

FIRST AMENDMENT TO THE FRANCHISE AGREEMENT FOR SOLID WASTE,  
RECYCLABLE MATERIALS, COMPOSTABLE MATERIALS, CONSTRUCTION AND  
DEMOLITION DEBRIS, AND STREET SWEEPING SERVICES BETWEEN THE CITY OF  
HEALDSBURG AND RECOLOGY SONOMA MARIN

This First Amendment to the Franchise Agreement for Solid Waste, Recyclable Materials, Compostable Materials, Construction and Demolition Debris, and Street Sweeping Services (this "Amendment") is entered into as of April 4, 2022 between the City of Healdsburg ("City") and Recology Sonoma Marin ("Recology").

WHEREAS, City and Recology are parties to the Franchise Agreement for Solid Waste, Recyclable Materials, Compostable Materials, Construction and Demolition Debris, and Street Sweeping Services dated January 1, 2021 (such agreement as amended, the "Agreement");

WHEREAS, the Parties wish to amend the Agreement to assist City in complying with the SB 1383 Regulations (as defined in Exhibit A);

WHEREAS, City intends to implement a 3-container Compostable Materials collection service as contemplated by Section 18984.1 of the SB 1383 Regulations.

NOW, THEREFORE, the parties agree as follows:

1. Effective Date. This Amendment shall take effect January 1, 2022 or the date that the agreement is executed, whichever is sooner.
2. Definitions. For purposes of this Amendment, the terms set forth in Exhibit A, attached hereto and incorporated herein, shall have the meanings given to them in such exhibit.
3. Three-Container Compostable Materials Collection Services.
  - 3.1. Phased Implementation. City and Contractor acknowledge that Contractor's Compostable Materials Collection routes must be expanded to satisfy the requirements of the SB 1383 Regulations, and that new collection trucks must be procured by Contractor in order to provide such services. As soon as practicable, Contractor shall provide Compostable Materials collection service to all of its customers within City who are subscribed to and pay for Solid Waste collection service, unless (i) the customer is not required under City's municipal code to subscribe for Compostable Materials collection service, or (ii) the customer qualifies for a State- or locally-issued waiver, or (iii) the customer refuses to accept such service.
4. Container Colors.
  - 4.1. General Requirement. Contractor shall ensure that each Container that it newly purchases after January 1, 2022 and provides to a Generator serviced under the Agreement conforms to the following color scheme: Gray Containers for collection of Solid Waste, Blue Containers for collection of Recyclable Materials, and Green Containers for collection of Compostable Materials. In addition, Contractor shall ensure that all Containers it uses to provide such services to Generators serviced under the Agreement conform to such color scheme by January 1, 2036.

4.2. Specific Material Types. Paper products and printing and writing paper, each as defined in the SB 1383 Regulations, may be placed in either the Blue Container or the Green Container. Carpet and textiles may not be placed in either the Blue Container or the Green Container.

5. Container Labels.

5.1. General Requirement. Contractor shall ensure that each Container (or Container lid) that it newly purchases after January 1, 2022 and provides to a Generator serviced under the Agreement shall be labeled or imprinted with language and/or graphics that clearly indicates the primary items accepted and the primary items that are Prohibited Container Contaminants for that Container type. Contractor may comply with this section by using model labeling provided by CalRecycle.

6. Route Reviews.

6.1. General Requirement. At least once annually, beginning in 2022, Contractor shall conduct a Route Review for each Hauler Route. For each Route Review of a Hauler Route, Contractor shall inspect at least the following minimum number of Containers, but may inspect more if Contractor wishes. Each inspection shall involve lifting the Container lid and observing the contents, but shall not require Contractor to disturb the contents or open any bags. Contractor may select the Containers to be inspected at random, or (if mutually agreed with City) by any other method not prohibited under the SB 1383 Regulations. For the avoidance of doubt, Contractor shall not be required to annually inspect every Container on a Hauler Route. Contractor shall include the results of each Route Review in its next regularly scheduled report to City, as required by Section 9.

Route Size (# accounts)	Minimum Number of Containers
Less than 1,500	25
1,500-3,999	30
4,000-6,999	35
7,000 or more	40

6.2. Notice of Contamination. If Contractor finds Prohibited Container Contaminants in a Container during a Route Review, Contractor shall notify the Generator of the violation in writing. The written notice shall include information regarding the Generator's requirement to properly separate materials into the appropriate Containers. The notice may be left on the Generator's Container, gate, or door at the time the violation is discovered, and/or be mailed, e-mailed, electronically messaged or delivered personally to the Generator. Contractor may dispose of the contents of any Container found to contain Prohibited Container Contaminants. The notice shall be provided in English and Spanish.

7. Compliance Reviews.

7.1. General Requirement. At least once annually, beginning in 2022, Contractor shall review the records of its Commercial and Multi-Family customers in City that are subscribed for at least two (2) cubic yards per week of combined Solid Waste, Compostable Materials and Recyclable Materials service, to determine whether such customers are subscribed for Compostable Materials collection service or have an applicable waiver. Contractor

shall include the results of each compliance review in its next regularly scheduled report to City, as required by Section 9.

8. Education & Outreach.

8.1. In 2022, and annually thereafter, Contractor shall provide the following to all its customers under the Agreement:

8.1.1. Information on the Compostable Materials Generator's requirements to properly separate materials in appropriate containers.

8.1.2. Information on methods for: the prevention of Compostable Materials generation, recycling Compostable Materials on-site, sending Compostable Materials to community composting, and any other local requirements regarding Compostable Materials.

8.1.3. Information regarding the methane reduction benefits of reducing the landfill disposal of Compostable Materials, and the methods of Compostable Materials recovery contemplated by the Agreement.

8.1.4. Information regarding how to recover Compostable Materials.

8.1.5. Information related to the public health and safety and environmental impacts associated with the landfill disposal of Compostable Materials.

8.2. The above information will be provided, at a minimum, through print and/or electronic media, and may also be provided through workshops, meetings and/or on-site visits.

8.3. Educational materials provided pursuant to the above shall be translated into Spanish.

9. Reporting.

9.1. Beginning on the date of this agreement, Contractor shall provide the following information to City as part of Contractor's regularly scheduled quarterly reports under the Agreement:

9.1.1. For information provided by Contractor pursuant to Section 8 above:

(a) Copies of all such information (including flyers, brochures, newsletters, invoice messaging, website and social media postings, emails, and other electronic messages).

(b) The date the information was disseminated or the direct contact made. For website and social media postings, this shall be the date posted.

(c) To whom the information was disseminated or the direct contact made. For mass distributions such as mailings or bill inserts, Contractor may provide the type and number of accounts receiving the information, rather than listing each recipient individually.

9.1.2. For Route Reviews and Compliance Reviews:

- (a) The date the review was conducted.
- (b) The name and title of each person conducting the review.
- (c) A list of the account names and addresses covered by the review.
- (d) For Route Reviews, a description of each Hauler Route reviewed, including Contractor's route number and a description of the Hauler Route area.
- (e) For Route Reviews, the results of such review (i.e. the addresses where any Prohibited Container Contaminants were found), and any photographs taken.
- (f) For Compliance Reviews, the results of such review (i.e. Contractor's findings as to whether the customers reviewed are subscribed for Compostable Materials collection service, have an applicable waiver, or neither), and any relevant evidence supporting such findings (e.g. account records).
- (g) Copies of any educational materials issued pursuant to such reviews.

9.1.3. Documentation relating to observed Prohibited Container Contaminants, whether observed during Route Reviews or otherwise:

- (a) Copies of the form of each notice issued to generators for Prohibited Container Contaminants, as well as, for each such form, a list of the Generators to which such notice was issued, the date of issuance, the Generator's name and service address, and the reason for issuance (if the form is used for multiple reasons). This information will also be provided monthly to Zero Waste Sonoma if City requests.
- (b) The number of times notices were issued to Generators for Prohibited Container Contaminants.
- (c) The number of Containers where the contents were disposed due to observation of Prohibited Container Contaminants.

9.1.4. A description of Contractor's process for determining the level of Container contamination under the Agreement.

10. The Rates effective January 1, 2023 shall be adjusted as provided in the Agreement, with the following modifications:

Step 1. Increase the Disposal Tipping Fee Component of each Rate by 2.86%, over and above the adjustment required by Section 7.3.B of the Agreement.

Step 2. Calculate the Rates as provided in Sections 7.3.A through 7.3.E of the Agreement, but including the adjustment to the Disposal Tipping Fee Component required by Step 1.

Step 3: Increase the Rates as calculated in Step 2 by an additional 3.3% to arrive at the Rates effective January 1, 2023.

Step 4: Reallocate the components of each Rate as follows: (A) Take the Rate as calculated in Step 3. (B) Subtract the Retroactive Disposal Tipping Fee Component and the Retroactive Compostable Processing Fee Component. (C) Allocate the remainder among the Collection Component, the Disposal Tipping Fee Component and the Compostable Processing Fee Component, in the same proportion that those components had to each other in the Rates as calculated in Step 2.

For clarity, the above adjustments shall not affect calculation of the Retroactive Disposal Tipping Fee Component or the Retroactive Compostable Processing Fee Component for 2023 or subsequent years, or changes to the Disposal Tipping Fee Component after 2023, all of which shall be calculated based on changes in the applicable tipping fees.

This Section 10 assumes that no other adjustments under the Agreement will apply to the Rates effective January 1, 2023 (e.g. due to a change in City fees). If other adjustments do apply, appropriate additional adjustments shall be made as provided under the Agreement.

11. Section 18988.1 and 18988.2 Compliance. Contractor hereby notifies City that Compostable Materials collected pursuant to the Agreement is currently being delivered to the following facility(ies), either directly or after transfer at County facilities: Waste Management EarthCare Compost in Novato; Cold Creek Compost in Ukiah; West Contra Costa Landfill Composting Facility in Richmond . City hereby approves delivery of Compostable Materials to such facility(ies). Contractor shall comply with its obligations under this Amendment and the obligations that by operation of law are imposed upon it directly pursuant to Chapter 12 of the SB 1383 Regulations.
12. Future Changes. The parties acknowledge that future changes to this Amendment or the Agreement may be desirable to assist the parties with their respective compliance obligations under the SB 1383 Regulations or subsequent amendments thereto or interpretations thereof. The parties agree to negotiate any such proposed changes in good faith. The foregoing shall not be deemed to limit either party's rights or remedies under the Agreement.
13. Miscellaneous. In the event of any conflict between this Amendment and the Agreement, this Amendment shall govern. Section headings in this Amendment are for convenience only and shall not be used in the interpretation of this Amendment. This Amendment may be executed in counterparts and/or by electronic signature (e.g. DocuSign). As used in this Amendment, "including" and its variants mean "including without limitation."

*[Remainder of this page intentionally left blank]*

IN WITNESS WHEREOF, this Amendment is entered into as of the date first written above.

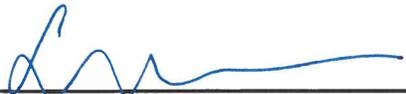
City of Healdsburg

Recology Sonoma Marin

By:   
Name: Jeffrey Kay  
Title: City Manager  
Date: May 16, 2022

DocuSigned by:  
  
By: Salvatore M. Coniglio  
Name: Salvatore M. Coniglio  
Title: Chief Executive Officer  
Date: 5/19/2022 | 7:45 PM PDT

APPROVED AS TO FORM:

  
Samantha W. Zutler, City Attorney

ATTEST:

  
City Clerk

## Exhibit A

### DEFINITIONS

“Blue Container” means a Container colored as follows: (a) the lid shall be blue, or (b) the body shall be blue and the lid shall be either blue, gray, or black. Hardware such as hinges and wheels may be any color.

“Container” means any Cart, Bin or Debris Box.

“Gray Container” means a Container colored as follows: (a) the lid shall be gray or black, or (b) the body shall be gray or black and the lid shall be gray or black. Hardware such as hinges and wheels may be any color.

“Green Container” means a Container colored as follows: (a) the lid shall be green, or (b) the body shall be green and the lid shall be green, gray, or black. Hardware such as hinges and wheels may be any color.

“Hauler Route” means the designated weekly itinerary or sequence of stops scheduled to be performed by one collection vehicle providing regularly scheduled Solid Waste, Recyclable Material or Compostable Materials collection services (not on-call or Bulky Item/Abandoned Waste) within the Contractor’s collection service area under the Agreement.

“Compostable Materials” means wastes comprising material originated from living organisms and their metabolic waste products, including food, green material, landscape and pruning waste, clean unpainted/untreated wood (with no nails, wire, etc.), paper products, and printing and writing paper, but excluding textiles and carpets, manure, biosolids, digestate, sludges, non-compostable paper, Construction & Demolition Debris, and Hazardous Waste. No material shall be considered Compostable Materials unless it has been segregated by the Generator for separate collection. The list of materials may be changed upon mutual agreement and as authorized by the operating permit of the Designated Compostable Materials Facility.

“Prohibited Container Contaminants” means any of the following:

- (a) Non-Compostable Materials placed in the Green Container, including but not limited to textiles and carpets, manure, biosolids, digestate, sludges, non-compostable paper, Construction & Demolition Debris, and Hazardous Waste;
- (b) Materials placed in the Gray Container that are specifically identified under the Agreement for collection in the Green Container or Blue Container;
- (c) Non-Recyclable Materials placed in the Blue Container. Paper products and printing and writing paper may be considered acceptable and not considered Prohibited Container Contaminants if they are placed in the Blue Container.

“Route Review” means a visual inspection of Containers along a Hauler Route for the purpose of identifying Prohibited Container Contaminants, which may include mechanical inspection methods such as use of cameras.

“SB 1383 Regulations” means the Short-lived Climate Pollutants (SLCP): Organic Waste Reductions regulations adopted by the California Department of Resources Recycling and Recovery (“CalRecycle”) in 2020.

For purposes of this Amendment, the following terms (whether or not capitalized) shall have the meanings given to them in the SB 1383 Regulations, unless the context indicates a different meaning was intended: biosolids, digestate, food, non-compostable paper, paper products, printing and writing paper, sludges.