information to Be Provided. The information to be provided includes but is not limited to the following for each and every materials sales transaction:

- MDF ticket number
- Month shipped
- Date shipped
- Name of scrap buyer
- Name of CRV buyer and/or broker
- Material type
- For electronic waste list pounds of computers and pounds of CRT's plus total Electronic Waste tons
- Container number
- Booking number
- Seal number
- Weight of load outbound at MDF scale house (in tons)
- Buyer paid pounds
- Buyer Paid Tons
- Total check amount for scrap value
- Total check amount for CRV value
- Aggregate check amount for scrap and CRV value together
- Number of pounds in the load that came from a buyback center or recycling center program ("RC pounds")

- Number of pounds in the load that came from a curbside recycling program ("CS pounds")
- Number of pounds in the load that came from a collection program ("CP pounds")
- Dollars paid for RC CRV
- Dollars paid for CS CRV
- Dollars paid for CP CRV
- Scrap price per pound
- Scrap price per ton
- Dollars paid for RC scrap
- Dollars paid for CS scrap
- Dollars paid for CP scrap
- RC total dollars per ton
- CS total dollars per ton
- CP total dollars per ton
- Total dollars per ton received.

B. Retention of Records. Contractor shall retain records for all materials sales transactions for a period of three (3) years after the date of receipt or issuance. Such records shall include but not be limited to purchase orders, bookings, copies of checks received in payment for materials, receipts, invoices and other documentation showing the payments, costs and deductions charged by brokers, end markets and processors for freight, shrinkage, packaging, contamination, demurrage, storage and all other charges and costs affecting the final revenue received for the materials, and any other documents related to the sale of material(s) and payment for materials, as specified by City. Records of allocation of materials and calculations used by Contractor to determine the quantities of each type of material listed on the Attachment R and Attachment DD reports as marketed from the MDF shall also be maintained by Contractor. Contractor may, at its option, maintain these records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner.

C. Requests For Additional Information. City may request additional information regarding any Attachment R report and any Attachment DD report. Such request shall be in writing and shall describe the information requested with reasonable specificity. Contractor shall furnish the requested information to City within thirty (30) days from the date of the request.

D. Use of Information. City may use records provided pursuant to this section for any purpose including, but not limited to review by City employees, auditors, contractors or other agents, and review by CalRecycle, its successor or other agencies. Such records and documents may not be considered proprietary by Contractor.

New Attachment DD is attached hereto and incorporated herein as Exhibit 5.

SECTION 7. DIVERSION INCENTIVE AND DIVERSION DEBIT/CITY REVENUE RECEIVED FROM SALE OF ELECTRONIC WASTE BY NORTHERN

Section 12.04 Diversion Incentive Payment or Debit of the Contract and Attachments V-1 (Calculation of Diversion Incentive) and V-2 (Calculation of Diversion Debit) are deleted. This provision is retroactive to the Effective Date of the Contract.

Section 12.06 Share of Revenues from Sale of Recyclable Materials and Compost is amended by adding the following at the end of the section:

"Revenues received by the City from Northern's direct sales of Electronic Waste and Covered Electronic Waste from the DRTS pursuant to Section 3 D of the agreement between the City and Northern in Attachment AA, shall not be shared with Contractor.

The parties acknowledge and agree that for operational reasons, and because Northern is an Affiliated Entity to Contractor, revenues from Northern's direct sale of Electronic Waste and Covered Electronic Waste from the DRTS were inadvertently commingled with revenues from Contractor's sale of Electronic Waste and Covered Electronic Waste from the MDF and deposited into the City's revenue account during the period April 21, 2008 through February 28, 2010. City paid Contractor thirty percent (30%) of this revenue pursuant to this Section 12.06. The parties agree that for this period only (April 21, 2008 through February 28, 2010) Northern will receive sixty-nine percent (69%) of the revenue from sale of its Electronic Waste and Covered Electronic Waste, the City will receive one percent (1%) of the revenue and Contractor will retain the thirty percent (30%) of the revenue already received from City. As of March 1, 2010 Northern has, and will continue to sell its Electronic Waste and Covered Electronic Waste directly from the DRTS and has and will continue to receive payment for said material directly from the end market or processor. Revenue from these sales will be shared with City pursuant to Section 3 D of the agreement between the City and Northern in Attachment AA.

SECTION 8. DEFINITIONS

Attachment A "Definitions" is amended by adding the following new definitions:

" **"Pre-Processed, Baler-Ready Recyclable Materials"** means fiber, plastics, aluminum and other Recyclable Materials segregated by type and sorted to remove contaminants so that they are "baler-ready" and do not require any additional sorting.

"**Pre-Processed, Market-Ready Recyclable Materials**" means glass, Covered Electronic Waste, Electronic Waste and other materials that are pre-sorted, ready to go directly to market, and do not require baling. In the case of Covered Electronic Waste and Electronic Waste, the material is to be already sorted into those two categories, stacked on pallets, wrapped and ready for shipment to markets.

"**DRTS Pre-Sorted Mixed Recyclable Materials**" means a mix of two or more Recyclable Materials from the DRTS delivered by Northern, collected, stored, delivered or pre-sorted such that different material types are mixed together and are not completely source or type separated. Such materials must be further sorted and processed before they are ready to go to market. DRTS Pre-Sorted Mixed Recyclable Materials does not include Single Stream Recyclable Materials (as defined in the agreement between the City and Northern in Attachment AA), regardless of their residue content.

"**DRTS New Materials**" means materials not included in the definitions of Pre-Processed, Baler-Ready Recyclable Materials, Pre-Processed, Market-Ready Recyclable Materials, or DRTS Pre-Sorted Mixed Recyclable Materials, that are delivered to the DRTS and that require baling and marketing. Pursuant to the City's agreement with Contractor's affiliate, Northern, Attachment AA, , the City has the right of first refusal to bale and market such materials. The following materials are excluded from DRTS New Materials: loose, unbaled scrap metal, wood, drywall, sheetrock, concrete and asphalt that are already

being sorted and marketed directly by Northern from the Construction and Demolition sorting line at the DRTS as of January 1, 2008.

"**Materials Sales Month"** means the period beginning on the 21st day of each month and ending on the 20th day of the following month. The Materials Sales Month corresponds to the reporting periods required for the City's agreement with Northern in Attachment AA. The monthly reports submitted by Contractor in the format included in Attachment DD shall report materials sales data for each Materials Sales Month.

"**Quarterly Average Materials Revenue Received"** means the average of the revenue received for a specific material marketed from the Materials Diversion Facility for each of the three months of the preceding quarter as defined herein. (The Quarterly Average Materials Revenue Received reflects one hundred percent (100%) of the revenue received for the material, prior to the seventy percent/thirty percent (70%/30%) revenue split between City and Contractor.) For purposes of calculating the Quarterly Average Materials Revenue Received, the following quarters will be used: the Quarterly Average Materials Revenue Received prices to be applied for the period October 1 through December 31 will be based upon the revenue received by the City for each material type during the period May 21 through August 20. The Quarterly Average Materials Revenue Received prices to be applied for the period January 1 through March 31 will be based upon the revenue received by the City for each material type during the period August 21 through November 20. The Quarterly Average Materials Revenue Received prices to be applied for the period April 1 through June 30 will be based upon the revenue received by the City for each material type during the period November 21 through February 20. The Quarterly Average Materials Revenue Received prices to be applied for the period July 1 through September 30 will be based upon the revenue received by the City for each material type during the period February 21 through May 20. The City will calculate the Quarterly Average Materials Revenue Received for each quarter by taking the revenue received each quarter divided by the number of tons of that material sold in the quarter. A sample calculation of the "Quarterly Average Materials Revenue Received" appears in Attachment Four of the agreement between the City and Northern, attached hereto as Attachment AA."

"**Buyer Paid Tons"** means the price that a purchaser paid for a specified number of tons in a given materials shipment or load that is marketed by Contractor from the MDF. Buyer Paid Tons may differ from the actual number of tons in the outbound weight of the materials taken at the MDF scales due to moisture, contamination, packaging weight, or other difference in the weight of the load when it is weighed at the buyer's scales.

The definition of "PC Scales System" in Attachment A is deleted and is replaced in its entirety with the following:

"Soft Pak Scale System: "Soft Pak Scale System" means the software system supplied by Soft Pak and installed at the Materials Diversion Facility scalehouse for the purpose of recording, managing and reporting of weights of inbound and outbound loads."

The definition of "Recovered Materials" in Attachment A is deleted and replaced in its entirety with the following:

"Recovered Materials: "Recovered Materials" means those materials that are processed at the Materials Diversion Facility and diverted from disposal by recycling or composting,

including materials received from entities which contract with the City for use of the Materials Diversion Facility."

All references to the "California Integrated Waste Management Board" and to the "California Department of Conservation" are hereby changed to the "California Department of Resources Recycling and Recovery ("CalRecycle") and any successor agencies".

SECTION 9. MATERIALS DIVERSION FACILITY OPERATING DAYS AND HOURS, MATERIALS MARKETING AND CHARACTERIZATION OF DRTS MIXED MATERIALS

Attachment F "Scope of Work for Operations at Napa Material Diversion Facility", Section 2.61 is deleted and replaced in its entirety with the following:

"The hours for receipt of loads from the general public shall be daily from 8:00 AM to 4:00 PM."

Attachment F, Section 2.62 is deleted and replaced in its entirely with the following:

"The Materials Diversion Facility will be open every day of the year, except for the following four holidays: New Years Day, Easter Sunday, Thanksgiving Day and Christmas Day. On the following holidays when the Materials Diversion Facility is open, the public operating hours shall be 8:00 AM to 3:00 PM: Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, and the day following Thanksgiving Day. On Christmas Eve, the public operating hours shall be 8:00 AM to 12:00 PM (noon)."

Attachment F, Section 6.2.1 "Marketing MDF Capacity" is amended by adding the following prior to the first sentence:

"Contractor shall use reasonable business efforts and act in good faith to market the processing capacity of the Materials Diversion Facility to other entities, agencies and organizations, including, but not limited to, public agencies, private businesses, including recyclers and other haulers, and all other potential customers."

Attachment F, Section 6.8.2 is amended by adding the following sentence at the end:

"At the discretion of the City, the sampling and analysis required by this Section 6.8 may be used to characterize DRTS Pre-Sorted Mixed Recyclable Materials delivered to the Materials Diversion Facility, up to four (4) times per year. In the event that an emergency situation requires Northern to deliver DRTS Pre-Sorted Mixed Recyclable Materials in excess of four (4) times in one calendar year, Contractor shall provide a characterization of such materials at no additional cost to the City

SECTION 10. NEW AND REVISED ATTACHMENTS

The following Attachments are attached hereto and incorporated in this Second Amendment as Exhibits 1 though 6, respectively.

Exhibit 1. Attachment AA, "Agreement Between the City of Napa and Northern Recycling Operations and Waste Services, LLC dated 7/6/ 2010.

Exhibit 2. Attachment T, "Combined Operating and Capital Cost for Collection and MDF Operation," is augmented by adding the following two sets of tables: "Combined Operating and Capital Cost for Collection and MDF Operation Revised as of July 1, 2007" and "Combined Operating and Capital Cost for Collection and MDF Operation Revised as of July 1, 2010". These two additional sets of tables document the changes in Attachment T due to changes made in this Second Amendment and due to additional changes made by the parties since the Effective Date of the Contract.

Exhibit 3. Attachment BB, "Map of Five Mile Radius From Entrance To Materials Diversion Facility."

Exhibit 4. Attachment CC, "List of Balers Provided by Contractor Pursuant to Section 6.03.02."

Exhibit 5. Attachment DD "MDF Materials Paid Sales Report"

Exhibit 6. Attachment EE "Napa MDF Operating Regulations"

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF NAPA:

(Signature)

Jacques R. LaRochelle, Public Works Director

ATTEST:

(Signature)

Dorothy Roadman, City Clerk
(Type name and title)

COUNTERSIGNED:

(Signature)

Ann Mehta, City Auditor
(Type name and title)

APPROVED AS TO FORM:

(Signature)

Michael W. Barrett, City Attorney
(Type name and title)

Budget Code:_____

NAPA RECYCLING & WASTE SERVICES, LLC*:

(Signature)

Greg Kelley, Managing Member

By: _____
(Signature)

_____
(Type name and title)

By: _____
(Signature)

_____
(Type name and title)

Address: _____

_____

Telephone: _____

*Corporation, partnership, limited liability corporation, sole proprietorship, etc.
Unless corporate resolution delegates an individual to sign contracts, an agreement with a corporation shall be signed by the President or Vice President **and** the Secretary or Treasurer of the corporation. A general partner shall sign on behalf of a general partnership. The managing member, if authorized, may sign on behalf of a limited liability corporation.

Northern Recycling Operations and Waste Services, LLC hereby acknowledges and agrees to all the terms of this Second Amendment which affect it, including but not limited to Sections 1 through Section 4.

NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC

By: _____
Greg Kelley, Managing Member

Dated: 6-30-10

EXHIBIT 1

ATTACHMENT AA

AGREEMENT BETWEEN THE CITY OF NAPA AND NORTHERN RECYCLING OPERATION AND WASTE SERVICES

AGREEMENT

This Agreement is entered into as of the 6th day of July, 2010, by and between the CITY OF NAPA, a charter city and municipal corporation (hereinafter referred to as the "City") and NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC, a California limited liability company (hereinafter referred to as "Northern").

RECITALS

1. In January 2004 the City purchased the Napa Materials Diversion Facility ("Napa MDF") located at 820 Levitin Way, Napa County in order (a) to control the capital facilities necessary to collect and process residential and commercial Recyclable Materials and Yardwaste generated in Napa, (b) to control the costs for collecting and processing these materials in the future, and (c) to be able to offer a publicly-owned facility to other jurisdictions for processing their Recyclable Materials.

2. During 2004 the City conducted a competitive Request for Proposals process for operation of the Napa MDF and collection of Recyclable Materials and municipal solid waste in the City. The City awarded a ten year contract to Napa Recycling and Waste Services, LLC ("NRWS") in December 2004. NRWS took over operation of the City's collection system and the Napa MDF on October 1, 2005.

3. As required by its contract with the City, NRWS installed new Recyclable Materials sorting equipment in the Napa MDF in 2005. The new equipment included a conveyor belt system, sorting platform, newspaper sorting screens, a debris roll screen, overhead magnet, air conveying system, storage bins and a new baler.

4. In May 2005 the City executed a Memorandum of Understanding ("MOU") with the County of Napa to process Recyclable Materials and Yardwaste collected in County unincorporated areas by Napa County Recycling and Waste Services, LLC ("NCRWS") for a period of ten (10) years. NCRWS is an affiliate to NRWS and shares common ownership, management and control.

5. The Napa MDF receives and processes Recyclable Materials, Yardwaste, and other materials from the public and materials collected in other jurisdictions that are delivered by the jurisdictions' designated waste and recycling haulers.

6. The residue left over after the processing of materials at the Napa MDF, that can neither be recycled nor composted, is delivered to the Devlin Road Transfer Station ("DRTS"), located adjacent to the Napa MDF at 889 Devlin Road. The DRTS is owned by the Napa-Vallejo Waste Management Authority ("Authority"), a joint powers agency whose members include the City, the County of Napa and the cities of Vallejo and American Canyon.

7. Pursuant to the Authority formation agreement and subsequent amendments, the City committed to deliver Municipal Solid Waste collected in Napa and residue from the Napa MDF to the DRTS for disposal. The formation agreement also states: "The Authority shall not provide any recycling services that duplicate or compete with recycling services provided by any Member (at the time the Authority determines to provide new or expanded recycling services) without the consent of the Member."

8. In late 2006 the Authority issued a Request for Proposals for operation of the DRTS which included a requirement that the operator divert for recycling a minimum of twelve percent (12%) of the incoming Municipal Solid Waste. The Authority's contract with the former operator (Allied) ended June 30, 2007. Three proposals were received and in April 2007 the Authority awarded a fifteen (15) year contract to Northern Recycling Operations and Waste Services, LLC ("Northern"). Northern is an affiliate to NRWS and NCRWS and shares common ownership, management and control with each.

9. The Northern proposal to the Authority stated Northern would recycle twenty-five percent (25%) of the incoming material at the DRTS, and diversion would increase to 35%. Northern's proposal stated that many types of Recyclable Materials recovered at the DRTS would be processed at the Napa MDF.

10. After submittal of the proposal to the Authority, Northern requested pricing from the City for processing Recyclable Materials from the DRTS at the Napa MDF. In addition to the pricing issue, the Northern proposal also created several significant changes to conditions that were not contemplated in the terms of the contract between the City and NRWS. There was not sufficient time for the parties to complete negotiations on these issues prior to the Authority's award of the DRTS operations contract to Northern.

11. The City and Northern agreed to an interim arrangement for the period July 1 through December 31, 2007 wherein Northern would deliver materials for processing at the Napa MDF via NCRWS at the prices set forth in the May 2005 MOU between the City of Napa and Napa County. In addition, the parties outlined concepts to address other changed conditions created by the Northern proposal. The City, Northern and NRWS memorialized their intention to address concerns raised by Northern's proposal in a April 9, 2007 Joint Summary Report, signed by the parties and presented to the Napa City Council at its regular meeting on April 17, 2007. The City Council directed staff to complete the negotiations and return with a final agreement between the City and Northern and a Second Amendment to the contract between the City and NRWS.

12. On March 19, 2010 the Authority approved an amended and restated agreement with Northern that reduced the required diversion level from twenty five percent (25%) to fourteen percent (14%) of the inbound tonnage at the DRTS. The amendment made other changes to the Authority's agreement with Northern.

13. This Agreement is the result of negotiations between the City and Northern. The Second Amendment to the City-NRWS contract is the result of negotiations between the City and NRWS. The two documents are intended to coordinate the activities of the City, NRWS and Northern in the regional use of the Napa MDF and the DRTS so that the facilities do not compete and do not duplicate infrastructure. Neither the City nor Northern will employ any artifice, business structure or other stratagem to circumvent or undermine the spirit and purpose of this Agreement or the spirit and purpose of the City-NRWS 2004 contract.

14. It is the intention of the parties that this Agreement provide the terms and pricing for processing of materials normally received at the DRTS. This Agreement is not intended to apply to materials that would not normally be delivered to or received at a transfer station or at a transfer station with a buy back facility.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, and for other good and valuable consideration, the parties agree as follows:

SECTION 1. MATERIALS TO BE DELIVERED AND PROCESSED

A. Materials To Be Delivered.

Northern must deliver all of the following listed materials that have been received and processed at the DRTS (including materials received at the drop off and reuse center and at the buyback center) to the Napa MDF for baling (where applicable) and marketing. Northern further agrees that it will not utilize any other processing or marketing facility, recycling center or broker for the final baling and/or marketing of the below-listed materials. Northern makes no guarantee as to the number of tons of each material it will deliver to the Napa MDF.

The materials to be delivered by Northern include all of the following:

1) Pre-Processed, Baler-Ready Recyclable Materials:
   a. Cardboard (may be loose or in small bales ready for re-baling into export bales)
   b. Newspaper
   c. Mixed Paper
   d. Waxed Cardboard
   e. #1 PET Plastic Bottles (including CRV RC, CRV CP and CRV CS)
   f. Colored HDPE Plastic Bottles (including CRV RC, CRV CP and CRV CS)
   g. Natural HDPE Plastic Bottles (including CRV RC, CRV CP and CRV CS)
   h. Aluminum Cans (including CRV RC, CRV CP and CRV CS)
   i. Mixed #1-7 Rigid/Non-CRV Plastics (including RC and C&D)
   j. Clear Film Plastic
   k. Colored Film Plastic
   l. PET Film Plastic
   m. #3 PVC (including CRV RC, CRV CP and CRV CS)
   n. #4 LDPE (Low Density Polyethylene (including CRV RC, CRV CP and CRV CS)
   o. #5 PP (Polypropylene (including CRV RC, CRV CP and CRV CS)
   p. #6 PS (Polystyrene) (including CRV RC, CRV CP and CRV CS)
   q. #7 Other (includes pouches and unspecified resins) (including CRV RC, CRV CP and CRV CS)
   r. Bimetal Cans (including CRV RC, CRV CP and CRV CS)

2) Pre-Processed, Market-Ready Recyclable Materials:
   a. Mixed Glass Containers (including CRV RC, CRV CP and CRV CS)
   b. Clear-Only Glass Containers (including CRV RC, CRV CP and CRV CS)
   c. Colored-Only Glass Containers (including CRV RC, CRV CP and CRV CS)
   d. Electronic Waste (Both Covered Electronic Waste and Electronic Waste)

e. PET Film Plastic (Delivered in rolls in Gaylord boxes ready for shipment to market)
f. Carpet Underpadding (Made of polyurethane or other materials)
g. #12 Cardboard
h. Source Separated Material Already Baled For Market (including cardboard, waxed cardboard, shrink wrap and other materials in bales)

3) A Mix or Combination of Any Two or More of the Above-Listed Materials

If Northern is unable to sort any of the above-listed materials received at the DRTS, such that a mix or combination of any two or more of the above-listed materials remains, Northern shall deliver all such DRTS Pre-Sorted Mixed Recyclable Materials to the Napa MDF for processing, and for baling (if applicable).

The parties intend and agree that Single Stream Recyclable Materials will not be delivered to the DRTS and will not be eligible for processing at the Napa MDF under the pricing and terms of this Agreement. The parties agree to work collaboratively with each other and with the City's MDF operator (currently NRWS) to secure the flow of Single Stream Recyclable Materials for processing at the Napa MDF pursuant to the terms of the 2004 contract between the City and NRWS. This includes, but is not limited to, (1) the Single Stream Recyclable Materials currently processed at the Napa MDF from Sonoma Garbage, Berryessa Garbage and from the City of Paradise, and (2) the Single Stream Recyclable Materials from the Cities of Vallejo and American Canyon that have been delivered to, and processed at, the Napa MDF in the past. Because Single Stream Recyclable Materials will not be delivered to the Napa MDF by Northern, the prices paid to Northern shall not include any of the revenue received by NRWS and the City for the Annual Curbside Payment from CalRecycle (or any successor agencies) pursuant to Public Resources Code Section 14549.6(a).

The City shall accept all of the above listed materials from Northern and will direct the operator of the Napa MDF, currently NRWS, to process and market them.

B. Yardwaste.

Northern is not required to deliver Yardwaste from the DRTS for composting at the Napa MDF. However, the City will accept Yardwaste from Northern provided (1) there is sufficient capacity at the Napa MDF and (2) such delivery will not interfere with City and the Napa MDF operator's compliance with all applicable permits and state and local regulations.

C. Addition of DRTS New Materials as Market Conditions Change.

Changes in secondary materials markets are likely to create conditions where additional materials can be economically recovered and marketed. For example, it recently became possible to accept used carpet underpadding at the Napa MDF and to market the materials in a manner and at a value that is beneficial to the parties. The City shall have the right of first refusal to accept and process any DRTS New Materials that are accepted at the DRTS and require baling and marketing after the Effective Date of this Agreement.

Northern will notify the City that it requires baling and marketing of a DRTS New Material in writing at least thirty (30) days prior to the date Northern would like to begin delivering the DRTS

New Material to the Napa MDF for baling and marketing. In its sole discretion, the City may accept or reject Northern's request to bale and market the DRTS New Material. If the City decides to accept the DRTS New Material, the City will notify Northern in writing of this determination and will document the category the DRTS New Material falls into for purposes of payment to Northern. The categories are those listed in Section 3, subparts A through E.

In the event that the City has no marketing experience or market data for a DRTS New Material that can be used to calculate the per ton Quarterly Average Materials Revenue Received for the New Material, the City will request that the operator of the Napa MDF obtain the best possible estimate of the per ton revenue for which the DRTS New Material may be marketed. The City will use the MDF operator's estimate as the basis for payment to Northern until the City has sufficient data to calculate the per ton Quarterly Average Materials Revenue Received for the DRTS New Material. At that time, the City will begin to calculate payments to Northern based upon the per ton Quarterly Average Materials Revenue Received. At the end of the calendar year in which a DRTS New Material has been accepted for processing by the City, the City will reconcile the payments made to Northern for the DRTS New Material that were based upon estimated market values (if any) to the actual revenue received for the DRTS New Material and will either pay Northern the difference, if any funds are owed to Northern, or invoice Northern for the difference if Northern owes funds to the City. The City will submit the reconciliation to Northern on or before March 31 of each year. If additional payment is owed to Northern, Northern will submit an invoice to the City for the amount due and the City will pay approved invoices with payment of Northern's next monthly invoice. If payment is owed from Northern to the City, the amount will be included in the next monthly invoice to Northern.

If market conditions change, the City reserves the right to cease to accept a DRTS New Material it had previously approved. If the City decides to cease to accept any DRTS New Material, it will notify Northern in writing thirty (30) days before discontinuing acceptance of any previously approved DRTS New Material at the Napa MDF.

In the event the City decides either not to accept a DRTS New Material, or ceases to accept a DRTS New Material as described in this Section 1C, Northern shall have the right to utilize another facility for the baling and marketing of such material, provided Northern, as an Affiliated Entity to NRWS, follows the provisions regarding no duplication of balers as described in the 2004 contract between the City and NRWS, as amended.

D. Addition of Other Materials

In the event Northern identifies other material(s) that fall outside the definition of DRTS New Materials but which Northern would like to deliver to the Napa MDF for baling and marketing, the City shall consider accepting such materials and shall respond to any such request within thirty (30) business days of a written request by Northern.

SECTION 2. METHOD OF DELIVERY OF MATERIALS

A. Vehicles and Personnel.

Northern shall not use NRWS vehicles, equipment or personnel to deliver material from the DRTS to the Napa MDF.

B. Information to be Provided By Northern at Napa MDF Scale House.

Northern will clearly identify each load of materials to Napa MDF scale house personnel for proper coding and tracking purposes. Specifically, Northern shall ensure that the driver of each load provides the following information in writing, in the format shown in Attachment Eight (as it may be modified by the City), at the MDF scale house when each load is delivered:

(1) the specific material type (e.g. "cardboard", "clear glass containers CRV RC", "#1-7 non-CRV plastics", "Covered Electronic Waste", "Electronic Waste", "baled cardboard" etc.) in the load;

(2) that the material is coming from Northern at the DRTS; and the specific DRTS processing area (e.g. sorting area, Re-Use Area, Buy Back Area, etc.);

(3) the company and vehicle number delivering the load (e.g. Northern truck #308);

(4) with regard to bales of cardboard, plastic or other materials delivered by an Affiliated Entity (such as NCRWS, 600 Tower Road (dba Valley Recycling) or others), the written information shall clearly indicate which company and vehicle number is delivering the load and the customer on whose behalf the load is being delivered (e.g. NCRWS, Northern or other).

If Northern fails to provide any of the above-listed information to Napa MDF scale house personnel in the specified format at the time of delivering a load, the City will not allow the vehicle to unload until the above-described information is provided. If the information has not been provided by the normal closing time for the Napa MDF the vehicle shall leave the MDF premises without unloading.

C. Napa MDF Operating Regulations.

Northern shall comply with the Operating Regulations for the Napa MDF as set forth in Attachment Five and as they may be updated from time to time by the City. The City will provide Northern with updated versions of the Operating Regulations five (5) working days prior to implementation of any new or revised regulations.

SECTION 3. PRICES AND CHARGES

The following are the prices and charges for each material received by the City from Northern.

A. Yardwaste.

Northern agrees to pay the City twenty-seven dollars ($27.00) per ton for Yardwaste delivered to the Napa MDF during calendar year 2009. This is based upon the current price paid by the County of Napa pursuant to the MOU between the City and the County of Napa dated May 3, 2005 (attached hereto as Attachment Two; see Section II Part 8) plus one dollar ($1.00) per ton. The price charged to Northern for Yardwaste delivered to the Napa MDF will increase annually beginning January 1, 2010 by the Producer Price Index (PPI) formula shown in Attachment Three.

B. Pre-Processed, Baler-Ready Recyclable Materials.

1) Fiber. City agrees to pay Northern sixty-one percent (61%) of the per ton Quarterly

Average Materials Revenue Received for the following materials delivered by Northern:

a. Cardboard
b. Mixed Paper
c. Newspaper
d. Waxed Cardboard

2) Non-CRV Materials. City agrees to pay Northern sixty-one percent (61%) of the per ton Quarterly Average Materials Revenue Received for the following materials delivered by Northern:

a. Mixed #1-7 Rigid/Non-CRV Plastic C&D Sort
b. Mixed #1-7 Rigid/Non-CRV Plastic Re-Use/Buy Back
c. Clear Film Plastic
d. Colored Film Plastic
e. PET Film Plastic

3) CRV Materials. City agrees to pay Northern sixty-nine percent (69%) of the per ton Quarterly Average Materials Revenue Received for the following materials delivered by Northern:

a. #1 PET Plastic Bottles (including CRV RC, CRV CP and CRV CS)
b. Aluminum Cans (including CRV RC, CRV CP and CRV CS)
c. #2 Colored HDPE Plastic Bottles (including CRV RC, CRV CP, and CRV CS)
d. #2 Natural HDPE Plastic Bottles (including CRV RC, CRV CP, and CRV CS)
e. #3 PVC (including CRV RC, CRV CP and CRV CS)
f. #4 LDPE (Low Density Polyethylene) (including CRV RC, CRV CP and CRV CS)
g. #5 PP (Polypropylene) (including CRV RC, CRV CP and CRV CS)
h. #6 PS (Polystyrene) (including CRV RC, CRV CP and CRV CS)
i. #7 Other (includes pouches and unspecified resins) (including CRV RC, CRV CP and CRV CS)
j. Bimetal Cans (including CRV RC, CRV CP and CRV CS)

As an example, if the Quarterly Average Materials Revenue Received for cardboard was one hundred dollars per ton ($100.00), Northern would be paid sixty-one percent (61%) or sixty-one dollars ($61.00) per ton for cardboard delivered by Northern to the Napa MDF.

For materials that are eligible for the CalRecycle Quality Incentive Payment ("QIP"), (currently color-sorted glass, PET and HDPE) the parties acknowledge and agree that the DR-6 and DR-7 reports submitted by NRWS to CalRecycle will note the quantities of such materials that were delivered to the Napa MDF from Northern and from other companies and jurisdictions delivering such materials to the Napa MDF. Based upon the information in the DR-6 and DR-7 reports, CalRecycle will pay Northern and other companies and jurisdictions directly for any applicable QIP that is due. Northern shall not be entitled to receive any portion of any QIP payments received by NRWS or the City from CalRecycle or any successor agencies. The Quarterly Average Materials Revenue Received shall exclude QIP payments received by the City and QIP payments received by NRWS.

C. Pre-Processed, Market-Ready Recyclable Materials.

1) Glass. City agrees to pay Northern sixty-nine percent (69%) of the per ton Quarterly Average Materials Revenue Received for the following materials delivered by Northern:

a. Mixed Glass Containers (including CRV RC, CRV CP and CRV CS)
b. Clear-Only Glass (including CRV RC, CRV CP and CRV CS)
c. Colored-Only Glass (including CRV RC, CRV CP and CRV CS)

The City reserves the right to upgrade the mixed glass containers by performing a color sort. If the City chooses to do so, Northern will still receive payment based upon the Quarterly Average Materials Revenue Received for mixed glass containers. The provisions concerning QIP payments stated above in Section 3 B 3 shall apply to any QIP-eligible glass delivered by Northern.

2) PET Plastic Rolls. City agrees to pay Northern sixty-nine percent (69%) of the per ton Average Quarterly Materials Revenue Received for PET Plastic Rolls. For purposes of calculating payment to Northern, the total tons of PET Plastic Rolls delivered by Northern will be reduced by forty-five (45) pounds per pallet to account for the weight of standard packaging.

3) Single-Material Baled Recyclable Materials. City agrees to pay Northern sixty-nine percent (69%) of the per ton Average Quarterly Materials Revenue Received for baled materials consisting of a single material (including but not limited to cardboard, waxed cardboard and shrink wrap) delivered by Northern. The one exception to the requirement that bales contain a single material is "sandwich bales" consisting of cardboard and shrink wrap, with cardboard being incidental to the primary material of shrink wrap. Baled materials delivered by Affiliated Entities from within a five (5) mile radius of the entrance to the Napa MDF in accordance with the requirements specified in the 2004 contract between the City and NRWS, as amended, shall receive this pricing.

The pricing and delivery of baled materials collected or otherwise delivered by NCRWS or other Affiliated Entities from within the County of Napa collection area, and identified as being delivered to the Napa MDF on behalf of Napa County (via NCRWS as its authorized collection contractor) shall not be governed under this Agreement. The City–County MOU, Attachment Two, describes the terms and procedures agreed upon by the City and the County of Napa for pricing and handling of that baled material .

D. Electronic Waste and Covered Electronic Waste.

Pursuant to Section 1, Northern is required to deliver all Electronic Waste and Covered Electronic waste received and processed at the DRTS to the Napa MDF. In order to most efficiently package and ship the Electronic Waste and covered Electronic Waste to market and avoid unnecessary or duplicate handling of the material, the parties agree that for this specific commodity only, Northern will package and ship Electronic Waste and Covered Electronic Waste directly to a permitted electronic recycling processor.

The Electronic Waste and the Covered Electronic Waste will be marketed by Northern. Northern will pay the City one percent (1%) of the DRTS Buyer-Paid Revenue for each ton of Electronic Waste and Covered Electronic Waste marketed by Northern from the DRTS.

Northern will provide the City with monthly reports showing all details concerning the processing and payment transactions completed in the prior calendar month including but not limited to the following:

- Date each load of material was shipped
- Date payment for each load was received
- Copies of all checks received
- Copies of all paperwork received with each payment
- Name, address, telephone number, contract person and e-mail address of each recycling processor receiving the Electronic Waste and Covered Electronic Waste
- Prices paid (per pound) for each type of Electronic Waste and Covered Electronic Waste by material type (e.g. CRT's, computer hard drives, etc.)
- Deductions made by the processor from the payment for packaging weight, contamination and all other items
- Destination of residue disposal.

Reports shall be in electronic, sortable format (Excel pivot tables or equivalent) with hard copies of all records provided (including copies of all payments, checks and paperwork received from the buyer of Electronic Waste and Covered Electronic Waste). City shall provide Northern with a sample reporting format for Electronic Waste and Covered Electronic Waste. The monthly reports shall be submitted on the fifteenth (15^{th}) day of each month. The City reserves the right to request additional information concerning the sale of Electronic Waste and Covered Electronic Waste and Northern agrees to provide any additional information within ten (10) days of a written request for additional information from City. All records of Northern pertaining to receipt, packaging, and sale of Electronic Waste and Covered Electronic Waste from the DRTS shall not be considered proprietary or confidential by Northern.

The provisions of this Section 3D concerning Electronic Waste and Covered Electronic Waste shall be effective as of March 1, 2010.

As markets for Electronic Waste change and additional items of Electronic Waste are either added to Covered Electronic Waste or are paid for either due to market conditions or new legislation, such additional items shall be treated the same as those currently being marketed as of the Effective Date of this Agreement, as described in this section; such materials shall be shipped and sold directly from the DRTS by Northern and the City shall receive one percent (1%) of the DRTS Buyer-Paid Revenue for each ton of such materials.

E. Other Transfer-Only Recyclable Materials

In the event Northern delivers Recyclable Materials not covered by the other pricing terms in this Section 3 that are delivered in a market-ready condition such that the materials can literally be transferred into vehicles and shipped to market, the City will pay Northern sixty-nine percent (69%) of the Quarterly Average Materials Revenue Received for such materials. The sixty-nine percent (69%) shall be net of any deductions for packaging made by end markets, brokers or others.

F. DRTS Pre-Sorted Mixed Recyclable Materials.

The parties envision that Northern will deliver Pre-Processed, Baler-Ready Recyclable Materials and Pre-Processed, Market-Ready Recyclable Materials from the DRTS to the Napa MDF for baling (where applicable) and marketing. In the event that Northern cannot completely type-

separate the materials, and delivers DRTS Pre-Sorted Mixed Recyclable Materials, the following procedures shall be followed. Northern shall ensure that (1) the quantity of DRTS Pre-Sorted Mixed Recyclable Materials delivered to the Napa MDF does not exceed ten percent (10%) of the total tons delivered each calendar year, and (2) the residue and/or contamination in the DRTS Pre-Sorted Mixed Recyclable Materials is less than one percent (1%) by weight, as measured by the characterization described herein. Northern shall not utilize any other processing, sorting or marketing facility, recycling center or broker for the sorting, processing, baling or marketing of DRTS Pre-Sorted Mixed Recyclable Materials.

Northern shall provide the City with written notice forty-five (45) calendar days in advance of when it will need to deliver DRTS Pre-Sorted Mixed Recyclable Materials. The parties will work together to schedule a characterization of the materials prior to delivery. Based upon the results of the characterization, the City will calculate the Average Per Ton Market Value of the materials and will share the results with Northern. The parties will then arrange for the DRTS Pre-Sorted Mixed Recyclable Materials to be delivered to the Napa MDF. Northern shall have the right to request delivery of DRTS Pre-Sorted Mixed Recyclable Materials up to four (4) times in one calendar year, excluding emergency situations as described herein.

(1) **Characterization of the Materials.** A characterization of the materials will be conducted by the City (most likely using labor provided by the Napa MDF operator with independent oversight by either City employees, independent contractors, or other agents of the City) to determine the Average Per Ton Market Value of the material and the percent residue remaining after the material is sorted. The City shall prescribe the sampling technique and protocol, the size and number of samples, the sorting methodology, the method for weighing sorted materials, the method for inputting the data and the protocol used to calculate the following: (i) the percent of each material in the mix, (ii) the Quarterly Average Materials Revenue Received for each type of material in the mix, and (iii) the percent residue. The parties envision that the characterization will be conducted by taking samples of the mixed materials in sample boxes and manually sorting the material such that the sorting belts at the Napa MDF are not used, and normal MDF operations are not impacted. The City reserves the right to change the sampling methodology and protocol, and also to utilize any sorting labor it chooses (including but not limited to City forces, third parities, independent contractors, interns and other agents of the City) to conduct the characterization. Once the Average Per Ton Market Value of the material mix is established, additional characterizations may be conducted at frequencies determined at the sole discretion of the City.

(2) **Establish Average Per Ton Market Value For the Mixed Materials.** Using the results of the characterization, the City will calculate the Average Per Ton Market Value for the mixed materials using the methodology listed in Attachment Six. The City shall use the Quarterly Average Materials Revenue Received for each material in the mix to compute the Average Per Ton Market Value of the mixed material. If no Quarterly Average Materials Revenue Received is available for a specific type of material, the City will ask the MDF operator to obtain the best possible estimate of the market value of the material and that value will be used in the calculation.

(3) **Payment To Northern/Payment Due From Northern.** The City will retain nine percent (9%) of the Average Per Ton Market Value for the DRTS Pre-Sorted Mixed Recyclable Materials. Depending upon the Average Per Ton Market Value for the DRTS Pre-Sorted Mixed Recyclable Materials, either the City will pay Northern for the materials or Northern will pay the City for processing the materials. The method used to calculate the payment to or from

Northern for DRTS Pre-Sorted Mixed Recyclable Materials is shown in Attachment Seven, Part A.

a. *Non-City Payment of MDF Residue Disposal.* The City currently pays for disposal of residue from the Napa MDF. If this changes in the future and the MDF operator is required to pay for disposal of MDF residue, the procedure used to calculate payment to Northern in Attachment Seven, Part A shall be adjusted as shown in Attachment Seven, Part B.

b. *Negative and Zero Value Materials.* The calculation procedure shown in Attachment Seven shall be used to calculate payments due to or from Northern for DRTS Pre-Sorted Mixed Recyclable Materials with an Average Per Ton Market Value of any amount larger than zero. If the Average Per Ton Market Value of the DRTS Pre-Sorted Recyclable Materials is zero or a negative number, up to and including negative thirty-five dollars (-$35.00) per ton, the provisions of Section 3.H shall apply.

c. *Residue Exceeding One Percent.* In the event the characterization shows the residue for the DRTS Pre-Sorted Mixed Recyclable Materials exceeds one percent (1%), City shall notify Northern and Northern shall have one week (7 calendar days) to further sort to reduce the residue to the acceptable level. If a second characterization or review of residue shows residue still exceeds one percent (1%) this process shall be repeated. This provision shall apply to DRTS Pre-Sorted Mixed Recyclable Materials in lieu of the provisions of Section 6.A, "Contamination of Loads," unless additional contamination is discovered in loads of DRTS Pre-Sorted Mixed Recyclable Materials, in which event, the provisions of Section 6.A will also apply.

In the event Northern experiences a temporary emergency situation such as equipment breakdown, labor dispute of other than Northern's employees (including strike, work stoppage, slowdown, sick out, picketing, or other concerted job action), flood, earthquake, fire or other sudden occurrence which is beyond the control of and not the fault of Northern that prevents it from providing forty-five (45) days written notice to the City that it intends to deliver DRTS Pre-Sorted Mixed Recyclable Materials, the City will accept DRTS Pre-Sorted Mixed Recyclable Materials as soon as possible for processing, (once scale house account codes and other logistics are set up) for a additional flat fee of twenty dollars ($20.00) per ton in lieu of retaining nine percent (9%) of the Average Per Ton Market Value for the DRTS Pre-Sorted Mixed Recyclable Materials. The parties will then work cooperatively to complete a characterization of the materials as described in this subsection F as soon as possible. The additional fee of twenty dollars ($20.00) per ton shall apply until the characterization is completed and the Average Per Ton Market Value of the DRTS Pre-Sorted Mixed Recyclable Materials being delivered under the emergency circumstances is established by the City.

In the event of an emergency situation that has an expected duration of less than thirty (30) calendar days, the parties may mutually agree to utilize an in-field observation of the DRTS Pre-Sorted Mixed Recyclable Materials (in lieu of the characterization described herein) by viewing the materials as they are sorted at the DRTS, viewing the materials as they are tipped on the MDF tipping floor, viewing the materials as they are being processed at the Napa MDF and viewing the residue remaining after processing of the materials. The field observations will be used to estimate the percentage of each material type in the mix and the percent of residue.

These estimates will be used to calculate the Average Per Ton Market Value of the DRTS Pre-Sorted Mixed Recyclable Materials. Once the Average Per Ton Market Value of the DRTS Pre-Sorted Mixed Recyclable Materials is established, that pricing shall be applied to the materials and the flat fee of twenty dollars ($20.00) per ton paid to the City shall cease. If the parties cannot agree on the percentages or materials and residue based upon an in-field observation, a characterization shall be performed.

In the event, the actual duration of the temporary emergency situation exceeds thirty (30) calendar days, a characterization must be performed as described herein and the results used to establish the Average Per Ton Market Value of the DRTS Pre-Sorted Mixed Recyclable Materials.

In the event the percentage of residue as determined by either the field estimate or the characterization exceeds one percent (1%), Northern shall pay the actual City tipping fee at the DRTS for the quantity of residue over one percent (1%) for the duration of the emergency situation.

The provisions in this section are intended by the parties to apply only to true emergency situations as described above, that are beyond the control of and not the fault of Northern, and that prohibit DRTS sorting operations. Economic conditions such as increased costs, economic downturn, changes in secondary materials prices, reduction in inbound tonnages to the DRTS, changes in the mix of inbound materials to the DRTS, voluntary decisions by Northern to reduce sorting operations, to cease sorting for certain materials, to cease sorting apart certain materials, and other such conditions shall not constitute emergency situations.

In the event Northern experiences more than four (4) emergency situations within any consecutive twelve (12) month period, the City's flat fee for accepting DRTS Pre-Sorted Mixed Recyclable Materials at the Napa MDF shall increase from twenty dollars ($20.00) per ton to forty dollars ($40.00) per ton for the fifth (5^{th}) and all subsequent emergency situations that occur within the twelve (12) month period. Mixed materials delivered under emergency circumstances shall be counted toward the ten percent (10%) cap on DRTS Pre-Sorted Mixed Recyclable Materials contained in this subsection F.

G. Use of Quarterly Average Materials Revenue Received.

The parties agree that use of the Quarterly Average Materials Revenue Received is the most fair and accurate method to establish the prices to be paid by the City to Northern for materials (excluding Yardwaste) because it takes into account California Redemption Value payments, contamination deductions and moisture deductions by the end markets, transportation costs to haul the materials to market, and the like. A sample calculation of the Quarterly Average Materials Revenue Received for a sample material appears in Attachment Four.

H. Zero-Value and Negative-Value Materials.

The parties acknowledge that secondary materials markets fluctuate due to world-wide economic and geopolitical conditions that are beyond the control of the parties. In the event that the Quarterly Average Materials Revenue Received for any of the materials listed in Section 1(A) drops to a level of Zero dollars ($0) per ton or to a Negative Value, the parties agree to proceed as follows:

(1) The City will continue to accept affected materials so long as the City, through its MDF operator, can still market the materials at a Negative Value of up to thirty-five ($35.00) per ton within a driving distance from the Napa MDF of up to three hundred (300) miles (one way). In this event, Northern will deliver the affected materials to the Napa MDF but will receive no payment for any of the materials.

(2) If the Negative Value of one or more affected materials is more than thirty-five ($35.00) per ton or the market is more than three hundred (300) miles (one way) from the Napa MDF, Northern may elect to either:

(i) deliver the materials to the Napa MDF and pay the City the cost differential over and above thirty-five dollars ($35.00) per ton and transportation costs to haul the materials in excess of three hundred (300) miles (one way), or

(ii) cease delivery of the affected material(s) until such time as the value of the affected materials becomes negative thirty-five (-$35.00) per ton or better, and a market becomes available within three hundred (300) miles (one way) from the Napa MDF. If this option is selected, Northern agrees it will not utilize any other processing or marketing facility , recycling center or broker for the final baling and/or marketing of any of the materials listed in Section 1 A.

In either event Northern will not receive any payment for any of the affected materials.

I. Contamination of Loads.

If there is Contamination in the load (as further defined in Section 6.A) the City may downgrade the value of the load and adjust the amount paid for the load according to the quantity and type of Contamination in the load.

SECTION 4. INVOICING AND PAYMENT

A. Invoicing.

Northern will submit an invoice to the City by the fifteenth (15^{th}) day of each month for all materials delivered to the Napa MDF in the prior calendar month except for Yardwaste. The invoice will show the number of tons of each specific type of material delivered to the Napa MDF and the Quarterly Average Materials Revenue Received for each material. A subtotal showing the amount owed by the City to Northern will be included for each specific material. In the case of Negative Value Materials, the subtotal will reflect the negative value of such materials. At the bottom of the invoice all the subtotals will be added together to show the final amount due to Northern from the City.

To assist Northern in preparing the monthly invoice, City will send Northern, either in hard copy or electronic format, the applicable Quarterly Average Materials Revenue Received for each material type, by the tenth (10^{th}) day of each quarter. (Example: For the quarter beginning January 1, 2011 the City will receive pricing data from the MDF operator on December 20 for the period August 21 through November 20. The City will then calculate the Quarterly Average Materials Revenue Received for each material type for the quarter August 21 through November 20, and will provide that information to Northern by January 10.) The table in

Attachment Nine shows the key dates and the flow of information for the invoicing process, as well as the dates included in each quarter.

The City will send Northern a monthly summary of all tons received, by material type, by the tenth (10^{th}) day of each month. In the event the tenth (10^{th}) day of the month or of the quarter falls on a Saturday, Sunday, or is a holiday, City will send Northern the monthly tonnage summary and the list of applicable Quarterly Average Materials Revenue Received on or before the next business day.

For Yardwaste delivered by Northern to the Napa MDF, the City will issue an invoice by the fifteenth (15^{th}) day of each month showing the number of tons of Yardwaste delivered and the amount due to the City. Yardwaste tonnages will be those recorded at the Napa MDF scale house.

B. Payment.

City will pay each invoice received from Northern within forty-five (45) days of receipt. Payment will be based upon the number of tons of each material delivered to the Napa MDF as recorded at the Napa MDF scale house.

Northern will pay each invoice received from the City for Yardwaste within forty-five (45) days of receipt.

C. Department of Resources Recycling and Recovery Regulations.

Both parties agree to comply with all regulations of the California Department of Resources Recycling and Recovery ("CalRecycle") and any successor agencies that administer the California Beverage Container Recycling and Litter Reduction Act, including but not limited to regulations concerning (1) tracking of tonnages and material types and (2) preparation of documentation required for transactions involving CRV materials and payments for same, as set forth in Public Resources Code Division 12.1, Chapter 1, Section 14500 *et seq.* and all regulations relating thereto.

D. Retroactivity of Pricing for Materials Received Prior To Effective Date.

Due to the urgency of opening the new Buy Back Center at the DRTS, Northern began delivering materials to the Napa MDF on May 1, 2008, prior to the effective date of this Agreement. Northern was paid for those materials pursuant to the pricing in the City-County MOU. The parties agree that City will pay Northern the difference between the prices already paid pursuant to the City-County MOU and the prices listed in Section 3 of this Agreement for the materials delivered from May 1, 2008 through December 31, 2009. In addition, the City will pay Northern interest on the balance due for the period May 1, 2008 through December 31, 2009 at the rate of 1.91% which reflects the average rate of interest earned by the City on its investment portfolio for the period May 1, 2008 through December 31, 2009.

For the sole purpose of establishing prices to be paid to Northern for the period of the retroactive payment for materials delivered between May 1, 2008 and December 31, 2009, and only for this purpose, the City will calculate a straight average of all revenue deposited in the City of Napa's revenue account for each material type delivered by Northern during this period. The straight average will be calculating by adding all revenue received and deposited into the City's revenue account from sale of each material type by NRWS between April 21, 2008 and

December 20, 2009, divided by the total tons of that material sold (using Buyer Paid Tons) during the same period. The City will use a detailed Attachment DD MDF Materials Paid Sales Report from NRWS, which is an attachment to the 2004 City contract with NRWS, showing all the material types marketed, the prices, tons, CRV totals and other information for materials sales deposits made to the City's revenue account during the period April 21, 2008 through December 20, 2009 to calculate the straight average prices for the retroactive payment. The parties agree that Quality Incentive Payments and the Annual Curbside payment from CalRecycle shall be excluded from the revenue used to calculate the straight average prices. The parties further agree that the use of a straight average to determine pricing will only be used for the purpose of the retroactive payment to Northern. The prices paid to Northern for materials delivered by Northern from January 1, 2010 forward shall be established by calculating the Quarterly Average Materials Revenue Received for each type of material as described in Section 3 G.

Pursuant to the 2004 contract between the City and NRWS, as amended, the City will receive the special Attachment DD report on or before August 16, 2010 and will provide the calculated straight average prices to Northern no later than twenty (20) days after receipt of said special Attachment DD report. Northern will then submit an invoice to the City for the difference between the calculated prices and the prices Northern was already paid for materials delivered to the Napa MDF for the period May 1, 2008 through December 31, 2009. The invoice will show the calculations of the difference in the amount already received by Northern, the new calculated straight average prices provided by the City for each material type and the tons of each material type delivered during the period May 1, 2008 through December 31, 2009. The invoice will also show the calculations for the interest to be paid by the City as described in this Section. The City will pay Northern's invoice for the retroactive payment within forty-five (45) days of receipt.

If submittal of the special Attachment DD report from NRWS is delayed, the date on which the City will deliver the calculation of the straight average prices for each material to Northern shall be delayed by the same number of days that the Attachment DD report is late, and the above-described schedule for completing the retroactive payment shall be adjusted accordingly.

For all materials delivered by Northern between January 1, 2010 and March 31, 2010 the City will receive the second special Attachment DD report showing prices received for the period August 21, 2009 through November 20, 2009 on or before August 16, 2010 and the City will provide the calculated Quarterly Average Materials Revenue Received prices to Northern no later than twenty (20) days after receipt of the second special Attachment DD report from NRWS. Northern will then submit an invoice to the City for materials delivered January 1 through March 31, 2010 that provides all the information and detail as described herein. City will pay Northern's invoice within forty-five (45) days of receipt. If submittal of the second special Attachment DD report from NRWS for the period August 21, 2009 through November 20, 2009 is late, the date on which the City will deliver the calculation of the Quarterly Average Materials Revenue Received to Northern shall be delayed by the same number of days that the Attachment DD report is late, and the schedule for Northern submitting its invoice and receiving payment for materials delivered January 1 through March 31, 2010 shall be adjusted accordingly.

With regard to Electronic Waste and Covered Electronic Waste only, the following provisions shall apply. The parties agree that from April 21, 2008 through February 28, 2010 revenues from the sale of Electronic Waste and Covered Electronic Waste by Northern were inadvertently commingled with revenues received by its Affiliated Entity NRWS from sale of Electronic and

Covered Electronic Waste by NRWS from the Napa MDF and were deposited into the City's revenue account. Pursuant to Section 12.06 of the City-NRWS contract, NRWS was paid thirty percent (30%) of this revenue. The parties agree that City will retain one percent (1%) of the revenue from sale of Northern's Electronic and Covered Electronic Waste during this period of time, Northern will receive sixty-nine percent (69%) of the revenue, and NRWS will retain the thirty percent (30%) of the revenue already received from City. For all Electronic Waste and Covered Electronic Waste sold by Northern beginning March 1, 2010, the provisions of Section 3D shall apply.

The City has agreed to the above schedule in order to complete the retroactive payments to Northern in a timely manner. However, this schedule does not give the City adequate time to perform due diligence review to verify and audit all the new data that will be submitted by NRWS with regard to materials sales dating back to May 2008 in the special Attachment DD reports. Therefore, the parties agree that if the City finds discrepancies, errors or irregularities in the data that ultimately affect the amount of the payments that will have been made to Northern as described in this Section 4 D, the City may adjust the amount of the affected payment accordingly at any time up to and including December 31, 2010. In such event, City shall notify Northern in writing of the amount and reasons for the adjustment and will provide copies of electronic or hard copy records concerning the transaction(s) in question and the City's calculations of the adjustment to the payment.

For all materials delivered by Northern to the Napa MDF on and after April 1, 2010, the standard pricing and terms will apply as described in this Agreement. The timing of the regular invoicing process will be as shown in Attachment Nine.

SECTION 5. TERM

The Term of this Agreement shall begin on July 6 , 2010 and end on December 31, 2015.

SECTION 6. OTHER AGREEMENTS

A. Contamination of Loads.

The City or its representative will issue Contamination notices to Northern as follows:

1) Pre-Processed Baler-Ready Recyclable Materials, Pre-Processed Market-Ready Recyclable Materials, and DRTS Pre-Sorted Mixed Recyclable Materials delivered to the Napa MDF which contain one percent or more (1% or more) by weight of materials constituting Contamination that will need to be removed before the material may be marketed.

2) DRTS Pre-Sorted Mixed Recyclable Materials delivered to the Napa MDF which contain one percent or more (1% or more) by weight of materials constituting Contamination that will need to be removed before the material may be marketed.

3) Yardwaste, Electronic Waste and Covered Electronic Waste delivered to the Napa MDF which contain five percent (5%) or more by weight of materials constituting Contamination that will need to be removed before the material may be processed and marketed.

4) For any load containing any Hazardous Waste.

For any loads containing Contamination as described herein, the City may:

(i) direct the operator of the Napa MDF to process the Contaminated load and charge Northern a "Contaminated load surcharge" for the load, which shall be calculated based upon the standard per ton Contaminated load surcharge rate posted at the Napa MDF scale house multiplied by the total number of tons in the load; or

(ii) direct the current operator of the Napa MDF to reload the Contaminated load and require Northern to remove the load from the Napa MDF, and charge Northern a standard "reload fee" which shall be the rate posted at the scale house.

The City will provide notification of Contaminated loads to Northern within twenty-four (24) hours of either the City's discovery of the Contamination or notification to the City from its contract operator of discovery of the Contamination.

Northern shall comply with all Hazardous Waste exclusion program regulations adopted by the City and with all State and Federal Hazardous Waste exclusion regulations.

B. Insurance.

Northern shall procure from an insurance company or companies licensed to do business in the State of California and shall maintain in force at all times during the Term the following types and amounts of insurance:

1) Comprehensive General Liability Insurance with a combined single limit of not less than One Million Dollars ($1,000,000) per occurrence and One Million Dollars ($1,000,000) annual aggregate covering all claims and all legal liability for personal injury, bodily injury, death and property damage, including the loss of use thereof, arising out of, or occasioned in any way by, directly or indirectly, Northern's activities pursuant to this Agreement.
2) Comprehensive Automobile Liability Insurance with a combined single limit of not less than One Million Dollars ($1,000,000) per occurrence and One Million Dollars ($1,000,000) annual aggregate covering all claims and all legal liability for personal injury, bodily injury, death and property damage, including the loss of use thereof, arising out of, or occasioned in any way by, directly or indirectly, Northern's activities pursuant to this Agreement.
3) Workers' Compensation and Employer's Liability insurance covering the employees in statutory amounts and otherwise in compliance with the laws of the State of California. Northern shall maintain Employer's Liability insurance in an amount not less than One Million Dollars ($1,000,000) per accident or disease.

The insurance policies required by this section shall be issued by an insurance company or companies with a rating in the most recent edition of Best's Insurance Reports of size category X or larger and a rating classification of A or better. Northern shall submit copies of insurance certificates showing the above listed insurance coverage to the City within thirty (30) days of the Effective Date of this Agreement, and shall submit updated certificates annually on or before May 1 of each year of the Term.

C. Indemnification.

Northern shall indemnify, defend and hold harmless City, its officers, employees and agents, (collectively the "Indemnitees") from and against any and all loss, liability, penalty, forfeiture,

claim, demand, action, proceeding or suit, of any and every kind and description, whether judicial, quasi-judicial or administrative in nature including, but not limited to, injury to and death of any person and damage to property or for contribution or indemnity claimed by third parties (collectively, the "Claims"), arising out of or occasioned in any way by, directly or indirectly, Northern's performance of, or its failure to perform, its obligations under this Agreement. The foregoing indemnity shall not apply to the extent that the Claim is caused solely by the negligence or intentional misconduct of City, its officers, employees or agents, but shall apply if the Claim is caused by the joint negligence of Northern or other persons including any of the Indemnitees. Upon the occurrence of any Claim, Northern, at Northern's sole cost and expense, shall defend (with attorneys reasonably acceptable to City) City, its officers, employees, and agents. Northern's duty to indemnify and defend shall survive the expiration or earlier termination of this Agreement.

D. Annual Meeting.

The parties will hold an annual meeting in January of each year to discuss market conditions, plans for the year and other issues germane to this Agreement. The City will contact Northern to schedule the annual meeting.

E. Capitalized Terms.

Capitalized terms in this Agreement shall have the meanings assigned to them in Attachment One, unless the context indicates otherwise.

F. Assignment.

Northern may not assign any of its rights or duties under this Agreement without the prior written consent of the City.

G. Binding On Successors.

All of the rights and duties of the parties shall inure to the benefit of, and be binding upon, their respective successors and permitted assigns.

H. Notices.

All notices given under this Agreement shall be in writing. Notices shall be sent:

If to the City:
City of Napa
Department of Public Works
1600 First Street
P. O. Box 660
Napa, California 94559
Attn: Materials Diversion Administrator
Facsimile: (707) 257-9522

If to Northern: Northern Recycling Operations and Waste Services, LLC
P. O. Box 177
Napa, California 94559
Attn: Greg Kelley, Managing Member
Fax: (707) 224-2707

Notice shall be sufficiently given when (a) personally delivered to the recipient, (b) mailed first class postage prepaid, (c) delivered by overnight delivery service with charges prepaid, or (d) sent by facsimile to the last facsimile number of recipient as long as a duplicate copy of the notice is promptly given by first class mail or the receiving party delivers a written confirmation receipt. Either party may change the address to which notices to it are to be sent by means of a notice delivered to the other party as provided above.

I. No Rights of Third Parties.

Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties and their respective successors and permitted assigns, any rights or remedies.

J. Failure To Perform.

If, and for as long as, performance by a party is made impossible or extremely impracticable by acts of God, casualty, State or Federal government action, civil commotion, labor unrest (including strike, work stoppage, slowdown, picketing or other concerted job action), acts of terrorism or other causes not the fault of and beyond the reasonable control of the party obligated to perform, performance by that party is excused. This section does not excuse a failure to pay money when due.

K. Napa MDF Unavailable.

If the Napa MDF is non-operational for a period longer than three (3) days but less than thirty (30) days, City will give written notice to Northern indicating the City's plans to restore the Napa MDF to operational status and the City's estimate of the period of time the MDF will be unavailable. While the Napa MDF is unavailable, Northern will be relieved of its obligation to deliver the materials listed in Section 1 to the Napa MDF and must locate an alternate processing facility while the Napa MDF is not in operation.

If the Napa MDF is destroyed or substantially damaged by earthquake, fire, or other cause, and is non-operational for over one hundred twenty (120) days and if the City elects not to rebuild or reconstruct it, this Agreement will terminate thirty (30) days after the City gives written notice to Northern of its election. If the City elects to rebuild or repair the Napa MDF but work is not completed within 10 months of written notice to Northern of the City's intention to rebuild or repair, the City will notify Northern of the planned date of operation and Northern will continue to utilize an alternative processing facility until that date, after which Northern will resume use of the Napa MDF. City will provide written notice to Northern at least sixty (60) days prior to the date when the Napa MDF will become operational, so Northern may notify the alternate processing facility(s) that it will resume use of the Napa MDF for all of the materials listed in Section 1 A as of the date in the City's notice to Northern.

If one or more DRTS New Material(s) are identified during the time that the Napa MDF is unavailable, the City's right of first refusal shall not be waived. Once the Napa MDF becomes

operational, the City shall have up to ninety (90) days to exercise its right of first refusal to accept the DRTS New Material(s) pursuant to Section 1.C.

L. Time of the Essence.

Time is of the essence in this Agreement and each of its provisions.

M. Invalidation of Single Term or Provision.

If any term or provision of this Agreement is held invalid or unenforceable, the remainder of the Agreement shall not be affected and the contract will be enforced as if the invalid or unenforceable provision had not been contained herein.

N. No Waiver.

The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach of violation of the same or any other provision. The subsequent acceptance by either party of any monies that become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other party of any provision of this Agreement.

O. Title and Headings.

The title and headings of the sections of this Agreement are intended solely for reference and do not modify, explain, or construe any provision of this Agreement. All references to sections and recitals refer to the sections and recitals of this Agreement. In construing this Agreement, the singular form shall include the plural and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared the Agreement with the assistance of independent legal counsel for each.

P. Signature Authority.

All persons executing this Agreement on behalf of a party warrant that they have the authority to execute this Agreement on behalf of that party.

Q. Attachments.

The attachments to this Agreement numbered One through Nine are a part of this Agreement and are incorporated into it by this reference.

R. Applicable Law.

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

S. Interpretation.

Each party has participated in the preparation of this Agreement with the assistance of legal counsel to the extent desired. Accordingly, this Agreement shall be interpreted and construed reasonably and neither for nor against either party.

T. Good Faith and Fair Dealing.

Both parties each acknowledge their obligation under California law to act in good faith toward, and deal fairly with, each other with respect to this Agreement. Neither party will employ any artifice, business structure or other stratagem to circumvent or undermine the spirit and purpose of this Agreement or the spirit and purpose of the City-NRWS 2004 contract, as amended.

U. Amendment.

This Agreement may not be modified or amended in any respect except by a writing signed by the parties.

V. Entire Agreement.

This Agreement, including the Attachments, represents the full and entire agreement between the parties with respect to the matters covered herein and supersedes all prior negotiations and agreements, either written or oral.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

CITY OF NAPA:

By:_____
(Signature)

Jacques R. LaRochelle, Public Works Director
(Type Name and Title)

ATTEST:

_____
(Signature)

Dorothy Roadman, City Clerk
(Type Name and Title)

COUNTERSIGNED:

_____
(Signature)

Ann Mehta, City Auditor
(Type Name and Title)

APPROVED AS TO FORM:

_____
(Signature)

Michael Barrett, City Attorney
(Type Name and Title)

NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY*:

_____
(Tax I.D. Number)

By: _____
(Signature)

Greg Kelley, Managing Member
(Print Name and Title)

By:_____
(Signature)

_____
(Print Name and Title)

*Unless corporate resolution delegates an individual to sign contracts, an agreement with a corporation shall be signed by the President or Vice President **and** the Secretary or Assistant Secretary of the corporation. A general partner shall sign on behalf of a general partnership. The managing member, if authorized, may sign on behalf of a limited liability company.

Budget Code: Expenditure Account #51005-58911 (MDF-Facility, Payment for Materials)
Revenue Account #51005-33402 (MDF Facility, MDF Gate Fee

LIST OF ATTACHMENTS

Attachment One.	Definitions
Attachment Two.	Memorandum of Understanding Between the County of Napa and the City of Napa dated May 3, 2005
Attachment Three.	Producer Price Index Calculation to Adjust Yardwaste Price
Attachment Four.	Sample Calculation of Quarterly Average Materials Revenue Received
Attachment Five.	Napa MDF Operating Regulations
Attachment Six	Calculation of Average Per Ton Market Value for DRTS Pre-Sorted Mixed Recyclable Materials
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Attachment Eight	Required Format For Written Information On Each Load Delivered To The Napa MDF
Attachment Nine	Schedule For Preparation of Quarterly Average Materials Revenue Received By City and Invoicing By Northern

ATTACHMENT ONE

DEFINITIONS

1. "Affiliated Entity" means any Person which is related to Northern by virtue of a direct or indirect ownership interest or common management. Affiliated Entities include (1) a Person, in which Northern has a direct or indirect ownership interest, (2) a Person which has a direct or indirect ownership interest in Northern, and (3) a Person which is owned or controlled by Person which has a direct or indirect ownership interest in Northern. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of the Internal Revenue Code, in effect as of this Effective Date, shall apply except that "ten percent (10%) shall be substituted for "fifty percent (50%)" in Section 318(a)(2)(C) and 318(a)(3)(C).

2. "Agreement" means this Agreement between the City and Northern dated as of July 6, 2010, including all attachments and any amendments hereto.

3. **"Buyer Paid Tons"** means the price that a purchaser paid for a specified number of tons in a given materials shipment or load that is marketed by NRWS from the MDF. Buyer Paid Tons may differ from the actual number of tons in the outbound weight of the materials taken at the MDF scales due to moisture, contamination, packaging weight, or other difference in the weight of the load when it is weighed at the buyer's scales.

4. "California Redemption Value" ("CRV") means the value established by CalRecycle, or any successor agencies, for each type of beverage container, that is paid by recycling centers, processors and CalRecycle as described in the California Beverage Container Recycling and Litter Reduction Act of 1986 (Public Resources Code Division 12.1, Chapter 1, Section 14500 *et seq.*). "CRV Material" means any material that has a CRV value established by the state and paid by recycling centers, processors and state agencies.

5. "Contamination" means materials mixed in with Pre-Processed, Market-Ready Recyclable Materials, Pre-Processed, Baler-Ready Recyclable Materials, Yardwaste, Covered Electronic Waste, Electronic Waste, or DRTS New Materials that would reduce the quality and value of the materials to end markets. For example, the presence of glass in a load of mixed paper would be considered Contamination. The level of unacceptable Contamination is described in Section 6(A) of this Agreement.

6. "Covered Electronic Waste" or "Covered Electronic Device" or "Covered E-Waste" means a discarded video display device containing a screen greater than four inches, measured diagonally, as defined in the regulations adopted by the California Department of Toxic Substances Control pursuant to subdivision (b) of Section 25214.10.1 of the California Health and Safety Code, and as further defined in Section 42463 of the California Public Resources Code. With regard to this Agreement, Covered Electronic Waste refers to devices for which the state collects a recycling fee from retailers and for which the state reimburses collectors and processors who recycle such waste.

7. "CRV CP" means CRV materials that were collected as part of a collection program in the State of California. When such materials are marketed from the Napa MDF the price received for the materials will include a payment from CalRecycle, or any successor agencies, that is based upon the specific source of the materials, in this case, a collection program. The term "CRV CP" is applied as a modifier to a specific material type. For example "PET CRV CP" means PET plastic with CRV value that was collected through a collection program. This designation indicates the material is eligible for a CRV payment for PET originally collected through a collection program, which differs from the payment for PET originally delivered to a buy back center or collected through a curbside recycling program.

8. "CRV CS" means CRV materials that were collected via a curbside recycling program in the State of California. When such materials are marketed from the Napa MDF the price received for the materials will include a payment from the CalRecycle, or any successor agencies, that is based upon the specific source of the materials, in this case, a curbside recycling program. The term "CRV CS" is applied as a modifier to a specific material type. For example, "HDPE CRV CS" means HDPE plastic with CRV value that was collected by a curbside recycling program. This designation indicates the material is eligible for a CRV payment for HDPE collected through a curbside recycling program which differs from the payment for HDPE originally delivered to a buy back center or collected through a collection program.

9. "CRV RC" means CRV materials that were delivered to a buy back recycling center and for which a consumer or customer was paid the specified redemption value established by CalRecycle, or any successor agencies. When such materials are marketed from the Napa MDF the price received for the materials will include a payment from the CalRecycle, or any successor agencies, that is based upon the specific source of the materials, in this case, a buy back center. The term "CRV RC" is applied as a modifier to a specific material type. For example, "Aluminum CRV RC" means aluminum with CRV value that was accepted at a buy back center. This designation indicates the material is eligible for a CRV payment for aluminum accepted at a buy back center, which differs from the payment for aluminum originally collected in a collection program or in a curbside recycling program.

10. "Devlin Road Transfer Station" or "DRTS" means the Municipal Solid Waste transfer facility located at 889 Devlin Road, in the unincorporated area of Napa County, which is owned by the Napa-Vallejo Waste Management Authority ("Authority") and which is currently operated by Northern pursuant to an Agreement with the Authority dated March 1, 2007.

11. "DRTS Buyer-Paid Revenue" means all revenue received by Northern from sale of Electronic Waste and Covered Electronic Waste received at the DRTS. DRTS Buyer-Paid Revenue includes all funds paid to Northern by the Buyer. The parties agree the end-market for the Electronic Waste and Covered Electronic Waste will have taken certain deductions out of the payment for packaging weight, contamination and potentially other items. However, Northern shall not make any additional deductions for transportation, brokerage fees, sorting or any other costs.

12. "DRTS New Materials" means materials not listed in Section 1, that are delivered to the DRTS and that require baling and/or marketing. Pursuant to Section 1 C the City has the right of

first refusal to bale and market such materials. The following materials are excluded from DRTS New Materials: loose, unbaled scrap metal, wood, drywall, sheetrock, concrete and asphalt that are already being sorted and marketed directly by Northern from the Construction and Demolition sorting line at the DRTS as of January 1, 2008.

13. "DRTS Pre-Sorted Mixed Recyclable Materials" means a mix of two or more Recyclable Materials from the DRTS delivered by Northern, that have been collected, stored, delivered or pre-sorted such that different material types are mixed together and are not completely source or type separated. Such materials must be further sorted and processed before they are ready to go to market. DRTS Pre-Sorted Mixed Recyclable Materials does not include Single Stream Recyclable Materials, regardless of their residue content.

14. "Electronic Waste" or "E-Waste" means discarded electronic devices both with and without screens including computers, stereos, cellular telephones, electronic games, PDA's and other similar devices. With regard to this Agreement, Electronic Waste refers to waste for which the state does not collect a recycling fee and for which the state pays no collection or processing fee for the recycling of such waste, also known as non-covered electronic waste.

15. "Hazardous Waste" means a waste, or combination of wastes which because of its quantity, concentration or physical, chemical or infectious characteristics, may do either of the following: (1) cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible illness; (2) pose a substantial present or potential hazard to human health or environment when improperly treated, stored, transported or disposed of or otherwise managed. Hazardous Waste includes all substances defined as hazardous waste, extremely hazardous waste or acutely hazardous waste in California Health and Safety Code Sections 25110.02, 25115 and 25117 or in future amendments to or recodifications of such statutes or identified and listed as hazardous waste by the U.S. Environmental Protection Agency pursuant to the Resource Conservation and Recovery Act (42 U.S.C. Sections 6901, et seq.).

16. "Monthly Average Materials Revenue Expected" means the average of the revenue expected by the City for a specific material marketed from the Napa MDF for the month in which either party makes a written request to the other (pursuant to Section 3 F) to utilize a Monthly Average Materials Revenue Expected instead of the Quarterly Average Materials Revenue Received. To arrive at the average revenue expected to be received for a specified material type the City will perform the following calculation: (1) For each planned sales transaction (booking, purchase order, etc.) multiply the number of tons being sold by the price per ton listed in the booking or purchase order. (2) Add the net dollars of revenue expected from each planned sales transaction (excluding estimated costs for freight, taxes, broker fees, and any other charges) to arrive at a total revenue expected from sale of the specific material for the month. (3) Divide the total revenue expected for the month by the total number of tons of the material being marketed in all the planned sales transactions for the month. (4) This results in a weighted average price per ton of revenue expected from the sales transactions. A sample calculation of the "Monthly Average Materials Revenue Expected" appears in Attachment Four Part B.

The Monthly Average Materials Revenue Expected by the City will reflect one hundred percent (100%) of the revenue expected to be received by the City for sale of the specified type of material, prior to the seventy percent/thirty percent (70%/30%) revenue split with the operator of the Napa MDF.

17. "Municipal Solid Waste" or "MSW" means all fractions of discarded putrescible and non-putrescible solid, semi-solid and liquid wastes, including garbage, trash, refuse, rubbish, ashes, industrial wastes, discarded home and industrial appliances, manure, vegetable or animal solid and semi-solid wastes, and other discarded substances or materials.

18. "Napa MDF" means the City of Napa Materials Diversion Facility located at 820 Levitin Way, Napa County, owned by the City of Napa.

19. "Negative Value Materials" or "Negative Value" means materials which, during downturns in the secondary materials market, will only be accepted by end markets if a price is paid for acceptance of the material. For example, under strong market conditions, a ton of mixed paper would have a positive value of one hundred dollars ($100.00). In a down market the same ton of mixed paper could have a negative value of ten dollars ($10.00) per ton, meaning that instead of paying the City for the material, the market would charge the City ten dollars per ton to accept the material.

20. "Person" includes any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, the County, municipality or special purpose district or any other entity whatsoever.

21. "Pre-Processed, Baler-Ready Recyclable Materials" means fiber, plastics, aluminum and other Recyclable Materials segregated by type and sorted to remove contaminants so that they are "baler-ready" and do not require any additional sorting.

22. "Pre-Processed, Market-Ready Recyclable Materials" means glass, Covered Electronic Waste, Electronic Waste and other materials that are pre-sorted, ready to go directly to market, and do not require baling. In the case of Covered Electronic Waste and Electronic Waste, the material is to be already sorted into those two categories, stacked on pallets, wrapped and ready for shipment to markets.

23. "Quarterly Average Materials Revenue Received" means the average of the revenue received by the City for a specific material marketed from the Napa MDF for each of the three months of the preceding quarter as defined below. For purposes of calculating the Quarterly Average Materials Revenue Received, the following quarters will be used: the Quarterly Average Materials Revenue Received prices to be applied for the period October 1 through December 31 will be based upon the revenue received by the City for each material type during the period May 21 through August 20. The Quarterly Average Materials Revenue Received prices to be applied for the period January 1 through March 31 will be based upon the revenue received by the City for each material type during the period August 21 through November 20. The Quarterly Average Materials Revenue Received prices to be applied for the period April 1 through June 30 will be based upon the revenue received by the City for each material type

during the period November 21 through February 20. The Quarterly Average Materials Revenue Received prices to be applied for the period July 1 through September 30 will be based upon the revenue received by the City for each material type during the period February 21 through May 20. The City will calculate the Quarterly Average Materials Revenue Received for each quarter by taking the revenue received each quarter divided by the number of tons of that material sold in the quarter. A sample calculation of the "Quarterly Average Materials Revenue Received" appears in Attachment Four.

The Quarterly Average Materials Revenue Received will reflect one hundred percent (100%) of the revenue received by the City for sale of each type of material, prior to the seventy percent/thirty percent (70%/30%) revenue split with the operator of the Napa MDF.

24. "Recyclable Materials" means material which otherwise would become or be treated as MSW but which, by means of a process of collecting, sorting, cleaning, treating and reconstructing, may be returned to the economic mainstream in the form of finished or source material for new, reused or reconstituted products, which may be used in the market place. "Recyclable Materials" includes paper, magazines, cardboard, boxes, plastic, metal cans, glass and other similar materials. Whenever the context requires, "Recyclable Materials" includes Yardwaste, Covered Electronic Waste, Electronic Waste and DRTS New Materials.

25. "Single Stream Recyclable Materials" means those Recyclable Materials collected as separated from Municipal Solid Waste by the Customer and consisting of a mixture of metals, glass, plastics #1-7, and all paper grades from residential, commercial and business establishments, and industrial customers. For purposes of this agreement "Single Stream Recyclable Materials also includes Recyclable Materials collected in any community or jurisdiction on a regular basis by any entity pursuant to a contract with a public agency, or by a public agency, as part of a ratepayer funded residential, commercial or industrial (roll off) recycling program. This includes materials collected as part of a residential curbside or backyard recycling program, a commercial program and an industrial (roll off) program. Such materials may be collected as commingled, dual stream or in the case of a residential curbside, side yard or backyard recycling program, may be source separated.

26. "Yardwaste" means clean loads of tree trimmings, grass cuttings, leaves, branches and similar organic materials including vineyard clippings that do not contain contaminants such as metal, plastics, glass and the like that would interfere with the composting process or contaminate the final compost product.

ATTACHMENT TWO

MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF NAPA AND THE CITY OF NAPA RELATING TO THE NAPA MATERIALS DIVERSION FACILITY

NAPA COUNTY AGREEMENT NO. 6430

City Agreement # 8782

Budget Account #

MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF NAPA AND THE CITY OF NAPA RELATING TO THE NAPA MATERIALS DIVERSION FACILITY

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made as of May 3, 2005, by and between the COUNTY OF NAPA, a political subdivision of the State of California ("County") and the CITY OF NAPA, a charter city ("City").

RECITALS

A. The City has recently purchased a materials diversion facility ("Facility") located at 820 Levitan Way, Napa. The Facility is operated by USA Waste of California, Inc. ("USA Waste") pursuant to an Interim Operating Lease which will expire on September 30, 2005.

B. Recyclable Materials and Yardwaste which originate in the City and in portions of the County, as well as from within other jurisdictions, are delivered to the Facility for processing and composting.

C. The residue of materials delivered to the Facility that can neither be recycled nor composted is delivered to a Transfer Station, which is located adjacent to the Facility and is operated by the Napa-Vallejo Waste Management Authority, a joint powers agency whose members include the County and the City.

D. The contracts between the City and Napa Garbage Service ("NGS"), a division of USA Waste of California, Inc. ("USA Waste"), and between the County and Napa Valley Disposal Service ("NVDS"), also a division of USA Waste, each expire on September 30, 2005, concurrently with the expiration of the Interim Operating Lease of the Facility.

E. The County solicited proposals to provide collection of municipal solid waste, Recyclable Materials, and Yardwaste within the portion of its jurisdiction called Zone 1 commencing October 1, 2005.

F. The City solicited proposals to provide collection of municipal solid waste, Recyclable Materials and Yardwaste within the City and to operate the Facility commencing October 1, 2005.

G. The City has awarded a contract for these services to Napa Recycling and Waste Services, LLC, and the County has awarded a contract for these services to Napa County Recycling and Waste Services, LLC, two affiliated companies with common ownership.

H. The County has determined that it will be in the best interests of residents and businesses in Zone 1 for certain Recyclable Materials and Yardwaste collected within that Zone by Napa County Recycling and Waste Services, LLC and by County employees to be delivered to the Facility for processing and composting. The City has determined that it is in its best interest to accept such materials at the Facility on the terms contained in this Agreement.

THE PARTIES AGREE AS FOLLOWS:

I. COOPERATIVE PROVISIONS APPLICABLE TO PHASE ONE (BEFORE THE CITY BEGINS OPERATING THE FACILITY)

The parties recognize that there will be a transition period during which the equipment currently in use at the Facility will be removed and new equipment installed, tested and placed into service by Napa Recycling and Waste Services, LLC, on behalf of the City. The Interim Operating Lease between the City and USA Waste contemplates that this transition period will end on or about September 30, 2005, and that during this period Clean MRF Recyclable Materials delivered to the Facility will be accepted, but then transferred by the City's Contractor to another facility for processing. The parties recognize that the transition period may extend beyond September 30, 2005. The City and County will work closely during this transition period to facilitate the installation of new processing equipment and will cooperate with the City and its Contractor's requests and directions relating to vehicle access, parking and materials delivery.

II. COOPERATIVE PROVISIONS APPLICABLE TO PHASE TWO (AFTER THE CITY BEGINS OPERATING THE FACILITY)

1. The City will arrange for the County to have priority (second only to the City's) to the processing capacity of the Facility for Clean MRF Recyclable Materials and Yardwaste. The City will require the Facility operator to refuse to accept Clean MRF Recyclable Materials and Yardwaste delivered by any third party if at any time the operator becomes unable to accommodate all materials of these types delivered by or on behalf of the County and City.

2. The County will direct Napa County Recycling and Waste Services, LLC to deliver to the Facility:

A. All Clean MRF Recyclable Materials collected in the areas of the County that are shown on Attachment 1 (i.e., Zone 1) (1) from residential customers, and (2) from commercial/business customers in containers whose capacity is six cubic yards or less.

B. All Yardwaste collected in the areas of the County that are shown on Attachment 1 (i.e., Zone 1) (1) from residential customers, and (2) from commercial/business customers in containers whose capacity is six cubic yards or less.

3. If the County collects Clean MRF Recyclable Materials or Yardwaste within Zone 1 through its own forces, it will deliver all such materials to the Facility. The County will continue diversion programs (e.g., curbside collection of Clean MRF Recyclable Materials and Yardwaste) as provided in the agreement between the County and Napa County Recycling and Waste Services, LLC, dated as of May 3, 2005, Section 3.2.

4. Clean MRF Recyclable Materials and Yardwaste collected by Napa County Recycling and Waste Services, LLC in Zone 1 in containers whose capacity is greater than six cubic yards may be, but is not required to be, delivered to the Facility under this agreement.

5. The County may direct its contractor to deliver other materials (e.g., bulky goods, tires, electronic waste, wood and concrete) collected in Zone 1 to the Facility, but need not do so. If the City accepts these other materials from third parties it will also accept them from the County.

6. If the City implements Food Waste composting, the County may direct Food Waste to the Facility, but is not obligated to do so.

7. The City will require the operator of the Facility to deliver any residue (i.e., materials which cannot be recycled or successfully composted) to the Transfer Station for disposal. "Residue" does not include materials delivered to landfills for use as "Alternative Daily Cover" or wood chips delivered to Transformation facilities for fuel, whether or not the operator receives payment for such materials.

8. A. The City will charge (or credit) the County, and the County will pay (or accept) exclusively from revenues generated from ratepayers in the Unincorporated Area of Zone 1 commencing October 1, 2005, the following amounts for Yardwaste and Clean MRF Recyclable Materials delivered to the Facility by or for the County from Zone 1.

Period (calendar year)	Charge for Yardwaste ($/ton)	Credit for Clean MRF Recyclable Materials ($/ton)
2005 (10/1-12/31)	25.00	(35.00)
2006	25.00	(35.00)
2007	26.00	(34.00)

B. Commencing January 1, 2008, the City may, after 60 days notice to County, change the rates for Yardwaste and/or Clean MRF Recyclable Materials.

C. The charge for Yardwaste is subject to increase at any time if the processing method at the Facility is modified in order to comply with regulatory requirements or environmental conditions, e.g., if aerated static pile (ASP) composting is implemented to control odors. The charge will be increased by the same amount per Ton that the City is required to pay the Facility operator for processing City-delivered Yardwaste.

D. Napa County Recycling and Waste Services, LLC will be charged no more than the posted Gate Fee for other materials (e.g., bulky goods, tires, electronic waste, wood, concrete) collected in Zone 1 which it elects to deliver to the Facility.

E. If the City implements Food Waste composting and the County wishes to arrange for Food Waste to be delivered to the Facility, the parties will meet and confer to establish the amount per Ton that the County will pay.

F. The amounts set forth in this section II.8 are predicated on Napa County Recycling and Waste Services, LLC serving as the collection contractor for the County's Zone 1 and Napa Recycling and Waste Services, LLC serving as Facility operator under contract with the City. If either party changes its contractor (other than to an affiliated successor with substantially identical ownership), the parties will meet and confer to establish new charges and credits. If the parties cannot reach agreement within 90 days, either party may terminate this

Agreement and the County may thereafter direct both Clean MRF Recyclable Materials and Yardwaste to a different facility.

9. The City will bill the County monthly, in arrears. The City will issue a single invoice for all Clean MRF Recyclable Materials and Yardwaste delivered by the County's collection contractor, all Clean MRF Recyclable Materials and Yardwaste delivered by County employees and all other material delivered by County employees. The invoice will show subtotals by principal material type (Clean MRF Recyclable Materials and Yardwaste) and for each other type of material for which a different charge is payable. The invoice will show a credit for Clean MRF Recyclable Materials and a charge for all other materials, including a separately identified surcharge for contaminated loads. The City's invoice will also indicate the number and value of County coupons issued to residents of and businesses located in County Zone 1 and collected by the City's contractor. The County must pay the City for such collected coupons at face value. The invoice will indicate the portion of materials delivered by the County through its own forces. The invoice total will be a net figure. Concurrently, the City will send a copy of each monthly invoice to Napa County Recycling and Waste Services, LLC.

Invoices are due and payable within forty-five (45) days after issuance. Delinquent payments will bear interest at ten percent (10%) per year, or the maximum legally allowable rate if lower. If the County is delinquent in paying two consecutive monthly invoices, the City may require the County to either or both (1) post a deposit equal to the total payment due for the previous three (3) months or (2) pay an estimated amount each month, in advance. The City will not owe interest on any deposit required in the event of delinquent payments unless required by law. If the County fails to pay an invoice for more than sixty (60) days after it is due, the City may terminate this Agreement. Invoices will be sent to:

Audit Manager
Napa County Auditor-Controller's Office
1195 Third Street, Room B-10
Napa, CA 94559

10. The City will not enter into a contract with any third party allowing it to deliver Clean MRF Recyclable Materials and Yardwaste on terms that are more favorable than those extended to the County in Section II.8.A, taken together.

11. Residents of and businesses located in County Zone 1 will be charged the posted Gate Fees established by the City for materials which they self-haul to the Facility. The City will accept coupons that the County's Contractor issues to residents and businesses in Zone 1 to be applied toward gate fees. The City will honor such coupons at face value.

III. TERM

1. The term of this MOU begins on October 1, 2005 and ends on November 30, 2015, unless earlier terminated as provided below.

2. If the Facility is destroyed or substantially damaged by earthquake, fire or other cause, and if City elects not to rebuild or reconstruct it, this Agreement will terminate thirty (30) days after City gives notice to County of its election.

3. If the City, pursuant to Section II.8.B, changes the charge for Yardwaste, and/or the credit for Clean MRF Recyclable Materials after January 1, 2008, or if charges are changed pursuant to Section II.8.C. at any time, the County may, on 60 days notice to City, terminate this MOU and direct both Yardwaste and Clean MRF Recyclable Materials to a different facility which offers more favorable terms to the County if the City does not elect to match the terms of the offer from the other facility. Any such offer must be in writing and binding on the owner and operator of the other facility and a complete copy must be provided to City at the same time the County provides notice of its intent to terminate this MOU.

IV. OTHER AGREEMENTS

1. The City or its representative will issue contamination violation notices to the County's collection contractor (Napa County Recycling and Waste Services, LLC) and to the County for any loads of Clean MRF Recyclable Materials or of Yardwaste delivered to the Facility which contain more than ten percent (10%) by weight of materials constituting Contamination. For any such load, the City may: 1) direct Napa Recycling & Waste Services to process the contaminated load and charge the County a "contaminated load surcharge" for the load, which shall be calculated based on the $/ton contaminated load surcharge rate posted at the scalehouse multiplied by the total number of tons in the load; or 2) require that the contaminated load be reloaded by Napa Recycling & Waste Services at the expense of the vehicle operators

and remove load from the MDF, and charge the County a standard "reload fee" which shall be the rate posted at the scalehouse. The City will provide notification of contaminated loads to the County on a monthly basis. Notifications will be sent to:

County Executive Office
1195 Third Street
Room 310
Napa, CA 94559

In addition, the County will comply, and require Napa County Recycling & Waste Services, LLC to comply, with all hazardous waste exclusion program regulations adopted by the City.

2. At the request of the County, the City will meet up to one time per calendar year to discuss the list of materials accepted at the Facility under the categories of Clean MRF Recyclable Materials and Yardwaste. Changes to the list of materials may be suggested by the County at the meeting, but must be approved in writing by the City prior to acceptance of the material types at the Facility.

3. The City will have the sole and exclusive right to establish and collect Gate Fees for all materials delivered to the Facility by third parties without contracts, including but not limited to other local government agencies, collection companies engaged by such government agencies, independent landscapers, roofers and contractors, and members of the public.

4. If the City elects to accept Special Recycling Waste at the Facility, residents of and businesses located in Zone 1 of the County may deliver such waste upon payment of the posted Gate Fees, provided that the City is permitted to accept Special Recycling Waste from outside the City. The City has no obligation under this MOU to accept waste of this type and, if it begins to accept it, the City may terminate its acceptance at anytime. If the City elects to discontinue accepting any Special Recycling Waste, City may, on 60 days notice to the County, terminate this service.

5. The City will arrange for reports to be prepared on Tons delivered to the Facility from or by the County and Tons diverted from landfill disposal that are similar in content and format to the reports that the City will prepare for its own use in documenting compliance with the Act. Such reports will be delivered to the County at the same time and frequency as the City's reports are produced. The City will provide the County a monthly report of inbound material delivered by the County in accordance with Section II herein.

V. MISCELLANEOUS AGREEMENTS

1. Capitalized terms in this MOU shall have the meanings assigned to them in Attachment Two, unless the context indicates otherwise.

2. This MOU may be amended only in a writing approved and executed by both parties.

3. The County may not assign any of its rights under this MOU, nor delegate any duties or those of its contractor arising under this MOU, without the prior written consent of the City.

4. Without waiving the provisions of Section V.3, all of the rights and duties of the parties shall inure to the benefit of, and be binding upon, their respective successors and assigns.

5. All notices given under this MOU shall be in writing. Notices shall be sent:

If to the City:	City of Napa 955 School Street Napa, CA 94559 Attention: City Finance Director Facsimile: (707) 257-9251
If to the County:	County of Napa 1195 Third Street, Room 310 Napa, CA 94559 Attention: County Executive Officer Facsimile: (707) 253-4176

Notice shall be sufficiently given when (a) personally delivered to the recipient, (b) mailed first class postage prepaid, (c) delivered by overnight delivery service with charges prepaid, or (d) sent by facsimile to the last facsimile number of the recipient so long as a

duplicate copy of the notice is promptly given by first class mail or the receiving party delivers a written confirmation receipt. Either party may change the address to which notices to it are to be sent by means of a notice delivered to the other party as provided above.

6. Nothing in this MOU, express or implied, is intended to confer upon any person, other than the parties and their respective successors and assigns, any rights or remedies.

7. If, and for as long as, performance by a party is made impossible by acts of God, casualty, State or federal government action, civil commotion, acts of terrorism or other causes not the fault of and beyond the reasonable control of the party obligated to perform, performance by that party is excused. This section does not excuse a failure to pay money when due.

8. Time is of the essence of this MOU and each of its provisions

9. If any term or provision of this MOU is held invalid or unenforceable, the remainder of this MOU shall not be affected.

10. No waiver of a breach of any provision shall be deemed a waiver of any other breach, and no waiver shall be valid unless it is in writing and executed by the waiving party. No extension of time for performance of any obligation or act shall be deemed an extension of time for any other obligation or act.

11. This MOU may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. The execution of the MOU shall be deemed to have occurred, and this MOU shall be enforceable and effective, only upon the complete execution of this MOU by County and City.

12. If any legal action or other proceeding, including arbitration or an action for declaratory relief, is brought to enforce this MOU or because of a dispute, breach, or default in connection with this MOU, the prevailing party shall be entitled to recover reasonable attorney fees and other costs, in addition to any other proper relief. "Prevailing party" includes (a) a party who dismisses an action in exchange for sums allegedly due; (b) the party that receives performance from the other party of an alleged breach or a desired remedy, if it is substantially equal to the relief sought in an action; or (c) the party determined to be prevailing by a court of law.

13. The title and headings of the sections of this MOU are intended solely for reference and do not modify, explain, or construe any provision of this MOU. All references to sections and recitals refer to the sections and recitals of this MOU. In construing this MOU, the singular form shall include the plural and vice versa. This MOU shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared the MOU with the assistance of independent legal counsel for each.

14. This MOU constitutes the entire agreement between the parties. There are no oral agreements which are not expressly set forth in this MOU.

15. All persons executing this MOU on behalf of a party warrant that they have the authority to execute this MOU on behalf of that party.

16. The attachments to this MOU are a part of this MOU and are incorporated into it by this reference.

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

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding as of the day and year first above written.

///

COUNTY OF NAPA

By: Diane Dillon

Name: Diane Dillon

Title: Chair, Board of Supervisors

Date: May 3, 2005

ATTEST: PAMELA MILLER,
Clerk of the Board of Supervisors

By: Pamela A. Miller

APPROVED May 3, 2005
BOARD OF SUPERVISORS
COUNTY OF NAPA

PAMELA A. MILLER
CLERK OF THE BOARD

BY Sherry Vatterott Deputy

APPROVED AS TO FORM:

ROBERT WESTMEYER
Napa County Counsel

By: e-signature by Robert Paul

CITY OF NAPA:

Jill Techel
(Signature)

JILL TECHEL, Mayor
(Type name and title)

ATTEST:

Pamela Means
(Signature)

PAMYLA MEANS, City Clerk
(Type name and title)

COUNTERSIGNED:

Jason Mayon, Acting
(Signature)

JED CHRISTENSEN, Finance Director
(Type name and title)

APPROVED AS TO FORM:

(Signature)

_____, City Attorney
(Type name and title)

Budget Code:_____

LIST OF ATTACHMENTS

Attachment One

Map of Zone One Service Area

Attachment Two

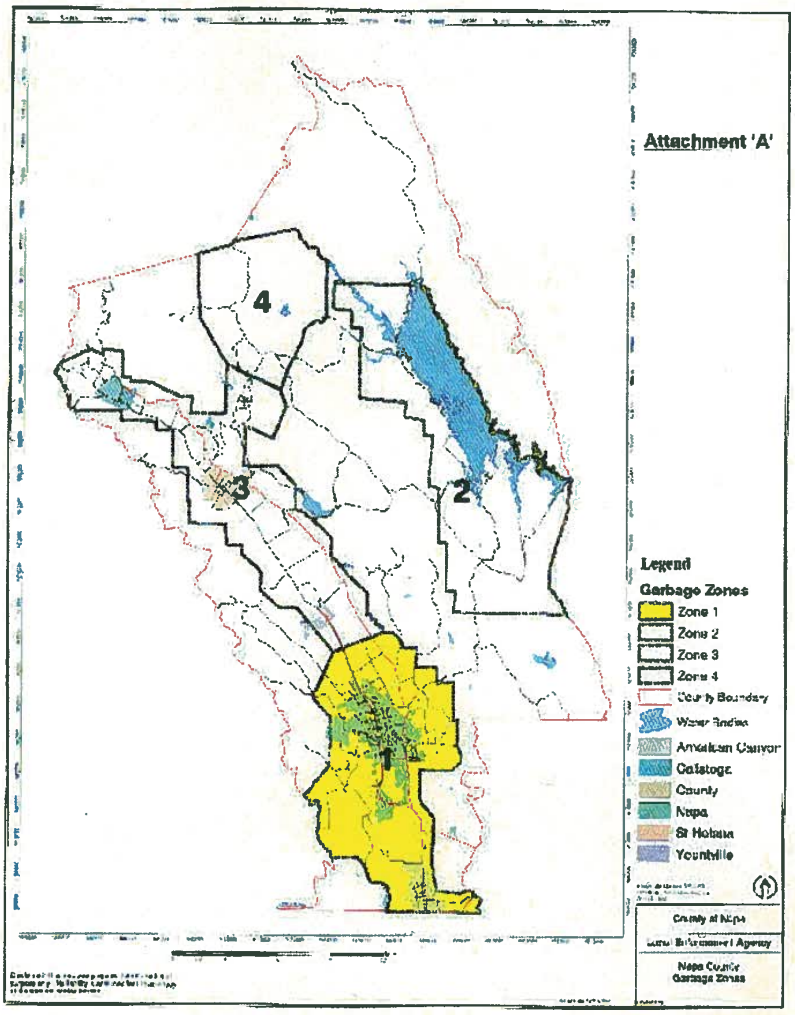
Definitions

Attachment Three

Clean MRF Recyclable Materials

ATTACHMENT ONE

MAP OF ZONE ONE SERVICE AREA



Memorandum of Understanding
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Attachment AA

ATTACHMENT TWO

DEFINITIONS

"Clean MRF Recyclable Materials" means those materials which are to be processed at the Clean MRF areas of the Facility, which are listed in Attachment Three. Clean MRF Recyclable Materials include both Single Stream Recyclables and Source Separated materials listed in Attachment Three.

"Contamination" means materials which are not specified in the definition for Yardwaste or listed as acceptable on Attachment Three for Clean MRF Recyclable Materials. For example, plastics would constitute Contamination if delivered to the Facility in a load of Yardwaste and tree trimmings would constitute Contamination if delivered to the Facility in a load of Clean MRF Recyclable Materials.

"Food Waste" means surplus, spoiled or unsold food, such as vegetables and culls, as well as plate scrapings.

"Single Stream Recyclables" means materials collected after having been separated from municipal solid waste (e.g., garbage or refuse) by a residential or commercial/business customer, consisting of a mixture of some or all of the materials listed in Attachment Three.

"Special Recycling Waste" means electronic waste (including cathode ray tubes, computers, televisions, cell phones, stereos, copiers, fax machines and peripherals), tires and bulky goods (including furniture, household or industrial appliances, shipping crates and containers, other large, and bulky or heavy objects not normally discarded on a regular basis at residential, commercial or business establishments). Items listed may be changed as agreed upon by the City Finance Director and the County Executive Officer.

"Source Separated" means materials collected after having been separated from municipal solid waste (e.g., garbage or refuse) by a residential or commercial/business customer, consisting primarily of a single material.

"Yardwaste" means tree trimmings, grass cuttings, leaves, branches and similar organic materials, including vineyard clippings, weeds, tree prunings, bush prunings, plant material, and tree trunks/stumps/branches 6" or less in diameter. It excludes, for example, rocks, dirt, plastic bags, municipal solid waste, Single-Stream Recyclables, pet waste, Hazardous Waste, and tree trunks/stumps/branches greater than 6" in diameter.

ATTACHMENT THREE

CLEAN MRF RECYCLABLE MATERIALS

Acceptable Materials	Examples of Unacceptable Materials (Contamination)
Newspaper	Paper tissues
Phone books	Paper towels
Catalogs	Paper with plastic coating (i.e., photographs, label paper)
Magazines	Paper with food
Brown paper bags	Wax paper
Packaging	Foil lined paper
Egg cartons	Tyvex (non-tearing) envelopes
White paper	Non-paper bags
Colored paper	Plastic liners (i.e., cereal bags)
Envelopes (windows are not contamination)	Windows
Junk mail	Mirrors
Glossy paper	Dishware
Shredded paper	Ceramics
Carbonless paper	Light bulbs
Chipboard/boxboard	Florescent tubes
Cardboard	Toys
Wrapping paper	Irrigation pipe
Empty aluminum cans	Furniture
Empty tin cans	Styrofoam
Juice containers	MSW
Beer containers	Hazardous Waste
Sauce containers	Hard cover books/manuals
Soda cans	Pyrex materials
Tuna cans	Fiberglass materials
Soup cans	
Loose jar lids	
Empty aerosol	
Empty glass beverage containers	
Empty glass food containers	
All glass colors	
Empty CRV plastic containers and bottles #1 through #7	
Soft cover books/manuals	
Milk/juice cartons	

ATTACHMENT THREE

PRODUCER PRICE INDEX CALCULATION TO ADJUST YARDWASTE PRICE

The Yardwaste gate fee for calendar year 2009 is twenty-seven dollars ($27.00) per ton. The Yardwaste gate fee for 2010 will be adjusted as of January 1, 2010 by the change in the annual average of the Producer Price Index (PPI) - Finished Goods Less Food and Energy (Series ID WPUSOD 3500) for calendar year 2008 and the annual average for calendar year 2009. The Yardwaste gate fee will be adjusted annually thereafter using the same procedure.

If the final version of the above-described index is not publicly available prior to the first City billing of the calendar year, the City will apply the additional adjustment retroactively to all inbound Yardwaste tonnage received from the beginning of the calendar year. For example, if the appropriate annual average PPI for 2009 is not publicly available until March 1, 2010, the City will invoice for the gate fee adjustments for Yardwaste loads delivered by Northern in January and February 2010, in March 2010.

The percentage change in the level of the stated PPI between the reference period and a subsequent time period is calculated by first determining the index point change between the two periods and then the percentage change. The following example illustrates the computation of the percentage change and adjustment of the Yardwaste gate fee for Northern.

Annual Average PPI (Finished Goods less Food and Energy – Series ID WPUSOD 3500) for current period
116.0

Less Annual Average PPI for previous period
113.3

Equals percentage point change
2.7/

Divided by previous period PPI
113.3

Equals =
0.024

Results multiplied by 100 0.024 x 100

Equals percentage change = 2.4%

Attachment AA

Percentage change multiplied by current gate fee	$27.00
x 2.4%	
Equals dollar change	=
$0.65	
Current gate fee plus dollar change equals new gate fee	$27.00
+$0.65	
Equals new gate fee	= $27.65/ton

ATTACHMENT FOUR PART A

SAMPLE CALCULATION OF QUARTERLY AVERAGE RECEIVED REVENUE FROM SALE OF MDF RECYCLABLE MATERIALS

Average of Quarterly MDF Received Revenue by Material Type for Previous Quarter (e.g., November 21, 2008 through February 20, 2009):,

Material/Commodity	Gross Received Revenue in Previous Quarter		Buyer Paid Tons in Previous Quarter		Average Received Revenue per Ton in Previous		Payment Percentage per Material		Payment (per Ton) to Northern for Current Quarter (Jan – Mar 08)
Cardboard	$200,160.00	divided by	1251 tons	=	$160.00 per ton	X	61 percent	=	$97.60 per ton
Mixed Paper	$38,906.25	divided by	375 tons	=	$103.75 per ton	X	61 percent	=	$63.29 per ton
PET Plastic Bottles (CRV)	$385,721.70	divided by	195 tons	=	$1,978.06 per ton	X	69 percent	=	$1,364.86 per ton
Mixed #1-7 Rigid/ Non-CRV Plastics	$90,000.00	divided by	750 tons	=	$120.00 per ton	X	61 percent	=	$73.20 per ton
Aluminum Cans (CRV)	$301,278.60	divided by	63 tons	=	$4,782.20 per ton	X	69 percent	=	$3,299.72 per ton
Mixed Glass Containers (CRV)	$2,576.49	divided by	21 tons	=	$122.69 per ton	X	69 percent	=	$84.66 per ton
Clear Glass Containers (CRV)	$8,851.05	divided by	45 tons	=	$196.69 per ton	X	69 percent	=	$135.72 per ton
Clear Film Plastic	$37,620.00	divided by	195 tons	=	$192.92 per ton	X	61 percent	=	$117.68 per ton
Colored Film Plastic	$3,000.00	divided by	75 tons	=	$40.00 per ton	X	61 percent	=	$24.40 per ton
Covered Electronic Waste (CEW)	$10,800.00	divided by	27 tons	=	$400.00 per ton	X	69 percent	=	$276.00 per ton

PET Film Plastic Rolls	$9,300.00	divided by	31 tons		$300.00 per ton		69 percent	=	$207.00 per ton
Computer Hard Drives	$480.00	divided by	4 tons	-	$120.00 per ton	X	69 percent	=	$82.80 per ton

Attachment AA

ATTACHMENT FOUR PART B

SAMPLE CALCULATION OF MONTHLY AVERAGE MATERIALS REVENUE EXPECTED

Assumptions:

A. The Quarterly Average Materials Revenue Received for Quarter #1 for cardboard is $100/ton.

B. The following purchase orders and bookings have been made for sale of cardboard from the Napa MDF during the month of May:

Booking #1: 60 tons of cardboard being sold at $100 per ton (net of all estimated freight, shipping, handling, brokerage, demurrage and other charges).

Booking #2: 100 tons of cardboard being sold at $160 per ton (net of all estimated freight, shipping, handling, brokerage, demurrage and other charges).

Purchase Order: 30 tons of cardboard being sold at $180 per ton (net of all estimated freight, shipping, handling, brokerage, demurrage and other charges).

C. The price in Booking #2 ($160/ton) is compared to the Quarterly Average Materials Revenue Received for Quarter #1 ($100/ton). The price has increased by over 20%.

Calculation of Monthly Average Materials Revenue Expected for Cardboard for May:

Step #1. Calculate Total Expected Revenue From Cardboard

60 x $100 = $ 6,000

100 x $160 = $16,000

30 x $180 = $ 5,400

Total $27,400

Step #2. Calculate Total Tons Sold

Total tons sold = 60 + 100 + 30 = 190 tons

ATTACHMENT FOUR PART B (continued)

Step #3. Calculate Monthly Average Materials Revenue Expected Per Ton For the Month of May for Cardboard

$27,400/190 tons = $144.21/ton

Step #4. The Monthly Average Materials Revenue Expected Per Ton of $144.21/ton for cardboard is used in the calculation in Section 3 for payment to Northern for cardboard instead of the Quarterly Average Materials Revenue Received.

ATTACHMENT FIVE

NAPA MDF OPERATING REGULATIONS
(Updated May 24, 2010)

1. **MDF Hours of Operations and Access Policies**

   a) For general public users of the MDF, the daily hours are from 8:00 a.m. to 4:00 p.m.
   b) The MDF is closed four days each calendar year (New Year's Day, Easter Sunday, Thanksgiving Day and Christmas Day).
   c) The MDF will close at 3:00 p.m. on major holidays including Martin Luther King Jr. Birthday, Presidents' Day, Memorial Day, 4th of July, Labor Day, Day after Thanksgiving and at noon on Christmas Eve. Public notices will be posted and sent out to jurisdictional users.
   d) For commercial compost and other outbound organics (e.g., wood chips, yardwaste overs, etc.), the MDF may accept vehicles from 8:00 a.m. until 4:00 p.m. This restriction parallels the current permit requirements and operational considerations for the composting and wood processing areas.
   e) For commercial users (NRWS/NCRWS & jurisdictional customers) of the clean Materials Recovery Facility (MRF) and source separated construction and demolition materials (C&D), the MDF can accept vehicles for offloading from 6:15 a.m. through 4:00 .p.m.
   f) For commercial users of the MRF and C&D areas at the MDF that intend to be loaded with outbound materials, the MDF will accept vehicles between the hours of 6:15 a.m. and 4:00 p.m.

2. **Gatehouse and Weighscale Policies**

   a) All inbound loads for processing must be weighed (including loads for transfer only).
   b) *With the exception of compost purchased by self-haul users,* all outbound loads must also be weighed.
   c) All vehicles must check in with scalehouse attendant when entering or leaving MDF. The only exception to this rule is inbound NRWS/NCRWS or jurisdictional users that have an approved tare weight loaded into the scalehouse tracking software – these inbound users may check prior to off-loading and are not required to go over the scales again after offloading.
   d) With the exceptions noted in item b and c above, all vehicles (both inbound and outbound users) must check in with scalehouse attendant to establish an empty tare weight and loaded gross weights. **NO VEHICLE WILL BE ALLOWED TO LEAVE THE MDF WITH A GROSS WEIGHT EXCEEDING 80,000 LBS.**
   e) Outbound loads containing more than one type of material must have each material weighed separately (i.e., vehicle must weigh after loading each type of material).
   f) Outbound disposal residue from MDF must be separately weighed by processing area.

3. **MDF Traffic Flow & Load Check Provisions**

a) MDF spotters must be available to direct customers where to deposit loads, and where to pick up materials. Spotters must be able to speak English.
b) Spotters are to observe loads of materials as they are discharged from vehicles at each processing area for hazardous materials and contamination that exceeds limits
c) As a general rule, customers should be directed to take the oldest compost material first.

4. **Safety & Material Storage Provisions**

a) Except for personnel operating or feeding the shredder, no person (employee, customer, or City personnel) is allowed within 30 ft of the shredder when it is operating.
b) All users of MDF will treat employees of the City and NRWS with courtesy and respect at all times and respond to direction from MDF staff accordingly. Any user or customer that does not comply with this policy may be asked to leave the MDF premises immediately and may be prevented from future access and use privileges at the MDF.
c) Cleanliness
    a. All areas of the MDF are to be swept daily.
    b. Street frontages are to be cleaned at least twice per week.
    c. Materials are to be stored to minimize nuisance, health, and safety problems.

ATTACHMENT SIX

CALCULATION OF AVERAGE PER TON MARKET VALUE FOR DRTS PRE-SORTED MIXED RECYCLABLE MATERIALS

STEP 1: Assume the characterization results described in Section 3 E are as follows:

#6 Plastics	53.5%
#7 Plastics	19%
Tin Cans	27%
Residue	0.5%

Assume the Quarterly Average Materials Revenue Received for these materials is as follows:

#6 Plastics	$60.98/ton
#7 Plastics	$71.07/ton
Tin Cans	$52.00/ton

STEP 2: Calculate the Average Per Ton Market Value by multiplying the percentage of each material by the Quarterly Average Materials Revenue Received for that material.

#6 Plastics	$60.98 x 0.535 = $32.62/ton
#7 Plastics	$71.07 x 0.19 = $13.50/ton
Tin Cans	$52.00 x .27 = $14.04/ton

STEP 3: Add the resulting values for each material in STEP #2.

#6 Plastics	$32.62/ton
#7 Plastics	$13.50/ton
Tin Cans	$14.04/ton
Total	$60.16/ton

STEP #4: The result is the Average Per Ton Market Value of $60.16/ton.

ATTACHMENT SEVEN

CALCULATION OF PAYMENT TO OR FROM NORTHERN FOR DRTS PRE-SORTED MIXED RECYCLABLE MATERIALS

PART A
CALCULATION OF PAYMENT TO NORTHERN

Follow the steps listed below to complete the calculation of the amount of the payment per ton to or from Northern for DRTS Pre-Sorted Mixed Recyclable Materials. Two sample calculations follow the list of steps for completing the calculation. The first sample shows a calculation resulting in payment to Northern from the City for the materials. The second sample shows a calculation resulting in Northern owing a payment to the City for processing the materials due to the lower Average Per Ton Market Value of the mixed materials.

STEP 1: Complete the following background work to obtain values needed for the calculation:

A. Establish the Average Per Ton Market Value for the DRTS Pre-Sorted Mixed Recyclable Materials by performing the characterization described in Section 3 E and the calculation in Attachment Six.

B. Establish the percent of residue in the DRTS Pre-Sorted Mixed Recyclable Materials by performing the characterization described in Section 3 E.

C. Obtain the current per ton cost to the City for disposal of residue at the DRTS.

D. Obtain the current NRWS processing fee for tons over baseline (as adjusted for inflation) as described in Section 12.05 of the agreement between the City and NRWS (City agreement No. 8687) dated December 7, 2004.

STEP 2: Begin the calculation by reducing the Average Per Ton Market Value by the shrinkage due to residue to establish the net per ton average market value. Subtract the percentage of residue from 100, then convert the result to a percentage (e.g. .99). Multiply the Average Per Ton Market Value by this percentage.

STEP 3: Calculate the City's 70% share of the market value by multiplying the net per ton average market value by 0.7.

STEP 4: Calculate the cost to the City for residue disposal by multiplying the per ton disposal cost at the DRTS times the percent of residue in the DRTS Pre-Sorted Mixed Recyclable Materials. Subtract the cost of residue disposal from the result of Step #3.

STEP 5: Subtract the current NRWS over baseline per ton processing fee from the result of Step #4.

STEP 6: Calculate the City's payment (the City receives 9% of the net per ton average market value of the materials) by multiplying the net per ton average market value (calculated in Step 2) times 0.09. Subtract the result from the result of Step #5.

STEP 7: The result of Step #6 equals the per ton payment to Northern or the per ton payment from Northern to the City for processing the materials.

SAMPLE CALCULATION #1

STEP 1: Assume that the following data was obtained for use in the calculations:

A. The Average Per Ton Market Value for the DRTS Pre-Sorted Mixed Recyclable Materials per the characterization is $130 per ton.
B. Residue equals 0.5% per the characterization.
C. The City's current cost of residue disposal at the DRTS is $56.00 per ton.
D. The current NRWS processing fee for tons over baseline is $61 per ton.

STEP 2: 100 – 0.5 (0.5% residue) = 0.995 0.995 x $130/ton = $129.35/ton

STEP 3: $129.35/ton x 0.7 (City's 70% share of revenue) = $90.55/ton

STEP 4: $56/ton (DRTS tip fee) x 0.005(percent of residue disposal) = $0.28/ton
$90.55/ton - $0.28/ton = $90.27/ton

STEP 5: $90.27/ton - $61.00/ton (NRWS over baseline processing fee) = $29.27/ton

STEP 6: $129.35 x 0.09 (City's payment equal to 9% of the net per ton average market value from Step #2) = $11.64/ton
$29.27 - $11.64 = $17.63/ton

STEP 7: Payment to Northern = $17.63/ton

SAMPLE CALCULATION #2

STEP 1: Assume that the following data was obtained for use in the calculations:

A. The Average Per Ton Market Value for the DRTS Pre-Sorted Mixed Recyclable Materials per the characterization is $90 per ton.
B. Residue equals 0.5% per the characterization.
C. The City's current cost of residue disposal at the DRTS is $56.00 per ton.
D. The current NRWS processing fee for tons over baseline is $61 per ton.

STEP 2: 100 – 0.5 (0.5% residue) = 0.995 0.995 x $90/ton = $89.55/ton

STEP 3: $89.55/ton x 0.7 (City's 70% share of revenue) = $62.69/ton

STEP 4: $56/ton (DRTS tip fee) x 0.005(percent of residue disposal) = $0.28/ton

$62.69/ton - $0.28/ton = $62.41/ton

STEP 5: $62.41/ton - $61.00/ton (NRWS over baseline processing fee) = $1.41/ton

STEP 6: $89.55 x 0.09 (City's payment equal to 9% of the net per ton average market value from Step #2) = $8.06/ton
$1.41 - $8.06 =- $6.65/ton (negative $6.65/ton)

STEP 7: Payment to City from Northern = $6.65/ton

ATTACHMENT SEVEN

PART B

CHANGE IN CALCULATION IF CITY CEASES TO PAY FOR NAPA MDF RESIDUE DISPOSAL

In the event that the City ceases to pay for the disposal of residue from the Napa MDF in the future, the above-described calculation shall be modified by omitting STEP #4. All other parts of the calculation shall remain the same.

ATTACHMENT EIGHT

REQUIRED FORMAT FOR WRITTEN INFORMATION ON EACH LOAD DELIVERED TO THE NAPA MDF

Northern Recycling - Devlin Road Transfer Station

Date: _____

Truck #: _____

Driver: _____

(Circle area and material)

Buy Back Center:	ALUM	CRV Aluminum Cans
	PET	CRV #1 PET Plastic Bottles
	HDPENAT	CRV #2 HDPE Natural Plastic Bottles
	HDPEMIX	CRV #2 HDPE Colored Plastic Bottles
	MIXCONT	CRV #3-7 Plastic Bottles
	METAL	CRV Bimetal Cans
	GLASSCL	CRV Clear Glass Bottles
	GLASSBR	CRV Brown Glass Bottles
	GLASSGR	CRV Green Glass Bottles
	CARD	BALED Cardboard
	CARD #12	Cardboard #12
	LDPENAT	BALED Clear Film Plastic
	LDPEMIX	BALED Colored Film Plastic
	OTHER	_____
	OTHER	_____
Re-use Area:	CARD	Cardboard
	CARD #12	Cardboard #12
	ELEC	Electronics
	MXPLAS	Mixed Rigid Plastics
	NEWS	Newspaper
	PAPERMX	Mixed Paper
	TIN	Tin Cans
	OTHER	_____
	OTHER	_____
C&D Sorting Area:	CARD	Cardboard
	CARD #12	Cardboard #12
	PAPERMX	Mixed Paper
	MXPLAS	Mixed Rigid Plastics
	LDPEMIX	Mixed Plastic Film
	MXCONT	Mixed Bottles and Cans
	GLASS	Mixed Glass Bottles
	METAL	Scrap Metal
	OTHER	_____
	OTHER	_____

Please attach yellow and pink weight tickets
If any "Other" handwritten materials are included on this form, copy the form and forward it to the City Materials Diversion Analyst for review.

ATTACHMENT NINE
SCHEDULE FOR PREPARATION OF QUARTERLY AVERAGE MATERIALS REVENUE RECEIVED BY CITY AND INVOICING BY NORTHERN

For Materials Delivered During This Quarter	**Use the Quarterly Average Materials Revenue Received Pricing For This Period**	**City Receives All Pricing Data From MDF Operator for Prior 3 Month Period**	**City Provides Average Materials Revenue Received Prices to Northern for the New Quarter**	**Northern Submits First Invoice Using Pricing for the New Quarter**
January 1 – March 31	August 21 – November 20	By December 20	By January 10	By January 15
April 1 – June 30	November 21 – February 20	By March 20	By April 10	By April 15
July 1 – Sept. 30	February 21 – May 20	By June 20	By July 10	By July 15
October 1 – December 31	May 21 – August 20	By September 20	By October 10	By October 15

EXHIBIT 2

ATTACHMENT T

COMBINED OPERATING AND CAPITAL COST FOR COLLECTION AND MATERIALS DIVERSION FACILITY OPERATION

2. OPERATING AND CAPITAL COST PAYMENT

Table 1 shows the components of the operating and capital cost payment effective July 1, 2007. Table 1a. shows the breakdown of the changes to the Operating and Capital Cost Payment as a result of the Northern agreement. Costs are shown in 2007 dollars. Costs shall be adjusted as described in Article 12.

TABLE 1. BASELINE OPERATING AND CAPITAL COST PAYMENT (as of 7/1/07, 2007$)

COST CATEGORIES	ANNUAL COST	TOTALS	INDEX
COLLECTION			
Operating Expenses			
Labor	2,196,410.89		CPI
Supplies	147,900.58		PPI
Vehicle O&M			
Fuel, Oil & Other Fluids	451,046.70		Fuel
Vehicle Insurance	73,960.67		PPI
Vehicle Repair & Maintenance	786,217.64		PPI
Total		3,655,536.48	
G&A Expenses			
Customer Service			
Customer Service Labor	179,050.54		CPI
Billing	150,737.32		PPI
Administration			
Admin Services	462,908.85		CPI
General Insurance	442,111.00		PPI
Office Expenses	419,399.48		PPI
Public Information & Education	88,208.72		PPI
Total		1,742,415.91	
Vehicle & Equipment Capital	1,605,320.46		Table 2
Overhead, Tax	231,472.00		None
Total		1,836,792.46	
Subtotal Collection Costs		7,234,744.85	
PROCESSING			
O&M			
Labor	1,243,082.95		Table 4
Operations	796,329.38		Table 4
Contingency	Not Applicable		Table 4
Total		2,039,412.33	
Capital			
Capital Improvements	Not Applicable		Table 3
Equipment	542,324.00		Table 3
Other Start Up Costs	28,333.33		Table 3
Contingency	Not Applicable		Table 3
Total		570,658.33	
Subtotal Baseline Processing Expenses		2,610,070.66	
TOTAL BASELINE EXPENSES		9,844,815.51	

Operating and Capital Cost Summary includes the following:
Decrease in collection vehicle & equipment capital due to NVUSD change in scope).
Decrease in collection vehicle & equipment capital based on Table 2 schedule.
Decrease in processing capital equipment based on Table 3 schedule.
Decrease in costs due to impact of Northern agreement (see Table 1a).
Cost-of-living adjustments effective 10/1/05 and 2/1/07.

TABLE 1a. BREAKDOWN OF AMENDMENT 2 COSTS

(as of 7/1/07, 2007$)

COST CATEGORIES	ANNUAL COST	TOTALS
COLLECTION		
Operating Expenses		
Labor	27,912.36	
Supplies		
Vehicle O&M		
Fuel, Oil & Other Fluids	54.38	
Vehicle Insurance		
Vehicle Repair & Maintenance	7.27	
Total		27,974.01
G&A Expenses		
Customer Service		
Customer Service Labor		
Billing		
Administration		
Admin Services		
General Insurance	13.50	
Office Expenses	732.03	
Public Information & Education		
Total		745.53
Vehicle & Equipment Capital	419.00	
Overhead, Tax		
Total		419.00
Subtotal Collection Costs		29,138.54

Table 1b shows the components of the operating and capital cost payment effective July 1, 2010. Costs are shown in 2010 dollars. Costs shall be adjusted as described in Article 12.

2. OPERATING AND CAPITAL COST PAYMENT (CONTRACT TERM)

The baseline expenses to be compensated to Contractor over the contract term are summarized in 2007 dollars in Tables 2-4, and in 2010 dollars in Tables 2a-4a, provided at the end of Attachment T. Costs shall be adjusted as described in Article 12.

3. SPECIAL PROGRAMS COSTS

Special programs may be implemented by Contractor if directed by City. These programs include food waste collection and processing; interim mixed construction and demolition processing; permanent mixed construction and demolition processing; and aerated static pile composting.

TABLE 1b. BASELINE OPERATING AND CAPITAL COST PAYMENT (as of 7/1/10, 2010$)

COST CATEGORIES	ANNUAL COST	TOTALS	INDEX
COLLECTION			
Operating Expenses			
Labor	2,426,143.08		CPI
Supplies	166,071.46		PPI
Vehicle O&M			
Fuel, Oil & Other Fluids	351,549.99		Fuel
Vehicle Insurance	83,047.39		PPI
Vehicle Repair & Maintenance	882,811.39		PPI
Total		3,909,623.31	
G&A Expenses			
Customer Service			
Customer Service Labor	197,778.21		CPI
Billing	169,256.73		PPI
Administration			
Admin Services	511,326.50		CPI
General Insurance	496,428.23		PPI
Office Expenses	470,926.40		PPI
Public Information & Education	99,045.94		PPI
Total		1,944,762.01	
Vehicle & Equipment Capital	1,512,626.05		Table 2
Overhead, Tax	241,166.27		None
Total		1,753,792.32	
Subtotal Collection Costs		7,608,177.64	
PROCESSING			
O&M			
Labor	1,339,435.70		Table 4
Operations	798,156.75		Table 4
Contingency	Not Applicable		Table 4
Total		2,137,592.45	
Capital			
Capital Improvements	Not Applicable		Table 3
Equipment	498,484.00		Table 3
Other Start Up Costs			Table 3
Contingency	Not Applicable		Table 3
Total		498,484.00	
Subtotal Baseline Processing Expenses		2,636,076.45	
TOTAL BASELINE EXPENSES		10,244,254.09	

Operating and Capital Cost Summary includes the following:
Decrease in collection vehicle & equipment capital due to NVUSD change in scope).
Decrease in collection vehicle & equipment capital based on Table 2 schedule.
Decrease in processing capital equipment based on Table 3 schedule.
Decrease in costs due to impact of Northern agreement (see Table 1a).
Addition of 0.25 FTE scalehouse personnel effective 12/1/08.
Cost review adjustments effective 2/1/09.
Increase in taxes effective 1/1/09.
Cost review adjustments effective 2/1/10.
Cost-of-living adjustments effective 10/1/05 and 2/1/07.
Cost-of-living adjustments effective 10/1/05, 2/1/07, 2/1/08, 2/1/09 and 2/1/10.

3.1 FOOD WASTE

3.1.1 Food Waste Collection

The annual collection costs for the commercial and residential food waste program are shown in Table 5 below in 2004 dollars.

TABLE 5. FOOD WASTE COLLECTION

COSTS CATEGORIES	Residential (Year 7 - 2012)	Commercial (Year 4 - 2009)	Roll-Off (Year 4 - 2009)	Index
Operating Expenses				
Labor				CPI
Wages	$ 24,495	$ 12,247	$ 12,247	CPI
Overtime	$ 1,565	$ 783	$ 783	CPI
Total Wages & OT	$ 26,060	$ 13,030	$ 13,030	CPI
Payroll Burden	$ 16,375	$ 8,188	$ 8,188	CPI
Total Labor Expense	$ 42,435	$ 21,217	$ 21,217	CPI
Helper, P/T				
Wages	$ 14,883	$ 7,441	$ 7,441	CPI
Overtime	$ 951	$ 476	$ 476	CPI
Total Wages & OT	$ 15,834	$ 7,917	$ 7,917	CPI
Payroll Burden	$ 14,090	$ 7,045	$ 7,045	CPI
Total Helper Labor Expense	$ 29,923	$14,962	$ 14,962	CPI
SUBTOTAL LABOR	**$ 72,358**	**$ 36,179**	**$ 36,179**	
Supplies				
Supplies and Equipment				PPI
Container Maintenance	$ 2,500	$ 1,250	$ 1,250	PPI
SUBTOTAL SUPPLIES	**$ 2,500**	**$ 1,250**	**$ 1,250**	
Vehicle Operation & Maintenance Expenses				
Diesel Fuel & Oil	$ 5,200	$ 2,600	$ 2,600	Fuel
Vehicle Repair & Maintenance	$ 6,500	$ 3,250	$ 3,250	PPI
Vehicle Insurance	$ 625	$ 313	$ 313	PPI
SUBTOTAL VEHICLE O & M	**$ 12,325**	**$ 6,163**	**$ 6,163**	
TOTAL OPERATING EXPENSES	**$ 14,825**	**$ 7,413**	**$ 7,413**	
GRAND TOTALS	**$ 87,183**	**$ 43,591**	**$ 43,591**	

Labor is escalated by CPI. Fuel is escalated by Fuel Index. All other categories are escalated by PPI.

3.1.2 Food Waste Processing

The annual processing costs for the commercial food waste program are shown in Table 6 below in 2004 dollars. The annual processing costs for the residential food waste program are shown in Table 7 below in 2004 dollars.

TABLE 6. COMMERCIAL FOOD WASTE PROCESSING

COST CATEGORIES	Annual Cost	Totals	Index
Capital			
Capital Improvements	NA		
Equipment	$ 7,143		None
Other capital	NA		
Contingency	NA		
Total		$ 7,143	
O&M			
Labor	$ -		
Operations	$ 19,135		PPI
Contingency	NA		
Total		$ 19,135	
Total Commercial Food Waste Composting		$ 26,278	

TABLE 7. RESIDENTIAL FOOD WASTE PROCESSING

COST CATEGORIES	Annual Cost	Totals	Index
Capital			
Capital Improvements	NA		
Equipment	$ 12,500		None
Other capital	NA		
Contingency	NA		
Total		$ 12,500	
O&M			
Labor	$ 64,096		CPI
Operations	$ 16,056		Fuel & PPI
Contingency	NA		
Total		$ 80,152	
Total Residential Food Waste Composting		$ 92,652	

Labor is escalated by CPI. Fuel is escalated by Fuel Index. All other categories are escalated by PPI.

3.2 MIXED C&D PROCESSING

3.2.1 Interim Mixed C&D

If directed by the City, Contractor will implement interim mixed C&D processing. Processing shall be performed as described in Attachment J.

The following annual processing costs (shown in Table 8 below in 2004 dollars) apply for each year of the interim mixed C&D processing program.

TABLE 8. INTERIM MIXED C&D

COST CATEGORIES	Annual Cost	Totals	Index
Capital			
Capital Improvements	NA		
Equipment	NA		
Other Start-up Costs	NA		
Contingency	NA		
Total		$ -	
O&M			
Labor	$ 139,935		CPI
Operations	NA		
Contingency	NA		
Total		$ 139,935	
Total		$ 139,935	

3.2.2 Permanent Mixed C&D

If directed by the City, Contractor will implement permanent mixed C&D processing commencing in approximately Year 3 of the Contract. Processing shall be performed as described in Attachment J. The following annual processing costs (shown in Table 9 below) apply for each year of the permanent mixed C&D processing program, escalated under the terms of the Contract.

TABLE 9. PERMANENT MIXED C&D

COST CATEGORIES	Annual Cost	Totals	Index
Capital			
Capital Improvements	NA		
Equipment	$ 5,000		None
Other Start-up Costs	NA		
Contingency	NA		
Total		$ 5,000	
O&M			
Labor	$ 192,289		CPI
Operations	$ 29,088		Fuel & PPI
Contingency	NA		
Total		$ 221,377	
Total Mixed C&D Processing		$ 226,377	

Labor is escalated by CPI. Fuel is escalated by Fuel Index. All other categories are escalated by PPI

3.3 Aerated Static Pile Composting

If directed by the City, Contractor will implement aerated static pile (ASP) composting system as described in Attachment J. ASP technology is an additional $5.00 per ton to the Contractor's cost for turned windrow technology at time of implementation. The cost for ASP technology will be escalated annually by CPI.

Table 2. COLLECTION CAPITAL COSTS (Effective 7/1/07)

Schedule of Assets	Index	Unit Cost	Total Cost	Year Purchased	Year 2 (2007)	Year 3 (2008)	Year 4 (2009)	Year 5 (2010)	Year 6 (2011)	Year 7 (2012)	Year 8 (2013)	Year 9 (2014)	Year 10 (2015)
Residential: Number & Type of Vehicles													
Automated Sidecoader / Diesel / 9	None	$ 250,000	$ 2,250,000	2005	$ 225,000	$ 225,000	$ 225,000	$ 225,000	$ 225,000	$ 225,000	$ 225,000	$ 225,000	$ 168,750
Automated Sidecoader / CNG / 3	None	$ 301,200	$ 903,600	2005	$ 90,360	$ 90,360	$ 90,360	$ 90,360	$ 90,360	$ 90,360	$ 90,360	$ 90,360	$ 67,770
Field Supervision Truck / Unleaded / 1	None	$ 15,000	$ 30,000	2005	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 2,250
Shop Truck / Unleaded / 1.04	None	$ 25,043	$ 50,087	2005	$ 5,009	$ 5,009	$ 5,009	$ 5,009	$ 5,009	$ 5,009	$ 5,009	$ 5,009	$ 3,757
Bin Delivery Van / Unleaded / 1	None	$ 60,000	$ 60,000	2005	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 4,500
Manager's Truck / Unleaded / .94	None	$ 37,427	$ 37,427	2005	$ 3,743	$ 3,743	$ 3,743	$ 3,743	$ 3,743	$ 3,743	$ 3,743	$ 3,743	$ 2,807
Residential Subtotal	None		$ 3,331,114		$ 333,111	$ 333,111	$ 333,111	$ 333,111	$ 333,111	$ 333,111	$ 333,111	$ 333,111	$ 249,834
Commercial: Number & Type of Vehicles													
Frontloader / Diesel / 5	None	$ 250,000	$ 1,250,000	2005	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 93,750
Frontloader / CNG / 4	None	$ 298,015	$ 1,192,060	2005	$ 119,206	$ 119,206	$ 119,206	$ 119,206	$ 119,206	$ 119,206	$ 119,206	$ 119,206	$ 89,405
Field Supervision Truck / Unleaded / .75	None	$ 11,250	$ 22,500	2005	$ 2,250	$ 2,250	$ 2,250	$ 2,250	$ 2,250	$ 2,250	$ 2,250	$ 2,250	$ 1,688
Shop Truck / Unleaded / .6	None	$ 14,609	$ 29,217	2005	$ 2,922	$ 2,922	$ 2,922	$ 2,922	$ 2,922	$ 2,922	$ 2,922	$ 2,922	$ 2,191
Manager's Truck / Unleaded / .06	None	$ 2,466	$ 2,466	2005	$ 247	$ 247	$ 247	$ 247	$ 247	$ 247	$ 247	$ 247	$ 185
Commercial Subtotal	None		$ 2,496,244		$ 249,624	$ 249,624	$ 249,624	$ 249,624	$ 249,624	$ 249,624	$ 249,624	$ 249,624	$ 187,218
Roll Off: Number & Type of Vehicles													
Roll Off / Diesel / 4	None	$ 160,000	$ 640,000	2005	$ 64,000	$ 64,000	$ 64,000	$ 64,000	$ 64,000	$ 64,000	$ 64,000	$ 64,000	$ 48,000
Field Supervision Truck / Unleaded / .25	None	$ 3,750	$ 7,500	2005	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 563
Shop Truck / Unleaded / .35	None	$ 8,348	$ 16,696	2005	$ 1,670	$ 1,670	$ 1,670	$ 1,670	$ 1,670	$ 1,670	$ 1,670	$ 1,670	$ 1,252
Manager's Truck / Unleaded / .003	None	$ 106	$ 106	2005	$ 11	$ 11	$ 11	$ 11	$ 11	$ 11	$ 11	$ 11	$ 8
Roll Off Subtotal	None		$ 664,302		$ 66,430	$ 66,430	$ 66,430	$ 66,430	$ 66,430	$ 66,430	$ 66,430	$ 66,430	$ 49,823
All Vehicle Subtotals (Sum Residential, Commercial and Roll Off):	None		$ 6,491,660		$ 649,166	$ 649,166	$ 649,166	$ 649,166	$ 649,166	$ 649,166	$ 649,166	$ 649,166	$ 486,875
BAAQMD Grant for 7 CNG Vehicles*	None	$ 315,000	$ 315,000	2005	$ 31,500	$ 31,500	$ 31,500	$ 31,500	$ 31,500	$ 31,500	$ 31,500	$ 31,500	$ 23,625
All Vehicle Subtotals (Sum Residential, Commercial and Roll Off) Less BAAQMD Grant:			$ 6,176,660		$ 617,666	$ 617,666	$ 617,666	$ 617,666	$ 617,666	$ 617,666	$ 617,666	$ 617,666	$ 463,250
# of Resident. Recycling Containers 22,550													
# of Resident. Yard Waste. Containers 36,900													
# of Resident. MSW Containers 22,550													
35 gallon: 20,000	None	$ 31	$ 628,000	2005	$ 62,800	$ 62,800	$ 62,800	$ 62,800	$ 62,800	$ 62,800	$ 62,800	$ 62,800	$ 47,100
65 gallon: 10,000	None	$ 39	$ 382,100	2005	$ 39,210	$ 39,210	$ 39,210	$ 39,210	$ 39,210	$ 39,210	$ 39,210	$ 39,210	$ 29,408
95 gallon: 51,000	None	$ 45	$ 2,305,710	2005	$ 230,571	$ 230,571	$ 230,571	$ 230,571	$ 230,571	$ 230,571	$ 230,571	$ 230,571	$ 172,928
20 gallon: 1,000	None	$ 18	$ 18,160	2005	$ 1,816	$ 1,816	$ 1,816	$ 1,816	$ 1,816	$ 1,816	$ 1,816	$ 1,816	$ 1,212
Used Oil Containers: 22,000	None	$ 4	$ 77,000	2005	$ 7,700	$ 7,700	$ 7,700	$ 7,700	$ 7,700	$ 7,700	$ 7,700	$ 7,700	$ 5,775
# of Commercial Bins: 2,550													
2 CY: 300	None	$ 370	$ 111,000	2005	$ 11,100	$ 11,100	$ 11,100	$ 11,100	$ 11,100	$ 11,100	$ 11,100	$ 11,100	$ 8,325
3 CY: 300	None	$ 435	$ 130,500	2005	$ 13,050	$ 13,050	$ 13,050	$ 13,050	$ 13,050	$ 13,050	$ 13,050	$ 13,050	$ 9,788
4 CY: 350	None	$ 500	$ 175,000	2005	$ 17,500	$ 17,500	$ 17,500	$ 17,500	$ 17,500	$ 17,500	$ 17,500	$ 17,500	$ 13,125
6 CY: 550	None	$ 615	$ 338,250	2005	$ 33,825	$ 33,825	$ 33,825	$ 33,825	$ 33,825	$ 33,825	$ 33,825	$ 33,825	$ 25,369
65 Gallon Cart: 1,000	None	$ 39	$ 39,210	2005	$ 3,921	$ 3,921	$ 3,921	$ 3,921	$ 3,921	$ 3,921	$ 3,921	$ 3,921	$ 2,941
# of Temporary 3 CY Bins: 50	None	$ 435	$ 21,750	2005	$ 2,175	$ 2,175	$ 2,175	$ 2,175	$ 2,175	$ 2,175	$ 2,175	$ 2,175	$ 1,631
# of Roll-Off Boxes: 350													
10 CY: 50	None	$ 2,400	$ 120,000	2005	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 9,000
20 CY: 125	None	$ 3,060	$ 382,500	2005	$ 38,250	$ 38,250	$ 38,250	$ 38,250	$ 38,250	$ 38,250	$ 38,250	$ 38,250	$ 28,688
30 CY: 125	None	$ 3,710	$ 463,750	2005	$ 46,375	$ 46,375	$ 46,375	$ 46,375	$ 46,375	$ 46,375	$ 46,375	$ 46,375	$ 34,781
40 CY: 50	None	$ 4,320	$ 216,000	2005	$ 21,600	$ 21,600	$ 21,600	$ 21,600	$ 21,600	$ 21,600	$ 21,600	$ 21,600	$ 16,200
Recyc. Processing Equipment													
Equipment Wash Area	None		$ 100,000	2005	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 7,500
Other Assets													
Computers: 10	None	$ 2,500	$ 25,000	2005	$ 5,000	$ 5,000	$ 5,000	$ 3,750	$ -	$ -	$ -	$ -	$ -
Computers: 10	None	$ 2,500	$ 25,000	2005	$ -	$ -	$ -	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Billing System Software: 5	None	$ 2,375	$ 11,875	2005	$ 1,188	$ 1,188	$ 1,188	$ 1,188	$ 1,188	$ 1,188	$ 1,188	$ 1,188	$ 891
Network: 1	None	$ 20,000	$ 20,000	2005	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 1,500
Start up Costs	None		$ 205,000	2005	$ 68,333	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	None		$ 2,541,234		$ 401,655	$ 361,542	$ 319,376	$ 275,052	$ 228,462	$ 179,487	$ 128,007	$ 73,893	$ 18,247
Additional Carrying Costs for CNG Vehicles**	None		$ 9,650		$ 965	$ 965	$ 965	$ 965	$ 965	$ 965	$ 965	$ 965	$ 724
Adjustment for Change in Initial Truck Purchase	None		$ (100,000)		$ (10,000)	$ (10,000)	$ (10,000)	$ (10,000)	$ (10,000)	$ (10,000)	$ (10,000)	$ (10,000)	$ (7,500)
GRAND TOTAL Assets			$ 14,431,349		$ 1,638,500	$ 1,530,054	$ 1,487,888	$ 1,442,314	$ 1,396,974	$ 1,347,998	$ 1,296,519	$ 1,242,405	$ 895,882
ADJUSTMENTS													
NVUSD (7/1/06)					$ (32,761)	$ (32,761)	$ (32,761)						
Northern (7/1/07)					$ (419)	$ (419)	$ (419)						
ADJUSTED CAPITAL COST					$ 1,605,320	$ 1,496,874	$ 1,454,708	$ 1,454,708					

* $315,000 offset to capital costs either by Contractor or by BAAQMD grant funds

** Upcharge for Automated CNG vehicle is $51,200. Upcharge for Frontenload CNG Vehicle is $48,015 - Grant Funds pay $45,000 per vehicle. Carrying Cost is 5.8%.

*** $32,761 Reduction in capital costs associated with service to the school district

Table 2a. COLLECTION CAPITAL COSTS (Effective 7/1/10)

Schedule of Assets	Index	Unit Cost	Total Cost	Year Purchased	Year 5 (2010)	Year 6 (2011)	Year 7 (2012)	Year 8 (2013)	Year 9 (2014)	Year 10 (2015)
Residential: Number & Type of Vehicles										
Automated Sideloader / Diesel / 9	None	$ 250,000	$ 2,250,000	2005	$ 225,000	$ 225,000	$ 225,000	$ 225,000	$ 225,000	$ 168,750
Automated Sideloader / CNG / 3	None	$ 301,200	$ 903,600	2005	$ 90,360	$ 90,360	$ 90,360	$ 90,360	$ 90,360	$ 67,770
Field Supervision Truck / Unleaded / 1	None	$ 15,000	$ 30,000	2005	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 2,250
Shop Truck / Unleaded / 1.04	None	$ 25,043	$ 50,087	2005	$ 5,009	$ 5,009	$ 5,009	$ 5,009	$ 5,009	$ 3,757
Bin Delivery Van / Unleaded / 1	None	$ 60,000	$ 60,000	2005	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 4,500
Manager's Truck / Unleaded / .94	None	$ 37,427	$ 37,427	2005	$ 3,743	$ 3,743	$ 3,743	$ 3,743	$ 3,743	$ 2,807
Residential Subtotal	None		$ 3,331,114		$ 333,111	$ 333,111	$ 333,111	$ 333,111	$ 333,111	$ 249,834
Commercial: Number & Type of Vehicles										
Frontloader / Diesel / 5	None	$ 250,000	$ 1,250,000	2005	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 93,750
Frontloader / CNG / 4	None	$ 298,015	$ 1,192,060	2005	$ 119,206	$ 119,206	$ 119,206	$ 119,206	$ 119,206	$ 89,405
Field Supervision Truck / Unleaded / .75	None	$ 11,250	$ 22,500	2005	$ 2,250	$ 2,250	$ 2,250	$ 2,250	$ 2,250	$ 1,688
Shop Truck / Unleaded / .8	None	$ 14,609	$ 29,217	2005	$ 2,922	$ 2,922	$ 2,922	$ 2,922	$ 2,922	$ 2,191
Manager's Truck / Unleaded / .06	None	$ 2,466	$ 2,466	2005	$ 247	$ 247	$ 247	$ 247	$ 247	$ 185
Commercial Subtotal	None		$ 2,496,244		$ 249,624	$ 249,624	$ 249,624	$ 249,624	$ 249,624	$ 187,218
Roll Off: Number & Type of Vehicles										
Roll Off / Diesel / 4	None	$ 160,000	$ 640,000	2005	$ 64,000	$ 64,000	$ 64,000	$ 64,000	$ 64,000	$ 48,000
Field Supervision Truck / Unleaded / .25	None	$ 3,750	$ 7,500	2005	$ 750	$ 750	$ 750	$ 750	$ 750	$ 563
Shop Truck / Unleaded / .35	None	$ 8,348	$ 16,696	2005	$ 1,670	$ 1,670	$ 1,670	$ 1,670	$ 1,670	$ 1,252
Manager's Truck / Unleaded / .003	None	$ 106	$ 106	2005	$ 11	$ 11	$ 11	$ 11	$ 11	$ 8
Roll Off Subtotal	None		$ 664,302		$ 66,430	$ 66,430	$ 66,430	$ 66,430	$ 66,430	$ 49,823
All Vehicle Subtotals (Sum Residential, Commercial and Roll Off):	None		$ 6,491,660		$ 649,166	$ 649,166	$ 649,166	$ 649,166	$ 649,166	$ 486,875
BAAQMD Grant for 7 CNG Vehicles*	None	$ 315,000	$ 315,000	2005	$ 31,500	$ 31,500	$ 31,500	$ 31,500	$ 31,500	$ 23,625
All Vehicle Subtotals (Sum Residential, Commercial and Roll Off) Less BAAQMD Grant:			$ 6,176,660		$ 617,666	$ 617,666	$ 617,666	$ 617,666	$ 617,666	$ 463,250
# of Resident. Recycling Containers 22,550										
# of Resident. Yard Waste. Containers 36,900										
# of Resident. MSW Containers 22,550										
35 gallon: 20,000	None	$ 31	$ 628,000	2005	$ 62,800	$ 62,800	$ 62,800	$ 62,800	$ 62,800	$ 47,100
65 gallon: 10,000	None	$ 39	$ 392,100	2005	$ 39,210	$ 39,210	$ 39,210	$ 39,210	$ 39,210	$ 29,408
95 gallon: 51,000	None	$ 45	$ 2,305,710	2005	$ 230,571	$ 230,571	$ 230,571	$ 230,571	$ 230,571	$ 172,928
20 gallon: 1,000	None	$ 16	$ 16,160	2005	$ 1,616	$ 1,616	$ 1,616	$ 1,616	$ 1,616	$ 1,212
Used Oil Containers: 22,000	None	$ 4	$ 77,000	2005	$ 7,700	$ 7,700	$ 7,700	$ 7,700	$ 7,700	$ 5,775
# of Commercial Bins: 2,550										
2 CY: 300	None	$ 370	$ 111,000	2005	$ 11,100	$ 11,100	$ 11,100	$ 11,100	$ 11,100	$ 8,325
3 CY: 300	None	$ 435	$ 130,500	2005	$ 13,050	$ 13,050	$ 13,050	$ 13,050	$ 13,050	$ 9,788
4 CY: 350	None	$ 500	$ 175,000	2005	$ 17,500	$ 17,500	$ 17,500	$ 17,500	$ 17,500	$ 13,125
6 CY: 550	None	$ 615	$ 338,250	2005	$ 33,825	$ 33,825	$ 33,825	$ 33,825	$ 33,825	$ 25,369
65 Gallon Cart: 1,000	None	$ 39	$ 39,210	2005	$ 3,921	$ 3,921	$ 3,921	$ 3,921	$ 3,921	$ 2,941
# of Temporary 3 CY Bins: 50	None	$ 435	$ 21,750	2005	$ 2,175	$ 2,175	$ 2,175	$ 2,175	$ 2,175	$ 1,631
# of Roll-Off Boxes: 350										
10 CY: 50	None	$ 2,400	$ 120,000	2005	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 9,000
20 CY: 125	None	$ 3,060	$ 382,500	2005	$ 38,250	$ 38,250	$ 38,250	$ 38,250	$ 38,250	$ 28,688
30 CY: 125	None	$ 3,710	$ 463,750	2005	$ 46,375	$ 46,375	$ 46,375	$ 46,375	$ 46,375	$ 34,781
40 CY: 50	None	$ 4,320	$ 216,000	2005	$ 21,600	$ 21,600	$ 21,600	$ 21,600	$ 21,600	$ 16,200
Recyc. Processing Equipment										
Equipment Wash Area	None		$ 100,000	2005	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 7,500
Other Assets										
Computers: 10	None	$ 2,500	$ 25,000	2005	$ 3,750	$ -	$ -	$ -	$ -	$ -
Computers: 10	None	$ 2,500	$ 25,000	2005	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Billing System Software: 5	None	$ 2,375	$ 11,875	2005	$ 1,188	$ 1,188	$ 1,188	$ 1,188	$ 1,188	$ 891
Network: 1	None	$ 20,000	$ 20,000	2005	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 1,500
Start up Costs	None		$ 205,000	2005	$ -	$ -	$ -	$ -	$ -	$ -
Interest	None		$ 2,541,234		$ 275,052	$ 228,462	$ 179,487	$ 128,007	$ 73,893	$ 18,247
Additional Carrying Costs for CNG Vehicles**	None		$ 9,850		$ 965	$ 965	$ 965	$ 965	$ 965	$ 724
Adjustment for Change in Initial Truck Purchase	None		$ (100,000)		$ (10,000)	$ (10,000)	$ (10,000)	$ (10,000)	$ (10,000)	$ (7,500)
GRAND TOTAL Assets			$ 14,431,349		$ 1,442,314	$ 1,396,974	$ 1,347,899	$ 1,296,519	$ 1,242,405	$ 895,882
ADJUSTMENTS										
NVUSD (7/1/06)					$ (32,761)					
Northern (7/1/07)					$ (419)					
Cost review (1/1/09)					$ 41,034					
Cost review (1/1/10)					$ 16,884					
ADJUSTED CAPITAL COST					$ 1,497,053					

* $315,000 offset to capital costs either by Contractor or by BAAQMD grant funds

** Upcharge for Automated CNG vehicle is $51,200. Upcharge for Frontendload CNG Vehicle is $48,015 - Grant Funds pay $45,000 per vehicle. Carrying Cost is 5.6%.

*** $32,761 Reduction in capital costs associated with service to the school district

Attachment AA

Table 3. MDF CAPITAL COSTS (Effective 7/1/07)

Capital Cost Item	Index	Unit Cost	Total Cost	Year Purchased	Economic Life (years)	Amortized Cost									
						Year 2 (2007)	Year 3 (2008)	Year 4 (2009)	Year 5 (2010)	Year 6 (2011)	Year 7 (2012)	Year 8 (2013)	Year 9 (2014)	Year 10 (2015)
Capital Improvements														
Not Applicable														
Fixed Equipment														
Conveyor System	None	$ 1,976,329	$ 1,976,329	2005	10	$ 197,633	$ 197,633	$ 197,633	$ 197,633	$ 197,633	$ 197,633	$ 197,633	$ 197,633	$ 197,633
Installation	None	$ 375,000	$ 375,000	2005	10	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500
Baler	None	$ 386,553	$ 386,553	2005	10	$ 38,655	$ 38,655	$ 38,655	$ 38,655	$ 38,655	$ 38,655	$ 38,655	$ 38,655	$ 38,655
Subtotal			$ 2,737,882			$ 273,788	$ 273,788	$ 273,788	$ 273,788	$ 273,788	$ 273,788	$ 273,788	$ 273,788	$ 273,788
Rolling Stock														
Clean MRF: Forklifts	None	$ 40,000	$ 120,000	2005	10	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000
Clean MRF: Waste Oil Storage Tank	None	$ 4,500	$ 4,500	2005	10	$ 450	$ 450	$ 450	$ 450	$ 450	$ 450	$ 450	$ 450	$ 450
Clean MRF: Tractors	None	$ 70,000	$ 70,000	2005	10	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000
Composting/Wood: Tractors	None	$ 150,000	$ 450,000	2005	10	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000
Composting/Wood: Grinder	None	$ 350,000	$ 350,000	2005	10	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000
Composting/Wood: Screen	None	$ 250,000	$ 250,000	2005	10	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Composting/Wood: Water Truck	None	$ 50,000	$ 50,000	2005	10	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Subtotal			$ 1,294,500			$ 129,450	$ 129,450	$ 129,450	$ 129,450	$ 129,450	$ 129,450	$ 129,450	$ 129,450	$ 129,450
Interest	None		$ 879,983			$ 139,086	$ 125,195	$ 110,594	$ 95,246	$ 79,112	$ 62,153	$ 44,326	$ 25,588	$ 6,319
Other Start-up Costs														
Start up Costs	None	$ -	$ 85,000	2005	3	$ 28,333	$ 28,333							
Subtotal		$ -	$ 85,000			$ 28,333	$ 28,333	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contingency (__%)														
Not Applicable														
Total			$ 4,997,365			$ 570,657	$ 556,767	$ 513,832	$ 498,484	$ 482,350	$ 465,391	$ 447,564	$ 428,826	$ 409,557

Attachment AA

Table 3a. MDF CAPITAL COSTS (Effective 7/1/10)

					Amortized Cost						
Capital Cost Item	Index	Unit Cost	Total Cost	Year Purchased	Economic Life (years)	Year 5 (2010)	Year 6 (2011)	Year 7 (2012)	Year 8 (2013)	Year 9 (2014)	Year 10 (2015)
Capital Improvements											
Not Applicable											
Fixed Equipment											
Conveyor System	None	$ 1,976,329	$ 1,976,329	2005	10	$ 197,633	$ 197,633	$ 197,633	$ 197,633	$ 197,633	$ 197,633
Installation	None	$ 375,000	$ 375,000	2005	10	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500
Baler	None	$ 386,553	$ 386,553	2005	10	$ 38,655	$ 38,655	$ 38,655	$ 38,655	$ 38,655	$ 38,655
Subtotal			$ 2,737,882			$ 273,788	$ 273,788	$ 273,788	$ 273,788	$ 273,788	$ 273,788
Rolling Stock											
Clean MRF: Forklifts	None	$ 40,000	$ 120,000	2005	10	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000
Clean MRF: Waste Oil Storage Tank	None	$ 4,500	$ 4,500	2005	10	$ 450	$ 450	$ 450	$ 450	$ 450	$ 450
Clean MRF: Tractors	None	$ 70,000	$ 70,000	2005	10	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000
Composting/Wood: Tractors	None	$ 150,000	$ 450,000	2005	10	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000
Composting/Wood: Grinder	None	$ 350,000	$ 350,000	2005	10	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000
Composting/Wood: Screen	None	$ 250,000	$ 250,000	2005	10	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Composting/Wood: Water Truck	None	$ 50,000	$ 50,000	2005	10	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Subtotal			$ 1,294,500			$ 129,450	$ 129,450	$ 129,450	$ 129,450	$ 129,450	$ 129,450
Interest	None		$ 879,983			$ 95,246	$ 79,112	$ 62,153	$ 44,326	$ 25,588	$ 6,319
Other Start-up Costs											
Start up Costs	None	$ -	$ 85,000	2005	3						
Subtotal		$ -	$ 85,000			$ -	$ -	$ -	$ -	$ -	$ -
Contingency (__%)											
Not Applicable											
Total			$ 4,997,365			$ 498,484	$ 482,350	$ 465,391	$ 447,564	$ 428,826	$ 409,557

Attachment AA

Table 4. MDF O&M COSTS -- BASELINE THROUGHPUT (Effective 7/1/07)

		Year 2										
LABOR	**Index**	**Annual Salary**	**Number of FTEs**	**Year 2 (2007)**	**Year 3 (2008)**	**Year 4 (2009)**	**Year 5 (2010)**	**Year 6 (2011)**	**Year 7 (2012)**	**Year 8 (2013)**	**Year 9 (2014)**	**Year 10 (2015)**
Salaries (by labor category)												
General Manager	CPI	149,970.24	0.50	74,985.12	74,985.12	74,985.12	74,985.12	74,985.12	74,985.12	74,985.12	74,985.12	74,985.12
Manager, Recycling	CPI	69,414.80	0.75	52,061.10	52,061.10	52,061.10	52,061.10	52,061.10	52,061.10	52,061.10	52,061.10	52,061.10
Administrative Assistant	CPI	37,021.22	0.50	18,510.61	18,510.61	18,510.61	18,510.61	18,510.61	18,510.61	18,510.61	18,510.61	18,510.61
Customer Service (Scale house)	CPI	46,276.53	0.50	23,138.27	23,138.27	23,138.27	23,138.27	23,138.27	23,138.27	23,138.27	23,138.27	23,138.27
Composting Equipment Operator	CPI	42,783.30	3.00	128,349.90	128,349.90	128,349.90	128,349.90	128,349.90	128,349.90	128,349.90	128,349.90	128,349.90
Clean MRF Sorter/Processor	CPI	24,526.56	17.00	416,951.52	416,951.52	416,951.52	416,951.52	416,951.52	416,951.52	416,951.52	416,951.52	416,951.52
Clean MRF Equipment Operator	CPI	26,840.39	3.00	80,521.17	80,521.17	80,521.17	80,521.17	80,521.17	80,521.17	80,521.17	80,521.17	80,521.17
Wood Processing Equipment Operator	CPI	42,783.30	0.34	14,546.32	14,546.32	14,546.32	14,546.32	14,546.32	14,546.32	14,546.32	14,546.32	14,546.32
C&D Processing (S.Sep.) Equipment Operator	CPI	42,783.30	0.33	14,118.49	14,118.49	14,118.49	14,118.49	14,118.49	14,118.49	14,118.49	14,118.49	14,118.49
C&D Processing (Mixed) Sorter/Processor	CPI	42,783.30	0.00	-	-	-	-	-	-	-	-	-
C&D Processing (Mixed) Equipment Operator	CPI	42,783.30	0.33	14,118.49	14,118.49	14,118.49	14,118.49	14,118.49	14,118.49	14,118.49	14,118.49	14,118.49
Residential Food Waste Equipment Operator	CPI	0.00	0.00	-	-	-	-	-	-	-	-	-
Mechanics	CPI	59,507.12	0.50	29,753.56	29,753.56	29,753.56	29,753.56	29,753.56	29,753.56	29,753.56	29,753.56	29,753.56
Mechanics Helper	CPI	35,072.68	0.50	17,536.34	17,536.34	17,536.34	17,536.34	17,536.34	17,536.34	17,536.34	17,536.34	17,536.34
Subtotal				884,590.89	884,590.89	884,590.89	884,590.89	884,590.89	884,590.89	884,590.89	884,590.89	884,590.89
Fringe Benefits				374,947.02	374,947.02	374,947.02	374,947.02	374,947.02	374,947.02	374,947.02	374,947.02	374,947.02
Total				1,259,537.91	1,259,537.91	1,259,537.91	1,259,537.91	1,259,537.91	1,259,537.91	1,259,537.91	1,259,537.91	1,259,537.91
Leased Equipment (not applicable)	**Index**											
Other Operating Expenses												
Electricity	PPI			66,193.92	66,193.92	66,193.92	66,193.92	66,193.92	66,193.92	66,193.92	66,193.92	66,193.92
Water and Sewer	PPI			6,230.02	6,230.02	6,230.02	6,230.02	6,230.02	6,230.02	6,230.02	6,230.02	6,230.02
Fuel	Fuel			198,256.14	198,256.14	198,256.14	198,256.14	198,256.14	198,256.14	198,256.14	198,256.14	198,256.14
Supplies	PPI			40,495.10	40,495.10	40,495.10	40,495.10	40,495.10	40,495.10	40,495.10	40,495.10	40,495.10
Outside Services	PPI			26,996.74	26,996.74	26,996.74	26,996.74	26,996.74	26,996.74	26,996.74	26,996.74	26,996.74
Maintenance	PPI			13,498.37	13,498.37	13,498.37	13,498.37	13,498.37	13,498.37	13,498.37	13,498.37	13,498.37
Taxes	PPI			64,861.74	64,861.74	64,861.74	64,861.74	64,861.74	64,861.74	64,861.74	64,861.74	64,861.74
Business Licenses	PPI			3,700.63	3,700.63	3,700.63	3,700.63	3,700.63	3,700.63	3,700.63	3,700.63	3,700.63
Insurance	PPI			170,508.27	170,508.27	170,508.27	170,508.27	170,508.27	170,508.27	170,508.27	170,508.27	170,508.27
Engineering and lab services	PPI			5,191.68	5,191.68	5,191.68	5,191.68	5,191.68	5,191.68	5,191.68	5,191.68	5,191.68
Payroll service	PPI			15,658.11	15,658.11	15,658.11	15,658.11	15,658.11	15,658.11	15,658.11	15,658.11	15,658.11
First Aid Costs	PPI			5,191.68	5,191.68	5,191.68	5,191.68	5,191.68	5,191.68	5,191.68	5,191.68	5,191.68
Management Fee	PPI			111,016.81	111,016.81	111,016.81	111,016.81	111,016.81	111,016.81	111,016.81	111,016.81	111,016.81
Disposal:				-	-	-	-	-	-	-	-	-
Tires	PPI			12,460.03	12,460.03	12,460.03	12,460.03	12,460.03	12,460.03	12,460.03	12,460.03	12,460.03
Waste Oil	PPI			4,153.34	4,153.34	4,153.34	4,153.34	4,153.34	4,153.34	4,153.34	4,153.34	4,153.34
eWaste	PPI			51,916.80	51,916.80	51,916.80	51,916.80	51,916.80	51,916.80	51,916.80	51,916.80	51,916.80
Total				796,329.38	796,329.38	796,329.38	796,329.38	796,329.38	796,329.38	796,329.38	796,329.38	796,329.38
SUMMARY												
Labor				1,259,537.91	1,259,537.91	1,259,537.91	1,259,537.91	1,259,537.91	1,259,537.91	1,259,537.91	1,259,537.91	1,259,537.91
Leased Equipment				-	-	-	-	-	-	-	-	-
O&M				796,329.38	796,329.38	796,329.38	796,329.38	796,329.38	796,329.38	796,329.38	796,329.38	796,329.38
Subtotal				2,055,867.29	2,055,867.29	2,055,867.29	2,055,867.29	2,055,867.29	2,055,867.29	2,055,867.29	2,055,867.29	2,055,867.29
Contingency (__%)												
Total				2,055,867.29	2,055,867.29	2,055,867.29	2,055,867.29	2,055,867.29	2,055,867.29	2,055,867.29	2,055,867.29	2,055,867.29

MDF O&M Costs include the following changes:
Includes cost-of-living adjustments effective 10/1/05 and 2/1/07.

Table 4a. MDF O&M COSTS -- BASELINE THROUGHPUT (Effective 7/1/10)

		Year 5							
LABOR	**Index**	**Annual Salary**	**Number of FTEs**	**Year 5 (2010)**	**Year 6 (2011)**	**Year 7 (2012)**	**Year 8 (2013)**	**Year 9 (2014)**	**Year 10 (2015)**
Salaries (by labor category)									
General Manager	CPI	159,483.48	0.50	79,741.74	79,741.74	79,741.74	79,741.74	79,741.74	79,741.74
Manager, Recycling	CPI	73,818.07	0.75	55,363.56	55,363.56	55,363.56	55,363.56	55,363.56	55,363.56
Administrative Assistant	CPI	39,369.63	0.50	19,684.82	19,684.82	19,684.82	19,684.82	19,684.82	19,684.82
Customer Service (Scale house)	CPI	49,212.05	0.50	24,606.02	24,606.02	24,606.02	24,606.02	24,606.02	24,606.02
Composting Equipment Operator	CPI	45,497.23	3.00	136,491.68	136,491.68	136,491.68	136,491.68	136,491.68	136,491.68
Clean MRF Sorter/Processor	CPI	26,062.38	17.00	443,400.51	443,400.51	443,400.51	443,400.51	443,400.51	443,400.51
Clean MRF Equipment Operator	CPI	28,542.99	3.00	85,628.97	85,628.97	85,628.97	85,628.97	85,628.97	85,628.97
Wood Processing Equipment Operator	CPI	45,497.23	0.34	15,469.06	15,469.06	15,469.06	15,469.06	15,469.06	15,469.06
C&D Processing (S.Sep.) Equipment Operator	CPI	45,497.23	0.33	15,014.08	15,014.08	15,014.08	15,014.08	15,014.08	15,014.08
C&D Processing (Mixed) Sorter/Processor	CPI	45,497.23	0.00	-	-	-	-	-	-
C&D Processing (Mixed) Equipment Operator	CPI	45,497.23	0.33	15,014.08	15,014.08	15,014.08	15,014.08	15,014.08	15,014.08
Residential Food Waste Equipment Operator	CPI	0.00	0.00	-	-	-	-	-	-
Mechanics	CPI	63,261.91	0.50	31,640.95	31,640.95	31,640.95	31,640.95	31,640.95	31,640.95
Mechanics Helper	CPI	37,297.49	0.50	18,648.74	18,648.74	18,648.74	18,648.74	18,648.74	18,648.74
Subtotal				940,704.21	940,704.21	940,704.21	940,704.21	940,704.21	940,704.21
Fringe Benefits				398,731.49	398,731.49	398,731.49	398,731.49	398,731.49	398,731.49
Total				1,339,435.70	1,339,435.70	1,339,435.70	1,339,435.70	1,339,435.70	1,339,435.70
Leased Equipment (not applicable)	**Index**								
Other Operating Expenses									
Electricity	PPI			71,551.56	71,551.56	71,551.56	71,551.56	71,551.56	71,551.56
Water and Sewer	PPI			6,734.26	6,734.26	6,734.26	6,734.26	6,734.26	6,734.26
Fuel	Fuel			149,130.23	149,130.23	149,130.23	149,130.23	149,130.23	149,130.23
Supplies	PPI			43,772.71	43,772.71	43,772.71	43,772.71	43,772.71	43,772.71
Outside Services	PPI			29,181.82	29,181.82	29,181.82	29,181.82	29,181.82	29,181.82
Maintenance	PPI			14,590.91	14,590.91	14,590.91	14,590.91	14,590.91	14,590.91
Taxes	PPI			72,657.68	72,657.68	72,657.68	72,657.68	72,657.68	72,657.68
Business Licenses	PPI			4,000.16	4,000.16	4,000.16	4,000.16	4,000.16	4,000.16
Insurance	PPI			184,308.96	184,308.96	184,308.96	184,308.96	184,308.96	184,308.96
Engineering and lab services	PPI			5,611.88	5,611.88	5,611.88	5,611.88	5,611.88	5,611.88
Payroll service	PPI			16,925.45	16,925.45	16,925.45	16,925.45	16,925.45	16,925.45
First Aid Costs	PPI			5,611.88	5,611.88	5,611.88	5,611.88	5,611.88	5,611.88
Management Fee	PPI			120,002.35	120,002.35	120,002.35	120,002.35	120,002.35	120,002.35
Disposal:				-	-	-	-	-	-
Tires	PPI			13,468.53	13,468.53	13,468.53	13,468.53	13,468.53	13,468.53
Waste Oil	PPI			4,489.50	4,489.50	4,489.50	4,489.50	4,489.50	4,489.50
eWaste	PPI			56,118.87	56,118.87	56,118.87	56,118.87	56,118.87	56,118.87
Total				798,156.75	798,156.75	798,156.75	798,156.75	798,156.75	798,156.75
SUMMARY									
Labor				1,339,435.70	1,339,435.70	1,339,435.70	1,339,435.70	1,339,435.70	1,339,435.70
Leased Equipment				-	-	-	-	-	-
O&M				798,156.75	798,156.75	798,156.75	798,156.75	798,156.75	798,156.75
Subtotal				2,137,592.45	2,137,592.45	2,137,592.45	2,137,592.45	2,137,592.45	2,137,592.45
Contingency (__%)									
Total				2,137,592.45	2,137,592.45	2,137,592.45	2,137,592.45	2,137,592.45	2,137,592.45

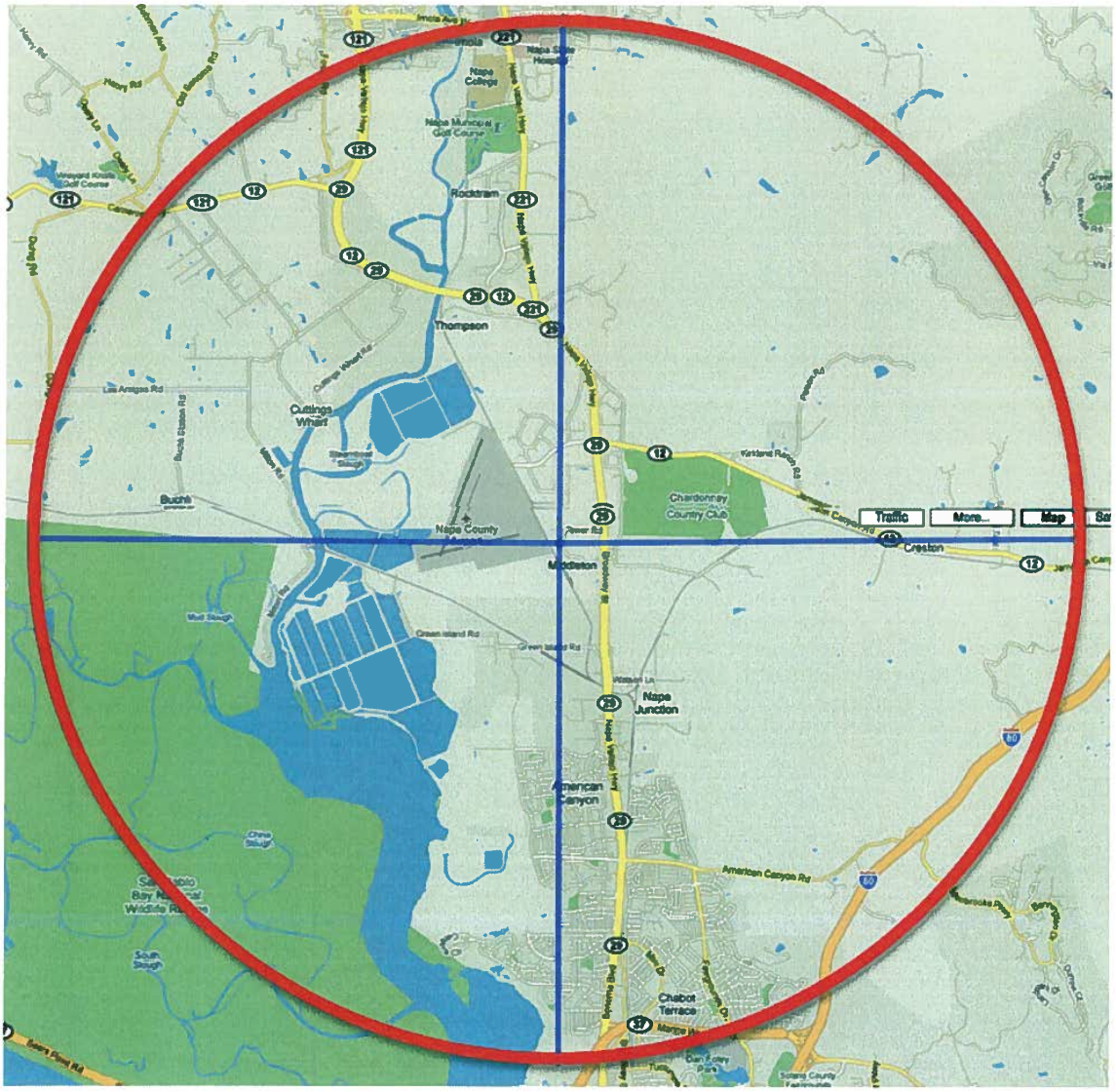
MDF O&M Costs include the following changes:

- Cost-of-living adjustments effective 10/1/05, 2/1/07, 2/1/08, 2/1/09, and 2/1/10.
- Addition of 0.25 FTE scalehouse personnel effective 12/1/08.
- Increase in taxes effective 1/1/09.

EXHIBIT 3

ATTACHMENT BB

MAP OF FIVE-MILE RADIUS FROM ENTRANCE TO MATERIALS DIVERSION FACILITY



Attachment AA

EXHIBIT 4

ATTACHMENT CC

LIST OF BALERS PROVIDED BY CONTRACTOR PURSUANT TO SECTION 6.03.02

Contractor's Affiliates provide 4 balers, all located at Amcan Beverage, Inc., 1201 Commerce Boulevard, America Canyon, California 94503.

EXHIBIT 5

ATTACHMENT DD

MATERIALS DIVERSION FACILITY PAID REPORT

"Materials Marketed For the Materials Sales Month (From 21st of Month to 20th of Following Month) – based on receipts and all other documentation from sale of materials
Period Covered: 21st of the month, through 20th day of the following month
Due Date: 20th of the month for the period ending the 20th of the preceding month
Submittal Format: Electronic sortable format (e.g. Excel pivot table or equivalent that is compatible with City computer hardware and software) Submitted via e-mail in format included in this Attachment DD as may be periodically revised by City
Material Types: The report shall include all information listed in this Attachment DD for the following material types as well as any new material types processed at the Materials Diversion Facility on or after May 1, 2008:

a. Cardboard
b. Cardboard #12
c. Newspaper
d. Mixed Paper
e. Waxed Cardboard
f. #1 PET Plastic Bottles (including CRV RC, CRV CP and CRV CS)
g. Colored HDPE Plastic Bottles (including CRV RC, CRV CP and CRV CS)
h. Natural HDPE Plastic Bottles (including CRV RC, CRV CP and CRV CS)
i. Aluminum Cans (including CRV RC, CRV CP and CRV CS)
j. Mixed #1-7 Rigid/Non-CRV Plastics (C&D)
k. Mixed #1-7 Rigid/Non-CRV Plastics (Re-Use/BuyBack)
l. Clear Film Plastic
m. Colored Film Plastic
n. PET Film Plastic (rolls and bales)
o. #3 PVC (including CRV RC, CRV CP and CRV CS)
p. #4 LDPE (Low Density Polyetheylene (including CRV RC, CRV CP and CRV CS)
q. #5 PP (Polypropylene (including CRV RC, CRV CP and CRV CS)
r. #6 PS (Polystyrene) (including CRV RC, CRV CP and CRV CS)
s. #7 Other plastics including pouches and unspecified resins) (including CRV RC, CRV CP and CRV CS)
t. Bimetal Cans (including CRV RC, CRV CP and CRV CS
u. Mixed Glass Containers (including CRV RC, CRV CP and CRV CS)
v. Clear-Only Glass Containers (including CRV RC, CRV CP and CRV CS)
w. Colored-Only Glass Containers (including CRV RC, CRV CP and CRV CS)
x. Electronic Waste (Both Covered Electronic Waste and Electronic Waste)
y. Carpet Underpadding

Content: The information to be provided includes but is not limited to the following for each and every materials sales transaction:

- MDF ticket number
- Month shipped
- Date shipped
- Name of scrap buyer

- Name of CRV buyer and/or broker
- Material type
- For electronic waste list pounds of computers and pounds of CRT's plus total Electronic Waste tons
- Container number
- Booking number
- Seal number
- Weight of load outbound at MDF scale house (in tons)
- Buyer paid pounds
- Buyer Paid Tons
- Total check amount for scrap value
- Total check amount for CRV value
- Aggregate check amount for scrap and CRV value together
- Number of pounds in the load that came from a buyback center or recycling center program ("RC pounds")
- Number of pounds in the load that came from a curbside recycling program ("CS pounds")
- Number of pounds in the load that came from a collection program ("CP pounds")
- Dollars paid for RC CRV
- Dollars paid for CS CRV
- Dollars paid for CP CRV
- Scrap price per pound
- Scrap price per ton
- Dollars paid for RC scrap
- Dollars paid for CS scrap
- Dollars paid for CP scrap
- RC total dollars per ton
- CS total dollars per ton
- CP total dollars per ton
- Total dollars per ton received.

Materials Paid Sales Report

Attachment AA

EXHIBIT 6

ATTACHMENT EE

NAPA MATERIALS DIVERSION FACILITY OPERATING REGULATIONS

(Updated June 25, 2010)

1. **MDF Hours of Operations and Access Policies**

   a) For general public users of the MDF, the daily hours are from 8:00 a.m. to 4:00 p.m.
   b) The MDF is closed four days each calendar year (New Year's Day, Easter Sunday, Thanksgiving Day and Christmas Day).
   c) The MDF will close at 3:00 p.m. on major holidays including Martin Luther King Jr. Birthday, Presidents' Day, Memorial Day, 4th of July, Labor Day, Day after Thanksgiving and at noon on Christmas Eve. Public notices will be posted and sent out to jurisdictional users.
   d) For commercial compost and other outbound organics (e.g., wood chips, yardwaste overs, etc.), the MDF may accept vehicles from 6:15 a.m. until 4:00 p.m. This restriction parallels the current permit requirements and operational considerations for the composting and wood processing areas.
   e) For commercial users (NRWS/NCRWS & jurisdictional customers) of the clean Materials Recovery Facility (MRF) and source separated construction and demolition materials (C&D), the MDF can accept vehicles for offloading from 6:15 a.m. through 4:00 .p.m.
   f) For commercial users of the MRF and C&D areas at the MDF that intend to be loaded with outbound materials, the MDF will accept vehicles between the hours of 6:15 a.m. and 4:00 p.m.

2. **Gatehouse and Weighscale Policies**

   a. All inbound loads for processing must be weighed (including loads for transfer only).
   b. *With the exception of compost purchased by self-haul users,* all outbound loads must also be weighed.
   c. All vehicles must check in with scalehouse attendant when entering or leaving MDF. The only exception to this rule is inbound NRWS/NCRWS or jurisdictional users that have an approved tare weight loaded into the scalehouse tracking software – these inbound users may check prior to off-loading and are not required to go over the scales again after offloading.
   d. With the exceptions noted in item b and c above, all vehicles (both inbound and outbound users) must check in with scalehouse attendant to establish an empty tare weight and loaded gross weights. **NO VEHICLE WILL BE ALLOWED TO LEAVE THE MDF WITH A GROSS WEIGHT EXCEEDING 80,000 LBS.**
   e. Outbound loads containing more than one type of material must have each material weighed separately (i.e., vehicle must weigh after loading each type of material).
   f. Outbound disposal residue from MDF must be separately weighed by processing area.
   g. The universal weighing requirements described in 2a through 2f above may be altered or amended periodically by the City if necessary for compliance with permit regulations.

3. **MDF Traffic Flow & Load Check Provisions**

   a) MDF spotters must be available to direct customers where to deposit loads, and where to pick up materials. Spotters must be able to speak English.
   b) Spotters are to observe loads of materials as they are discharged from vehicles at each processing area for hazardous materials and contamination that exceeds limits
   c) As a general rule, customers should be directed to take the oldest compost material first.

4. **Safety & Material Storage Provisions**

   a) Except for personnel operating or feeding the shredder, no person (employee, customer, or City personnel) is allowed within 30 ft of the shredder when it is operating.
   b) All users of MDF will treat employees of the City and NRWS with courtesy and respect at all times and respond to direction from MDF staff accordingly. Any user or customer that does not comply with this policy may be asked to leave the MDF premises immediately and may be prevented from future access and use privileges at the MDF.
   c) Cleanliness
      a. All areas of the MDF are to be swept daily.
      b. Street frontages are to be cleaned at least twice per week.
      c. Materials are to be stored to minimize nuisance, health, and safety problems.

**SECOND AMENDMENT TO
AGREEMENT BETWEEN THE CITY OF NAPA AND
NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC
FOR PROCESSING OF RECYCLABLE MATERIALS
(CITY AGREEMENT NO. 2010-147)**

THIS SECOND AMENDMENT is entered into as of the 8th day of May, 2020, by and between the CITY OF NAPA, a charter city and municipal corporation (hereinafter referred to as the "City") and NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC, a California limited liability company (hereinafter referred to as "Northern").

RECITALS

A. The City and Northern entered into an agreement for the processing of recyclable materials on July 6, 2010 (City Agreement No. 2010-147, hereinafter referred to as "Agreement").

B. The Agreement was amended and extended by the first amendment executed on August 18, 2016 ("First Amendment").

C. Pursuant to the Agreement, Northern agreed to deliver certain recyclable materials received at the Devlin Road Transfer Station to the City's Materials Diversion Facility for processing and marketing.

D. The City's Materials Diversion Facility is operated by Napa Recycling and Waste Services, LLC (hereinafter "NRWS") pursuant to a contract with the City dated December 7, 2004 (City Agreement No. 8687, hereinafter "NRWS Contract").

E. The prices and charges described in Section 3 of the Agreement are inextricably linked to, and dependent upon, the revenue sharing arrangements between the City and NRWS for the sale of recyclable materials, contained in the NRWS Contract, as amended.

F. Therefore, the term of the Agreement was designed to be within that of the NRWS Contract, which was originally scheduled to terminate December 31, 2015 and has since been extended to December 31, 2031 per the 2018 Contract Amendment, approved by the Napa City Council per resolution R2018-043 on April 17, 2018.

G. In May 2005, the City executed a Memorandum of Understanding ("MOU") with the County of Napa (City Agreement No. 8782) to process Recyclable Materials and Yardwaste collected in County unincorporated areas by Napa County Recycling and Waste Services, LLC ("NCRWS") for a period of ten (10) years. Since that time, the MOU has been amended and extended the base term to December 31, 2030 with five one-year options available to extend the MOU through December 31, 2035. The pricing for Yardwaste and Food Material delivered by Northern to the Napa MDF

pursuant to the Agreement is calculated based upon the Yardwaste pricing in the MOU.

H. The parties now desire to revise pricing and term for delivery of Yardwaste and Food Material by Northern to the City's Materials Diversion Facility for processing to reflect the current terms of the MOU.

I. Additionally, the parties desire to extend the term of the Agreement for a period of ten (10) years so that the Agreement's term continues to correspond to the term of the MOU with Napa County with a base end date of December 31, 2030 and five (5) one-year extension options through December 31, 2035.

NOW, THEREFORE, in consideration of the mutual promises contained in this Second Amendment, and for other good and valuable consideration, the parties agree as follows:

SECTION 1. MATERIALS TO BE DELIVERED AND PROCESSED

Section 1B of the Agreement is hereby deleted and replaced with the following:

B. Yardwaste, Food Material and Packaged Organics.

Northern is not required to deliver Yardwaste, Food Material or Packaged Organics from the DRTS or other generators for composting at the Napa MDF. However, the City will accept Yardwaste, Food Material or Packaged Organics from Northern provided (1) there is sufficient capacity at the Napa MDF, (2) there is sufficient available capacity for City of Napa and Napa County origin compostable materials before any additional Northern organic materials are delivered to the Napa MDF for processing and (3) such delivery does not interfere with City and the Napa MDF operator's compliance with all applicable permits and state and local regulations.

SECTION 2. UPDATED SPECIFIC PER TON PRICES & ADDITION OF PACKAGED ORGANICS

Section 3A of the Agreement is hereby deleted and replaced with the following:

"A. Yardwaste and Food Material/Packaged Organics.

1) Yardwaste. Northern agrees to pay the City forty-three dollars ($43.00) per ton for Yardwaste delivered to the Napa MDF from January 1, 2020 through September 30, 2020. Northern agrees to pay the City forty-five dollars ($45.00) per ton for Yardwaste delivered to the Napa MDF from October 1, 2020 through September 30, 2021. This is based upon the current price paid by the County of Napa pursuant to the MOU between the City and the County of Napa dated May 3, 2005 (as amended on January 7, 2020) plus two dollars ($2.00) per ton. As MOU pricing for Napa County has not been determined beyond September 30, 2021, Northern agrees to pay the City two dollars ($2.00) per ton more than MOU pricing for Yardwaste ("Yard

Trimmings" in MOU) beginning October 1, 2021 and through remainder of this Agreement. This price difference is in recognition of the obligation of the City set forth in Section III Part M of the MOU that states: "The City will not enter into a contract with any third party allowing it to deliver unprocessed Recyclables and Compostables to the MDF on financial terms that are more favorable than those extended to the County in Section III.E, taken together."

In addition to the prices described herein, the City reserves to the right to propose higher MOU pricing to Napa County with sixty (60) days' written notice (Section II Part D of MOU). If City avails itself of this right under the MOU, the Yardwaste processing price charged by the City to Northern shall be the total per ton price charged to the County of Napa plus two dollars ($2.00) per ton."

2) Food Material & Packaged Organics. Northern agrees to pay the City fifty-three dollars ($53.00) per ton for Food Material and Packaged Organics delivered to the Napa MDF from January 1, 2020 through September 30, 2020. Northern agrees to pay the City fifty-five dollars ($55.00) per ton for Food Material and Packaged Organics delivered to the Napa MDF from October 1, 2020 through September 30, 2021. This is based upon the current price paid by the County of Napa pursuant to the MOU between the City and the County of Napa dated May 3, 2005 (as amended on January 7, 2020) plus two dollars ($2.00) per ton. As MOU pricing for Napa County has not been determined beyond September 30, 2021, Northern agrees to pay the City two dollars ($2.00) per ton more than MOU pricing for Food Material and Packaged Organics ("Food Scraps and Soiled Paper" and "Packaged Organics" in MOU) beginning October 1, 2021 and through remainder of this Agreement.

In addition to the prices described herein, the City reserves to the right to propose higher MOU pricing to Napa County with sixty (60) days' written notice (Section II Part D of MOU). If City avails itself of this right under the MOU, the Food Material and Packaged Organics processing price charged by the City to Northern shall be the total per ton price charged to the County of Napa plus two dollars ($2.00) per ton."

SECTION 3. TERM OF AGREEMENT

Section 5 of the Agreement is hereby deleted and replaced with the following:

"**A. Base Term.** The Base Term of this Agreement shall begin on July 6, 2010 and end on December 31, 2030.

B. Extensions. At the End of the Base Term, and at the mutual agreement of the City and Northern, Northern may request and City may grant up to five (5) one-year extensions of this Agreement. Northern shall give City written notice of any potential Extension no less than ninety (90) days prior to the conclusion of the Base Term or the End Date as extended by any prior Extension(s). The City shall have sixty (60) days from receipt of Northern's notice of potential Extension to agree or reject the offer or Extension in writing. If no action is taken by City within 60 days following receipt of the offer of Extension, it shall be assumed that the offer

of Extension has been accepted for an additional one (1) year. City has no express or implied right to any Extension."

SECTION 4. DEFINITIONS

Attachment One is hereby amended as follows and by adding a new definition for "Base Term" and "End Date" and "Packaged Organics" and revising the definition of "Yardwaste" and "Food Material":

"Base Term" means July 6, 2010 through December 31, 2030.

"End Date" means December 31, 2030.

"Packaged Organics" means discarded Food Material (compostable organic materials) that have not been removed from non-compostable packaging that City accepts for processing at the Napa MDF. For the purposes of this Agreement, pricing for Packaged Organics shall match Food Material with any known pre-known product liquid weight deducted.

"Yardwaste" has the same meaning as "Yard Trimmings" in the MOU and means the following compostable organic materials:

1. Leaves, garden plants, and grass
2. Tree and brush trimmings and branches up to 6" diameter
3. Flowers, floral trimmings & holiday greenery (non-synthetic)
4. Sawdust, cotton balls/cotton swaps with paper stems
5. Natural cork and untreated and unpainted wood under 36" (e.g., small wooden crate)
6. Hair, fur, and feathers (non-synthetic)
7. Animal bedding and manure from non-meat eating animals (e.g., chickens, cows, etc.)
8. Unacceptable Contamination includes rocks, dirt, plastics, Municipal Solid Waste (as that term is in defined in the MOU), Single-Stream Recyclables (as that term is in defined in the MOU), pet waste, Hazardous Waste (as that term is in defined in the MOU), tree trunks/stumps/branches greater than 6" in diameter.

SECTION 5. FULL FORCE AND EFFECT

Except as expressly modified by this Second Amendment, all terms and conditions contained in the Agreement dated July 6, 2010 or First Amendment to Agreement dated August 18, 2016 shall remain in full force and effect.

IN WITNESS WHEREOF, City and Northern have executed this Second Amendment as of the day and year first above written.

CITY OF NAPA:

By: _____
(Signature)

Phil Brun, Utilities Director
(Type Name and Title)

ATTEST:

_____
(Signature)

Tiffany Carranza, City Clerk
(Type Name and Title)

COUNTERSIGNED:

_____
(Signature)

Desiree Brun, City Auditor
(Type Name and Title)

APPROVED AS TO FORM:

_____
(Signature)

Sabrina S. Wolfson, Deputy City Attorney

Michael W. Barrett, City Attorney

NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY*:

20-8691286
(Tax I.D. Number)

By: _____
(Signature)

Greg Kelley, Managing Member
(Print Name and Title)

By: _____
(Signature)

(Print Name and Title)

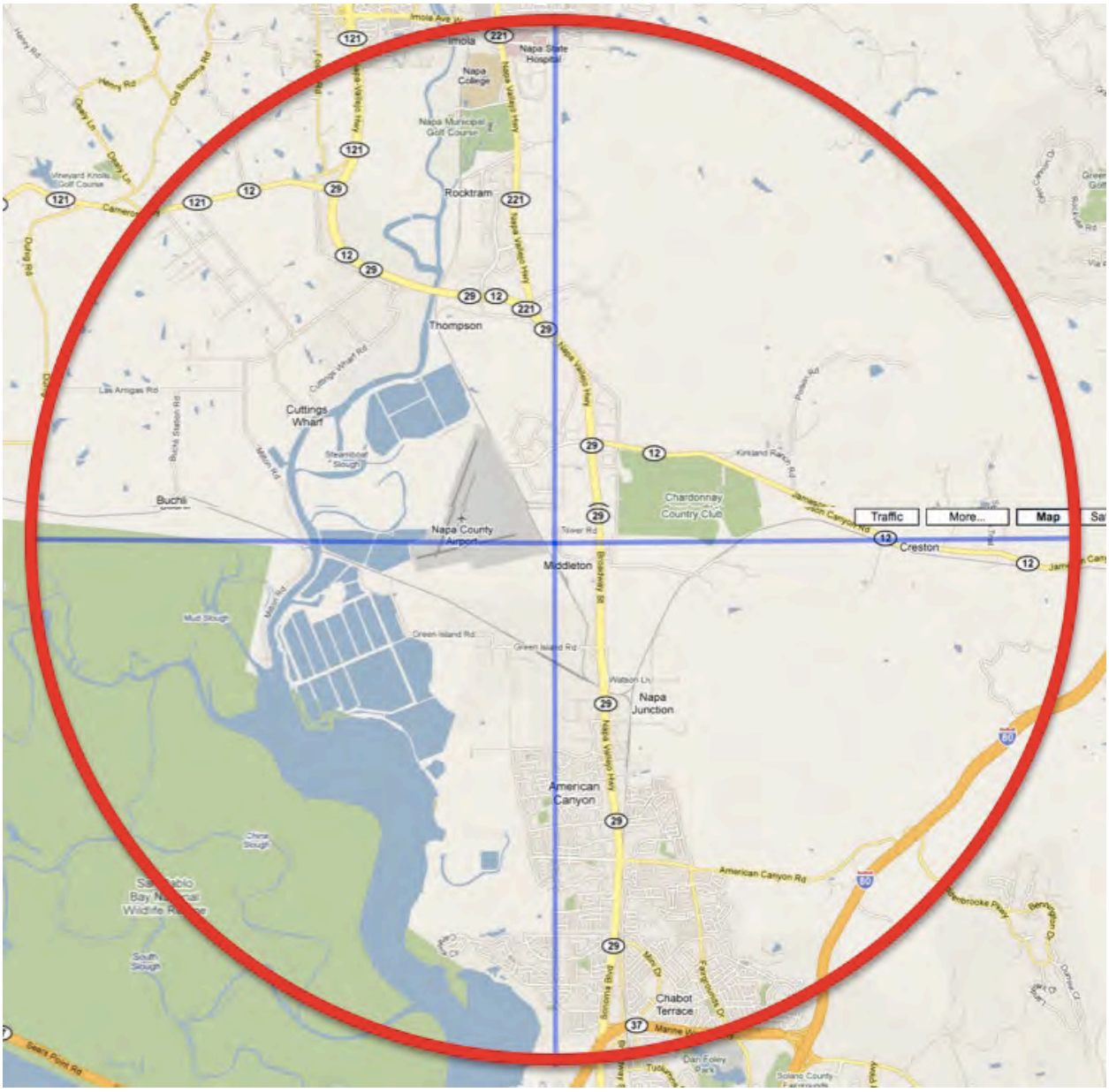
*Unless corporate resolution delegates an individual to sign contracts, an agreement with a corporation shall be signed by the President or Vice President **and** the Secretary or Assistant Secretary of the corporation. A general partner shall sign on behalf of a general partnership. The managing member, if authorized, may sign on behalf of a limited liability company.

Budget Code(s): 51005-34402 (MDF Gate Fees – Revenue Account)
51005-58911 (Payment for Material – Expenditure Account)

[*END OF ATTACHMENT AA*]

ATTACHMENT BB

MAP OF FIVE-MILE RADIUS FROM ENTRANCE TO MATERIALS DIVERSION FACILITY



ATTACHMENT CC

LIST OF BALERS PROVIDED BY CONTRACTOR PURSUANT TO SECTION 6.03.02

Contractor's Affiliates provide 5 balers. Two balers are located at Amcan Beverage, Inc., 1201 Commerce Boulevard, America Canyon, California 94503, one is located at Don Sebastiani & Sons, 520 Airpark Rd, Napa, CA 94558, one is located at Valley Wine Warehouse, 175 Tower Rd, American Canyon, CA 94503, and one is located at Vinpack, 644 Hanna Drive Suite D, American Canyon, CA 94503.

ATTACHMENT DD

MATERIALS DIVERSION FACILITY PAID REPORT

"Materials Marketed For the Materials Sales Month (From 21st of Month to 20th of Following Month) – based on receipts and all other documentation from sale of materials
Period Covered: 21st of the month, through 20th day of the following month
Due Date: 20th of the month for the period ending the 20th of the preceding month
Submittal Format: Electronic sortable format (e.g. Excel pivot table or equivalent that is compatible with City computer hardware and software) Submitted via e-mail in format included in this Attachment DD as may be periodically revised by City
Material Types: The report shall include all information listed in this Attachment DD for the following material types as well as any new material types processed at the Materials Diversion Facility on or after May 1, 2008:

a. Cardboard
b. Cardboard #12
c. Newspaper
d. Mixed Paper
e. Waxed Cardboard
f. #1 PET Plastic Bottles (including CRV RC, CRV CP and CRV CS)
g. Colored HDPE Plastic Bottles (including CRV RC, CRV CP and CRV CS)
h. Natural HDPE Plastic Bottles (including CRV RC, CRV CP and CRV CS)
i. Aluminum Cans (including CRV RC, CRV CP and CRV CS)
j. Mixed #1-7 Rigid/Non-CRV Plastics (C&D)
k. Mixed #1-7 Rigid/Non-CRV Plastics (Re-Use/BuyBack)
l. Clear Film Plastic
m. Colored Film Plastic
n. PET Film Plastic (rolls and bales)
o. PET Foil
p. #3 PVC (including CRV RC, CRV CP and CRV CS)
q. #4 LDPE (Low Density Polyetheylene (including CRV RC, CRV CP and CRV CS)
r. #5 PP (Polypropylene (including CRV RC, CRV CP and CRV CS)
s. #6 PS (Polystyrene) (including CRV RC, CRV CP and CRV CS)
t. #7 Other plastics including pouches and unspecified resins) (including CRV RC, CRV CP and CRV CS)
u. Bimetal Cans (including CRV RC, CRV CP and CRV CS
v. Scrap Metal
w. Mixed Glass Containers (including CRV RC, CRV CP and CRV CS)
x. Clear-Only Glass Containers (including CRV RC, CRV CP and CRV CS)
y. Colored-Only Glass Containers (including CRV RC, CRV CP and CRV CS)
z. Milk Cartons/Aseptic
aa. Clean Chipped Wood
bb. Sheetrock
cc. Electronic Waste (Both Covered Electronic Waste and Electronic Waste)
dd. Carpet Underpadding
ee. Carpet 6.0
ff. Carpet 6.6
gg. Carpet - Other

hh. Cooking Oil
ii. Used Motor Oil

Content: The information to be provided includes but is not limited to the following for each and every materials sales transaction:

- MDF ticket number
- Month shipped
- Date shipped
- Name of scrap buyer
- Name of scrap broker
- Name of CRV buyer
- Name of CRV broker
- Amount of broker fee(s) and to whom fee(s) were paid
- Material type
- For electronic waste list pounds of computers and pounds of CRT's plus total Electronic Waste tons
- Container number
- Booking number
- Seal number
- Weight of load outbound at MDF scale house (in Tons)
- Buyer paid pounds
- Buyer Paid Tons
- Total check amount for scrap value
- Total check amount for CRV value
- Aggregate check amount for scrap and CRV value together
- Number of pounds in the load that came from a buyback center or recycling center program ("RC pounds")
- Number of pounds in the load that came from a curbside recycling program ("CS pounds")
- Number of pounds in the load that came from a collection program ("CP pounds")
- Dollars received for RC CRV
- Dollars received for CS CRV
- Dollars received for CP CRV
- Scrap price received per pound
- Scrap price received per Ton
- Dollars received for RC scrap
- Dollars received for CS scrap
- Dollars received for CP scrap
- RC total dollars received per Ton
- CS total dollars received per Ton
- CP total dollars received per Ton
- Total dollars per Ton received

In addition to the foregoing, Contractor shall submit scanned PDF copies of Purchase Orders via e-mail for all materials marketed from the MDF during the reporting period. In lieu of scanned PDF copies Contractor may submit hard copies of the Purchase Orders.

ATTACHMENT EE

NAPA MATERIALS DIVERSION FACILITY OPERATING REGULATIONS

(Updated 2022)

NOTE: This Attachment EE provides a simplified list of MDF Operating Regulations that can be given to MDF users and employees. This Attachment also includes operating requirements that have developed over time as experience was gained in operating the MDF. See Attachment F for the full "Scope of Work For Operations at Napa Materials Diversion Facility".

1. **MDF Hours of Operations and Access Policies**

   a) For general public users of the MDF, the daily hours are from 8:00 a.m. to 4:00 p.m.
   b) The MDF is closed four days each calendar year (New Year's Day, Easter Sunday, Thanksgiving Day and Christmas Day).
   c) The MDF will close at 3:00 p.m. on major holidays including Martin Luther King Jr. Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Day after Thanksgiving and at noon on Christmas Eve. Public notices will be posted and sent out to jurisdictional users.
   d) For commercial compost and other outbound organics (e.g., wood chips, yard trimmings, overs, etc.), the MDF may accept vehicles from 6:00 a.m. until 4:00 p.m. This restriction parallels the current permit requirements and operational considerations for the composting and wood processing areas.
   e) For commercial users (NRWS/NCRWS & jurisdictional customers) of the clean Materials Recovery Facility (MRF) and source separated construction and demolition materials (C&D), the MDF can accept vehicles for offloading from 5:00 a.m. through 4:00 p.m.
   f) For commercial users of the MRF and C&D areas at the MDF that intend to be loaded with outbound materials, the MDF will accept vehicles between the hours of 6:00 a.m. and 4:00 p.m.
   g) City shall have the right to make minor temporary changes in public hours of operation of the MDF with forty-eight (48) hours written notice to Contractor. Example: In anticipation of a holiday like Memorial Day, and acknowledging that Contractor will be providing scalehouse coverage to City on that holiday, City may decide to close the gate to the public at 2:00 p.m. instead of at 3:00 p.m. In such an event City agrees to consult with Contractor prior to sending formal written notice and further agrees to provide Contractor with formal written notice via electronic mail or hand delivery at least forty-eight (48) hours in advance of the change.

2. **Gatehouse and Weighscale Policies**

   a) All inbound loads for processing must be weighed (including loads for transfer only).
   b) *With the exception of compost purchased by self-haul users,* all outbound loads must also be weighed.
   c) All vehicles must check in with scalehouse attendant when entering or leaving MDF. The only exception to this rule is inbound NRWS/NCRWS or jurisdictional users that have an approved tare weight loaded into the scalehouse tracking software – these inbound users may check prior to off-loading and are not required to go over the scales again after offloading.
   d) With the exceptions noted in items b and c above, all vehicles (both inbound and outbound users) must check in with scalehouse attendant to establish an empty tare

weight and loaded gross weights. **NO VEHICLE WILL BE ALLOWED TO LEAVE THE MDF WITH A GROSS WEIGHT EXCEEDING 80,000 LBS. **Weight exemptions for CNG, Electric and other alternative fuel vehicles****

e) Outbound loads containing more than one type of material must have each material weighed separately (i.e., vehicle must weigh after loading each type of material).
f) Outbound disposal residue from MDF must be separately weighed by processing area.
g) The universal weighing requirements described in 2a through 2f above may be altered or amended periodically by the City if necessary for compliance with permit regulations.

3. MDF Traffic Flow & Load Check Provisions

a) MDF spotters must be available to direct customers where to deposit loads, and where to pick up materials. Spotters must be able to speak English.
b) Spotters will attempt to observe loads of materials as they are discharged from vehicles at each processing area for hazardous materials and contamination that exceeds limits
c) As a general rule, customers should be directed to take the oldest compost material first.

4. **Safety & Material Storage Provisions**

a) Except for personnel operating or feeding the shredder, no person (employee, customer, or City personnel) is allowed within 10 ft. of the shredder when it is operating.
b) All users of MDF will treat employees of the City and NRWS with courtesy and respect at all times and respond to direction from MDF staff accordingly. Any user or customer that does not comply with this policy may be asked to leave the MDF premises immediately and may be prevented from future access and use privileges at the MDF.
c) Cleanliness
    a. All areas of the MDF are to be swept daily.
    b. Street frontages are to be cleaned at least twice per week.
    c. Materials are to be stored to minimize nuisance, health, and safety problems.

ATTACHMENT FF
Buyer/Broker Information Sheet

Please enter all of the listed information for the buyer or broker. The Buyer/Broker Sheet must be submitted to the MDF scalehouse attendants a minimum of two business days prior to making the first shipment to a new buyer or broker. A revised Buyer/Broker sheet must be submitted within ten days of any material change in the information listed below. All capitalized words not defined below have the meaning as defined in the City-NRWS Contract.

Name _____

Address _____

City _____ State _____Zip Code_____

Telephone _____ E-mail _____

Website _____ Business is a Buyer _____ Broker_____ (check all that apply)

Contact Person _____ Title _____

Business is ___ Corporation ___LLC ___Partnership ___Sole Proprietorship ____
Other _____(fill in business type)

Type(s) of material purchased _____

_____

Business is a Processor ___Re-seller ___End User ___ Other ____ (check all that apply)
Is the buyer/broker an Affiliated Entity to NRWS? Yes___ No ___
An "Affiliated Entity" means any Person which is related to the Contractor by virtue of a direct or indirect ownership interest or common management. "Affiliated Entities" include (1) a Person in which the Contractor has a direct or indirect ownership interest, (2) a Person which has a direct or indirect ownership interest in Contractor, and (3) a Person which is owned or controlled by any Person which has a direct or indirect ownership interest in Contractor. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of the Internal Revenue Code in effect as of the Effective Date, shall apply, except that "ten percent (10%)" shall be substituted for "fifty percent (50%)" in Section 318(a)(2)(C) and 318(a)(3)(C). "Person" includes any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, the County, municipality or special purpose district or any other entity whatsoever." "Contractor" means Napa Recycling and Waste Services, LLC, which is the Contractor referred to in Section 5.60.010 of the City's Municipal Code. Contractor is the City's authorized recycling agent."

Does this business ever charge NRWS any type of a Broker Fee? Yes___ No ___
A "Broker Fee" includes any remuneration paid by NRWS to a third party or exacted from NRWS by a third party for the act of brokering or facilitating the sale or exchange of Recyclable Materials, Compost, Recovered Materials, energy or any other materials marketed by NRWS from the MDF. Broker Fee includes, but is not limited to, any charge, percentage, flat fee, deduction from total revenue owed or paid for materials, or any other remuneration charged, claimed or exacted (including any trade, barter or exchange for services or other goods) by a business, Person, organization or any other entity due to facilitating the sale of Recyclable Materials, Compost, Recovered Materials, energy or any other materials marketed by NRWS from the MDF. Broker Fee does not mean adjustments made to the price paid for materials due to the quality of the materials (such as moisture deductions or downgrading of material type due to poor quality or contamination) nor does Broker Fee mean transportation costs or other freight or shipping costs, demurrage fees or other routine costs for storage and transportation of the materials.

If the answer above is "yes" what amount and type of fee is charged?_____
(If a Broker Fee appears anywhere on any Purchase Order from this Buyer/Broker it must be reported on this sheet. If the Broker Fee varies depending upon material type or other factors list the range of amounts, percentages, etc.)

I, the undersigned, declare under penalty of perjury that I am an authorized representative of Napa Recycling and Waste Services, LLC and that all of the foregoing information is true and correct.

_____ Date _____
Signature
Print name and Title _____

ATTACHMENT GG

ADDITIONAL PAYMENT CALCULATION METHODOLOGY FOR 2013 TO END OF TERM

The following methodology, and the sample calculations below it, illustrate how to calculate the Over Baseline tonnage to be used in the calculation of the Additional Payment. Not all defined terms have been capitalized in order to make the document and the instructions easier to read and utilize. If any conflict arises between this Attachment GG and the Contract, the Contract shall prevail.

Calculation of Over Baseline Tonnage

Overview

Use the MDF scalehouse Soft-Pak database to sort the inbound Tons to the MDF. As described in the Contract, tonnage eligible for the Additional Payment includes those materials processed in the four processing areas: Composting Area, Clean MRF, Wood Processing Area, and Source Separated C&D Area using the clarifications and exceptions noted below.

Inbound materials from the Transfer Station are excluded from any Over Baseline calculations. Only materials that are processed at the MDF are eligible for inclusion in the Additional Payment. Materials received at the MDF for handling and transfer only, but not processed (e.g. Electronic Waste, Bulky Goods, Carpet, Pre-Processed Market-Ready Materials from Northern), are not included in the tonnage calculations for the Additional Payment. Materials collected by the Recycle More program are "transfer-only" materials, and are also excluded.

Effective January 1, 2013, metal appliances collected in roll off boxes are treated as metal and are eligible for the Additional Payment. From 2006-2012, metal appliances were categorized as "transfer only" materials and were excluded from the calculations.

After checking the eligibility of the specific processed Tons obtained from the scalehouse, the City will review the Contractor or MDF scalehouse documentation to research any questionable materials and/or loads. In the event of a discrepancy between the MDF scalehouse records and Contractor's records, the MDF scalehouse records shall be determinative. After the above-described exceptions are excluded, the net tonnage remaining is the Over Baseline (OB) Tonnage eligible for compensation.

Summary

There are four (4) processing areas:

- Composting Area
- Clean MRF
- Wood Processing Area
- Source Separated C&D Area

For each of the four (4) processing areas, there are two (2) OB expansion levels. They are:

- Expansion Capacity Level 1
- Expansion Capacity Level 2

Table 1 below shows the tonnage range for each of the two Expansion Levels.

Table 1 - Tonnage Ranges for Baseline and Expansion Capacity Levels 1 and 2

	Baseline (Tons/Year)	Expansion Capacity Level 1 (Tons/Year)	Expansion Capacity Level 2 (Tons/Year)
Composting Area	40,670	40,671-51,215	51,216 and above
Clean MRF	19,290	19,291-27,720	27,721 and above
Wood Processing	3,970	3,971-5,760	5,761 and above
Source Separated C&D Processing	16,620	16,621-19,493	19,494 and above
TOTAL	80,550		

The tonnage processed in each of the four processing areas must equal 80% or more of the required specific baseline tonnage before the Contractor is eligible for any Additional Payment.

Methodology

Step 1:
The first step in establishing whether an Additional Payment is due is to determine if the tonnage processed in each of the four processing areas equals 80% or more of the required specific baseline tonnage. The specific tonnage for each of the four areas is shown in Table 2 below. These are fixed threshold tonnages as set forth in the Contract in 2004.

Table 2 - Required 80% Tonnage Amounts for Each Processing Area

	A. Baseline Tons/Year	B. 80% Threshold of Baseline Tons/Year	C. Threshold Exceeded?
1. Composting Area	40,670	32,536	Yes / No
2. Clean MRF	19,290	15,432	Yes / No
3. Wood Processing	3,970	3,176	Yes / No
4. Source Separated C&D Processing	16,620	13,296	Yes / No
TOTAL	**80,550**		

Again, no Additional Payment is due to the Contractor unless all four threshold tonnages in Table 2 have been met in each of the four processing areas and unless the Baseline total of 80,550 Tons has been exceeded.

Step 2:
Step 2 is to calculate the Processed Tonnage for each Processing Area that exceeds its qualifying Baseline threshold (refer to Baseline Column A in Table 3 below). NOTE: In some years, not all Processing Areas will receive an expansion level payment.

Example 1: Tonnages within Expansion Capacity Level 1 Only

For this sample calculation, a hypothetical total of 100,000 Tons were delivered to the MDF for processing in the year under review. The 100,000 processed Tons were distributed in each of the four Processing Areas as follows:

- 50,000 Tons in the Composting Area
- 20,000 Tons in the Clean MRF area

- 5,000 Tons in the Wood Processing area
- 25,000 Tons in the Source Separated C&D Processing area

Processed tonnage (Column B in Table 3 below) is shown for each of the four Processing Areas for this sample calculation.

Table 3 - Sample Expansion Capacity Level 1 Calculation to Determine the Amount by which Processed Tonnage Exceeds Baseline Tons/Year

	A. Baseline Tons/Year	B. Processed Tonnage	C. Processed Tonnage Exceeding Baseline
1. Composting Area	40,670	50,000	9,330
2. Clean MRF	19,290	20,000	710
3. Wood Processing	3,970	5,000	1,030
4. Source Separated C&D Processing	16,620	25,000	8,380
TOTAL	**80,550**	**100,000**	**19,450**

To repeat, the Baseline tonnages in Column A are the fixed threshold tonnages set forth in the Contract. This example uses a hypothetical 100,000-Ton figure as the total Tons processed at the MDF and, for purposes of this example, distributes tonnages to each of the four Processing Areas to illustrate how an Additional Payment would be calculated. For instance, in the table above, the Processed Tonnage Exceeding the Baseline shown in Column C is equal to the Processed Tonnage shown in Column B minus the Baseline Tons per Year shown in Column A (Row 1 → 50,000 processed Tons – 40,670 baseline Tons = 9,330 Tons over baseline).

Example 2: Determining Unit Cost:

This next step begins the actual calculation of the Additional Payment. The Additional Payment is calculated by taking the Tons for each of the four processing areas as determined in Step 2 and multiplying them by each of the Processing Areas' per-Ton processing cost.

The per-Ton processing cost for each of the four Processing Areas is called the Unit Cost ($/ton). It is based on the Unit Costs in the Contract, which have been escalated during each year. The CY 2017 per-Ton processing cost (Unit Cost) for each of the four Processing Areas in Expansion Capacity Level 1 are:

- Composting area: $26.85
- Clean MRF: $76.73
- Wood Processing Area: $23.03
- Source Separated C&D Processing Area: $17.92

Note: The unit costs above are the actual CY 2017 escalated costs and may not agree with hypothetical unit costs included in Table 2.

Example 3: Inflating the Unit Cost Using PPI

As noted in above, the Unit Cost is used in calculating the Additional Payment. Begin by determining the inflation of the unit cost. For example, the Unit Costs for CY 2017 are calculated by escalating the Unit Costs for CY 2016 by the "Other Cost Index" described in Attachment A of the Contract (PPI Series WPUFD4131 Finished Goods Less Food and Energy). In the calculation, Unit Costs are rounded to two decimal places.

Unit Costs for subsequent years will be calculated by escalating the Unit Costs for the prior year by the "Other Cost Index" described in Attachment A (PPI Series WPUFD4131 Finished Goods Less Food and Energy)).

Table 3 shows a sample calculation that inflates the CY 2016 Unit Cost by a hypothetical CY 2017 inflated PPI percentage for Expansion Capacity Level 1 for each of the four Processing Areas. The inflated Unit Costs for each Processing Area shown in Column D of Table 3 are calculated by multiplying the CY 2016 Unit Cost (Column B) by the PPI Escalation (Column C). Example: $26.38 x 1.018 = $26.85.

Table 3 - Expansion Capacity Level 1 CY 2017 Unit Cost PPI Escalation Sample Calculations per Processing Area

A. Expansion Capacity Level 1	B. 2016 Unit Cost	C. PPI Escalator	D. 2017 Unit Cost
1. Composting Area	$26.38	1.018	$26.85
2. Clean MRF	$75.37	1.018	$76.73
3. Wood Processing	$22.62	1.018	$23.03
4. Source Separated C&D Processing	$17.60	1.018	$17.92

(Note: The Unit Costs for CY 2017 shown in the example above are the actual Unit Costs for CY 2017.)

Example 4: Calculating Payment

Using the calculated Processed Tonnage Exceeding Baseline values for each processing area, it is now possible to calculate the Additional Payment for Expansion Capacity Level 1.

Multiply the total Processed Tonnage exceeding the Baseline for each processing area by the calculated Unit Cost (step 4) to determine the Additional Payment. For example, for the Composting Area:

- (From step 2) Total Processed Tonnage Exceeding Baseline = 9,330 Tons
- (From step 4) Unit Cost = $26.85
- Calculated Additional Payment for Composting Area in Expansion Capacity Level 1 is: 9,330 Tons x $26.85 (Weighted Unit Cost) = $250,510.50

This calculation would occur for each of the processing areas to determine the total payment amount under Expansion Capacity Level 1.

Example 5: Additional Payment Due for Expansion Capacity Level 2

In the hypothetical sample calculation used above, the total Processed Tonnage figure used was 100,000 Tons. The tons of materials processed at the MDF was sufficient to trigger an Over-Baseline payment for Expansion Capacity Level 1. In this step, hypothetical tonnage examples that are greater than the Expansion Capacity Level 1 range and that could trigger an Expansion Capacity Level 2 payment will be provided.

Once again, it is critical to check that the Processed Tonnage is greater than the baseline of 80,550 Tons. We will now calculate what the Over-Baseline payment would be using a Total Processed Tonnage of 126,000 Tons.

The 126,000 processed Tons were distributed in each of the four Processing Areas as follows:

- 60,000 Tons in the Composting Area

- 35,000 Tons in the Clean MRF area
- 6,000 Tons in the Wood Processing area
- 25,000 Tons in the Source Separated C&D Processing area

Column B in Table 4 below shows each of the four Processing Areas and their respective tonnages for this sample calculation.

Table 4 Sample Expansion Capacity Level 1 and Level 2 Calculations to Determine the Amount by which Processed Tonnage Exceeds Baseline Tons/Year

	A. Baseline Tons/Year	B. Processed Tonnage	C. Total Processed Tonnage Above Baseline	D. Tonnage Above Baseline	
				Expansion Capacity Level 1	Expansion Capacity Level 2
1. Composting Area	40,670	60,000	19,330	10,545	8,785
2. Clean MRF	19,290	35,000	15,710	8,785	6,925
3. Wood Processing	3,970	6,000	2,030	1,790	240
4. Source Separated C&D Processing	16,620	25,000	8,380	2,873	5,507
TOTAL	**80,550**	**126,000**	**45,450**	**23,993**	**21,457**

This example will show how to calculate an Additional Payment when the processed tonnage falls within the range of both Expansion Capacity Levels 1 and 2.

In Table 4 above, for the Composting Area, take the Processed Tonnage (Column B) of 60,000 Tons and subtract it from the Baseline Tons (Column A) of 40,670 Tons. This leaves a total of 19,330 Tons (Column C), which is eligible for an Expansion Capacity Level 1 and Expansion Capacity Level 2 payment. It is necessary to consult Table 5, and look for the range of tonnage for the Composting Area. The upper expansion level 1 boundary for the Composting Area is 51,215 Tons and the lower boundary is 40,670 Tons. This is a range of 10,545 Tons that gets paid at Expansion Level 1.

The next step is to calculate the portion of Processed Tonnage in the Composting Area that falls into Expansion Capacity Level 2. In our example, 60,000 Tons were processed, which was 19,330 Tons more than the baseline of 40,670 Tons. Any Ton above the total of the upper Expansion Capacity Level 1 boundary of 51,215 Tons falls into the Expansion Capacity Level 2 payment. Again, a total of 19,330 Tons was processed above the baseline tonnage. This tonnage is apportioned between two expansion levels that exceed the baseline – the Expansion Capacity Level 1 tonnage of 10,545 and the Expansion Capacity Level 2 tonnage of 8,785 Tons. Thus, the total 60,000 Tons processed equals the baseline tonnage of 40,670 Tons plus the 10,545 Tons in expansion capacity level 1 plus the 8,785 Tons in expansion capacity level 2.

The ranges for the two Expansion Capacity Levels 1 and 2 are shown in Table 5 below. Please review Table to identify the specific tonnage ranges for each capacity level and the corresponding ranges for each Processing Area. These ranges are used repeatedly to identify when, and at what level, an Additional Payment is due.

Table 5 Tonnage Range for Expansion Capacity Levels 1 and 2

	Baseline (Tons/Year)	Expansion Capacity Level 1 (Tons/Year)	Expansion Capacity Level 2 (Tons/Year)
Composting Area	40,670	40,671-51,215	51,216 and above
Clean MRF	19,290	19,291-27,720	27,721 and above
Wood Processing	3,970	3,971-5,760	5,761 and above
Source Separated C&D Processing	16,620	16,621-19,493	19,494 and above

With the aid of Table 5, the Additional Payment is now calculated for the remaining three Processing Areas. For the Clean MRF, Wood Processing, and Source Separated C&D Processing Areas, the over baseline tonnages are calculated in the same manner as described for the Composting Area.

Example 6: Determining the Unit Cost

NOTE: The Unit Costs that are applied to Expansion Capacity Level 2 are shown in Table 6 below.

Table 6 - Expansion Capacity Level 2 2017 Unit Cost PPI Escalation Sample Calculations per Processing Area

A. Expansion Capacity Level 2	B. 2016 Unit Cost	C. PPI Escalator	D. 2017 Unit Cost
1. Composting Area	$28.88	1.018	$29.40
2. Clean MRF	$77.88	1.018	$79.28
3. Wood Processing	$25.12	1.018	$25.57
4. Source Separated C&D Processing	$20.10	1.018	$20.46

The Unit Costs applied to the tonnage that falls within Expansion Capacity Level 2 are different from the Unit Costs applied to the tonnage that falls within Expansion Capacity Level 1.

Example 7: Inflating the Unit Cost Using PPI

The unit cost for Expansion Capacity Level 2 is inflated by the PPI using the same process described in Example 1. As noted in Example 1 above, the Unit Cost is used in calculating the Additional Payment. Begin by determining the inflation of the unit cost. For example, the Unit Costs for 2017 are calculated by escalating the Unit Costs for 2016 by the "Other Cost Index" described in Attachment A of the Contract(PPI Series WPUFD4131 Finished Goods Less Food and Energy) . In the calculation, Unit costs are rounded to two decimal places.

Example 8: Calculate the Additional Payment

To calculate the Additional Payment for Expansion Capacity Level 1, multiply the total OB Tonnage for each processing area falling within Expansion Capacity Level 1 by the calculated Unit Cost for Expansion Capacity Level 1. For example, for the Source Separated C&D Processing Area:

- Total OB Tonnage Falling Within Expansion Capacity Level 1 = 2,873 (from Table 4)
- Unit Cost = $17.92 (from Table 3)
- *Additional Payment from Expansion Capacity Level 1: 2,873 x $17.92 = $51,484.16*

To calculate the Additional Payment for Expansion Capacity Level 2, multiply the total OB Tonnage within Expansion Capacity Level 2 range by the Unit Cost for Expansion Capacity Level 2.

- Total OB Tonnage Exceeding Expansion Capacity Level 1 = 5,507 (from Table 4)
- Unit Cost = $20.46 (from Table 6)
- *Additional Payment from Expansion Capacity Level 2: 5,507 x $20.46 = $112,673.22*

Sum the amounts to determine the total Additional Payment for the Source Separated C&D Processing Area:

$51,484.16 + $112,673.22 = **$164,157.38**

Using the example with a total processed tonnage of 126,000 Tons, the Contractor is owed $164,157.38 for the Additional Payment for the Source Separated C&D Processing Area.

This calculation would occur for each of the processing areas to determine the total payment amount due.

Over Baseline Billing Option

Rather than wait until the calendar year has concluded, once the 80% threshold has been hit for all four processing areas within a calendar year, the Contractor may start billing on a monthly basis for the processing areas where the tonnage has exceeded the corresponding baseline levels. The billing would be for the tons processed that particular month for each of the processing area that have exceeded the baseline threshold. Because the unit costs will not yet have been adjusted for the year due to PPI numbers for the year not being available until February of the next calendar year, the contractor shall use the unit cost figures used to determine the final over baseline payment for the previous calendar year.

For example: If in October 2018, all four processing areas have achieved at least 80% of baseline levels, and the compost processing area has exceeded the baseline level by 500 tons, the contractor may bill for the 500 tons multiplied by the CY 2017 unit cost.

- 500 tons x $26.85 = $13,425

Once the baseline amount for a processing area has been exceeded, the contractor then could then bill each month for the remainder of the year for the tons processed in the Composting Area for that given month. This could be done for each processing area that has exceeded the baseline tonnage level. Following the calendar year when the PPI data for that year becomes available, the unit costs will be adjusted per the process described above, and any difference will be billed to true-up the actual amount owed for the calendar year.

Exhibit 8 Attachment HH -- Purchase Order for Recycle More Vehicle

Golden Gate Truck Center

FREIGHTLINER Run Smart

8200 BALDWIN STREET OAKLAND CA 94621 TEL (510) 632-3535 Fax (510) 632-2206

Thank you for your interest in GOLDEN GATE TRUCK CENTER. We are pleased to offer you the following Quotation. As always, we want to ensure that this truck, as specified, will meet your needs. Please review all information carefully and feel free to contact us to discuss any aspect of this quotation.

Napa Recycling and Waste Services		**DATE** 20-Mar-13
820 Levitin Way	**PHONE** (707) 287-1961	This Quotation is valid for 5 days from above date and subject to availability.
American Canyon, CA 94559	**FAX**	
Attn: Greg Kelly		

CAB & CHASSIS

YEAR	2011	ENGINE	Cummins ISB
MAKE	Freightliner	TRANSMISSION	Eaton Hybrid
MODEL	M2106e	WHEEL BASE	252"
GVW	26,000 lbs.	VIN #	AW9504

COMPLETE TRUCK PRICE **$102,400.00**

ADDITIONAL EQUIPMENT		
Ext 5 yr-150K Engine Warranty	No Tax	$1,150.00
Aftertreatment 5 yrs-150K	No Tax	$850.00
Transmission Ext Warranty Additional 2 yrs 50K	No Tax	$3,800.00

TOTAL CAB & CHASSIS PRICE **$108,200.00**

BODY TYPE

TOTAL PRICE OF BODY AND OPTIONS

Thank you for the opportunity to quote you on this Truck.
If you have any questions or comments regarding this information please feel free to contact me.

LES SCHWINDT

NET SALE PRICE		***$108,200.00***
NET PRICE	$80.OO DOC.	$108,280.00
SALES TAX @	8.00%	$8,192.00
DMV LICENSE FEE	est.	$2,200.00
TOTAL PRICE		***$118,672.00***

AGREED AND ACCEPTED: _____
Dated: / / 2013 GREG KELLY

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTACHMENT II

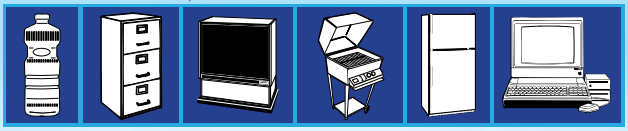
NOT USED

Exhibit 9 Attachment JJ -- Bill Insert For Recycle More Program

FREE CURBSIDE PICKUP OF EWASTE…AND MORE!

RECYCLE MORE

JOIN NAPA TO RECYCLE



The ***RECYCLE MORE*** program offers free curbside pickup of all electronics, appliances and oversize metal items.

While we are at it – the ***RECYCLE MORE*** route will also pick up used cooking oil. See the reverse for details!

Your free curbside pick-up is by appointment only and not part of your regularly scheduled NRWS services. Call or visit our website to learn more or to schedule an appointment.

What is Accepted:

FREE!

- ✔ Televisions, computer monitors & flat screens
- ✔ Computer equipment
- ✔ Office equipment
- ✔ Consumer electronics
- ✔ Household appliances
- ✔ Large metal appliances
- ✔ Oversize metal items (over 36")

NOW AVAILABLE!

SCHEDULE AN APPOINTMENT TODAY

FOR CITY OF NAPA CUSTOMERS! VISIT WEBSITE FOR MORE DETAILS & CONDITIONS...

NRWS

NAPA RECYCLING & WASTE SERVICES

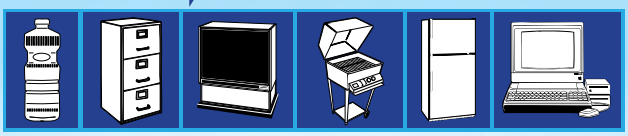
707-255-5200

www.NapaRecycling.com

FREE CURBSIDE PICKUP OF EWASTE…AND MORE!

RECYCLE MORE

JOIN NAPA TO RECYCLE



FREE CURBSIDE PICKUP!

RECYCLE USED COOKING OIL

* Cooking Oil Recycling Details:

Residential customers need to contact NRWS in advance to be provided with a 1-gallon can to store used cooking oil.

The ***RECYCLE MORE*** program will pick up curbside the used cooking oil by appointment and replace the can with another empty. This program is for cooking oil only, please no fats or grease.

CITY of NAPA

Do not dispose of fats, oil or grease down the drain!

Keep this valuable resource out of the landfill. Used cooking oil will be turned into biodiesel fuel, reducing demand for imported petroleum.

NOW AVAILABLE!

SCHEDULE AN APPOINTMENT TODAY

FOR CITY OF NAPA CUSTOMERS! VISIT WEBSITE FOR MORE DETAILS & CONDITIONS...

NRWS

NAPA RECYCLING & WASTE SERVICES

707-255-5200

www.NapaRecycling.com

Printed on 100% post-consumer recycled paper

Proposed SB 1383 Contract Amendment (4/6/2023 Version)

ATTACHMENT KK

NOT USED

ATTACHMENT LL

AGREED UPON PROCEDURES FOR REPORTING ON MATERIALS SALES TRANSACTIONS WITH AFFILIATED ENTITIES

Williams & Associates LLP
Certified Public Accountants

Jeff Vathayanon, CPA
Paul Tibma, CPA
Roger Williams, CPA
Jason Reecy, CPA/ABV

May 27, 2014

Napa Recycling & Waste Services, LLC
Attn: Mike Murray
820 Levitin Way
Napa, CA 94559

Re: Third Amendment - Report of Materials Sales Transactions with Affiliated Entities

We have reviewed the proposed Third Amendment to Contract for the Collection and Transportation of Municipal Solid Waste, Recyclable Materials, and Yardwaste and the Operation of the Napa Materials Diversion Facility. In regards to Section 1G - Report of Materials Sales Transactions with Affiliated Entities, you have requested that we list all materials sales transactions with affiliated entities in the audited financial statements, in the body of the statement or in the notes, whatever location is most appropriate. It is requested that the list shall contain the transaction date, material type sold (including applicable material specification e.g. "#8 Newspaper"), the name of the affiliated entity that purchased the materials, the name of the affiliated entity that brokered the materials (if applicable), the price paid for the materials (per ton, per load, per pound), additional terms of the purchase such as FOB the MDF, whether or not transportation costs were paid by the contractor or the affiliated entity, or another entity, and other such terms.

According to AU-C 725, we cannot include the supplemental information described above with the basic financial statements as the list includes non-accounting data which is not susceptible to auditing procedures. As we are unable to express an opinion on the presentation of this information in relation to the financial statements as a whole, we propose a separate engagement that would fall under an Agreed-Upon Procedures report.

An agreed-upon procedures engagement is one in which a practitioner is engaged by a client to perform specific procedures and report findings. The practitioner does not perform an examination or provide an opinion. Rather, the practitioner reports only procedures and findings.

As part of the agreed-upon procedures engagement, we would perform the procedures enumerated below, which must be agreed to by Napa Recycling & Waste Services, LLC (the "Company") and the City of Napa, solely to assist you in communicating the Company's sales with affiliated entities as required by Section 1G of the Third Amendment to the Contract. Management is responsible for the Company's compliance with those requirements. The agreed-upon procedures engagement would be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other purpose.

The procedures that we propose are as follows:

- We will obtain a list of affiliated entities from the Company.
- We will obtain the SoftPak system reports for the year showing the Company's total recyclable material sales by customer by material type.
- The total recyclable material sales per the SoftPak system will be compared to total recyclable material sales reported on the audited financial statements of the Company. Any significant variances will be explained.
- From the SoftPak system reports, we will summarize all sales to affiliated entities including the transaction date, material type sold, the name of the affiliated entity that purchased the materials, the name of the affiliated entity that brokered the materials (if applicable), the price paid for the materials, additional terms of the purchase such as FOB the MDF, whether or not transportation costs were paid by Company or the affiliated entity, or another entity, and other such terms.
- For a selection of 25 sales transactions with affiliated entities, we will vouch the information obtained from the SoftPak report above to a copy of the weight ticket from that day to ensure the date, material type, customer, tonnage, and amount agree. Any significant variances between the SoftPak report and weight ticket will be explained in our findings.

Our fees for these services are based on the value of the services we provide and are generally based on the amount of time required for these services multiplied by our standard billing rates, plus other out-of-pocket costs. We estimated our fees to be approximately $2,000 for the first year engagement.

We appreciate the opportunity to assist you. If you have any questions, please let us know. If you agree to the above engagement, we will issue an engagement letter. If the need for additional procedures arises, our agreement with you will need to be revised. If additional specified parties of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of the procedures.

Sincerely,

VT Williams & Associates, LLP

VT Williams & Associates, LLP

ATTACHMENT MM
SAMPLE CALCULATIONS FOR DISPOSITION COSTS WHEN NO MARKETS EXIST (NEGATIVE VALUE RECOVERED MATERIALS)

Note: All total per Ton negative value sample calculation are inclusive both transportation cost of Recovered Materials to user/destination and any tip fee/processing fee charged by end user. All sample calculations below assume that Contractor has presented negative value proposals to the City (exceeding $0 per Ton in Negative Value Materials costs) and City provided written permission to Contractor to proceed with proposal when no markets exist per Article 6 of Agreement as revised by 2018 Contract Amendment.

1. **Example #1: Mixed paper for export market at total negative value cost of $7 per Ton:**

   Contractor pays $7 per Ton in negative value costs. City reimburses Contractor $7 per Ton for disposition costs for an approved beneficial use up to $47 per Ton.

2. **Example #2: Mixed rigid plastics for export market at total negative value cost of $18 per Ton:**

   Contractor pays $18 per Ton in negative value costs. City reimburses Contractor $18 per Ton for disposition costs for an approved beneficial use up to $47 per Ton.

3. **Example #3: Chipped wood shipped to biomass facility at total negative value cost of $34 per Ton:**

   Contractor pays $34 per Ton in negative value costs. City reimburses Contractor $34 per Ton for disposition costs for an approved beneficial use up to $47 per Ton.

4. **Example #4: Unmarketable Organics as Alternative Daily Cover (ADC) shipped to regional landfill site for beneficial use at total negative value cost of $53 per Ton:**

   Contractor pays $53 per Ton in negative value costs. City reimburses Contractor $47 per Ton for disposition costs for an approved beneficial use up to $47 per Ton. Contractor is responsible for negative cost greater than $47 per Ton and up to $57 per Ton ($53 per Ton minus $47 per Ton equals $6 per Ton of Contactor responsibility in this example).

5. **Example #5: Unmarketable Organics as Alternative Daily Cover (ADC) shipped to regional landfill site for beneficial use at total negative value of $65 per Ton:**

   Contractor pays $65 per Ton in negative value costs. City reimburses Contractor $55 per Ton for disposition costs for an approved beneficial use. City reimburses Contractor for 100% of negative costs up to $47 per Ton. Contractor is responsible for negative cost greater than $47 per Ton and up to $57 per ton ($57 per Ton minus $47 per Ton equals $10 per Ton of Contactor responsibility in this example). City reimburses Contractor for 100% of negative costs greater than $57 per Ton ($65 per Ton minus $57 per Ton equals $8 per Ton of additional City responsibility in this example). City's total reimbursement of $55 per Ton to Contractor is $47 per Ton ($0 per Ton to $47 per Ton) plus an additional $8 per Ton ($57 per Ton to $65 per Ton) in this example.