

CITY of LAGUNA WOODS CITY COUNCIL AGENDA

Regular Meeting
Wednesday, August 19, 2015
2:00 p.m.

Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, California 92637

Cynthia Connors
Mayor

Noel Hatch
Mayor Pro Tem

Bert Hack
Councilmember



Shari L. Horne
Councilmember

Carol Moore
Councilmember

Welcome to a meeting of the Laguna Woods City Council!

This meeting may be recorded, televised, and made publically available.

Public Comments: Persons wishing to address the City Council are requested to complete and submit a speaker card to City staff. Speaker cards are available near the entrance to the meeting location. Persons wishing to address the City Council on an item appearing on this agenda will be called upon at the appropriate time during the item's consideration. Persons wishing to address the City Council on an item *not* appearing on the agenda will be called upon during the "Public Comments" item. Persons who do not wish to submit a Speaker Card, or who wish to remain anonymous, may indicate their desire to speak from the floor. Speakers are requested, but not required, to identify themselves.

Americans with Disabilities Act (ADA): It is the intention of the City to comply with the ADA. If you need assistance to participate in this meeting, please contact either the City Clerk's Office at (949) 639-0500/TTY (949) 639-0535 or the California Relay Service at (800) 735-2929/TTY (800) 735-2922. The City requests at least two business days' notice in order to effectively facilitate the provision of reasonable accommodations.

REGULAR MEETING SCHEDULE

The Laguna Woods City Council regularly meets on the third Wednesday of each month at 2 p.m.

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Regular and Adjourned Regular Meetings: Pursuant to California Government Code Section 54954.2 of the Ralph M. Brown Act, the City of Laguna Woods posts agendas at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637; on the City’s website (www.cityoflagunawoods.org); and, at other locations designated by Resolution No. 02-33, at least 72 hours in advance of regular and adjourned regular meetings. Agendas and agenda materials are available at Laguna Woods City Hall during normal business hours and on the City’s website. Printed copies of agendas and agenda materials are provided at no charge in advance of meetings. After meetings have occurred, a per page fee is charged for printed copies.

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FOR ADDITIONAL INFORMATION

For additional information, please contact the City Clerk’s Office at (949) 639-0500/TTY (949) 639-0535, cityhall@cityoflagunawoods.org, or 24264 El Toro Road, Laguna Woods, California 92637.

AFFIDAVIT OF POSTING

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, Yolie Trippy, Deputy City Clerk, City of Laguna Woods, hereby certify under penalty of perjury that this agenda was posted at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637; on the City’s website (www.cityoflagunawoods.org); and, at other locations designated by Resolution No. 02-33, pursuant to California Government Code Section 54954.2 of the Ralph M. Brown Act.



YOLIE TRIPPY, Deputy City Clerk

8-14-15

Date

- I. CALL TO ORDER
- II. ROLL CALL
- III. PLEDGE OF ALLEGIANCE
- IV. PRESENTATIONS AND CEREMONIAL MATTERS
- V. PUBLIC COMMENTS

About Public Comments: This is the time and place for members of the public to address the City Council on items *not* appearing on this agenda. Pursuant to State law, the City Council is unable to take action on such items, but may engage in brief discussion, provide direction to City staff, or schedule items for consideration at future meetings.

VI. CONSENT CALENDAR

About the Consent Calendar: All items listed on the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council, City staff, or the public requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

6.1 City Council Minutes

Recommendation: Approve the City Council meeting minutes for the adjourned regular meeting on July 29, 2015.

6.2 City Treasurer's Report

Recommendation: Receive and file the City Treasurer's Report for the month of July 2015.

6.3 Warrant Register

Recommendation: Approve the warrant register dated August 19, 2015 in the amount of \$669,907.22.

6.4 Action on Claim Filed Against the City

Recommendation: Reject the following claim: Linda Shoham vs. City of Laguna Woods, Claimant: Linda Shoham.

6.5 City Council Regional Appointments

Recommendation: Receive and file the updated list of City Council Regional Appointments.

6.6 Extension of Streetlight Maintenance Services Agreement

Recommendation: Approve an extension of the agreement with Peak Lighting & Electric, Inc. for streetlight maintenance services and authorize the City Manager to execute the agreement, subject to approval as to form by the City Attorney.

VII. PUBLIC HEARINGS

7.1 Solid Waste Handling Services

Recommendation:

1. Receive staff report.

AND

2. Continue public hearing from the Adjourned Regular Meeting of the Laguna Woods City Council on July 29, 2015.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Approve the Request for Proposals for Solid Waste Handling Services, subject to approval as to form by the City Attorney, and authorize its release.

7.2 Small Residential Rooftop Solar Systems Permitting Process

Recommendation:

1. Receive staff report.

AND

2. Open public hearing.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Approve the introduction and first reading of an ordinance – read by title with further reading waived – entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA ADOPTING A CODE AMENDMENT TO ADD A NEW CHAPTER 10.26 TO THE LAGUNA WOODS MUNICIPAL CODE RELATING TO EXPEDITED PERMITTING PROCEDURES FOR SMALL RESIDENTIAL ROOFTOP SOLAR ENERGY SYSTEMS

AND

6. Approve a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING A CHECKLIST OF REQUIREMENTS FOR EXPEDITED PROCESSING OF PERMITS FOR SMALL RESIDENTIAL ROOFTOP SOLAR ENERGY SYSTEMS

VIII. CITY COUNCIL BUSINESS

- 8.1 Golden Rain Foundation General Plan Amendments, Zoning Code Amendments, and Zone Changes Project

Recommendation: Approve second reading and adopt an ordinance – read by title with further reading waived – entitled:

AN ORDINANCE OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING CHAPTERS 13.06 AND 13.12 OF THE LAGUNA WOODS MUNICIPAL CODE RELATED TO THE DEFINITION AND USE OF COMMUNITY GARDEN/GARDEN CENTER AND ADOPTING ZONE CHANGES RELATED TO THE GOLDEN RAIN FOUNDATION GENERAL PLAN AMENDMENTS, ZONING CODE AMENDMENTS, AND ZONE CHANGES PROJECT

- 8.2 Prioritization and Modification of Fiscal Year 2015-16 Significant Work Plan Items

Recommendation: Provide direction to staff on the prioritization and modification of Fiscal Year 2015-16 significant work plan items.

- 8.3 City Council Meeting Schedule

Recommendation:

1. Cancel the regular City Council meeting scheduled for October 21, 2015 at 2 p.m.

AND

2. Schedule an adjourned regular City Council meeting for October 28, 2015 at 2 p.m.

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6.1-6.6
CONSENT CALENDAR SUMMARY

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**City of Laguna Woods
Agenda Report**

TO: Honorable Mayor and City Councilmembers
FROM: Christopher Macon, City Manager
FOR: August 19, 2015 Regular Meeting
SUBJECT: Consent Calendar Summary

Recommendation

Approve all proposed actions on the August 19, 2015 Consent Calendar by single motion and City Council action.

Background

All items listed on the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council, staff, or the public requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

Discussion

The August 19, 2015 Consent Calendar contains the following items:

- 6.1 Approval of the City Council meeting minutes for the adjourned regular meeting on July 29, 2015.
- 6.2 Approval of a motion to receive and file the City Treasurer's Report for the month of July 2015.
- 6.3 Approval of the warrant register dated August 19, 2015 in the amount of \$669,907.22. A list of warrants is included in the agenda packet; detailed information about individual warrants is available at City Hall.
- 6.4 Rejection of the following claim: Linda Shoham vs. City of Laguna Woods, Claimant: Linda Shoham. Carl Warren & Company, the City's third party

claims administrator, recommends rejection of this claim. Additional information is available at City Hall.

- 6.5 Approval of a motion to receive and file the updated list of City Council Regional Appointments. Changes include the removal of the alternate for the Orange County Fire Authority Board of Directors (consistent with the Third Amendment to the Amended Orange County Fire Authority Joint Powers Authority Agreement, which was approved by the City Council on July 8, 2015), as well as a change in the name of the Orange County Vector Control District to the Orange County Mosquito & Vector Control District.
- 6.6 Approval of an extension of the agreement with Peak Lighting & Electric, Inc. for streetlight maintenance services and authorization for the City Manager to execute the agreement, subject to approval as to form by the City Attorney. The proposed extension memorializes prior authorized terms of agreement and performance consistent with same from July 1, 2015 through June 30, 2016. The extension is allowed for in the existing agreement.

6.1
CITY COUNCIL MINUTES

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**CITY OF LAGUNA WOODS CALIFORNIA
CITY COUNCIL MINUTES
ADJOURNED REGULAR MEETING
July 29, 2015
2:00 P.M.
City Council Chambers
24264 El Toro Road
Laguna Woods, California 92637**

I. CALL TO ORDER

Mayor Connors called the Adjourned Regular Meeting of the City Council of the City of Laguna Woods to order at 2:00 p.m.

II. ROLL CALL

COUNCILMEMBER: PRESENT: Hack, Horne, Moore, Hatch, Connors
 ABSENT: -

STAFF PRESENT: City Manager Macon, City Attorney Cosgrove, Assistant City
 Manager Reilly, Administrative Services Director/City Treasurer
 Cady, Deputy City Clerk Trippy

III. PLEDGE OF ALLEGIANCE

Mayor Pro Tem Hatch led the flag salute.

IV. PRESENTATIONS AND CEREMONIAL MATTERS

4.1 Clown Week – August 1-7, 2015

Mayor Connors noted that no representative was present to accept the proclamation.

Moved by Councilmember Moore, seconded by Mayor Pro Tem Hatch, and carried unanimously on a 5-0 vote, to approve and present the proclamation for Clown Week.

V. PUBLIC COMMENT – None

VI. CONSENT CALENDAR

City Manager Macon noted that Assistant City Manager Reilly was inadvertently left off of the list of staff present for the June 17, 2015 City Council meeting minutes.

Moved by Mayor Pro Tem Hatch, seconded by Councilmember Hack, and carried unanimously on a 5-0 vote, to approve Consent Calendar Items 6.1 – 6.10, including the correction to the

June 17, 2015 City Council meeting minutes as noted by the City Manager.

6.1 City Council Minutes

Approved the City Council meeting minutes for the special meeting on June 3, 2015, the regular meeting on June 17, 2015, the adjourned regular meeting on June 24, 2015, and the special meeting on July 8, 2015.

6.2 City Treasurer's Report

Received and filed the City Treasurer's report for the fourth quarter of Fiscal Year 2014-15 (April through June 2015), inclusive of the month of June 2015.

6.3 Warrant Register

Approved the warrant register dated July 29, 2015 in the amount of \$434,206.17.

6.4 Fiscal Year 2014-15 Budget Carryover to Fiscal Year 2015-16

Approved a Fiscal Year 2015-16 budget carryover from the Fiscal Year 2014-15 budget in the amount of \$7,500 for remaining work on the City Website Improvements Project.

6.5 Audit Services Agreement

Approved an agreement with White Nelson Diehl Evans, LLP for audit services and authorized the Mayor to execute the agreement, subject to approval as to form by the City Attorney.

6.6 Financial Software Award and Agreement

Approved a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AWARDED AND AUTHORIZING THE CITY MANAGER'S EXECUTION OF AGREEMENTS WITH TYLER TECHNOLOGIES, INC. FOR THE IMPLEMENTATION AND SUPPORT OF FINANCIAL SOFTWARE TO APPROVE AS TO FORM BY THE CITY ATTORNEY

6.7 Extension of Landscape Maintenance Services Agreement

Approved an extension of the agreement with Nieves Landscape, Inc. for landscape maintenance services and authorized the City Manager to execute the extension, subject to approval as to form by the City Attorney.

6.8 City Hall Bollard Replacement Project

1. Approved a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING AMENDED CAPITAL PROJECTS FUND APPROPRIATIONS FOR THE FISCAL YEAR COMMENCING JULY 1, 2015 AND ENDING JUNE 30, 2016

AND

2. Approved the City Hall Bollard Replacement Project design plans and specifications as recommended by the City Engineer.

AND

3. Awarded a contract agreement to Pacific Builder for the City Hall Bollard Replacement Project, in the amount of \$28,800, plus authorized change orders not to exceed 5% of the base amount; and authorized the City Manager to execute a contract agreement and approved change orders, subject to approval of the contract agreement as to form by the City Attorney.

6.9 Rejection of Bids – Energy Efficient Improvement Project: Installation or Replacement of Heat Pump Units FY 2015-2016 through FY 2017-2018

Rejected all bids that were received in response to the following request for bids: “Energy Efficient Improvement Project: Installation or Replacement of Heat Pump Units FY 2015-2016 through FY 2017-2018.”

6.10 Rejection of Bids – Energy Efficient Improvement Project: Installation and Replacement of Windows and Doors FY 2015-2016 through FY 2017-2018

Rejected all bids that were received in response to the following request for bids: “Energy Efficient Improvement Project: Installation and Replacement of Windows and Doors FY 2015-2016 through FY 2017-2018.”

VII. PUBLIC HEARINGS

7.1 Golden Rain Foundation General Plan Amendments, Zoning Code Amendments, and Zone Changes Project

City Manager Macon summarized the agenda report.

Mayor Connors opened the public hearing.

With no requests to speak, the public hearing was closed.

Councilmembers discussed the item and staff answered related questions.

Moved by Councilmember Moore, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to:

1. Approve a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING MITIGATED NEGATIVE DECLARATION, A MITIGATION MONITORING AND REPORTING PROGRAM, AND AMENDMENTS TO THE LAGUNA WOODS GENERAL PLAN RELATED TO THE GOLDEN RAIN FOUNDATION GENERAL PLAN AMENDMENTS, ZONING CODE AMENDMENTS, AND ZONE CHANGES PROJECT

AND

2. Approve the introduction and first reading of an ordinance entitled:

AN ORDINANCE OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING CHAPTERS 13.06 AND 13.12 OF THE LAGUNA WOODS MUNICIPAL CODE RELATED TO THE DEFINITION AND USE OF COMMUNITY GARDEN/GARDEN CENTER AND ADOPTING ZONE CHANGES RELATED TO THE GOLDEN RAIN FOUNDATION GENERAL PLAN AMENDMENTS, ZONING CODE AMENDMENTS, AND ZONE CHANGES PROJECT

7.2 General Plan Conservation Element Update

City Manager Macon summarized the agenda report.

Mayor Connors opened the public hearing.

With there being no requests to speak, the public hearing was closed.

Moved by Mayor Pro Tem Hatch, seconded by Councilmember Moore, and carried unanimously on a 5-0 vote, to approve a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING A NEGATIVE DECLARATION AND AN AMENDMENT TO THE LAGUNA WOODS GENERAL PLAN TO UPDATE THE CONSERVATION ELEMENT

7.3 Solid Waste Handling Services

City Manager Macon summarized the agenda report.

Councilmembers discussed the item, with a particular focus on the in-home bulky item collection service, and staff answered related questions.

Mayor Conners opened the public hearing.

Chip Monaco, Waste Management, introduced himself and indicated that Waste Management looks forward to proposing on the City's solid waste handling services.

Councilmembers discussed the item and staff answered related questions.

The public hearing was continued to the Regular Meeting of the Laguna Woods City Council at 2:00 p.m. on Wednesday, August 19, 2015 at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

VIII. CITY COUNCIL BUSINESS

8.1 Appointment of League of California Cities 2015 Annual Business Meeting Delegate and Alternate Delegates

Mayor Conners summarized the staff report.

Moved by Councilmember Hack, seconded by Mayor Conners, and carried unanimously on a 5-0 vote, to appoint Mayor Pro Tem Hatch as the delegate, Councilmember Horne as the first alternate, and Councilmember Moore as the second alternate at the League of California Cities 2015 Annual Business Meeting.

IX. CITY COUNCIL REPORTS AND COMMENTS

9.1 Coastal Greenbelt Authority

Mayor Conners stated that there had been no meeting since their last meeting.

9.2 Orange County Fire Authority

Mayor Pro Tem Hatch provided a report.

Councilmembers discussed the report.

9.3 Orange County Library Advisory Board

Councilmember Horne stated that there had been no meeting since their last meeting.

9.4 Orange County Mosquito and Vector Control District

Councilmember Horne provided a report.

9.5 San Joaquin Hills Transportation Corridor Agency

Councilmember Hack stated that there had been no meeting since their last meeting.

9.6 South Orange County Watershed Management Area

Councilmember Moore stated that there had been no meeting since their last meeting.

9.7 Other Comments and Reports

Councilmember Moore reported on a Water Advisory Committee of Orange County (WACO) meeting.

Councilmember Moore reported on a tour of the Weymouth Water Treatment Plant.

Councilmembers discussed water-related issues.

Councilmember Horne reported on a Senior Citizens Advisory Committee meeting.

Councilmember Horne reported on a White House Council on Aging meeting. She also discussed the recent South County Senior Summit.

Mayor Pro Tem Hatch reported on an Orange County Mayor's meeting.

Mayor Pro Tem Hatch and Administrative Services Director/City Treasurer Cady reported on the California Joint Powers Insurance Authority Board of Directors meeting.

Mayor Connors discussed the Radio Amateur Civil Emergency Service (RACES) Field Day.

Mayors Connors stated that she and City Manager Macon recently attended a meeting with representatives from the Orange County Transportation Authority to discuss the City's senior mobility program.

Mayor Connors reported on a recent Living with Wildlife workshop.

Mayor Connors stated that she and City Manager Macon met with Senator Moorlach's staff to discuss ways that the Senator's office could be supportive of the City.

Councilmember Horne stated that she and City Manager Macon met with Congresswoman Walter's staff to discuss ways that the Congresswoman's office could

be supportive of the City.

Councilmember Horne requested that staff analyze the recommendations for medical marijuana dispensaries regulations that were submitted at a previous meeting during public comment and report back to the City Council at a future meeting.

Councilmembers discussed the request and staff answered related questions.

City Manager Macon stated that Councilmember Horne's request could be considered on August 19, 2015 during a discussion of significant work plan priorities.

X. CLOSED SESSION – None

XI. CLOSED SESSION REPORT – None

XII. ADJOURNMENT

The meeting was adjourned at 3:46 p.m. The next regular meeting will be at 2:00 p.m. on Wednesday, August 19, 2015 at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

YOLIE TRIPPY, Deputy City Clerk

Adopted: August 19, 2015

CYNTHIA S. CONNERS, Mayor

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6.2
CITY TREASURER'S REPORT

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Item 6.2

CITY of LAGUNA WOODS

Cynthia Conners
Mayor

August 12, 2015

Noel Hatch
Mayor Pro Tem

Bert Hack
Councilmember

Shari L. Horne
Councilmember

Carol Moore
Councilmember

Christopher Macon
City Manager

TO: Honorable Mayor and Councilmembers
FROM: Margaret A. Cady, City Treasurer
SUBJECT: Monthly Treasurer's Report: July 2015

Attached is the Treasurer's Report for the month of July 2015. This is the first report in The information provided includes:

- ◆ Report reflecting Cash on Hand at July 31, 2015, including \$10,584,924 in the City's interest-bearing Local Agency Investment Fund (LAIF) account, \$36,028 in the City's checking account and \$1,350 in petty cash funds.
- ◆ Copy of the latest LAIF Remittance Advice showing principal balance at July 31, 2015. Interest is accrued and reported quarterly. Earnings for the period July 2015 through September 2015 will be reported as part of the quarterly report for the period ended September 30, 2015.

As City Treasurer, I certify that:

- ◆ All investment actions executed since the last report have been made in full compliance with the City of Laguna Woods Investment Policy; and
- ◆ The City of Laguna Woods will meet all expenditure obligations that might reasonably be anticipated for the next six months.



Margaret A. Cady
Director of Administrative Service & City Treasurer

City of Laguna Woods
Monthly Treasurer's Report
July 31, 2015

CASH ON HAND

Investments - Local Agency Investment Fund (LAIF)

1. Investments/General Fund	\$	10,145,678
2. Investments/Special Funds		439,247
3. Interest Earned and Receivable (Note 1)		<u>-</u>
Subtotal Investments	\$	<u>10,584,924</u>

Other Funds - Interest & Non-Interest Bearing/General & Special

4. Petty Cash Funds		1,350
5. Analyzed Checking Account		<u>36,028</u>
Subtotal Other Funds	\$	<u>37,378</u>
<hr/>		
TOTAL ALL FUNDS	\$	<u><u>10,622,303</u></u>

Notes:

Note 1 - LAIF reports interest earnings quarterly. Interest earnings of \$7,209 earned and receivable for the quarter ended June 30, 2015 were credited on July 15, 2015 and are reflected in the LAIF balances above.

Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
 August 11, 2015

CITY OF LAGUNA WOODS

PMIA Average Monthly Yields

CITY TREASURER
 24264 EL TORO ROAD
 LAGUNA WOODS, CA 92653

Account Number:
 98-30-413

Tran Type Definitions

July 2015 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
7/15/2015	7/14/2015	QRD	1472075	SYSTEM	7,208.51

Account Summary

Total Deposit:	7,208.51	Beginning Balance:	10,577,715.97
Total Withdrawal:	0.00	Ending Balance:	10,584,924.48

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6.3 WARRANT REGISTER

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**CITY OF LAGUNA WOODS
WARRANT REGISTER
8/19/2015**

Check	Check	Vendor Name	Description	Amount
Automatic Bank Debits				
Debit	7/16/2015	ADP PAYROLL SERVICES	Pay Period Ended 7/10/2015	34,261.25
Debit	7/15/2015	CALPERS - RETIREMENT	Retirement Contributions / Period Ended 7/10/2015	2,850.18
Debit	7/24/2015	ADP PAYROLL SERVICES	Pay Period Ended 7/10/2015 Payroll Processing Fees	153.39
Debit	7/27/2015	CALPERS - RETIREMENT	Unfunded PERS Retirement Liability - FY15/16	14,537.00
Debit	7/22/2015	COUNTY OF ORANGE - COLLECTIONS	Law Enforcement Services / July 2015	203,809.20
Debit	7/30/2015	ADP PAYROLL SERVICES	Pay Period Ended 7/24/2015	33,875.43
Debit	7/29/2015	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 7/24/2015	2,807.88
Debit	8/7/2015	ADP PAYROLL SERVICES	Pay Period Ended 7/24/2015 Payroll Processing Fees	153.39
Debit	8/6/2015	VANTAGEPOINT TRANSFER AGT- 457	Employee Benefit Program / July 2015	1,616.33
Debit	8/3/2015	CALPERS - HEALTH	Employee Benefit Program / August 2015	3,282.45
Debit	8/6/2015	COUNTY OF ORANGE - COLLECTIONS	Law Enforcement Services / August 2015	203,809.20
Warrants:				
116904	07/22/2015	ANAJEAN ALTMAN	Taxi Voucher Refund	25.00
116905	07/22/2015	ANDERSONPENNA PARTNERS, INC.	Landscape Inspection Services / June 2015	5,041.75
116906	07/22/2015	GLORIA ARTIANO	Taxi Voucher Refund	50.00
116907	07/22/2015	AT&T	Telephone/ 581-3974 / July 2015	96.38
116908	07/22/2015	AT&T	Telephone / 583-1105 / July 2015	17.33
116909	07/22/2015	AT&T	White Pages / July 2015	4.40
116910	07/22/2015	CALIFORNIA YELLOW CAB	Taxi Voucher Services / June 2015	14,210.00
116911	07/22/2015	CAPTIONING UNLIMITED	Closed Captioning - 7/8/2015 City Council Meeting	100.00
116912	07/22/2015	CIVIL SOURCE	Engineering & Traffic Services / June 2015	10,425.00
116912	07/22/2015	CIVIL SOURCE	Building Inspection Services / June 2015	28,048.75
116913	07/22/2015	COPYFORCE	Business Cards - City Staff & Councilmembers	568.62
116913	07/22/2015	COPYFORCE	Taxi Voucher Program - Taxi Voucher Books / FY 15/16	1,188.00
116913	07/22/2015	COPYFORCE	Taxi Voucher Program - Taxi Voucher Books / FY 15/16	115.56
116914	07/22/2015	CSG CONSULTANTS INC	Plan Check Services / June 2015	3,230.00

**CITY OF LAGUNA WOODS
WARRANT REGISTER
8/19/2015**

Check	Check	Vendor Name	Description	Amount
116915	07/22/2015	SARAH DASHEFSKY	Taxi Voucher Refund	37.50
116916	07/22/2015	EL TORO WATER DISTRICT	City Hall Water & Sewer Services / July 2015	121.47
116917	07/22/2015	EL TORO WATER DISTRICT	Fire Code Requirement - Backflow - City Hall / July 2015	28.00
116918	07/22/2015	EL TORO WATER DISTRICT	Ridge Route Dog Park Irrigation / July 2015	20.60
116919	07/22/2015	EL TORO WATER DISTRICT	Ridge Route Linear Park Irrigation / July 2015	478.78
116920	07/22/2015	GLORIA FERRIS	Taxi Voucher Refund	30.50
116921	07/22/2015	JANICE FOSTER	Taxi Voucher Refund	21.50
116922	07/22/2015	JUDITH HAMMETT	Taxi Voucher Refund	15.00
116923	07/22/2015	MADGE HAMMOND	Taxi Voucher Refund	15.00
116924	07/22/2015	EVELYN HANDWEILER	NEMT Voucher Refund	12.00
116925	07/22/2015	ICMA MEMBERSHIP RENEWALS	Annual Membership - City Manager / FY15/16	1,320.80
116926	07/22/2015	ICMA RETIREMENT CORPORATION	1st Quarter Plan Fee / 7/1/2015-9/30/2015	125.00
116927	07/22/2015	KONICA MINOLTA BUSINESS	Copier Services - 2nd Quarter 2015	518.22
116928	07/22/2015	TOSHIKO LYNN	Taxi Voucher Refund	17.00
116929	07/22/2015	JEANNIE MORRIS	Taxi Voucher Refund	12.00
116930	07/22/2015	ORANGE COUNTY REGISTER	Public Notices / June 2015	968.56
116931	07/22/2015	PACIFIC MUNICIPAL CONSULTANTS	Golden Rain Foundation General Plan Amendments, Zoning Code Amendments, & Zone Changes Project Planning Services / June 2015	285.00
116932	07/22/2015	PV MAINTENANCE INC.	Street Maintenance Services / June 2015	9,247.56
116933	07/22/2015	REILLY, DOUGLAS C.	Employee Benefit Program / D. Reilly / July 2015	109.49
116934	07/22/2015	ARNOLD SCHWARTZ	Taxi Voucher Refund	34.50
116935	07/22/2015	VIRGINIA SHUNK	Taxi Voucher Refund	30.00
116936	07/22/2015	GERARD SHURMAN	Taxi Voucher Refund	25.00
116937	07/22/2015	SIEMENS INDUSTRY, INC.	Traffic Signal Maintenance / June 2015	1,301.60
116938	07/22/2015	SIERRA INSTALLATIONS, INC	Removal of Street Banners	2,092.50
116939	07/22/2015	SOUTHERN CALIFORNIA EDISON	Traffic Signal Control / June 2015	369.28
116940	07/22/2015	SOUTHERN CALIFORNIA EDISON	Right of Way / June 2015	2,220.73
116941	07/22/2015	FLORENCE SPINDEL	Taxi Voucher Refund	40.00
116942	07/22/2015	THE GAS COMPANY	City Hall Utilities / July 2015	15.78
116943	07/30/2015	DAVID NAJERA CONCRETE CUTTING	Irrigation Maintenance Line Cutting	12,500.00
116944	08/04/2015	COUNTY OF ORANGE CLERK-RECORDER	California Environmental Quality Act - Environmental Document Filing Fees / Golden Rain Foundation General Plan Amendments, Zoning Code Amendments & Zone Changes Project Planning	2,260.00
116945	08/04/2015	COUNTY OF ORANGE CLERK-RECORDER	California Environmental Quality Act - Environmental Document Filing Fees / General Plan Conservation Element Update	2,260.00
116946	07/29/2015	ANDERSONPENNA PARTNERS, INC.	Code Enforcement Services / June 2015	2,088.00
116947	07/29/2015	MELISSA BLANTON	Taxi Voucher Refund	24.00
116948	07/29/2015	BLUEPRINT TECHNOLOGIES	Telephone System Maintenance - City Hall	67.50
116949	07/29/2015	RUBY BODINE	Taxi Voucher Refund	100.00

**CITY OF LAGUNA WOODS
WARRANT REGISTER
8/19/2015**

Check	Check	Vendor Name	Description	Amount
116950	07/29/2015	CAA	Water Quality Consulting Services / June 2015	3,042.50
			Reimbursement / Annual American Institute of Certified Public Accountants	
116951	07/29/2015	MARGARET CADY	Membership Dues	245.00
116952	07/29/2015	CITY OF LAGUNA BEACH	Animal Control & Shelter Services / July 2015	8,156.25
116953	07/29/2015	WILLIAM CLEVELAND	Taxi Voucher Refund	50.00
116954	07/29/2015	COUNTY OF ORANGE	800MHz Communication Charges / 4th Quarter / FY 14/15	104.00
116954	07/29/2015	COUNTY OF ORANGE	800MHz Communication Charges / 1st Quarter / FY 15/16	361.00
116955	07/29/2015	DELTA DENTAL OF CALIFORNIA	Employee Dental Benefits / August 2015	430.06
116956	07/29/2015	EL TORO WATER DISTRICT	Landscape Irrigation / July 2015	3,480.83
116957	07/29/2015	SYLVIA ENGEL	Taxi Voucher Refund	29.50
116958	07/29/2015	JILL FREEDMAN	Taxi Voucher Refund	17.50
116959	07/29/2015	IRV GOLD	Taxi Voucher Refund	25.00
116960	07/29/2015	GOLDEN RAIN FOUNDATION	GP-974 Permit Balance Refund Due / Project Closeout	813.50
116961	07/29/2015	IILDIKO GOOD	Taxi Voucher Refund	56.00
116962	07/29/2015	WILLIAM GRIFFIN	Public Safety Consulting Services / May-June 2015	1,742.00
116963	07/29/2015	BARBARA KLOPP	Taxi Voucher Refund	50.00
116964	07/29/2015	KONE INC.	City Hall Elevator Maintenance / July 2015	245.58
116965	07/29/2015	AUDREY LIGHT	Taxi Voucher Refund	50.00
116966	07/29/2015	MANAGED HEALTH NETWORK	Employee Fringe Benefits / August 2015	22.23
116967	07/29/2015	NASSRIN MOJIBI	Taxi Voucher Refund	23.00
116968	07/29/2015	MUNICIPAL WATER DISTRICT OF ORANGE COUNTY	Water Policy Forum - Councilmember Hack /7/29/2015	80.00
116969	07/29/2015	SADIE NELLMARK	Taxi Voucher Refund	20.00
116970	07/29/2015	JACK NOONAN	Taxi Voucher Refund	30.00
116971	07/29/2015	OFFICE DEPOT	Office Supplies	23.66
116972	07/29/2015	OFFICEMAX INC	Office Supplies	479.50
116973	07/29/2015	ORKIN	Pest Control Services / July 2015	105.01
116974	07/29/2015	PACIFIC MUNICIPAL CONSULTANTS	Conservation Element Update Planning Services / June 2015	627.50
116975	07/29/2015	OLGA PADIOS	Taxi Voucher Refund	35.00
116976	07/29/2015	HELEN POWELL	Taxi Voucher Refund	24.00
116977	07/29/2015	PRINCIPAL FINANCIAL GROUP	Long-Term Disability Insurance / August 2015	418.86
116978	07/29/2015	LILLIE ROBINSON	Taxi Voucher Refund	25.00
116979	07/29/2015	SBLI OF MASSACHUSETTS	Employee Benefit Program / P. Foley / July-September 2015	203.06
116980	07/29/2015	HASKEL SIMONOWITZ	Taxi Voucher Refund	39.50
116981	07/29/2015	SOUTHERN CALIFORNIA EDISON	City Hall / July 2015	2,487.05
116982	07/29/2015	SOUTHERN CALIFORNIA EDISON	Irrigation Controllers / July 2015	104.00
116983	07/29/2015	SOUTHERN CALIFORNIA EDISON	Irrigation Controllers / July 2015	27.89

**CITY OF LAGUNA WOODS
WARRANT REGISTER
8/19/2015**

Check	Check	Vendor Name	Description	Amount
116984	07/29/2015	SOUTHERN CALIFORNIA WATER	Southern California Water Committee Quarterly Meeting - Councilmember Hack / 4/24/2015	70.00
116985	07/29/2015	STAPLES	Office Supplies	267.56
116986	07/29/2015	ANNE STEINBERG	Taxi Voucher Refund	50.00
116987	07/29/2015	VISION SERVICE PLAN OF AMERICA	Employee Benefit Program / August 2015	174.97
116988	07/29/2015	WAGE WORKS	Benefit Administration / June 2015	50.00
116989	07/29/2015	HILARY WHITTAKER	Taxi Voucher Refund	25.00
116990	07/29/2015	MAXINE WITT	Taxi Voucher Refund	50.00
116991	08/05/2015	ALLIED MECHANICAL AIR SYS, INC.	Special Service Request - City Hall / 5/4/15	316.00
116991	08/05/2015	ALLIED MECHANICAL AIR SYS, INC.	City Hall HVAC Maintenance Services / April-June 2015	375.00
116992	08/05/2015	HARRIETT ARNEST	Taxi Voucher Refund	15.00
116993	08/05/2015	BETTY BRADLEY	Taxi Voucher Refund	40.00
116994	08/05/2015	CITIES DIGITAL	Laserfiche Annual Contract / August 2015 through August 2016	660.00
116995	08/05/2015	CYNTHIA CONNERS	Auto Allowance / August 2015	300.00
116996	08/05/2015	CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS	Registration Fee - Annual GASB and Single Audit Update Meeting - 8/20/15	30.00
116997	08/05/2015	RUTH CUTLER	Taxi Voucher Refund	17.00
116998	08/05/2015	DAYLE MCINTOSH CENTER	Community Services Grant / 2nd Quarter, Calendar Year 2015	2,500.00
116999	08/05/2015	PARVIZ ENSHAIE	Taxi Voucher Refund	50.00
117000	08/05/2015	FOUNDATION OF LAGUNA WOODS	Community Services Grant / 2nd Quarter, Calendar Year 2015	3,750.00
117001	08/05/2015	VIVIAN FOY	Taxi Voucher Refund	25.00
117002	08/05/2015	HACK, BERT	Auto Allowance / August 2015	300.00
117003	08/05/2015	ROBERT NOEL HATCH	Auto Allowance / August 2015	300.00
117004	08/05/2015	SHARI HORNE	Auto Allowance / August 2015	300.00
117005	08/05/2015	LAURA'S HOUSE	Community Services Grant / 2nd Quarter, Calendar Year 2015	625.00
117006	08/05/2015	NIEVES LANDSCAPE, INC.	Right of Way Landscape Maintenance / August 2015	10,725.41
117007	08/05/2015	ROXANNA TODD HODGES FOUNDATION	Community Services Grant / 2nd Quarter, Calendar Year 2015	1,250.00
117008	08/05/2015	RUTAN & TUCKER, LLP	Legal Services / May & June 2015	20,297.33
117009	08/05/2015	SONITROL	City Hall Fire Monitoring / August 2015	64.38
117010	08/05/2015	SOUTHERN CALIFORNIA EDISON	Ridge Route Dog Park / July 2015	56.22
117011	08/05/2015	MONICA SWICK	Taxi Voucher Refund	50.00
117012	08/05/2015	RICHARD WENING	Taxi Voucher Refund	16.50

Total Warrants: 669,513.71

Credit Card Statement Detail / June 5 - July 5, 2015

Golden State Overnight - Delivery Charges	63.51
Pizzeria Amore - Lunch - RACES Drill - City Hall 6/27/2015	126.63
Orange County Clerk - Recorder - Notice of Exemption Filing Fee	50.00
The Home Depot - Window Blinds- City Hall	153.37

Total Credit Cards: 393.51

6.4
ACTION ON CLAIM FILED AGAINST THE CITY
(NO REPORT)

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6.5
CITY COUNCIL REGIONAL APPOINTMENTS

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City Council Regional Appointments

AS OF AUGUST 19, 2015

<u>Regional Entity</u>	<u>Primary</u>	<u>Alternate</u>	<u>Compensation</u>
California Joint Powers Insurance Authority Board of Directors ANNUAL MEETING; FALL, EVENING LA PALMA, CALIFORNIA	Conners	Hatch	\$100/mtg.; \$100 max.
Coastal Greenbelt Authority Board of Directors BI-MONTHLY MEETINGS; THIRD THURSDAY, EVENINGS; LAGUNA WOODS, CALIFORNIA	Conners	Horne	No compensation
Orange County Fire Authority Board of Directors MONTHLY MEETINGS; FOURTH THURSDAY, EVENINGS; IRVINE, CALIFORNIA	Hatch	N/A	\$100/mtg.; \$3,600 max.
Orange County Library Advisory Board THREE MEETINGS PER YEAR; THURSDAY, LATE-AFTERNOONS; VARIABLE LOCATIONS	Horne	Moore	No compensation
Orange County Mosquito & Vector Control District Board of Trustees MONTHLY MEETINGS; THIRD THURSDAY, MID-AFTERNOONS; GARDEN GROVE, CALIFORNIA	Horne	N/A	\$100/mtg.; \$1,200 max.

<p>San Joaquin Hills Transportation Corridor Agency Board of Directors MONTHLY MEETINGS; SECOND THURSDAY, MORNINGS; IRVINE, CALIFORNIA</p>	<p>Hack</p>	<p>Conners</p>	<p>\$120/mtg.; \$7,200 max.</p>
<p>South Orange County Watershed Management Area Executive Committee QUARTERLY MEETINGS; THURSDAY, AFTERNOONS; LAGUNA NIGUEL, CALIFORNIA</p>	<p>Moore</p>	<p>Hatch</p>	<p>No compensation</p>

PLEASE NOTE: All meeting information contained on this document, including frequency, day of the week, time of day, and location, is subject to change. Regional entities may also modify the compensation provided to the City’s duly appointed representatives from time-to-time. When compensation is provided by regional entities, alternate appointees are not compensated for their service unless they attend one or more eligible meetings in the absence of the primary appointee.

All appointments are effective January 1, 2015 through December 31, 2017, with the exception of the Orange County Vector Control District appointment which is effective from Noon on January 5, 2015 through Noon on January 2, 2017.

6.6

**EXTENSION OF STREETLIGHT MAINTENANCE
SERVICES AGREEMENT**

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7.1
SOLID WASTE HANDLING SERVICES

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: Christopher Macon, City Manager
FOR: August 19, 2015 Regular Meeting
SUBJECT: Solid Waste Handling Services

Recommendation

1. Receive staff report.

AND
2. Continue public hearing from the Adjourned Regular Meeting of the Laguna Woods City Council on July 29, 2015.

AND
3. Receive public testimony.

AND
4. Close public hearing.

AND
5. Approve the Request for Proposals for Solid Waste Handling Services, subject to approval as to form by the City Attorney, and authorize its release.

Background

The City is currently preparing for a competitive process to select solid waste franchisee(s) in order to provide Laguna Woods residents and businesses with

affordable rates and access to a variety of environmentally friendly recycling and disposal opportunities. The competitive process is intended to select franchisee(s) to provide solid waste handling services beginning after the City's existing franchise agreement with Ware Disposal, Inc. ends in December 2015.

Mayor Connors and Councilmember Horne were appointed by the City Council to serve on its Ad Hoc Solid Waste Franchise Committee. The Ad Hoc Committee's charge is to assist with the preparation of a Request for Proposals (RFP) for solid waste handling services and make recommendations to the City Council regarding approval of the same. The Ad Hoc Committee will also review, evaluate, and make recommendations to the City Council regarding the proposals submitted in response to the RFP.

The next solid waste handling services franchise agreement will include provisions relating to: maximum rates and minimum levels of service for all customers located within Laguna Woods including, but not limited to, cart and bin collection; services to ensure compliance with applicable State laws and promote the City's waste diversion goals; and, a new organics waste recycling program to comply with Assembly Bill 1826 (2013-14) and increase waste diversion.

Discussion

The City Council conducted a public hearing and provided direction to staff on the subject of solid waste handling services on June 17, 2015. A second public hearing was held on July 29, 2015 and continued to today's meeting. Today's meeting is an additional opportunity for City Council discussion and direction, as well as public testimony, in advance of the finalization and release of the RFP. The City Council will also be asked to consider approving the RFP and authorizing its release.

Other opportunities for public input, in advance of the finalization or release of the RFP, have included a business roundtable meeting (September 16, 2014), a resident roundtable meeting (October 7, 2014), a meeting with representatives of the Golden Rain Foundation (October 8, 2014), and two meetings with the City's former Planning & Environmental Services Committee (October 9, 2014 and November 13, 2014). Invitations for community-specific meetings were extended to all residential communities and homeowner's associations in Laguna Woods; however, only the Golden Rain Foundation elected to participate. Outreach will continue beyond any approval or release of the RFP. Any individual or entity is welcome to request a meeting by contacting Laguna Woods City Hall.

Term of the Agreement

The term of the agreement would begin on January 1, 2016 and end on December 31, 2022 (seven years). The City Council would have the discretion to extend the agreement from January 1, 2023 through December 31, 2026 (four years).

Significant Requested Changes in Service Level

The proposed RFP includes the following significant requested changes in service level, many of which are intended to comply with changes in state law and all of which are intended to be responsive to customer needs. The exact service level will be determined as a result of the RFP process. In addition to service level changes, the proposed RFP includes administrative and enforcement-related changes.

- Franchisee to divert at least 55% of the solid waste that it collects from landfills beginning in 2019, in order to qualify for the potential extension of the term of the agreement. Prior to 2019, the requirement is 50%.
- New organic waste recycling program to comply with Assembly Bill 1826 (required for certain commercial and residential customers).
- New “walk-out service” for residential customers with curbside service who are unable to bring their carts to the collection location. Service to be offered free of charge to medically eligible residents.
- In-home bulky item collection to be offered as an on-call service (as opposed to once or twice a year, previously) with collections to occur within 45 days of the date that customers make a request of the franchisee.
- All residential customers with curbside service to receive both a refuse and recycling cart with an option to request that the recycling cart be removed under certain circumstances, including if there is insufficient storage space.
- Franchisee to distribute brochures regarding monthly bulky item collection, in-home bulky item collection, and the commercial recycling program, on an annual basis. Franchisee to reimburse the City for additional public outreach.
- Collection vehicles must be powered by compressed natural gas (CNG) and track vehicle miles traveled (VMT), in order to assist with reducing traffic and noise, as well as to support environmental improvement efforts.
- Franchisee’s office to have the ability to communicate with customers in English, Spanish, Korean, Mandarin Chinese, and Tagalog.
- Residential carts and bins to be accessibility-minded, including features such as lightweight lids, low-profile casters, and multilingual labeling.

Rates and Rate Adjustments

Laguna Woods has historically enjoyed solid waste handling services rates among the lowest in Orange County. Due to new and anticipated increases in State laws affecting this agreement, including the required implementation of new programs such as organic waste recycling, staff anticipates that rates may increase. The exact nature of rates will not be known until after the RFP process.

The proposed RFP allows for an annual increase of rates charged by the franchisee based on 90% of the change in the consumer price index (CPI), subject to a 3% cap per year. The franchisee would be able to request increases for unusual changes in the costs of providing services; however, instances in which such requests could be made would be limited and, ultimately, subject to the City Council's discretion.

If the City Council approves the proposed RFP, staff would finalize appendices B, C, and D, subject to approval as to form by the City Attorney, and then release the RFP. It is anticipated that the RFP would be released within two weeks' time.

Fiscal Impact

Funds to support this project are included in the City's budget.

Rates for solid waste handling services are established by the franchise agreement and charged to customers. The City receives several payments from the franchisee, including a 5% franchise fee based on gross annual receipts.

Attachment: A – Proposed Request for Proposals

CITY OF LAGUNA WOODS



REQUEST FOR PROPOSALS Solid Waste Handling Services

Released on XX, XX, 201X
Proposals due by XX, XX, 201X at XX X.X.

1.1 CITY OF LAGUNA WOODS

On March 24, 1999, the City of Laguna Woods was incorporated as Orange County's 32nd city. It is a General Law city and operates with a City Council-City Manager form of government. In addition to being one of California's safest cities, Laguna Woods is unique in that the average age of its approximately 16,500 residents is 77.

Laguna Woods occupies approximately three square miles of land that was once a part of South Orange County's expansive Moulton Ranch. Prior to the 1960s, dry farming and cattle grazing dominated the area, with a few scattered ranch dwellings and barns.

Today, Laguna Woods is bordered by unincorporated areas, as well as the cities of Aliso Viejo, Irvine, Laguna Beach, and Laguna Hills. It includes the private gated community of Laguna Woods Village (formerly Leisure World Laguna Hills), several other senior-oriented residential communities, a number of commercial centers, three public parks, and additional open space areas. Laguna Woods' western-most boundary is just over 3 miles from the Pacific Ocean.

<u>City Hall</u> 24264 El Toro Road Laguna Woods, CA 92637	<u>Website</u> www.cityoflagunawoods.org
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1.2 OVERVIEW OF THE REQUEST FOR PROPOSALS

Through this Request for Proposals (RFP), the City of Laguna Woods (City) declares its intention to solicit competitive proposals from qualified firms for solid waste handling services. Proposals must conform to the guidelines and information outlined in this RFP and be submitted so that they are received by the City **no later than XX, XX, 201X at XX X.X. Pacific Time**. Proposals must be submitted for the entirety of the Scope of Work outlined in this RFP. Partial proposals will not be considered.

Deadline to Submit Proposals: XX, XX, 201X at XX X.X. Pacific Time

1.3 TENTATIVE SCHEDULE

Activity	Date/Time*
Notice published in <i>Laguna Woods Globe</i>	XX, XX, 201X
Release of RFP	XX, XX, 201X
Deadline to RSVP for the mandatory service area tour	XX, XX, 201X at XX X.X.
Mandatory service area tour (meet at Laguna Woods City Hall)	XX, XX, 201X at XX X.X.
Deadline to submit written questions	XX, XX, 201X
Responses to written questions available from the City Clerk's Office and www.cityoflagunawoods.org	XX, XX, 201X
Deadline to submit proposals	XX, XX, 201X
Finalist interview(s)	XX 201X
Award of agreement	XX 201X
Performance period	XX XX, 201X – XX XX, 201X
* Dates/times are subject to change at the City's discretion. All times are Pacific Time.	

1.4 SCOPE OF WORK

The scope of work is described in Appendix A, "Draft Agreement."

Current Service Data – Generally

Solid waste handling services have been provided since 2005 by Ware Disposal, Inc. The City is soliciting competitive proposals for solid waste handling services in order to provide residents and businesses with affordable rates and access to a variety of environmentally friendly waste disposal and recycling opportunities, as well as to increase waste diversion from landfills. The rates currently charged by Ware Disposal, Inc. are included in Appendix C, "Current Solid Waste Rates." At a 5% franchise fee, the City received \$66,530 in franchise fees for Fiscal Year 2014-15 and \$67,261 in franchise fees for Fiscal Year 2013-14.

The private gated community of Laguna Woods Village has 12,736 housing units in areas that encompass approximately 1,422 acres of the service area, while commercial development encompasses approximately 92 acres. The City has a total of 13,382 housing units (inclusive of Laguna Woods Village), including two apartment complexes and two assisted living facilities, each with numbered units. Refuse collections are performed using approximately 485 three-cubic-yard and 51 four-cubic-yard bins, and via approximately 1,525 trash carts (32-gallon) at 1,481 units. Servicing of the four cubic-yard bins typically requires two-person crews, as many of the bins are located under trash chutes in three-story buildings and in enclosed areas,

typically 50 feet from the nearest point that a collection vehicle can reach. Approximately 480 trash enclosures contain refuse and recycling bins for residents in other multi-family units. Each enclosure has at least one trash and one mixed recycling bin. All 1,477 curbside locations also have one 32-gallon cart for mixed recyclables. In addition, there are 71 six-unit buildings with enclosed garages. Those 426 units currently have the option of receiving a 32-gallon recycling cart, in addition to a 32-gallon refuse cart; however, the new agreement seeks to place recycling carts at each unit. Since those units are located in buildings in and around curbside locations, they are included in the curbside route. The total number of recycling carts currently in-use is approximately 1,645. Approximately 133 plastic three-cubic-yard bins and 1,500 32-gallon recycling carts were purchased by the City in prior years. These bins and carts will remain in place for use in the new franchise.

Commercial refuse collection is primarily consolidated at five outdoor shopping centers within the service area. Approximately 85% of the approximately 120 businesses are located in those shopping areas, which are within two-miles of each other off of either El Toro Road or Moulton Parkway. In addition to refuse collection, mixed dry recyclable collection is provided via bins (25 to 50), 95-gallon carts (2), and white paper recycling at participating commercial accounts (4).

Service to the private gated community of Laguna Woods Village is consolidated into four bills per month [one bill for each of the four corporations that comprise Laguna Woods Village: Third Laguna Hills Mutual, United Laguna Woods Mutual, Mutual 50 (the Towers), and the Golden Rain Foundation]. Commercial and other service billings are approximately 53 per month.

Recent in-home bulky item collections (which have been offered, on average, one or two times per year) have collected approximately 14 tons of material each, most of which is recyclable.

The following table is a summary of disposal and diversion tonnage by sector, quantified by the City's various waste tracking efforts, for calendar year 2014:

Residential	Tons in 2014	Industrial (C&D only)	Tons in 2014
Newspaper Recycling	1,000.99	Recycling @ Madison MRF	572.50
Drop-Off LWV	150.66	Other C&D Recycling	1,711.30
Drop-Off 20/20 Centers	235.40	MRF Diversion	2,848.60
Reuse/Donations	11.44	Total Industrial Diversion	5,132.40
Mixed Recycling	1,395.32	Other facility residual & direct haul	855.65
MRF Diversion	1,385.90	Industrial Disposal - Madison residual	1,792.70
Composting/Chipping	5,530.32	Industrial Generation	7,780.75
Grasscycling	3,342.00	Industrial Diversion Rate	65.96%
Total Residential Diversion	13,052.03	Additional DRS Disposal "Final"	855.65
Residential Disposal	4,388.84		
Residential Generation	17,440.87		
Residential Diversion Rate	74.84%		
		City Totals for 2014	
Commercial	Tons in 2014	Diversion	20,388.59
Mixed Recycling	99.48	Disposal	8,645.31
MRF Diversion	357.79	Generation	29,033.90
ADC* at Landfills	64.65	Diversion Rate	70.22%
3rd Party Recycling	1,682.24		
Total Commercial Diversion	2,204.16		
Commercial Disposal	1,608.12		
Commercial Generation	3,812.28		
Commercial Diversion Rate	57.82%		
		* ADC is multi-family residential outside LWV	
		LA County Disposal of MSW =	0
		Designated Facility - Azusa =	77.96

1.5 MANDATORY SERVICE AREA TOUR

All prospective firms must participate in a mandatory service area tour, which will be held on XX, XX, 201X at XX X.X. The purpose of the tour is to provide an opportunity for physical orientation with the service area, including spatial configuration of streets and roads, addressing, enclosures, and curbside locations. Discussion will be limited to related matters. The City is conducting the tour as a courtesy to prospective firms and makes no warranties or representations regarding its inclusivity.

Firms may send a maximum of two representatives each to participate in the tour. Reservations (RSVPs) are required in writing (not via email). Reservations must be addressed to:

City of Laguna Woods
Attn: City Clerk's Office
24264 El Toro Road
Laguna Woods, CA 92637

Reservations must be received by the City Clerk's Office **no later than XX, XX XX, 201X at XX X.X. Pacific Time.** Postmarks will not be accepted as proof of receipt. Firms that do not make reservations prior to the aforementioned time and date and in the manner prescribed will not be permitted to participate or submit proposals.

1.6 WRITTEN QUESTION PROCESS

Questions regarding this RFP will only be accepted in writing (not via email). **Do not call or contact City staff directly.** Questions must be addressed to:

City of Laguna Woods
Attn: City Clerk's Office
24264 El Toro Road
Laguna Woods, CA 92637

Questions must be received by the City Clerk's Office **no later than XX, XX XX, 201X at XX X.X. Pacific Time.** Postmarks will not be accepted as proof of receipt. All questions received after the aforementioned time and date will be discarded.

Written responses to all questions received will be available from the City Clerk's Office on XX, XX XX, 201X. The City Clerk's Office can be reached at (949) 639-0500. Responses will also be available on the City's website at www.cityoflagunawoods.org.

1.7 PROPOSAL SUBMITTAL PROCESS

Proposals must be addressed to:

City of Laguna Woods
Attn: City Clerk's Office
24264 El Toro Road
Laguna Woods, CA 92637

Proposals must be submitted so that they are received by the City Clerk's Office no later than XX, XX XX, 201X at X X.X. Pacific Time. Postmarks will not be accepted as proof of receipt. All responses received after the aforementioned date and time will be returned unopened.

1.8 PROPOSAL FORMAT

Proposals must conform to the following formatting standards. Failure to conform is grounds for immediate disqualification.

Number of Submittals:

1. Twelve (12) printed and bound copies of the proposal are required. All of the proposals must bear original signatures.
2. One (1) labeled CD containing a digital copy of the proposal is required. All proposal documents, including signatures, attachments, and all other content submitted with the original proposal must be included in a single PDF file.

General Notes:

1. Proposals must be straightforward, clear, concise, and provide "layman" explanations of technical terms that are used. Use of graphs, charts, and illustrations is encouraged.
2. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and providing a complete description of the proposal.
3. Submission of a proposal constitutes acknowledgment and acceptance of the terms and conditions of this RFP unless exception to particular terms or conditions is expressed, in writing, in the proposal. This RFP is not to be construed as a contract of any kind.

Components:

1. Transmittal Letter
The transmittal letter must not exceed five (5) pages and should summarize key points of the proposal. The letter must be signed by an officer of the firm who has the authority to bind the firm to proposals and execute agreements. The letter must include:
 - (i) A statement that proposal rates will be valid for a period of at least 180 days;
 - (ii) The firm's legal name and any previous legal names;
 - (iii) The firm's legal entity status (e.g., corporation, partnership, etc.);
 - (iv) The names of the firm's officers;
 - (v) The names of the firm's shareholders that hold at least a 5% interest;
 - (vi) Identification of the creditors or potential creditors who are owed or may be owed debt that is more than 5% of the entity's total assets; and
 - (vii) The number of years that the firm has been in business.
2. Exceptions Letter
The exceptions letter must be signed by an officer of the responding firm who has the authority to bind the firm to proposals and execute agreements. The letter must explicitly

identify any and all exceptions to the terms set forth in the Draft Agreement. To the extent the exceptions conflict with, modify, or otherwise change a term in the Draft Agreement, the proposal shall reference the Section of the Draft Agreement to which the exception relates. To allow full consideration of any exceptions, a proposal shall provide as much detail as possible regarding the proposed exceptions, including, where appropriate, substitute contract language being proposed. If no exceptions are claimed, the exceptions letter must include a statement to that effect.

Unless an exception is provided in writing, by submitting a proposal, the firm accepts the terms set forth in the Draft Agreement. It is intended, that the successful firm will enter into a solid waste agreement with the City, subject only to exceptions raised by the firm. Only exceptions noted in the proposal shall be considered by the City. The City is not required to accept any submitted exception, but can choose to negotiate regarding the subject matter of said exception to arrive at a mutually agreeable contract provision. Firms should anticipate that the City will not likely be willing to accept changes to the Draft Agreement language.

3. Scope of Work Summary Section

The Scope of Work Summary Section must describe the firm's understanding of the City, the scope of work, and the objectives to be accomplished.

4. Methodology & Quality Control Section

Provide a description of the approach and methodology that the firm would use to accomplish the Scope of Work. The Methodology & Quality Control Section must include a detailed description of the following:

- (i) The training and oversight provided by firm to personnel;
- (ii) The methods, including controls, by which the firm manages and assures quality of work; and
- (iii) Other management or implementation strategies or techniques that the firm intends to employ in carrying out the Scope of Work.

5. Implementation & Transition Section

Describe the firm's plan to implement the transition of solid waste handling services from the existing franchise on January 1, 2016. The Implementation & Transition Section must include a detailed description of the following:

- (i) When bins and carts will be ordered, received and distributed;
- (ii) The vehicles to be used for collection, including whether vehicles must be ordered or are in stock. If vehicles must be ordered, specify the approximate date that the vehicles will be received. The following vehicle information must also be included: (1) make; (2) model; (3) model year; (4) type of vehicle fuel; (5) vehicle type (front-loader, rear-loader, etc.); (6) waste stream to be collected (carts, bins, roll-off boxes); and, (7) quantity of each type of vehicle;
- (iii) Public education steps;
- (iv) The expected level of City staff participation;
- (v) Evidence of available personnel or the stated number of new personnel needed to perform and plans for fulfilling said need;
- (vi) Procedures for addressing customer inquiries and complaints during the transition; and

- (vii) References and details, if any, of previous experience implementing a transition between the prior solid waste collection provider and itself for similar cities.

6. Facilities Section

Identify the facilities proposed to dispose of, recycle, process, and deposit all solid waste and recyclable material collected, including the following:

- (i) The name and location of the facilities;
- (ii) A statement regarding the nature of any relationship between the firm and the facility owner and operator or an explicit statement that there is none;
- (iii) Documentation confirming that the facilities proposed will in fact accept materials that the firm collects;
- (iv) Whether the facilities will be used for processing, transfer only, transformation, disposal or other, and which waste streams will be delivered (e.g. recyclables, commercial waste, residential waste, and/or construction material); and
- (v) The minimum diversion rate to be achieved for each waste stream.

Identify the firm's operating facilities, including the following:

- (i) The yard address for equipment and personnel staging and arrangements for maintenance of equipment;
- (ii) The office address for customer service, public relations, and franchise administration; and
- (iii) Other operating facilities to be used in providing service under the franchise agreement.

7. Container Specifications Section

Provide information on the specifications for the containers (including lightweight lids) that the firm would use to allow the City to determine whether the containers meet industry standards and its expectations. Firms should be prepared and able to provide physical samples of the containers for inspection by the City upon request.

8. Organics Program Section

Provide a description of the approach and methodology that the firm would use to meet the requirements of AB 1826 for an organic waste recycling program, including related experience within the past five (5) years to demonstrate competence in carrying out organic waste recycling services.

9. In-Home Bulky Items Collection Program Section

Provide a description of the approach and methodology that the firm would use to provide in-home bulky item collection services, including related experience within the past five (5) years to demonstrate competence in carrying out in-home bulky item collection services.

10. Recycling Programs Section

Provide a description of the firm's recycling programs for residential and commercial premises that would meet the requirements of AB 341.

11. Personnel Section

Provide a list of key personnel, including job descriptions and corresponding resumes, who would be the designated individuals who would work with the City. If a position has not yet been filled, provide the minimum qualifications the firm will require of the person to be selected. If the firm has multiple offices, please also indicate which office each individual primarily works out of.

12. Qualifications Section

Describe the qualifications of the firm and key personnel, including related experience within the past five (5) years to demonstrate competence in carrying out the Scope of Work. The Qualifications Section must include:

- (i) A summary of the firm's demonstrated competence, including length of time that the firm has provided the services requested in this RFP;
- (ii) Information regarding the firm's experience in assisting other public agencies in meeting their AB 939 diversion goals; and
- (iii) At least five (5) references that receive or received similar services from the firm within the past five (5) years. **The City of Laguna Woods reserves the right to contact any of the references provided without notice.** Reference information must include:
 - (a) Client name;
 - (b) Scope of work;
 - (c) Start and end dates of service; and
 - (d) Client contact person, telephone number and e-mail address.

13. Legal Actions Section

Provide a list of any prior or current material legal actions for which the firm, or its parent or affiliated company where applicable, was or is a named party within the past five (5) years. Include case name, case number, and final disposition (if any).

"Material legal actions" for the purposes of this section means any litigation (i.e., a proceeding where a complaint was filed) or regulatory proceeding (i.e., a proceeding where an accusation was filed) pertaining to the firm's operations in the counties of Orange or Los Angeles and brought by an entity regarding the collection, disposal or processing of solid waste. "Material legal actions" also includes any litigation initiated by an entity alleging the firm's noncompliance and/or breach of an agreement for solid waste handling services with an entity located in the counties of Orange or Los Angeles.

Provide a list of any violation notices issued by a regulatory agency regarding the collection, disposal or processing of solid waste for the firm's operations in the counties of Orange or Los Angeles within the past five (5) years.

14. Financial Statements

Attach a copy of the firm's most recent financial statements. The financial statements must have been prepared in accordance with Generally Accepted Accounting Principles. If, after the date of the most recent financial statements, there has been a material change which is not reflected in the financial statements and which may impact Proposer's ability to continue as a going concern, the firm shall provide City with that additional information. To that end, the firm shall also provide a statement from its chief

financial officer certifying that there has been no material adverse change to the information supplied in the balance sheets, cash flow statements, and income statements after the date of the most recent financial statements were prepared.

Firms should be aware that information the City uses to evaluate proposals, including the firm's annual revenue, are subject to disclosure as a public record. To the extent that the firm acquires or becomes apprised of any information for which disclosure is required under this section after the firm submits its proposal, but before the City awards an agreement, the firm shall immediately inform the City of such information in the same manner required under this section.

15. Firm Pricing Form

Complete and attach Appendix B, "Firm Pricing Form."

16. Anti-Collusion and No Other Pending Legal Actions Affidavit

Complete and attach Appendix C, "Anti-Collusion and No Other Pending Legal Actions Affidavit."

1.9 PROPOSAL EVALUATION AND SELECTION CRITERIA

The City Council retains the ultimate broad authority to exercise its discretion in awarding the franchise, the terms of the corresponding agreement, and to determine which proposal is in the City's best interest. The City Council may consider City staff's analysis of proposals, but will independently award the franchise. The City Council can reject any or all proposals, determine that a proposal is nonresponsive and thus disqualified, and permit deviations from the RFP.

The City Council may, but is not required to, make its decision based on, but not limited to, City staff's analysis, the firm's experience, implementation and transition plan, financial health, rates, interviews (if any), inspection of the firm's equipment and facilities (if applicable), community involvement, or any other criteria the City Council determines is important. The City Council does not commit to and is not required to award the franchise solely based on the lowest rates and may consider the value of all aspects of the proposals.

The City Council's Ad Hoc Solid Waste Committee (Mayor Connors and Councilmember Horne) and City staff (including, potentially, City-retained consultants) will evaluate the proposals based on the criteria provided below and provide separate summary analyses to the City Council. The categories that form the basis for City staff's analysis of submitted proposals is not necessarily the evaluation criteria that will be used by the Ad Hoc Committee or the City Council.

City staff may, but is not required to, recommend applying a pass/fail checklist to reject as nonresponsive the proposals that do not meet the requirements outlined in this RFP; however, the City Council is not required to accept City staff's recommendation that proposals not meeting the checklist should be deemed nonresponsive, and thus rejected.

The criteria the City staff may use to analyze the proposals it receives may include, but is not limited to, that which is required under Section 1.8 of this RFP.

Throughout the RFP process, including the review, negotiation and selection period, the City reserves the right to request additional information or clarification regarding submitted proposals from any firm. The City may also invite certain firms to clarify, present, or participate in an

interview(s). Additionally, the City Council can, during the review and negotiation period, award the franchise without further negotiation. The City Council is not required to award the franchise to the overall lowest cost firm or to the firm recommended by the Ad Hoc Committee or City staff and may consider other factors such as which proposal will deliver the best service for the lowest reasonable cost. The City may, in its sole discretion, negotiate with one or more firms and firms selected for negotiation do not need to be firms recommended by City staff.

1.10 OTHER TERMS AND CONDITIONS

Accuracy of Data

By participating in the RFP process, firms agree to indemnify and hold harmless the City, its elected and appointed officials, offices, employees, agents, and volunteers for any claims regarding the inaccuracy of any of the provided data. Firms are responsible for and encouraged to independently gather data needed to aid in the preparation of each respective proposal.

City's Rights

The City rights include, but are not limited to, the following:

- Issue addenda to the RFP, including extending or otherwise revising the deadline for submittals;
- Request clarifications and/or additional information from any firms at any point in the procurement process;
- Permit firms to submit information clarifying or correcting their submitted proposals;
- Conduct an evaluation of whether a firm is qualified and possesses the capacity to carry out the terms of the draft agreement;
- Execute an agreement or agreements with one or more firms, on the basis of the original proposal, any additions to proposal submissions, and any negotiations between the City and firms;
- Reject any and all proposals, and accept or reject all or any part of any proposal;
- Accept and negotiate, with one or more firms, any combination of services; which services and combinations thereof shall be chosen by the City at its sole discretion;
- Discontinue its negotiations after commencing negotiations with a firm, if progress is unsatisfactory in the judgment of the City, and commence discussions with another qualified firm; and
- Reissue or modify the RFP and/or draft agreement.

Cost and Disclosure of Proposals

The cost of proposing on this RFP is the sole responsibility of the firm. The City shall incur no cost or liability. Submitted proposals become the property of the City and are subject to the Public Records Act. The City cannot protect financial or proprietary data submitted in proposals. All proposals are made available to the public, in their entirety, following award of agreement or, at the discretion of the City, at any point during the evaluation and selection process.

Contract Negotiations

Award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing firms unless an agreement is reached.

Insurance Requirements

The City requires that firms have approved certificates of insurance on-file with the City when the agreement is executed. Failure to furnish the required certificates within seven (7) business days of notification of intent to award of the agreement will result in disqualification.

Licensing Requirements

Firms shall possess all necessary license(s) relative to the work to be performed required by the City and any licensing authorities of the State of California. Proof of licensure shall be provided to the City at such times and in such forms as the City shall require. For the purpose of this RFP, the term "licenses" shall also include permits and related items.

Financial Information

The City is concerned with the firm's financial capability to perform and, therefore, may require sufficient information to allow for an evaluation of the firm's financial capabilities.

Withdrawal of Proposal

Proposals submitted in advance of the deadline may be withdrawn by written request of the firm. Withdrawal of a proposal will not prejudice the right of the firm to submit a new proposal, provided there is time to do so. Requests must be delivered prior to the deadline to submit proposals to:

City of Laguna Woods
Attn: City Clerk's Office
24264 El Toro Road
Laguna Woods, CA 92637

Appendices

Please review the sample agreement (including insurance requirements) before responding to this RFP. Proposals submitted in response to this RFP must indicate if the firm is unwilling or unable to execute the agreement as drafted and comply with insurance requirements. The City will consider this in determining responsiveness to this RFP.

- ◆ APPENDIX A: DRAFT AGREEMENT (85 pages)
- ◆ APPENDIX B: FIRM PRICING FORM (X pages) – **not included in draft**
- ◆ APPENDIX C: ANTI-COLLUSION AND NO OTHER PENDING LEGAL ACTIONS AFFIDAVIT (X pages) – **not included in draft**
- ◆ APPENDIX D: CURRENT SOLID WASTE RATES (X pages) – **not included in draft**

APPENDIX A

AGREEMENT

BETWEEN

CITY OF LAGUNA WOODS

AND

[INSERT CONTRACTOR NAME]

FOR

SOLID WASTE HANDLING SERVICES

EFFECTIVE JANUARY 1, 2016

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AGREEMENT

This Agreement ("Agreement") is entered into to be effective as of the 1st day of January 2016, by and between the City of Laguna Woods ("City") and [INSERT NAME], ("Contractor") (collectively, the "Parties") to provide an exclusive franchise for Solid Waste Handling Services within the City.

R E C I T A L S:

A. The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("AB 939"), has declared that it is in the public interest to authorize and require local agencies to make adequate provision for the disposal of all Solid Waste within their jurisdictions.

B. Pursuant to California Public Resources Code Section 40059(a)(1), the City Council of the City has determined that the public health, safety, and welfare require that an exclusive franchise agreement be awarded to a qualified solid waste enterprise for Solid Waste Handling Services within the City Limits.

C. City and Contractor are mindful of the provisions of the laws governing the safe collection, transport, recycling, and disposal of Solid Waste, including AB 939, AB 341, the Resource Conservation and Recovery Act ("RCRA"), and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). City and Contractor desire to leave no doubts as to their respective roles, and to memorialize that by entering into this Agreement, City is not thereby becoming an "arranger" or a "generator" as those terms are used in CERCLA, and that it is Contractor, not City, who is "arranging for" the collection, transport for disposal, composting, and recycling of municipal Solid Waste in the City which may contain hazardous substances. City and Contractor understand and agree that it is Contractor, and not City, who will arrange to collect Solid Waste, that City has not, and, by this Agreement does not, instruct Contractor on its collection methods, nor supervise the collection process, nor do the Parties intend to place title to such Solid Waste in City, but rather intend that whatever, if any, title in and to such Solid Waste that otherwise might exist in or with City in the absence of this Agreement is hereby transferred to Contractor, and further that if Contractor gains title to such Solid Waste it is by operation of law and agreement with its Customers and is not the result of this Agreement. By entering this Agreement City and Contractor further desire to confirm that Contractor has agreed to indemnify the City in connection with any claims relating to the inadvertent or intentional collection, transportation and/or disposal of hazardous materials that may occur in connection with Contractor's performance under this Agreement.

E. Contractor has agreed, as part of this Agreement, to provide such services as are necessary or desirable to ensure City complies with the requirements of AB 939, AB 341 and Public Resources Code Section 40000, et seq.

F. City desires, among other things, to ensure adequate landfills remain available to meet the public's need for the safe handling and disposal of Solid Waste, and further desires to ensure its citizens do not incur undue costs in safely disposing of Solid Waste they generate, and has thus entered into the County Agreement. Contractor has agreed, as part of this Agreement, to

provide such services and take such actions as are necessary or desirable to ensure City complies with its obligations pursuant to the County Agreement.

C O V E N A N T S:

Based upon the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the Parties, City and Contractor hereby agree as follows:

SECTION 1. RECITALS

The Parties acknowledge the above recitals are true and correct and incorporate them herein as if they were fully restated.

SECTION 2. DEFINITIONS

Whenever any term used in this Agreement has been defined by the California Public Resources Code, the definition of such term set forth therein shall apply unless the term is otherwise defined in this Agreement.

2.1 AB 341

"AB 341" shall mean Assembly Bill 341 from the 2011-2012 Regular Session of the California Legislature (Chapter 476, Statutes 2011).

2.2 AB 939

"AB 939" shall mean the California Integrated Waste Management Act of 1989, currently codified as California Public Resources Code Section 40000 et seq., as it may be amended from time to time.

2.3 AB 1594

"AB 1594" shall mean Assembly Bill 1594 from the 2013-2014 Regular Session of the California Legislature (Chapter 719, Statutes 2014).

2.4 AB 1826

"AB 1826" shall mean Assembly Bill 1826 from the 2013-2014 Regular Session of the California Legislature (Chapter 727, Statutes 2014).

2.5 Affiliate

"Affiliate" means a business in which Contractor owns a direct or indirect ownership interest, a business (including corporations, limited and general partnerships and sole proprietorships) which has a direct or indirect ownership interest in Contractor and/or a business which is also owned, controlled or managed by any business or individual 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 Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date of this Agreement, shall apply; provided, however, that (i) "ten percent (10%)" shall be substituted for "fifty percent (50%)" in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

2.6 Animal Waste

"Animal Waste" shall mean animal carcasses, dead animals, and/or parts or portions of dead animals. Animal Waste shall not include manure.

2.7 Applicable Laws

"Applicable Laws" shall mean all federal, state, county, and local laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirements of any governmental agency having jurisdiction over an aspect of this Agreement that are in force on the Effective Date, and as may be enacted, issued or amended thereafter, including without limitation City's Municipal Code, AB 341, AB 929, AB 1594 and AB 1826.

2.8 Billings

"Billings" or "Billing" or "Bill" means the statements of charges provided to Customers or Responsible Customers for services rendered by Contractor pursuant to the terms of this Agreement.

2.9 Bins

"Bins" shall mean a Container, including dumpsters, compactors, and any similar such devices with a capacity of under ten (10) cubic yards.

2.10 Bulky Items

"Bulky Items" means Solid Waste that cannot and/or would not typically be accommodated within a Cart or Bin including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators with and without Freon, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as "white goods"); residential wastes (including wood waste, tree branches, scrap wood, in the aggregate not exceeding one cubic yard per Collection); and clothing. For purposes of this Agreement, and notwithstanding any provision hereof to the contrary, Bulky Items shall specifically include items commonly known in the waste industry as "brown goods," "e-waste" and "universal waste" (including, without limitation all types of electronic waste, stereos, televisions, computers and monitors, cellular phones, VCRs, microwaves and other similar type of equipment and products). Bulky Items do not include car bodies, Construction and Demolition Debris, Hazardous Waste, or (with the exception of appliances/white goods described above) items

that cannot reasonably and safely be loaded and unloaded into a vehicle by two people using equipment of the type which, pursuant to industry standards, would normally be carried in a vehicle used in Collecting Bulky Items. In the event a question arises as to whether a specific item, or category of items meets the definition of Bulky Items, City shall be responsible to determine whether said definition shall apply, which determination shall be final and binding on the Parties.

2.11 Cart

"Cart" means a plastic Container with a hinged lid and wheels serviced by an automated or semi-automated process, as opposed to a manual process of lifting and dumping.

2.12 City

"City" shall mean the City of Laguna Woods, a municipal corporation, located in Orange County, California.

2.13 City Council

"City Council" shall mean the City Council of City.

2.14 City Limits

"City Limits" shall mean the territorial boundaries of the City together with all amendments and changes thereto, which boundaries are depicted on maps, incorporated herein by reference, that are kept on file in the office of the City Clerk of the City of Laguna Woods, and which are from time to time amended to reflect changes.

2.15 City Manager

"City Manager" shall mean the City Manager of the City of Laguna Woods or his or her designee.

2.16 Collect/Collection

"Collect" or "Collection" shall mean to take physical possession of, transport, and remove Solid Waste from a Premises.

2.17 Commercial Premises

"Commercial Premises" means Premises upon which business activity is conducted, including but not limited to retail sales, wholesale operations, manufacturing, industrial operations, and services, including, but not limited to, professional services, hospitality services, and restaurant and food services, but excluding Residential Premises upon which business activities are conducted when such activities are permitted under applicable zoning regulations and are not the primary use of the property. Notwithstanding any provision to the contrary herein, in the Municipal Code, or otherwise, for purposes of this Agreement and to the extent permitted by law, Premises upon which assisted living facilities, community care facilities (and other similar types of facilities), hotels, and motels are operated shall be deemed to be Commercial Premises.

2.18 Container

"Container" means any and all types of Solid Waste receptacles, including but not limited to Carts and Bins.

2.19 Contractor

"Contractor" shall mean [INSERT NAME], the entity granted the franchise pursuant to this Agreement, or any party permitted pursuant to the terms hereof permitted to become the successor or assignee thereof.

2.20 County Agreement.

"County Agreement" shall mean that certain waste disposal agreement entered between various Orange County cities, including specifically the City of Laguna Woods, and the County of Orange relating to the use of County landfills for the disposal of Solid Waste collected in such cities, and which is on file in the office of City's City Clerk, as the same may be amended from time to time.

2.21 Customer

"Customer" or "Customers" shall mean any Person receiving Solid Waste Collection services from Contractor within the Franchise Area.

2.22 Dwelling Unit

"Dwelling Unit" shall mean one or more rooms designed for occupancy by one family for living and sleeping purposes and containing kitchen facilities or an area designed for the preparation of food for use solely by one family.

2.23 Effective Date

"Effective Date" shall mean the 1st day of January 2016.

2.24 Environmental Laws

"Environmental Laws" means all federal and state statutes, county, local and City ordinances concerning public health, safety and the environment including, by way of example and not limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.; the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; the Federal Clean Water Act, 33 USC §1251 et seq.; the Federal Clean Air Act, 42 USC §7401 et seq.; the Toxic Substances Control Act, 15 USC §2601 et seq.; the Occupational Safety and Health Act, 29 USC §651 et seq.; the California Hazardous Waste Control Act, California Health and Safety Code §25100 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code §25300 et seq.; the Porter-Cologne Water Quality Control Act, California Water Code §13000 et seq.; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code §25249.5 et seq.; as currently in force or as

hereafter amended, and all rules and regulations promulgated thereunder, and the Municipal Code, as may be amended from time to time.

2.25 Food Waste

"Food Waste" shall mean compostable Organic materials, excluding Green Waste, including but not limited to: (i) all food (including fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese and eggshells); (ii) food-soiled paper (including napkins, paper towels, paper plates); and (iii) tea bags, coffee grounds and filters.

2.26 Franchise Area

"Franchise Area" shall mean all Premises within the City Limits, including Premises which may be annexed and thereby added to the City Limits following the Effective Date.

2.27 Franchise Fee

"Franchise Fee" shall mean the franchise fee set forth and more fully defined in Section 11 hereof.

2.28 Green Waste

"Green Waste" means tree trimmings, grass cuttings, dead plants, leaves, branches and dead trees (not more than six (6) inches in diameter or 48 inches in length) and similar materials as more fully described herein.

2.29 Gross Receipts

"Gross Receipts" shall mean and include all monies, fees, charges, consideration, and revenue received by or imputed to Contractor and any Affiliate of Contractor, in connection with, arising from, or in any way attributable to the Solid Waste Handling Services carried out by or on behalf of Contractor pursuant to this Agreement. Gross Receipts includes, without limitation, monthly or quarterly Customer charges that are received by Contractor for Collection of Solid Waste, without subtracting Franchise Fees, fees imposed and collected pursuant to this Agreement, sums collected in connection with Temporary Services, and transportation charges. Gross Receipts does not include revenue from the sale of Recyclable Material, Green Waste, food waste, and other material which is diverted from disposal.

2.30 Hazardous Substance

"Hazardous Substance" shall mean any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "Hazardous Substances," "hazardous materials," "Hazardous Wastes," "toxic waste," "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.(CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §5101, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and

25316; (vi) the Clean Air Act, 42 USC §7401 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable federal, state or local laws or regulations, including any of the Environmental Laws, currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

2.31 Hazardous Waste

"Hazardous Waste" means all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by the State of California in Health and Safety Code §25110.02, §25115, and §25117 or in the future amendments to or recodifications of such statutes or identified and listed as Hazardous Waste by the US Environmental Protection Agency (EPA), pursuant to the Federal Resource Conservation and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules and regulations promulgated thereunder.

2.32 Multi-Family Dwelling

"Multi-Family Dwelling" means any building or lot containing more than one Dwelling Unit. Unless otherwise determined as set forth above, any Premises upon which four (4) or more Dwelling Units exists shall be deemed to be a Multi-Family Dwelling. Any ambiguity as to whether a Customer's Premises qualifies for purposes of this Agreement as a Single Family Dwelling or Multi-Family Dwelling shall be resolved by the City Manager whose decision shall be final.

2.33 Municipal Code

"Municipal Code" shall mean City's Municipal Code ("Laguna Woods Municipal Code").

2.34 Organics

"Organics" shall mean compostable materials including Food Waste and Green Waste.

2.35 Person

"Person" shall mean any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, the County of Orange, towns, cities, and special purpose districts.

2.36 Premises

"Premises" shall mean any land, building, and/or structure within the City Limits where Solid Waste is generated or accumulated.

2.37 Recyclable Material

"Recyclable Material" or "Recyclables" shall mean that Solid Waste discarded within the Franchise Area which is capable of being recycled, including, but not limited to, Green Waste; aluminum cans; glass jars and bottles; bi-metal, and tin cans; empty aerosol containers; polyethylene terephthalate plastic ("PET"); high density polyethylene plastic ("HDPE"); plastics types 3 – 7; plastic bags, shrink wrap, plastic toys and tools, and other plastic materials (if readily identifiable as being recyclable); juice boxes and milk cartons (aseptic packaging, Tetra Pak[®] and waxed cardboard); coat hangers and metal foil; newspaper; mixed paper (e.g., ledger, computer, junk mail, magazines, paperback books, cereal boxes, envelopes, paper shopping bags and non-metallic wrapping paper); corrugated cardboard; and telephone books.

2.38 Residential Premises

"Residential Premises" shall mean all Premises upon which Dwelling Units exist and includes Multi-Family Dwellings. Residential Premises shall also include clubhouses, golf course facilities, offices/service yards, and other Premises located within the private gated community located within City Limits and known as Laguna Woods Village. Notwithstanding any provision to the contrary herein, in the Municipal Code, or otherwise, for purposes of this Agreement and to the extent permitted by law, Premises upon which assisted living facilities, community care facilities (and other similar types of facilities), hotels, and motels are operated shall be deemed to be Commercial Premises.

2.39 Responsible Customer

"Responsible Customer" means the Customer who is responsible for making arrangements with Contractor to ensure Collection services are provided at Commercial Premises or Residential Premises in circumstances where a management company, homeowner association, or similar type entity arranges Collection services for such Premises. In the event of any dispute as to whether a right or obligation set forth herein is held by a Customer or a Responsible Customer, the City Manager is authorized to resolve such dispute in a manner that he determines best implements the intent of this Agreement.

2.40 Rolloff Box

"Rolloff Box" means Solid Waste Collection Containers of ten (10) yards or larger, including compactors.

2.41 Single Family Dwelling

"Single Family Dwelling" means a building or lot containing one Dwelling Unit, and for purposes of this Agreement includes buildings and lots with more than one Dwelling Unit where such Dwelling Units are determined by the City to be reasonably able to receive individualized Solid Waste Collection service by the automated process utilizing Carts contemplated herein.

2.42 Solid Waste

"Solid Waste" shall mean and include all discarded putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, rubbish, construction waste, industrial waste, commercial Solid Waste, Bulky Items, and any other discarded solid, semisolid, and liquid waste permitted to be disposed of at a Class III landfill and which are included within the definition of "Nonhazardous Solid Waste" set forth in the California Code of Regulations, as it may be amended from time to time. Solid Waste does not include hazardous (Class I) waste, low-level radioactive waste, firearms, untreated medical waste, or Special Wastes as defined herein.

2.43 Solid Waste Handling Services

"Solid Waste Handling Services" means the Collection, transfer, transport, recycling, processing, and disposal of Solid Waste for Premises within the City.

2.44 Special Wastes

"Special Wastes" shall mean wastes other than Solid Waste including sewage, sludge, industrial sludge, asbestos, auto bodies, tires, used motor oil, Hazardous Waste, Animal Waste, explosive substances, firearms, radioactive materials, and other materials which may not be disposed of at a Class III landfill or which require special handling.

2.45 Temporary Service

"Temporary Service" shall mean Solid Waste Handling Services provided by Contractor on an as-needed and temporary basis to any Premises within the City in conjunction with construction, demolition, cleanup or other projects, and by use of temporarily placed Bins or Rolloff Boxes.

2.46 Term

"Term" shall have the meaning ascribed in Section 6 of this Agreement.

2.47 Transformation

"Transformation" means incineration, pyrolysis, distillation, gasification, or biological conversion other than composting. "Transformation" does not include composting.

SECTION 3.
**GRANT OF EXCLUSIVE FRANCHISE FOR SOLID WASTE
HANDLING SERVICES FROM ALL RESIDENTIAL AND
COMMERCIAL PREMISES, AND FOR PROVIDING
TEMPORARY SOLID WASTE HANDLING SERVICE**

3.1 Scope of Franchise

Except as hereinafter expressly set forth, City hereby grants to Contractor and Contractor hereby accepts from City, for the Term hereof, the exclusive contract, right, and privilege to Collect, transport, and dispose of all Solid Waste generated or accumulated within the Franchise Area. The exclusive franchise, right and privilege to provide Solid Waste Handling Services within City granted to Contractor by this Agreement shall be interpreted to be consistent with all applicable state and federal laws, now in effect and adopted during the Term of this Agreement, and the scope of this Agreement shall be limited by all applicable current and developing laws and regulations. In the event that future interpretations of current law or future enactments limit the ability of City to lawfully grant Contractor the scope of services as specifically set forth herein, Contractor agrees that the scope of this Agreement will be limited to those services and materials which may be lawfully provided, and that City shall not be responsible for any lost profits claimed by Contractor as a result thereof.

3.2 Matters Excluded from Scope of Franchise

Notwithstanding any other provisions set forth in this Agreement to the contrary, the exclusive franchise granted herein shall exclude the Collection, transportation, recycling, and disposal of:

(A) any Solid Waste otherwise within the scope of this Agreement which is transported by a Self-Hauler as that term is used in the Municipal Code, or any other City ordinance, resolution, regulation or policy, as such may be adopted or amended from time to time;

(B) any Solid Waste otherwise within the scope of this Agreement during a locally proclaimed emergency (defined as a "local emergency" pursuant to Section 8630 of the California Emergency Services Act) or subsequent recovery period, provided that Contractor lacks the ability to perform the necessary work in a timely manner, or for any other reason determined by City related to public health, safety or welfare;

(C) the sale, donation, or transfer Recyclable Material by the person or entity that generated such Recyclable Material (the "Generator") to any person or entity other than Contractor; provided, however, to the extent permitted by law, if the Generator is required to pay monetary or non-monetary consideration for the Collection, transportation, transfer, or processing of Recyclable Material to any person or entity other than Contractor, the fact that the Generator receives a reduction or discount in price (or in other terms of the consideration the Generator is required to pay) shall not be considered a sale or donation;

(D) any Solid Waste otherwise within the scope of this Agreement which is Collected or transported to a disposal or recycling facility by City agents or employees in the course and scope of services provided for the City;

(E) any Solid Waste Collected at any City sponsored event if City does not request Contractor provide Collection services for the City sponsored event;

(F) the Collection, transportation, or disposal of Hazardous Waste; universal waste; E-Waste; biohazardous waste; untreated medical waste; infectious waste; Animal Waste; used cooking fats, oils, grease and similar waste; or other materials which do not constitute Solid Waste;

(G) the Collection, transportation, and disposal of Construction and Demolition Waste by a contractor, handyman, repairman, or other similar service provider, using its own equipment, as an incidental part of the services provided to its Customers, rather than as a hauling service, provided that such waste is not Collected or transported by a third party hired for the primary purpose of Collecting and transporting said materials;

(H) the Collection, transportation, and disposal of Green Waste, including, but not limited to Green Waste and related Solid Waste by a gardener, or landscaper, as an incidental part of the gardening or landscaping services provided to its customers, rather than as a hauling service provided that such Solid Waste is not collected or transported by a third party hired for the primary purpose of Collecting and transporting said materials; and

(I) Solid Waste Handling Services provided by any Person having a legal right to continue doing so, pursuant to Public Resources Code Section 49520, et. seq., or otherwise, as long as and to the extent such legal right continues to exist; except that to the degree any territory in which Contractor has a franchise granted by another governmental entity is annexed into City during the Term, Contractor agrees the provisions of this Agreement shall apply to such territory and further acknowledges that this Agreement constitutes any notice required by the Public Resources Code in connection therewith.

SECTION 4. ENFORCEMENT OF EXCLUSIVITY

Contractor shall be responsible for enforcing the exclusivity of this Agreement. City shall reasonably assist Contractor in its efforts to enforce the exclusivity hereof. In addition, City shall adopt such ordinances or other regulations as it deems to be necessary or desirable to protect the exclusive rights granted herein. City shall have the right, but not the obligation, to enforce the exclusivity hereof, including by instituting appropriate legal proceedings, and/or to request that Contractor do so. Contractor shall have an affirmative obligation to enforce such exclusivity provisions when requested to do so by City. Contractor shall reimburse City for its reasonable legal costs, administrative costs (including staff time), or other expenses incurred in connection with City's actions to either enforce the exclusivity hereof, or to assist Contractor in doing so.

**SECTION 5.
ACCEPTANCE; WAIVER**

Contractor agrees to be bound by and comply with all the requirements of this Agreement. Contractor waives Contractor's right to challenge the terms of this Agreement under federal, state, or local law, or administrative regulation. Contractor waives any right or claim to serve the City or any part of the City under any prior grant of franchise, contract, license, or permit issued or granted by any governmental entity including any right under Section 49520 of the Public Resources Code.

**SECTION 6.
TERM**

The term of this Agreement (the "Term") shall be for an approximate period of seven (7) years commencing on the Effective Date. The Solid Waste Collection services provided to Customers shall commence on January 1, 2016 ("Service Commencement Date"). The Term of the Agreement shall end at midnight on December 31, 2022, unless this Agreement is terminated sooner pursuant to Section 18 hereof, or otherwise. Subject to Section 8.6.4, the City Council shall have the unilateral option to exercise one (1) four (4) year extension to the Term of the Agreement such that if the one (1) four (4) year extension option is exercised, the Term of the Agreement expires at midnight on December 31, 2026. Prior to exercising the extension option, the City Council may, at its discretion, require the City Manager to conduct a performance review during fiscal year 2020-2021 after receiving an advance deposit from Contractor to cover the cost of such review, in an amount subject to the City Manager's reasonable determination, and said performance review will be separate from and in addition to the performance review set forth in Section 17. This performance review may include, but is not limited to, an assessment of opportunities for Contractor to reduce vehicle miles traveled based on data acquired by Contractor pursuant to Section 9.3(Q), as well as an assessment of the greenhouse gas emissions generated by Contractor during Contractor's performance of the Agreement.

If the City Council does not exercise the option to extend the Term as set forth above, as evidenced by a formal action of the City Council taken in a duly noticed open meeting, on or before September 30, 2022 preceding the expiration of the current Term, said option shall expire and this Agreement shall automatically terminate at 11:59 p.m. on December 31, 2022. The decision to exercise said option shall be subject to the City Council's sole, absolute and unfettered discretion.

**SECTION 7.
CONDITIONS TO EFFECTIVENESS OF AGREEMENT**

The satisfaction of each and all of the conditions set out below, each of which may be waived in whole or in part by City in writing, is a condition precedent to the effectiveness of this Agreement, and a condition of Contractor's continued right to the benefits conveyed herein:

7.1 Accuracy of Representation

All representations and warranties made by Contractor and set forth in this Agreement shall be accurate, true, and correct on and as of the Effective Date of this Agreement.

7.2 Absence of Litigation

There shall be no litigation pending in any court challenging the award of this Agreement to Contractor or the execution of this Agreement or seeking to restrain or enjoin its performance.

7.3 Furnishing of Insurance and Bonds, Letter of Credits, or Asset Pledge

Contractor shall have furnished evidence of the insurance and sureties required by Sections 14 and 15 hereof, and shall comply with all ongoing requirements relating thereto.

7.4 Effectiveness of City Council Action

The City Council's action approving this Agreement shall have become effective pursuant to California law.

7.5 Payment of Fees and Costs

Contractor shall have made payment to City of all fees, costs and other payments due as more fully set forth in Section 11.

**SECTION 8.
SOLID WASTE HANDLING SERVICES
PROVIDED BY CONTRACTOR**

8.1 General

8.1.1 Equipment

Contractor shall furnish all labor, supervision, materials, supplies, and equipment necessary to provide for all services required by the terms of this Agreement.

8.1.2 Performance Standards

Contractor shall perform Solid Waste Handling Services as required hereunder in a workmanlike manner consistent with good housekeeping standards and all relevant provisions of Applicable Laws.

8.1.3 Noise and Disruption

Contractor shall perform Solid Waste Handling Services as required hereunder in such a manner as to minimize noise and other disruptive impacts including, without limitation, those upon traffic.

8.1.4 Collection Times

Contractor shall not commence Collection of Solid Waste for Customers until 7:00 a.m., nor shall such activities occur after 4:30 p.m. at Residential Premises and after 7:00 p.m. for Commercial Premises. No Solid Waste Collection shall occur on Sundays at Residential Premises or Commercial Premises, except in exceptional circumstances for which specific approval is given

by the City Manager. Solid Waste Collection shall not occur on the following holidays: New Year's Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

8.1.5 Collection Schedule

All Collection routes shall be subject to final approval by the City Manager. Customers at all Residential and Commercial Premises within the City shall have not less than one established Collection day each week. Contractor shall provide notice to each Customer of its established Collection day(s), and shall provide at least thirty (30) days' notice to Customers of any change in their established Collection day(s). Notwithstanding any provision herein to the contrary, should any established Collection day fall on a legal holiday, or on any other holiday which is observed by either a landfill or other lawful disposal site to which Solid Waste is taken for disposal, or a recycling facility to which Recyclable Material is taken, Contractor shall provide for Collection one (1) day later during the pick-up week, and the regular Collection schedule shall be resumed the following week. A pick-up week shall be defined as Monday through Saturday. Contractor may not change its established Collection schedules without obtaining the prior written consent of the City Manager.

8.1.6 Commingling of Routes

Contractor shall not during its Collection process commingle Solid Waste Collected hereunder with Solid Waste Collected in any other City, or on behalf of any other entity operating or existing within City that is not subject to this Agreement, and is specifically prohibited from combining Collection routes related to services provided pursuant to this Agreement with Collection routes for other jurisdictions it may service.

8.1.7 Replacement of Containers

Contractor shall, whenever possible, return Carts to the location where they were found (e.g., on the sidewalk or in the street gutter, adjacent to the curb) upon completing Collection. Contractor shall replace all Bins in the location upon the property of each Customer utilizing Bins designated for storage of Bins, and shall secure gates, doors, and/or enclosures when applicable.

8.1.8 Contractor's Containers

(A) City owns certain recycling containers (i.e., approximately 133 plastic Bins, 1,500 thirty-two (32) gallon Carts, and 1,500 indoor recycling containers) ("City Containers") which Contractor shall take possession of upon the Effective Date of this Agreement. Contractor may utilize the City Containers to provide the services required in this Agreement provided that all other requirements in this Agreement applicable to the City Containers are met. Notwithstanding anything in this Agreement to the contrary, Contractor acknowledges and agrees that the City Containers were obtained pursuant to a grant and Contractor shall utilize the City Containers in a manner that is consistent with the terms and conditions of said grant. The City Manager shall resolve any dispute with regards to Contractor's use of the City Containers and the terms and conditions of the respective grant.

(B) Contractor's Containers shall meet the minimum standards set forth on the attached Exhibit B.

(C) Contractor shall be responsible to maintain and replace, as necessary, all Containers.

(D) All Containers shall be maintained by Contractor in good repair, and any question as to the meaning of this standard shall be resolved by the City Manager.

(E) Contractor shall deliver Containers to each Customer at no additional charge.

(F) Contractor shall ensure it maintains an accurate list that contains the total number of Carts, Bins, and indoor recycling containers at each service address or other identifying location associated with each account and the serial number or other identifying information associated with each Cart or Bin. Contractor shall keep this list up to date at all times, provide it to City upon request, and shall include a current updated list with each annual report as set forth in Section 23.3. In addition, Contractor shall provide this list to City within thirty (30) days of the Service Commencement Date.

(G) All Carts shall be maintained by Contractor in a watertight condition, as shall all Bins which are used primarily for the disposal of Solid Waste containing liquids.

(H) Indoor recycling containers shall be provided and/or replaced at no cost upon request by Customer.

(I) Upon request and up to one time per calendar year, Contractor shall exchange a Customer's Cart for a "like new" Cart at no additional charge. In addition, within twenty-four (24) hours after notification (Sundays and holidays excepted), Contractor shall repair and maintain, remove graffiti from, and replace lost, stolen or damaged Carts at no charge to Customers. However, Contractor shall be entitled to charge Customers for the replacement of any Cart that has been damaged by a Customer's willful neglect or abuse, ordinary wear and tear excepted, with such charges being subject to the City Manager's approval and at a fee no higher than Contractor's actual cost of repair and replacement.

(J) Contractor shall, at Responsible Customer's request, refurbish, replace, and steam clean as necessary all Bins at no charge to Customers up to two times per calendar year. City may require the steam cleaning or replacement of Bins more frequently if it determines such action is needed to protect public health and safety. Additional steam cleaning or replacement shall be provided within 24 hours of notification by City or request by a Responsible Customer at a charge not to exceed the maximum rate set forth in Exhibit A hereto.

(K) Contractor shall remove any graffiti that appears on a Container within twenty-four (24) hours (Sundays and holidays excepted) after becoming aware of it at no charge to Customers.

(L) All Bins and Rolloff Boxes shall be kept freshly painted in a uniform fashion. All Bins and Rolloff Boxes shall be identified with Contractor's name and phone number in letters not less than three inches high on its exterior so as to be visible and legible when the Container is placed for use.

(M) At a Customer's request, Contractor shall provide Bins with locking lids and locks and may charge rates to Customers for locking Bins which do not exceed the maximum rates set forth on Exhibit A.

(N) Contractor shall mark its Containers with conspicuous warning notices stating disposal of Hazardous Substances in the Containers is prohibited.

(O) Contractor is responsible for cleaning and maintaining Collection Container enclosures in a manner reasonably acceptable to City, including, but not limited to, sweeping and removing litter and debris from the floor of the enclosure after each Collection and annually steam cleaning the enclosure area.

8.1.9 Missed Pick-ups

In case of a missed pick-up called in by a Customer, Contractor shall Collect Solid Waste and Recyclable Material from such Customer by 5:00 p.m. on the day of the call if Contractor was notified before 12:00 p.m. that same day or, for calls received after 12:00 p.m., within twenty-four (24) hours after the call is received. Records of the addresses of all missed pick-ups shall be maintained by Contractor, and shall be reported to City on a monthly basis in accordance with Section 23.1. If Contractor demonstrates to the satisfaction of the City Manager a pattern of ongoing late "set-outs" by a given Customer, missed pick-ups resulting from late set-outs by that Customer shall not be counted as missed pick-ups in evaluating Contractor's performance hereunder. The Customer service phone system required by Section 10.8.2 hereof is intended, among other things, to serve as a "hotline" for Customers to call in the event Solid Waste placed for Collection is not Collected by Contractor and to facilitate having such Solid Waste Collected as soon as reasonably possible, and in no event later than as required by the provisions hereof.

8.1.10 Record of Non-collection

As more fully set forth herein, Contractor shall Collect all Solid Waste placed for Collection by Customers in Containers, excepting materials that do not meet the definition of Solid Waste (such as hazardous materials) or which are commingled with such materials. Whenever Contractor determines not to Collect any Solid Waste deposited for Collection, Contractor shall leave a tag at least 2" by 6" in size, indicating the reason for Contractor's refusal to do so. This information may be either handwritten or left by means of a check system (i.e., checking off boxes on a preprinted form). The tag shall provide Contractor's business name and its local telephone number and shall be securely fastened to the Container or the article refused. Contractor shall maintain a record of all such taggings at its place of business. Such record shall contain the date of such notice, street address, reason for non-collection, and a summary of any communications between Contractor and the Customer involved. Such record shall be retained and reported to the City on a monthly basis in accordance with Section 23.1. Contractor shall follow-up with all Customers receiving a tag for non-collection by telephone within twenty-four (24) hours.

8.2 Residential Solid Waste Handling Service

8.2.1 Residential Premises – Automated Collection

Contractor shall provide each Residential Premises Customer with the number of thirty-two (32) gallon Cart(s) ("Refuse Cart(s)") and Bins ("Mixed Waste Bins") designated for the Collection of mixed Solid Waste as requested by the Responsible Customer. Upon request from any Customer Contractor shall provide any Customer requesting a larger Refuse Cart(s) with a sixty-four (64) gallon or ninety-six (96) gallon Refuse Cart at no additional charge.

Contractor shall Collect all Solid Waste placed out for Collection in a Refuse Cart not less than once per week using an automated Collection system at rates that do not exceed the maximum rates set forth in Exhibit A. Upon request from any Customer, and if approved by the Responsible Customer, Contractor shall provide such Customer with one or more additional Refuse Carts, and shall Collect all Solid Waste placed for Collection in such additional Refuse Carts at rates that do not exceed the maximum rates set forth in Exhibit A. Wherever feasible, Customers shall be directed by Contractor to place Carts for Collection on the sidewalk or in the street gutter, against the curb, in front of their Premises, or adjacent to their Premises in the alley or easement in the rear of their Premises. If a Customer and Contractor cannot agree upon a Collection location, or if City determines the selected location may cause safety or other concerns, City may make the final determination of the Collection location. The Mixed Waste Bins Contractor provides Residential Premises Customers shall meet the minimum standards set forth in Exhibit B, and Contractor shall Collect all Solid Waste placed therein for Collection not less than once per week, at rates that do not exceed the maximum rates set forth in Exhibit A. The size of Mixed Waste Bins utilized, and the frequency of their Collection, shall be mutually agreed upon by Contractor and its Responsible Customers, except that Collection shall occur not less than one time per week and City shall have the right to impose minimum requirements for Bin sizes and more frequent Collection should it determine such action is needed to protect public health, safety and welfare.

In the event of any dispute as to the adequacy of the number of Bins or Carts at any given Residential Premises, the City Manager shall have the ability to approve the number of Mixed Waste Bins or Carts used at such location.

In the event extra pickups are required at a Residential Premises in any given month, Contractor may charge the Responsible Customer for such pickups an amount that does not exceed the maximum rate for "extra dumps" or "extra pick-ups" as set forth in the attached Exhibit A.

It is the intent of the parties that the services provided under this Agreement will result in an automated Collection system that includes source separation of recyclable materials. Accordingly, if Solid Waste is routinely placed for Collection other than in a Refuse Cart or Mixed Waste Bin, Contractor shall work with the Responsible Customer involved to determine if the Customer is in need of additional or larger Refuse Carts or Mixed Waste Bins. The City Manager is authorized to require Contractor to deliver additional Refuse Carts or Mixed Waste Bins to any such Customers or to require such other action of Contractor as is reasonably deemed necessary to ensure the Collection system, including specifically the recycling programs, contemplated by this Agreement is achieved; Contractor shall Collect all Solid Waste placed for Collection in such

additional or larger Refuse Carts or Mixed Waste Bins at rates that do not exceed the maximum rates set forth in Exhibit A.

8.2.2 Walk-Out Service

Contractor shall provide eligible Residential Premises Customers with "walk-out service" as set forth in this paragraph at no additional charge. This service shall require Contractor to use its own forces to bring a Customer's Carts from the garage, backyard, side yard, or such other location of a Dwelling Unit at which the Containers are regularly stored, to Contractor's Collection Vehicle; and, after disposal of the contents thereof, returning said Containers to the location where they are regularly stored. To be eligible for this service the person at the Residential Premises shall have a DMV issued disabled person placard/license plates, and provide a letter to Contractor from a physician confirming the he or she is unable to move his/her Carts to the curb, and that to the best of the physician's knowledge there is no other capable persons living in the Residential Premises household to provide this service. Contractor may require each eligible person at the Residential Premises to provide a new letter from a physician on an annual basis in order to maintain eligibility for walk-out service. Any dispute regarding eligibility for walk-out service shall be resolved by the City Manager. Contractor may provide Customers who are not eligible for free walk-out service pursuant to the forgoing with walk-out service at a rate which shall not exceed the maximum rate set forth in Exhibit A.

Contractor may require as a condition of walk-out service that a Customer sign a standardized agreement, the terms of which shall be subject to City's approval, which authorizes entry onto the Residential Premises serviced under Customer's account and holds Contractor harmless from liability (including specifically liability related to pets escaping) associated with Contractor providing such service.

8.2.3 Residential Premises Recycling Program

Contractor shall offer and provide a recycling program to all Residential Premises (the "Recycling Program") that maximizes the recovery of materials and, at a minimum meets, the standards required under AB 341 and provides for the Collection of Recyclables in Bins and Carts. Contractor's Recycling Program shall, at a minimum, include Collection of Recyclables as specified in Sections 8.2.3.1 and 8.2.3.2. Contractor shall also assist the City in identifying any Customers whose service accounts include Multi-Family Dwellings that are not in compliance with the recycling requirements set forth in AB 341. Contractor shall be responsible for ensuring that its Recycling Program, combined with its other programs, enables it to achieve the required diversion rates specified in this Agreement and may be required to modify its program from time to time, at no additional cost to the City or Customers, to meet such diversion requirements. Contractor shall produce, keep current, and provide public information specifically outlining its Recycling Program, which shall specifically include the annual publication and distribution of a brochure describing this service to all applicable Customers in City. Contractor shall not provide source separated Collection of newspapers, telephone books, or any other Recyclables beyond that which is explicitly described in this Section 8.2.3 without prior written authorization from City.

8.2.3.1 Recycling Carts

For each corresponding Refuse Cart Customer receives, Contractor shall provide Customer with one (1) thirty-two (32) gallon Cart designated for the Collection of Recyclables (a Recycling Cart), excepting that any Customer requesting a larger Recycling Cart(s) shall instead be provided with a sixty-four (64) gallon or ninety-six (96) gallon Recycling Cart , at no additional charge. Any Customer requesting an additional Recycling Cart shall be provided a second Cart at no additional cost. Upon request from any Customer, and if approved by the Responsible Customer, Contractor shall provide such Customer with one or more additional Recycling Cart(s) (above two) at rates that do not exceed the maximum rates set forth in Exhibit A. Contractor shall Collect Recyclable Material placed in Recycling Carts for Collection on the same day as such Customer's Refuse Cart is Collected, utilizing an automated Collection process. Customers shall be directed to place Recycling Carts in the same location for Collection as Refuse Carts.

A Customer (or Responsible Customer) receiving a Recycling Cart(s) may request that Contractor remove the Recycling Cart(s) at no additional charge to Customer (or Responsible Customer) provided Contractor meets with the Customer (or Responsible Customer) and determines either: (1) there is a lack of sufficient space out of the public view for Customer to store the Recycling Cart, or (2) in the interest of public health, safety, and welfare the Recycling Cart should not be provided. In the event of any dispute as to the adequacy of the number of Recycling Cart(s) at any given location, the City Manager shall have the ability to approve the number of or removal of Recycling Cart(s) at such location. Contractor shall annually, and as requested by City, provide City with a list of Customers (or Responsible Customers), including contact information, who elect to not receive a Recycling Cart and the reasons and locations thereof. Contractor shall also annually, and as requested by City, follow up with Customers (and Responsible Customers) who elect not to receive a Recycling Cart to determine whether the Customers (or Responsible Customers) would like to begin receiving a Recycling Cart. Contractor shall provide for the removal or return of Recycling Carts to Customers (or Responsible Customers) at no additional charge.

8.2.3.2 Recycling Bins

Contractor shall provide Customer, if approved by the Responsible Customer, with the requested number of Bins ("Recycling Bins") designated for the Collection of Recyclables. Contractor shall Collect all Recyclables placed in Recycling Bins for Collection not less than once per week, at rates that do not exceed the maximum rates set forth in Exhibit A. The size of Recycling Bins utilized, and the frequency of their Collection, shall be mutually agreed upon by Contractor and its Responsible Customers, except that Collection shall occur not less than one time per week and City shall have the right to impose minimum requirements for Bin sizes and more frequent Collection should it determine such action is needed to protect public health, safety and welfare.

8.2.4 Curbside Grease Collection Program

If ever required by the applicable water and sewer district, other regulatory agency, or City, Contractor shall design a program for the collection of grease, fat, oils and similar waste generated from household cooking activities (the "Curbside Grease Collection Program") that the City

Manager finds satisfactory and approves. Contractor shall be responsible to ensure the Curbside Grease Collection Program complies with all Applicable Laws and regulations. At such time as (if) a Curbside Grease Collection Program is implemented, Contractor and City shall meet and confer in good faith to determine a fair and reasonable adjustment to the maximum rates set forth on Exhibit A in order to compensate Contractor for implementing such a program.

8.2.5 Green Waste Program

As of the Effective Date of this Agreement, source separated Green Waste generated from Residential Premises is collected by a third-party and Contractor shall not be required to provide source separated Green Waste Collection from Residential Premises. However, should source separated Green Waste generated from Residential Premises cease to be Collected by a third-party, Contractor shall, if requested by City, commence source separated Collection of that Green Waste and Contractor and City shall meet and confer in good faith to determine a fair and reasonable adjustment to the maximum rates set forth on Exhibit A in order to compensate Contractor for the source separated Collection and proper handling of Green Waste. City reserves the right to contract with a Person other than Contractor for the Collection of source separated Green Waste.

Notwithstanding the above, Contractor is required to Collect Green Waste that a Customer discards as Solid Waste and places in a Refuse Cart or Mixed Waste Bin for Collection pursuant to Section 8.2.1.

8.2.6 Bulky Item Service for Residential Premises

8.2.6.1 Monthly Bulky Item Collection

Contractor shall provide Bulky Item Collection services to Residential Premises in City at no charge on one (1) designated Saturday a month. The no-charge Bulky Item Collection service set forth in this Section shall only apply to Bulky Items generated at the Dwelling Unit. Customers shall be directed to place Bulky Items in the same location for Collection as where Customer places Refuse Carts or Mixed Waste Bins for Collection. The designated Saturdays for Bulky Item Collection shall be determined by the City and may change from time-to-time. The Bulky Item Collection may occur on a different day from the Customer's Solid Waste Collection services. Contractor shall produce, keep current, and provide public information specifically outlining its Bulky Item Collection service, which shall specifically include the annual publication and distribution of a brochure describing this service to all Residential Premises in City. Contractor may charge rates for the Collection of Bulky Items that are requested and occur outside the regularly scheduled Saturday Bulky Item Collection service day that do not exceed those rates set forth on Exhibit A, with the exception of Incidental Bulky Item Collection.

8.2.6.2 In-Home Bulky Item Collection

In addition to the services described above in Section 8.2.6.1, Contractor shall also provide In-Home Bulky Item Collection services to Residential Premises at no charge on an on-call basis. Customers are limited to scheduling two (2) In-Home Bulky Item Collection services per calendar year, with a maximum of five (5) items per scheduled In-Home Bulky Item Collection. In-Home Bulky Item Collection service shall involve Contractor removing and Collecting the requested

Bulky Items from a Customer's Dwelling Unit. All Persons who have access to a Customer's Dwelling Unit shall be bonded for the benefit of the Customer, Responsible Customer, and City against theft and any other actions which may arise from or as a result of the Person's access to the Dwelling Unit. The bond shall be in an amount approved by the City Manager. Contractor shall provide City with written evidence of such bonding in a form and content satisfactory to City fifteen (15) days prior to the Effective Date of this Agreement. Contractor shall not permit any Customer or Person, other than its duly bonded personnel, to assist with the In-Home Bulky Item Collection. In order to receive such service, residents shall provide Contractor with notice by phone of the number and type of Bulky Items to be collected. In-Home Bulky Item Collection service calls shall be responded to within a reasonable time but not longer than one (1) business day from the date of Customer's call for service, with actual Collection occurring within forty-five (45) calendar days from the date of Customer's call for service. Contractor shall produce, keep current, and provide public information specifically outlining its In-Home Bulky Item Collection service, which shall specifically include the annual publication and distribution of a brochure describing this service to residents of all Residential Premises in City.

8.2.7 Incidental Collection of Bulky Items

In addition to the services described above in Sections 8.2.6.1 and 8.2.6.2, Contractor shall also Collect Bulky Items placed out for Collection in an enclosure or adjacent to Containers at no charge ("Incidental Bulky Item Collection"). The Incidental Bulky Item Collection service shall only occur on the same day as the scheduled Collection day for the Residential Premises. It is the intent that this Incidental Bulky Item Collection shall occur on an occasional basis; however, Contractor acknowledges that City cannot control illegal dumping or abandonment of Bulky Items.

8.2.8 Bulky Item Diversion

Bulky Items Collected pursuant to this Agreement may not be landfilled until the following hierarchy of diversion efforts has been followed by Contractor:

- a. Reuse as is (if energy efficient);
- b. Disassemble for reuse or Recycling;
- c. Recycle, Transformation, other means of diversion; and
- d. Disposal.

This hierarchy is intended to preclude the use of front or rear loading packer vehicles for Bulky Items unless the compaction mechanism is not used to compact the Bulky Items. The disposition of Bulky Items shall be tracked by Contractor and this information shall be included in Contractor's quarterly reports to City.

8.2.9 Proper Handling of Bulky Items

Contractor shall properly handle all materials required to be collected as Bulky Items, including specifically items that require special handling pursuant to the Environmental Laws, such as materials that constitute "universal waste" and/or "e-waste."

8.2.10 Rolloff Service

Residential Premises shall, if requested by a Customer, receive Rolloff Collection services in the same manner as Commercial Premises as set forth in Section 8.3.1 below.

8.3 Commercial Solid Waste Handling Services

8.3.1 Commercial Bins and Rolloff Boxes

Contractor shall provide all Customers at Commercial Premises ("Commercial Customers") with at least one Cart, Bin and/or Rolloff Box for Collection of mixed Solid Waste, and shall Collect all Solid Waste placed therein for Collection not less than once per week, at rates that do not exceed the maximum rates set forth in Exhibit A. Contractor shall provide additional Containers to Customers and shall provide additional Collections upon request, if approved by the Responsible Customer where applicable, or as may be required by City's Municipal Code, health and safety requirements, or by the City Manager, and may charge rates for such services which do not exceed the maximum rates set forth in Exhibit A. Carts, Bins and Rolloff Boxes shall be Collected by Contractor from the location upon each Customer's property designated for their storage, and replaced to that location with gates and/or doors secured, as applicable, after Collection is completed, unless different arrangements are agreed upon by the Customer or Responsible Customer, where applicable, and Contractor.

8.3.2 Commercial Bulky Item Service

Contractor shall provide unlimited Bulky Item Collection services to Commercial Customers on an on-call basis. Contractor may charge rates for such services which shall not exceed the maximum rates set forth in the attached Exhibit A. Bulky Item Collection service calls shall be responded to within a reasonable time but not longer than seven (7) days from the date of the Customer's call for service. Contractor shall produce, keep current, and provide public information specifically outlining the Bulky Item pick-up service. Bulky Items Collected pursuant to this Section are subject to the diversion and handling requirements set forth in Sections 8.2.8 and 8.2.9.

8.3.3 Commercial Recycling Services

Contractor shall offer and provide a commercial recycling program (the "Commercial Recycling Program") that maximize the recovery of materials and, at a minimum meets the standards required under AB 341. Contractor may charge rates for such services which do not exceed the maximum rates set forth in Exhibit A. Contractor shall assist the City in identifying Commercial Customers, if any, that are not in compliance with the recycling requirements set forth in AB 341. Contractor shall be responsible for ensuring that its Commercial Recycling Program, combined with its other programs, enables it to achieve the required diversion rates specified in this Agreement and may be required to modify its program from time to time, at no additional cost to the City or Customers, to meet such diversion requirements. As part of Contractor's Commercial Recycling Program, Contractor shall provide Customers with the requested number of indoor Recycling containers (e.g., desktide or larger cardboard or plastic receptacles) ("Indoor Recycling Containers") to assist Customer with the source separation of Recyclable Materials. Contractor shall not charge Customers for the Indoor Recycling Containers. Contractor shall

produce and distribute to Customers as part of its public information materials instructions on proper usage of the source separated Indoor Recycling Containers. Contractor shall produce, keep current, and provide public information specifically outlining its Commercial Recycling Program, which shall specifically include the annual publication and distribution of a brochure describing this service to all applicable Customers in City.

[THE AGREEMENT WILL BE MODIFIED TO EITHER REFERENCE THE SUCCESSFUL CONTRACTOR'S PROPOSAL OR EXPLAIN WITHIN THE TEXT WHAT IT IS AND THE RELATED OBLIGATIONS.]

8.3.4 Organics Program

Contractor shall design and present a program to City that complies with the requirements of AB 1826 for an organic waste recycling program ("Organics Program"). Contractor's Organics Program shall ensure that City and Customers meet the requirements of AB 1826.

[THE AGREEMENT WILL BE MODIFIED TO EITHER REFERENCE THE SUCCESSFUL CONTRACTOR'S PROPOSAL OR EXPLAIN WITHIN THE TEXT WHAT IT IS AND THE RELATED OBLIGATIONS.]

8.3.5 Scout and Push Out Services

Certain Commercial Premises within the City Limits are uniquely configured such that Contractor may determine that a smaller vehicle may be needed to retrieve a Customer's Container in order for a regular Collection vehicle to service the Container ("Scout Service"). Certain Commercial Premises may be configured such that a Customer's Container must be manually moved in order to be serviced by a Collection Vehicle ("Push Out Service"). Contractor shall provide Scout Service and Push Out Service to Commercial Premises as it deems appropriate, however Contractor may not charge for either Scout Service or Push Out Service.

8.4 Other Collection Programs As May Be Required by Law

In the event CalRecycle, or any federal, state, or local law or regulation, imposes upon City or Contractor a requirement for the implementation of any source separated program for the Collection of any waste material (whether or not meeting the definition of Solid Waste hereunder) not already covered by this Agreement, whether Commercial or Residential in nature, Contractor shall design and present a program to City to comply with such requirement, which program shall meet the City Manager's reasonable approval ("Proposed Program"). Except with respect to programs which are required due to Contractor's failure to achieve the diversion requirements set forth herein (which programs are subject to Section 8.6.6), at such time as (if) any such Proposed Program is implemented, Contractor and City shall meet and confer in good faith to determine a fair and reasonable adjustment to the maximum rates set forth on Exhibit A in order to compensate Contractor for implementing said Proposed Program.

In determining a fair and reasonable rate adjustment, City may consider the cost to Contractor in providing the Proposed Program. If City and Contractor cannot agree on a rate adjustment for the Proposed Program within ninety (90) days from the date City first requests Contractor design and present the Proposed Program to City, then City may enter into an agreement

with another party for the services that would be provided by Contractor's Proposed Program and Contractor agrees that the Proposed Program shall be exempt from the exclusivity granted to Contractor in this Agreement.

Contractor shall present the Proposed Program within sixty (60) days of a request to do so by City. The Proposed Program shall include a detailed description of the following: (1) Containers to be used and method of Collection; (2) equipment to be used (e.g., vehicle number, models, capacity, and age); (3) number of employees required for the Proposed Program; (4) materials to be Collected; (5) promotional and public education materials; (6) a two-year projected financial analysis of the Proposed Program's operations in an operating statement format, including documentation of the key assumptions underlying the projections, and the support for those assumptions; and (7) any other information required by City to evaluate the Proposed Program.

8.5 Temporary Services

Contractor shall provide Temporary Services on an on call basis to any Customer requesting such service pursuant to the following conditions:

(A) Bins and Rolloff Boxes utilized in connection with Temporary Services shall meet the minimum standards set forth herein.

(B) No charges excepting rates not exceeding the maximum rates set forth in the attached Exhibit A related to Bins or Rolloff Boxes utilized in connection with Temporary Services shall be imposed by Contractor, unless approved in accordance with Section 8.8 (Special Services).

(C) Temporarily placed Bins may be used for small cleanup type projects at Single Family and Multi-Family Dwellings; provided, however, Bins used for such purposes shall not remain at the same address for a period that exceeds four consecutive weeks. Bins may not be placed in any public rights-of-way so as to create a safety hazard or so as to block any right-of-way to a degree that it is not reasonably usable. Bins placed in City's rights-of-way shall be subject to such requirements as may be imposed by City, and at a minimum shall be equipped with reflectors, reflective tape, reflective paint, or other reflective devices which, to the satisfaction of the City Manager, make such Bins reasonably visible to vehicle traffic at night.

(D) Contractor shall work with Customers requesting construction and demolition debris Collection services to ensure that requirements under the City's ordinance regulating the recycling and disposal of construction and demolition waste are met, including, but not limited to, ensuring that each covered project meets the minimum required diversion level. Contractor agrees to comply with all provisions of the ordinance, as may be amended from time to time, and to provide services for construction contractors in City as may be contemplated by any such ordinance at no charge (such as assistance in preparing plans for the collection, recycling and disposal of construction and demolition waste in accordance with this Agreement and providing data for reporting to the City).

(E) In addition to complying with any related requirements that may exist in any ordinance which may be in effect in City regulating construction and

demolition waste, including specific diversion levels that may be required by any such ordinance, Contractor shall make all reasonable efforts to recycle all construction and demolition waste it Collects, especially to the degree such loads contain clean inert materials. Towards this end, Contractor shall make available to Customers involved in construction separate containers within which to Collect different types of marketable materials, such as dirt, steel, concrete and wood.

8.6 Recycling Obligations and Public Education Program

8.6.1 Minimum Requirements for Recyclable Materials, Green Waste and Rolloff Boxes

Contractor shall utilize a truck dedicated for the purpose of Collecting Recyclable Materials, such that Recyclable Material Collected in Recycling Carts or Recycling Bins, once Collected, is not commingled with other Solid Waste (including Green Waste, if incorporated into this Agreement pursuant to Section 8.2.5). All material Collected by Contractor in Recycling Carts or Bins pursuant to this Agreement shall be delivered to a properly permitted facility for recycling and reuse purposes. If incorporated into this Agreement pursuant to Section 8.2.5, all Green Waste separated prior to Collection and thereafter Collected by Contractor pursuant to this Agreement (including specifically materials Collected in Green Waste Carts) shall be delivered to a properly permitted facility for recycling, mulching, composting, or alternative uses for which diversion credit is provided as may be approved by CalRecycle. Contractor shall not be entitled to a rate adjustment due to the State elimination of diversion credit for Green Waste used as alternative daily cover pursuant to AB 1594 or other Applicable Laws. All Rolloff Boxes, whether for Commercial Customers or Temporary Service shall be delivered to a properly permitted facility for recycling and reuse purposes.

8.6.2 Extent of Applicable Franchise Rights

Nothing in this Agreement shall be construed as giving Contractor the right to Collect Recyclable Material or Green Waste which has not been discarded and placed for Collection in Containers provided by Contractor in the location designated for that purpose.

8.6.3 AB 939 Obligations, Guarantee, and Indemnification

8.6.3.1 Warranties and Representations

Contractor warrants and represents that it is aware of and familiar with City's Source Reduction and Recycling Element (the "SRRE"), that it is familiar with City's waste stream, and that it has the ability to and will provide sufficient programs and services to ensure City will meet or exceed the diversion goals (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939 and AB 341, and all amendments thereto, and that it shall do so without imposing any costs or fees other than those set forth on the attached Exhibit A (including if it implements new programs to achieve such goals which are not called out herein). Stated otherwise, Contractor acknowledges that it is responsible for ensuring that its various programs achieve the diversion requirements hereunder, and that it may be required to modify its programs from time to time, at no additional cost to the City or Customers, to meet such diversion requirements. Contractor specifically acknowledges that the

City's current mandated diversion goal as set forth pursuant to the Applicable Laws is 50%, and that this is subject to possible modification pursuant to the provisions of AB 341.

8.6.3.2 Mutual Cooperation.

City and Contractor shall reasonably cooperate in good faith with all efforts by each other to meet City's diversion and other compliance requirements imposed by AB 939, AB 341 and other Applicable Laws. In this regard, City's obligations shall include, without limitation, making such petitions and applications as may be reasonably requested by Contractor for time extensions in meeting diversion goals, or other exceptions from the terms of AB 939, AB 341 and other Applicable Laws.

8.6.3.3 Waste Reduction and Program Implementation

Contractor shall implement the programs identified in the SRRE immediately upon the Service Commencement Date hereof, and will implement any programs required by any amendments or modifications thereto. In meeting this obligation Contractor shall be mindful of and comply with all requirements of the County Agreement, including specifically, without limitation, the requirements thereof generally relating to (i) the delivery of Solid Waste only to transfer stations that provide quarterly certifications of Solid Waste delivered, and (ii) the disposal of residual Solid Waste that remains after recycling processes have been completed. On and after the Service Commencement Date, Contractor shall provide City with monthly, quarterly and annual written reports in a form adequate to meet City's AB 939 and AB 341 related filing and reporting requirements to CalRecycle and to the County of Orange throughout the Term of this Agreement wherein City's performance under the above programs shall be set forth in detail. Contractor shall be responsible to prepare, or assist City with the preparation of, all reports and other information as may be required by any agency, including specifically, the State of California, in order to comply with AB 939 and/or AB 341. Contractor shall reimburse City for any costs City incurs in appearing before CalRecycle and/or the County of Orange in relation thereto.

8.6.3.4 Guarantee and Indemnification

Contractor warrants and guaranties that it will carry out its obligations under this Agreement such that: (i) both it and City will at all times be in compliance with the requirements of all Applicable Laws including specifically AB 939, AB 341 and AB 1826, and (ii) City will meet or exceed the diversion requirements (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in AB 939, AB 341 and all amendments thereto. In this regard, Contractor agrees that it will, in addition to any other requirement contained herein, at its sole cost and expense:

(A) to the extent legally permitted, defend, with counsel approved by City, indemnify, and hold harmless City and City's officials, employees, and agents from and against all fines and/or penalties and other liabilities which may be imposed by CalRecycle or any other regulatory agency if: (1) Contractor fails or refuses to timely provide information relating to its operations which is required pursuant to this Agreement or any Applicable Laws and such failure or refusal prevents or delays City from submitting reports required by Applicable Laws in a timely manner; or (2) the source reduction and

recycling goals, diversion goals, program implementation requirements, or any other requirements of Applicable Laws are not met with respect to the waste stream Collected under this Agreement;

- (B) assist City in responding to inquiries from CalRecycle;
- (C) assist City in preparing for, and participating in, any review of City's SRRE pursuant to Applicable Laws;
- (D) assist City in applying for any extension if so directed by City;
- (E) assist City in any hearing conducted by CalRecycle relating to City's compliance with Applicable Laws;
- (F) assist City with the development of and implement a public awareness and education program that is consistent with the City's SRRE, as well as any related requirements of Applicable Laws;
- (G) provide City with recycling, source reduction, and other technical assistance related to compliance with the Applicable Laws;
- (H) defend, with counsel acceptable to City, City and City's officials, employees, and agents against the imposition of fines and/or penalties, or any other liabilities, issued by CalRecycle pursuant to AB 939;
- (I) be responsible for and pay, any fees, penalties or other costs imposed against the City by CalRecycle, and indemnify and hold harmless City from and against any fines, penalties, or other liabilities, levied against it for violation of AB 939's diversion requirements, or violation of any other provision of the Applicable Laws, arising from or in any way related to Contractor's performance of its obligations under this Agreement.

8.6.4 Guaranteed Minimum Contractor Recycling Rate

Contractor shall divert a minimum of fifty percent (50%) of all Solid Waste it Collects under this Agreement for each calendar year beginning January 1, 2016 ("Recycling Diversion Requirement"). Diversion of materials not Collected by Contractor shall not be counted towards meeting the Recycling Diversion Requirement. In the event Contractor is required to commence source separated Collection of Green Waste pursuant to Section 8.2.5, City shall have the right to increase the Recycling Diversion Requirement percentage. For the purposes of this section, Contractor diversion includes only Recycling methods, Transformation, and/or other forms of converting Solid Waste into energy which are accepted by the State toward meeting the City's diversion goal under AB 939. Contractor shall not be entitled to a reduction in the Recycling Diversion Requirement, or a rate adjustment, if or when:

- Transformation or other facilities are no longer available for any reason;
- CalRecycle diversion credit under AB 939 or other Applicable Laws is no longer provided for Solid Waste sent to a Transformation facility; or

- CalRecycle diversion credit under AB 939, AB 1594, or other Applicable Laws expires for Green Waste used as alternative daily landfill cover.

To comply with this section, Contractor is required to submit timely tonnage reports supporting the Recycling Diversion Requirement, and to provide supporting documentation as may be requested by City or its designee as part of, or independent of, an audit. Failure to meet, and fully support, the Recycling Diversion Requirement may result in City assessing liquidated damages in accordance with Section 18.7.3.6 and/or termination of this Agreement pursuant to Section 18.6(H).

In addition, in order to qualify for an extension of the Term pursuant to Section 6, Contractor must divert a minimum of fifty-five percent (55%) of all Solid Waste it Collects under this Agreement for each calendar year beginning January 1, 2019. In the event the City Council extends the Term pursuant to Section 6, the Recycling Diversion Requirement above shall be increased to fifty-five percent (55%). Nothing in this paragraph requires the City Council to grant an extension of the Term.

8.6.5 Waste Generation/Characterization Studies

Contractor acknowledges that City must perform Solid Waste generation and disposal characterization studies periodically to comply with the requirements of AB 939. Contractor agrees to participate and cooperate with City and its agents and to accomplish studies and data collection and prepare reports, as needed and directed by City, to determine weights and volumes of Solid Waste Collected and characterize Solid Waste generated, disposed, transformed, diverted or otherwise handled/processed to satisfy the requirements of AB 939.

8.6.6 Implementation of Additional Diversion Services

In the event City does not meet (i) the current diversion goal of 50% imposed by AB 939, or (ii) diversion requirements as modified under AB 341 when applicable with respect to all waste generated in City, City may direct Contractor to perform additional services (including the implementation of new diversion programs) or modify the manner in which it performs existing services, and Contractor agrees to do so at no additional charge. Contractor shall seek City approval for the implementation of new diversion programs, which City may deny, approve or conditionally approve in its reasonable discretion. Pilot programs and innovative services which may entail new Collection methods, and use of new or alternative waste processing and disposal technologies are included among the kinds of changes which City may direct.

8.7 Additional Services

As part of the consideration for entering into this Agreement, Contractor shall provide the following additional services at no charge, and shall not adjust its rates to Customers to offset costs incurred in providing any of the following services:

8.7.1 Monitoring and Cleaning of Bin Enclosures

In addition to the requirements in Section 8.1.8, Contractor shall work with the City Manager in identifying and resolving continual problems with overflowing Bins or Bin enclosures,

and/or other unsanitary conditions caused by Customers. Contractor shall clean out any overflowing Bins or Bin enclosures within City within twenty-four (24) hours of notification by City or request by a Responsible Customer pursuant to Section 8.1.8.(J).

8.7.2 Public Service Calls From City Departments and Service Providers

Contractor shall, free of charge, within twenty-four (24) hours respond to calls from City, City's code enforcement and other contract service providers, the Orange County Sheriff's Department, and Orange County Fire Authority, to provide Containers for and/or dispose of Bulky Items and other Solid Waste as a result of illegal or unauthorized dumping, or other Code enforcement matters, occurring within City. Contractor agrees that if requested to provide such services in connection with abatement activities for which reimbursement is sought from the property owner by City through abatement liens or otherwise, Contractor will provide billing information sufficient for City to include it in its liens, and Contractor will be paid at such time as the abatement lien is paid, or reimbursement is otherwise obtained by City from the property owner. Upon receipt of a call for service from City made pursuant to this Section, Contractor shall advise City within four (4) hours as to when service will be provided, and unless otherwise agreed by City service shall be provided within twenty-four (24) hours.

8.7.3 Collection at City Sponsored Events

Contractor shall provide Solid Waste and Recyclable Materials Collection at all City-sponsored or supported programs and events, as requested by City. The number, type and service requirements for these programs and events may vary from year to year. This service shall include providing servicing and storing Containers (cardboard boxes and liners, Carts, Bins and/or Rolloff Boxes) to Collect and dispose of all Solid Waste generated, and providing, servicing and storing Containers to Collect and process source-separated Recyclable Materials. Contractor shall provide these services at no cost to the City, co-sponsors, or event organizers.

8.7.4 Recycling Assistance for Special Events

Contractor shall assist persons designated by City (whether City employees or private individuals) who are responsible to coordinate special events or events in large venues (such as concerts or sporting events) in the implementation of recycling programs. Contractor shall be responsible to prepare and submit to City a "waste reduction and recycling plan" prior to such events, and within 30 days following each such event shall submit a waste characterization report listing the amount of each material collected for disposal and recycling at the event.

8.7.5 Tire Recycling

Upon request by City, Contractor shall design and implement at no cost a program for the collection of illegal or unauthorized dumping of tires within City Limits (the "Tire Collection Program") that the City Manager finds satisfactory and approves. Contractor shall be responsible to ensure the Tire Collection Program complies with all Applicable Laws.

8.8 Special Services

Contractor may provide special pickup procedures or services in addition to the services described herein for Customers who request or require such services at reasonable rates established by Contractor, which rates are subject to approval by the City Manager. Contractor shall notify the City Manager of any such services prior to such time as they are provided in order to allow the City an opportunity to conduct necessary inspections, review the proposed rate, and impose appropriate regulations.

SECTION 9. MINIMUM STANDARDS FOR CONTRACTOR'S SOLID WASTE HANDLING SERVICE COLLECTION VEHICLES

9.1 General

Contractor shall provide vehicles for the Collection of Solid Waste ("Collection Vehicles") that are sufficient in number and capacity to efficiently perform the work required by this Agreement in strict accordance with its terms. Contractor is expressly obligated to provide such Collection Vehicles and routes as are required to meet the service standards set forth herein. Contractor shall have available on Collection days sufficient back-up vehicles for each type of Collection Vehicle used to respond to complaints and emergencies. Upon or prior to the Effective Date of this Agreement and prior to the start of any extension period of this Agreement pursuant to Section 6, Contractor shall provide City with a report containing the information required under South Coast Air Quality Management District's Rule 1193(d)(7).

9.2 Air Quality/Fuel Requirements

Contractor's Collection Vehicles shall comply with all rules and regulations of the South Coast Air Quality Management District, the Air Resource Board, and any other regulatory body that may be in effect during the Term of this Agreement, as well as other federal, state and local laws and regulations that may be enacted during the Term of this Agreement. Contractor's Collection Vehicles shall meet or exceed such air quality standards as may be adopted by the forgoing regulatory bodies during the Term. Contractor's Collection Vehicles shall comply with the requirements in the South Coast Air Quality Management District's Rule 1193.

9.3 Specific Requirements

Each Collection Vehicle utilized by Contractor in the performance of this Agreement shall meet the following minimum standards:

(A) Each Collection Vehicle must be fueled by Compressed Natural Gas ("CNG").

(B) Each Collection Vehicle shall be registered with the California Department of Motor Vehicles.

(C) Each Collection Vehicle shall be inspected regularly by Contractor to ensure it meets the requirements of the California Vehicle Code and the California

Highway Patrol. Contractor shall provide copies of its Biannual Inspection of Terminal ("BIT") inspection reports to City within 30 days of its receipt of such reports and shall make all records related to its vehicles, including Contractor's maintenance records, available to City upon request by the City Manager.

(D) Each Collection Vehicle shall be equipped with devices capable of covering every open section of the vehicle in which Solid Waste may be placed and, while operating upon the public rights-of-way, shall be covered so as to prevent any Solid Waste from falling or being blown or otherwise dislodged from the vehicle.

(E) Each Collection Vehicle shall be continuously maintained so as to both: (1) meet the highest industry standards with regards to efforts to prevent liquid from leaking and to the degree possible ensure each Collection Vehicle is "watertight" and "leak-proof" and, (2) at all times comply with the provisions of all laws and regulations including the Vehicle Code and any applicable NPDES permit, with regard to materials leaking from Collection Vehicles. Contractor shall be responsible to promptly clean any spillage or Solid Waste that leaks or otherwise escapes the vehicle.

(F) As frequently as determined necessary by the City Manager, each Collection Vehicle shall be painted, shall have routine body work performed, and shall be cleaned, so that such vehicles do not become unsightly, as determined by the City Manager. Each vehicle shall be painted with Contractor's colors and identifying information as required herein.

(G) Contractor's name, local or toll free telephone number, and a vehicle number shall be visibly printed or painted in letters not less than five (5) inches in height so as to be legible on both sides of each Collection Vehicle. Any other information or signage printed, painted, or displayed on Contractor's Collection Vehicles, when such Vehicles are providing Collection services within City Limits, shall be subject to approval by City.

(H) Each Collection Vehicle shall be maintained in a clean and sanitary condition both inside and out.

(I) Each Collection Vehicle shall carry a broom, shovel, and operable fire extinguisher, and shall be equipped with a communication device sufficient to allow the driver to communicate directly with Contractor's dispatcher and/or main office.

(J) Each Collection Vehicle shall be kept in good repair and working order, and shall be equipped with appropriate safety equipment, including any new safety related technologies that become standard in the waste industry, and at a minimum shall have a video monitor based back-up system, or its equivalent. Contractor shall keep a sufficient supply of replacement parts and equipment on hand to ensure adequate vehicle maintenance and timely and continuous performance of the services contemplated by this Agreement.

(K) Contractor shall inspect each Collection Vehicle daily to ensure that all equipment is operating properly. Collection Vehicles which are not operating properly

shall be removed from service until repaired and operating properly. Contractor shall perform all scheduled maintenance functions upon Collection Vehicles in accordance with the manufacturer's specifications and schedule. Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition. Contractor shall keep accurate records of all Collection Vehicle maintenance and repair, recorded according to date and mileage, including signed verifications that repairs and maintenance has been properly performed, and shall make such records available to City upon request.

(L) No Collection Vehicle shall be utilized if it is leaking brake, hydraulic, or other fluids, and Contractor shall clean up any leaks or spills from their vehicles per the NPDES permits in effect at the time. No fluids shall be washed into storm drains at any time. All NPDES dry-cleaning measures shall be complied with. All Collection Vehicles must be equipped with absorbent for such cleanup efforts.

(M) Upon request, Contractor shall furnish City a written inventory of all equipment, including Collection Vehicles, used in providing service pursuant to this Agreement. This inventory shall list all equipment by manufacturer, ID number, date of acquisition, type and capacity.

(N) Contractor shall utilize Collection Vehicles of a size, weight, nature, and type so as to not be unreasonably intrusive on the community with respect to noise, emissions, maneuverability, safety, and other factors and to avoid or minimize pavement damage and wear and tear of the street or adjacent properties, as approved by the City Manager.

(O) Contractor shall not load Collection Vehicles in excess of the manufacturer's recommendations or limitations imposed by state or local laws or regulations.

(P) Noise levels of equipment used for Collection shall not exceed 75db (seventy-five decibels) when measured at a distance of twenty-five (25) feet from the vehicle, five (5) feet from the ground; provided, however, in the event there is any conflict with this section and the noises levels permitted under the City's Municipal Code, as such may be amended from time to time, the provisions in the City's Municipal Code shall apply. Contractor shall submit to City, upon City's request, a certificate of Collection Vehicle noise level testing, by an independent testing entity, for any Collection Vehicle. Nothing in this Agreement shall be construed as granting Contractor any rights or waivers to violate any Applicable Laws.

(Q) At the start of the Term, all Collection Vehicles shall be less than two (2) years old. It is the intent that the Collection Vehicles placed into service at the start of the Term shall continue to be used throughout the Term. Contractor may, however, at any time during the Term replace the Collection Vehicles currently in use with newer Collection Vehicles.

(R) All Collection Vehicles used by Contractor to perform Collection services under this Agreement shall be equipped with on-board routing systems capable of tracking vehicle miles traveled (VMT). VMT systems must be capable of generating reports as requested by City. In addition, all Collection Vehicles shall, at a minimum, be equipped with a global positioning system (GPS) and Contractor shall be able to provide evidence of the route location of each Collection Vehicle throughout each service day. City, in its sole discretion, may grant Contractor a waiver of this requirement due to the unavailability of equipment or delays in manufacture; evidence of such unavailability or delay shall be used by City to determine the period for which the waiver shall apply.

9.4 Costs of Operation and Damages

Contractor shall be responsible for any costs incurred in connection with ensuring all Collection Vehicles comply with all Applicable Laws, including without limitation any such laws and regulations that may now exist or hereinafter be adopted relating to noise, fuels, emission standards, or weight limits.

9.5 City Inspection

City may cause or require any Collection Vehicle used in performance of this Agreement to be inspected and tested at any time and in such manner as may be appropriate to determine that the vehicle is being maintained in compliance with the provisions of this Agreement.

9.6 Correction of Defects and Removal of Vehicles from Use within City

Contractor agrees to immediately remove from service, and replace or repair, to the City's satisfaction, any Collection Vehicle which City determines to be of unsightly appearance, unsafe, unsanitary, leaking, out of compliance with any law or regulation or this Agreement, or otherwise in an unsatisfactory operating condition; and any such vehicle shall not be returned to service until the City Manager gives his written consent for its return.

SECTION 10. CONTRACTOR'S SOLID WASTE HANDLING SERVICE PERSONNEL

10.1 Uniforms

Each of Contractor's Collection employees shall wear a clean uniform bearing Contractor's name. Uniforms must be well maintained and in good condition.

10.2 Identification of Employees

Contractor shall provide identification badges, cards or similar devices, for all of its employees, and all authorized subcontractors, who may make personal contact with residents of the City. City may require Contractor to notify Customers yearly, or more frequently if determined necessary by City, of the form of said identification.

10.3 Employee List

Contractor shall provide a list of current employees and authorized subcontractors to City upon request.

10.4 Driver's License

Each employee operating a vehicle as part of his or her duties shall, at all times, carry a valid operator's license for the type of vehicle he or she is operating.

10.5 Screening of Field Employees

Contractor shall make reasonable efforts to determine if its employees working in the field (i.e., drivers of Collection Vehicles, and employees otherwise involved in Collection at Customer Premises) have been convicted of a felony, and shall identify any such employees known to it to City. City shall have the ability to require that any employee so identified by Contractor not work in the field within City.

10.6 Discontinued Use of Unsatisfactory Employees

No employee shall continue to have any involvement whatsoever with regard to any work in anyway relating to or arising from this Agreement if City gives notice to Contractor that such employee is determined by City to be discourteous, disorderly, inefficient, unable to communicate effectively with Customers, or otherwise objectionable (provided the term "otherwise objectionable" shall not permit City to "ban" an employee for reasons that violate public policy; and, further, City shall give a reason for requesting the "ban" of any employee from engaging in work related to this Agreement).

10.7 Training and Legal Compliance

Contractor shall provide operating and safety training that meets minimum OSHA standards for all personnel, and shall comply with all laws and regulations applicable to its employees and personnel. Contractor shall periodically train employees on all the specific requirements of this Agreement applicable to the employee's effective performance of his or her duties. Not less than once per calendar year, Contractor shall be required to submit to City a copy of the training material, as well as, record documentation demonstrating the "Agreement-specific" training has occurred. In addition, Contractor shall require that all new employees with duties related to this Agreement receive the above "Agreement-specific" training as part of the orientation process, and Contractor shall provide documentation to City demonstrating said training has occurred.

10.8 Customer Service

10.8.1 Office Hours

Contractor shall maintain a local office, within 50 miles of City, for communication with the public that at a minimum will be open from 8:00 a.m. to 5:00 p.m. Monday through Friday, holidays excepted. At least one responsible and qualified representative of Contractor, capable of

communicating in English and Spanish, shall be present and available during all times that an office is required to be open as noted above ("Office Hours"), for personal communication with the public regarding Billings (including the acceptance of in person Bill payments), complaints, customer service inquiries, etc. and a similarly qualified person shall be available for communication with the public by phone during any times other than Office Hours when Collection is occurring.

10.8.2 Telephone Customer Service Requirements

10.8.2.1 Toll Free Number

Contractor shall maintain a toll free telephone number that rings at an office at all times during Office Hours. Both English and Spanish speaking personnel will be available during Office Hours to assist Customers with telephonic inquiries. Contractor shall have the ability (through the use of outside resources or otherwise) to communicate with Customers who only speak Spanish, Korean, Mandarin Chinese, or Tagalog to ensure their inquiries, questions, complaints and other matters are dealt with in a reasonably timely fashion. All such personnel shall be polite and responsive, and shall be sufficiently knowledgeable, and have the authority to respond and/or advise Customers seeking assistance. Contractor's telephone system shall be adequate to handle the volume of calls typically experienced on the busiest days. Contractor shall provide City with a 24-hour emergency telephone number to a live person, not voice-mail.

10.8.2.2 Call Responsiveness

Contractor shall make reasonable attempts to answer all phone calls within five (5) rings. If a call has been placed on hold for three (3) minutes, the caller will either be switched to a message center which shall be responsible to obtain the caller's address and phone number, or a Customer service representative will obtain the Customer's address and a number at which the call can be returned. Contractor shall make at least three attempts within the next twenty-four (24) hour period to return the call, with the first such attempt not more than one (1) hour after the caller leaves the message. If Contractor is unsuccessful in contacting the Customer after following this procedure, it shall send a letter to the caller indicating its efforts.

10.8.3 Complaint Documentation

All service complaints shall be directed to Contractor. Contractor shall log all complaints received and said log shall include the date and time the complaint was received, the name, address and telephone number of the complaining party, a description of the complaint, the name of the employee recording the complaint and the action taken by Contractor to respond to and remedy the complaint. All written Customer complaints and inquiries shall be date-stamped when received. All complaints shall be initially responded to within one (1) business day (Monday through Friday) of receipt. Contractor shall log action taken to respond to and remedy the complaint. Daily logs of complaints shall be retained for a minimum of twenty-four (24) months. All Customer service records and logs kept by Contractor shall be available to City upon request. City shall, at any time during regular Office Hours, have access to Contractor's Customer service

department for purposes that may include monitoring the quality of Customer service or researching Customer complaints. Contractor shall provide to City on a monthly, quarterly, and annual basis, a complaint log, in a form satisfactory to the City, that includes all of the complaints logged pursuant to this Section, the complainant and the resolution.

10.8.4 Resolution of Customer Complaints

Disputes between Contractor and its Customers regarding the services provided in accordance with this Agreement may be resolved by the City. The City's decision shall be final and binding. Should Contractor and Customers not be able to establish a mutually acceptable fee to be charged for special services as set forth in Section 8.8, the matter shall be dealt with pursuant to this Section, be determined by the City, and the City's decision shall be final. Intervention by the City is not a condition precedent to any rights or remedies third parties might otherwise have in any dispute with Contractor. Nothing in this Section is intended to affect the remedies of third parties against Contractor.

10.8.5 Government Liaison

Contractor shall designate in writing a "Government Liaison" who shall be responsible for working with City and/or City's designated representative(s) to resolve Customer complaints. City shall have the right to approve Contractor's choice for a liaison. It is anticipated that the Government Liaison will regularly attend City meetings related to Contractor's performance of the Agreement and City events involving community outreach programs.

10.9 Education and Public Awareness

10.9.1 General

Contractor acknowledges and agrees that education and public awareness are critical, key and essential elements of any efforts to achieve the requirements of AB 939 and AB 341. Accordingly, Contractor agrees to exploit opportunities to expand public and Customer knowledge concerning needs and methods to reduce, reuse and recycle Solid Waste and to cooperate fully with City in this regard.

10.9.2 Written Program Materials

Contractor shall maintain a program of providing information relevant to the need and the methods to reduce, reuse and recycle Solid Waste, and Contractor upon request from City, may include such information along with bills provided to Customers. All public education materials shall be approved in advance by City, be produced and/or made available in both English and Spanish languages, and bear the City seal unless otherwise approved by City. Contractor shall keep a record of all promotional and public education materials utilized, and shall provide quarterly reports summarizing its public outreach and education efforts.

10.9.3 Public Outreach

At a minimum, Contractor shall promote recycling through presentations and educational materials to businesses, business groups, homeowners associations, construction contractors and

other civic groups. Contractor shall also provide articles on relevant waste and recycling topics for the City's website on at least a bi-monthly basis.

10.9.4 Corrective Action Notice

Contractor shall develop a corrective action notification form for use in instances where a Customer sets out inappropriate materials for Collection that explains the appropriate manner for disposal of such items.

10.9.5 Contractor Representative

Contractor shall retain on its staff an individual who shall as part of his or her job function routinely visit civic groups, and homeowners' associations, to promote and explain the Recycling and other programs that Contractor offers, and participate in demonstrations, and civic events.

SECTION 11. CONTRACTOR'S CONSIDERATION

In addition to any other consideration set forth herein, as part of its consideration for entering this Agreement, and for the exclusive franchise, right and privilege to provide Solid Waste Handling Services within City as specified herein Contractor shall provide the following:

11.1 Reimbursement of Negotiation Costs

Concurrently with the execution of this Agreement, Contractor shall pay to City a one-time lump sum payment in the amount of fifty-five thousand dollars (\$55,000), to reimburse the City for its actual staff expenses and out-of-pocket costs (including specifically consultant and legal fees) it incurred in connection with the Request for Proposals ("RFP") process for Solid Waste Handling Services, the negotiation of this Agreement, and ultimate award of this Agreement.

11.2 Franchise Fee

Contractor shall pay to City, a franchise fee equal to the greater of five percent (5%) of Contractor's annual Gross Receipts each year, or portion thereof, throughout the Term of this Agreement or seventy thousand dollars (\$70,000) (the "Franchise Fee"). Said Franchise Fee shall be paid to City monthly on or before the last day of the following month. Should any such due date fall on a weekend or holiday in which the City's business offices are closed, payment shall be due on the first day thereafter in which the City's business offices are open. The amount of each payment shall be equal to five percent (5%) of Contractor's Gross Receipts in the calendar month preceding the date payment was due. The Franchise Fee due hereunder shall apply to Gross Receipts of Contractor collected after the expiration of the Term hereof relating to Contractor's performance during the Term hereof. Franchise Fees shall be accompanied by a statement certified by an officer of Contractor attesting to the accuracy of the amounts paid, and setting forth the basis for their calculation in a manner acceptable to City.

As part of the twelfth and final Franchise Fee payment for each year (defined as July 1 through June 30) of this Agreement, Contractor shall prepare an accounting of all Franchise Fee payments for that year to determine if the minimum seventy thousand dollar (\$70,000) requirement

has been met. If it has not, the Franchise Fee payment for that twelfth and final month of the contract year, established herein, will include the additional amount required to meet the \$70,000 requirement.

11.3 Services at City Facilities

Contractor shall provide Collection services at all Premises owned and/or operated by the City, at no cost to City and shall provide Containers for such service as City deems appropriate for each of its various Premises (i.e., Carts, Bins or Rolloff Boxes). Collection services Contractor provides for City Premises may include, but is not limited to, Collection of Recyclable Materials and white paper. Such services shall be provided for all existing City facilities, as they may be expanded from time to time, as well as all new or additional facilities acquired/constructed during the Term hereof at no additional cost. Contractor shall carry out its obligations pursuant to this provision in a manner, and to a degree, approved by the City Manager.

11.4 Waste and Recycling Services Reimbursement

On or before April 30 and November 30 of each year thereafter, Contractor shall make a payment to City in the amount more fully set forth in this paragraph intended to defray its administrative costs related to this Agreement and waste management activities the City performs (the "Waste and Recycling Services Reimbursement"). The Waste and Recycling Services Reimbursement is intended to cover, but is not limited to or required to be applied to, the following: ongoing compliance review as noticed in Section 28.3, City's legal and consultant fees incurred in administration of this Agreement, City promotion of waste management through its website, local cable television station, community newsletters, and materials provided at City Hall, Household Hazardous Waste and e-waste Collection, paper shredding events, a SHARPS mail-in service, and City Hall drop-off location for medications, small electronics, batteries, and fluorescent bulbs. The total amount of the biannual Waste and Recycling Services Reimbursement shall be One Hundred and Fifty Thousand Dollars (\$150,000.00) [increased annually by any positive change in CPI as calculated under Section 24.3], payable in two installments of Seventy-Five Thousand Dollars (\$75,000.00) [increased annually by any positive change in CPI as calculated under Section 24.3] each due on or before April 30 and November 30 of each year during the Term of the Agreement. City shall not be required to send Contractor an invoice for the Waste and Recycling Services Reimbursement, and instead Contractor's Seventy-Five Thousand Dollars (\$75,000.00) installment obligation shall automatically become due on April 30 and November 30 of each year during the Term of the Agreement.

SECTION 12. CHARGE FOR LATE PAYMENTS

In the event Contractor fails to timely make any of the payments provided for in this Agreement (whether reimbursements, Franchise Fees, payments of funds collected in connection with billing services, or otherwise), Contractor shall pay to City, as additional consideration, a sum of money equal to five percent (5%) of the amount due. This amount is required in order to defray those additional expenses and costs incurred by City by reason of the delinquent payment including, but not limited to, the cost of administering, accounting for, and collecting said delinquent payment and the cost to City of postponing services and projects necessitated by the

delay in receiving the revenue. In addition, any amounts not paid to City by Contractor within sixty (60) days of the due date shall be subject to interest in the amount of ten percent (10%) per annum, calculated on a daily basis for each day such sums remain past due.

SECTION 13. CONTRACTOR'S BILLING SERVICES AND SYSTEMS

13.1 Billing

Contractor shall provide services pursuant to this Agreement at rates it sets, charges to, and collects from Customers and Responsible Customers; provided, however, Contractor's rates shall not exceed those set forth in the attached Exhibit A, which sets out the maximum rates that may be charged by Contractor for the various different service options that may occur hereunder, as such maximum rates may be adjusted from time to time pursuant to the terms hereof. Contractor shall provide all Customers, or Responsible Customers, where applicable, with itemized Bills, detailing charges for all services, including charges for late payments, as well as the period of service to which the Bill applies. Contractor acknowledges that it, and not Customers nor Responsible Customers, is to pay a Franchise Fee and the other fees noted herein to City as consideration for this Agreement. Accordingly, Contractor's Bills shall not include separate itemization of a "Franchise Fee" or other similar designation relating to fees which Contractor is required to pay to City.

Billings may be made on a monthly basis for all Customers and Responsible Customers. Premises ordering service after the first of the month or canceling service prior to the end of the month shall be charged on a prorated per-pickup basis.

13.1.1 Suspension of Service Due to Non-Payment

Contractor may discontinue service to any Customer, or Responsible Customer, where applicable, as set forth in this Section. Customers or Responsible Customers who have not remitted required payments within sixty (60) days after the date of Billing shall be notified on forms approved by the City Manager. Said forms shall contain a statement that services may be discontinued fifteen (15) days from the date of the notice if payment is not made before that time. If payment is not made by the expiration of said fifteen (15) day period, Contractor must contact City and advise of the delinquency and may discontinue service to that Customer or Responsible Customer, forty-eight (48) hours thereafter with City's prior consent. Contractor shall resume Solid Waste Collection on the next regularly scheduled Collection day for any Customer or Responsible Customer whose service is discontinued upon receipt of payment of delinquent fees and any related service restart charges in accordance with the maximum rates set forth in Exhibit A, or at such sooner time as directed to do so by City. Contractor may not charge for service during any period in which service was suspended. Any delinquent fees or service charges to be imposed in connection with delinquent accounts shall be set by Contractor and be subject to City Manager approval. A deposit equal to the maximum rate for one month's service as set forth on Exhibit A, as such rates may be amended from time to time, may be required of accounts which have been discontinued for non-payment prior to re-instituting service at such accounts. Notwithstanding the above, in the event of a Billing dispute and/or to avoid negatively impacting public health or safety, Contractor shall not suspend service to any Customer or Responsible

Customer without the City's prior consent, and shall continue to provide service to any Customer or Responsible Customer if directed to do so by City without regard to the status of said Customer's or Responsible Customer's account.

13.2 Minimum Requirements for Billing Statements

Bills shall be prepared and provided in a manner that adequately presents the services rendered in an easy to understand and verifiable format. The format of Contractor's Bills must be approved by City prior to the commencement of Solid Waste Collection services under this Agreement. City reserves the right to require changes to the Bill format during the Term of this Agreement. In addition to any other pertinent data, Billing statements mailed by Contractor shall be printed to contain the following information, and the language contemplated for compliance with this requirement shall be subject to the City Manager's approval:

(A) A "statement date" indicating the date the Bill is generated and mailed.

(B) A notice to Customers or Responsible Customers that payments are due within thirty (30) days of the statement date, an advisement that the Customer's or Responsible Customer's account will become delinquent if payment is not received by the 60th day following the statement date, an advisement of the date and time by which payments must be received in order to avoid delinquent fees (i.e., 4:00 p.m. on the 75th day following the statement date), and a notification of the amount of fees that will be imposed and the potential for service interruptions if payments are not received by the specified date and time.

(C) An advisement to Customers and Responsible Customers that payment can be made in the following manner:

- (1) by mailing payment to Contractor at such address as Contractor may designate;
- (2) by automatic withdrawal from a checking account;
- (3) by major credit card on-line (i.e., via the Internet); or
- (4) in person at Contractor's local office pursuant to Section 10.8.1 by cash, check, credit card or other acceptable forms of payment.

(D) An advisement that inquiries relating to Solid Waste Collection should be directed to Contractor, including an address, phone number and internet site, for such inquiries.

13.3 Billing System

13.3.1 Computerization of Account Information

Contractor shall provide and maintain, at its expense, computer equipment sufficient to operate pertinent computer programs and otherwise provide the services required by this Section.

Contractor shall create, at its own expense, computer programs sufficient to operate a computerized billing system, permanently maintain all account records and otherwise meet the requirements of this Section.

13.3.2 Minimum Computer Programming Requirements

In addition to any other requirements set forth herein, the programs created by Contractor to operate and maintain the billing system shall at a minimum be able to perform the following functions:

(A) create a permanent record of any adjustment to a Customer's or Responsible Customer's account;

(B) work in connection with a backup system such that all Customer and Responsible Customer account data and records are protected from a computer failure and permanently preserved on not less than a daily basis; and

(C) allow Customers or Responsible Customers to make payments on-line (i.e., via the Internet) by a major credit card, automatic withdrawal from a checking account, mail, cash or other acceptable forms of payment.

13.3.3 Billing Inquiries

All Billing inquiries shall be entered into the computerized billing system. Contractor's computer programs shall keep a permanent record of all Billing inquiries and all adjustments to Customer's or Responsible Customer's Bills resulting therefrom.

13.4 Payment, Accounting Systems

13.4.1 Collection and Processing of Payments

13.4.1.1 Accounting and Deposit of Funds

All payments received by Contractor shall be appropriately credited to Customer and Responsible Customer accounts, deposited in a bank account and accounted for in a businesslike manner utilizing generally accepted accounting principles. To facilitate audits and record keeping Contractor shall make all withdrawals from its bank accounts by check, ACH debit/credit or wire, regardless of whether the withdrawal is to provide funds to City, Contractor, or any permissible subcontractor of Contractor.

13.4.1.2 Allocation of Funds

With respect to payments received from each Customer or Responsible Customer, unless a Customer or Responsible Customer specifically directs a different allocation, funds shall be allocated first to outstanding charges for Solid Waste Collection, from oldest to most recent charges, then to any related delinquency fees or service charges, and lastly to other administrative charges, up to the amount of any outstanding balance. Any overpayment shall be credited to future Bills in the same sequence, or returned to Customers or Responsible Customers as appropriate.

SECTION 14.
FAITHFUL PERFORMANCE

14.1 Surety

Contemporaneously with execution of this Agreement, as security for Contractor's faithful performance of all obligations of this Agreement, Contractor shall provide a surety mechanism (the "Surety") as more fully defined below in the amount of One Hundred and Fifty Thousand Dollars (\$150,000.00). The Surety may be comprised of either a performance bond or an irrevocable letter of credit, or a combination of both. If a letter of credit is utilized to satisfy some or all of the Surety requirement, it shall be drawn upon a financial institution with an office within one hundred (100) miles of City, and otherwise in a form acceptable to the City Attorney. The performance bond, if any, shall be issued by a duly authorized corporate surety company authorized to do business in California, and in a form acceptable to the City Attorney. The cost of the Surety shall be the sole responsibility of Contractor. The Surety shall be released within thirty (30) days after both (i) the expiration of the Term of this Agreement; and (ii) Contractor's satisfactory performance of all obligations hereunder.

14.1.1 Forfeiture of Surety

In the event Contractor shall for any reason become unable to, or fail in any way to, perform as required by this Agreement, City may declare a portion or all of the Surety, as may be necessary to recompense and make whole the City, forfeited to the City. Upon partial or full forfeiture of the Surety, Contractor shall restore the Surety to its original amount within thirty (30) days of the City's notice to do so. Failure to restore the Surety to its full amount within thirty (30) days shall be a material breach of this Agreement.

14.1.2 Use of Surety by City

Notwithstanding any provision hereof to the contrary, thirty (30) days following City providing Contractor with written notice of its failure to pay City any amount owing under this Agreement, either the letter of credit or performance bond comprising the Surety may be utilized by City for purposes including, but not limited to: (1) Payment of sums due under the terms of this Agreement which Contractor has failed to timely pay to City, including specifically liquidated damages; and (2) Reimbursement of costs borne by City to correct violations of this Agreement not corrected by Contractor.

14.2 Cash Bond

Contemporaneously with execution of this Agreement, as security for Contractor's faithful performance of all obligations of this Agreement, Contractor shall also provide City with a cash bond ("Cash Bond") as more fully defined below in the amount of Fifty Thousand Dollars (\$50,000.00). The Cash Bond may be comprised of either a cash deposit or an irrevocable letter of credit, or a combination of both. If a letter of credit is utilized to satisfy some or all of the Cash Bond requirement, it shall be drawn upon a financial institution with an office within one hundred (100) miles of City, and otherwise in a form acceptable to the City Attorney. The cash deposit, if any, shall be deposited in an interest-bearing account at a financial institution with an office within one hundred (100) miles of City that is acceptable to the City Attorney. All interest on a cash

deposit, if any, shall accrue to Contractor. Any costs associated with the Cash Bond shall be the sole responsibility of Contractor. The Cash Bond shall be released within thirty (30) days after both (i) the expiration of the Term of this Agreement; and (ii) Contractor's satisfactory performance of all obligations hereunder.

14.2.1 Forfeiture of Cash Bond

In the event Contractor shall for any reason become unable to, or fail in any way to, perform as required by this Agreement, City may declare a portion or all of the Cash Bond, as may be necessary to recompense and make whole the City, forfeited to the City. Upon partial or full forfeiture of the Cash Bond, Contractor shall restore the Cash Bond to its original amount within thirty (30) days of the City's notice to do so. Failure to restore the Cash Bond to its full amount within thirty (30) days shall be a material breach of this Agreement.

14.2.2 Use of Cash Bond by City

Notwithstanding any provision hereof to the contrary, thirty (30) days following City providing Contractor with written notice of its failure to pay City any amount owing under this Agreement, either the letter of credit or cash deposit comprising the Cash Bond may be utilized by City for purposes including, but not limited to: (1) Payment of sums due under the terms of this Agreement which Contractor has failed to timely pay to City, including specifically liquidated damages; and (2) Reimbursement of costs borne by City to correct violations of this Agreement not corrected by Contractor.

14.3 Replacement Letter of Credit

City may draw upon the entire letter of credit (if any) utilized to meet Contractor's obligations pertaining to the Surety and Cash Bond, and convert it to a cash deposit, if Contractor fails to cause the letter of credit to be extended or replaced with another satisfactory letter of credit no later than sixty (60) days prior to its expiration.

SECTION 15. INSURANCE COVERAGE

Contractor shall procure and maintain during the entire Term of this Agreement the following types of insurance, and shall maintain the following minimum levels of coverage, which shall apply to any claims which may arise from or in connection with Contractor's performance hereunder or the actions or inactions of any of Contractor's officers, agents, representatives, employees, or subcontractors in connection with Contractor's performance. The insurance requirements hereunder in no way limit Contractor's various defense and indemnification obligations, or any other obligations as set forth herein.

15.1 Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The most recent editions of Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 00 01).

2. The most recent editions of Insurance Services Office form number CA 00 01 1001 covering Automobile Liability, code 1 "any auto".

3. Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.

15.2 Minimum Limits of Insurance

Contractor shall maintain in force for the Term of this Agreement limits no less than:

15.2.1 Comprehensive General Liability

Ten Million Dollars (\$10,000,000.00) limit aggregate and Five Million Dollars (\$5,000,000.00) limit per occurrence for bodily injury, personal injury and property damage. Such limits can be achieved through a combination of primary and excess liability policies.

15.2.2 Automobile Liability

Ten Million Dollars (\$10,000,000.00) limit aggregate and Five Million Dollars (\$5,000,000.00) limit per accident for bodily injury and property damage. Such limits can be achieved through a combination of primary and excess liability policies.

15.2.3 Workers' Compensation and Employers Liability

Workers' compensation statutory limits as required by the Labor Code of the State of California and Employers Liability limits of One Million Dollars (\$1,000,000.00) per accident.

15.3 Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by City. If, in the reasonable opinion of the City, Contractor does not have sufficient financial resources to protect the City from exposure with respect to any deductibles or self-insured retentions Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

15.4 Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

15.4.1 General Liability

City and its elected and appointed officials, officers, employees, agents and volunteers shall be named as additional insureds in connection with liability arising out of activities performed by or on behalf of Contractor; Premises owned, leased or used by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City or its elected and appointed officials, officers, employees, agents and volunteers. Contractor's insurance coverage shall be the primary insurance for the City and its elected and appointed officials, officers, employees, agents and volunteers in connection with the above enumerated categories. Any

insurance or self-insurance maintained by City or its elected and appointed officials, officers, employees, agents and volunteers shall be in excess of Contractor's insurance and shall not contribute with it. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to City or its elected and appointed officials, officers, employees, agents and volunteers. Coverage shall state that Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

15.4.2 Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against City and its elected and appointed officials, officers, employees, agents and volunteers for losses arising from work performed by Contractor for City. A Waiver of Subrogation Endorsement must be issued to City by the insurer.

15.4.3 Environmental Pollution Control Insurance

Contractor shall maintain either an endorsement to its general liability policy, or a separate policy of insurance covering environmental pollution and contamination that names the City as an additional insured. Said coverage shall be in the amount of not less than One Million Dollars (\$1,000,000) per occurrence, and One Million Dollars (\$1,000,000) in the aggregate, and shall substantially comply with all other provisions set forth in Section 15.4.1.

15.4.4 All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to City.

15.5 Acceptability of Insurers

The insurance policies required by this Section shall be issued by an insurance company or companies authorized to do business in the State of California and with a rating in the most recent edition of Best's Insurance Reports of size category VII or larger and a rating classification of A or better, unless otherwise approved by the City Manager.

15.6 Verification of Coverage

Contractor shall furnish City with certificates of insurance and with original endorsements affecting coverage required by this Article. The certificates and endorsements for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms provided by or acceptable to City and are to be received and approved by City before work commences. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

15.7 Loss or Reduction in Insurance

In the event that Contractor fails to retain or maintain insurance with the scope and amounts of coverage required hereunder, City shall have the right, but not the obligation to either terminate this Agreement, or obtain insurance coverage as required herein on behalf of Contractor and utilize funds from the Initial Surety and/or Agreement Surety defined in Section 14 to pay the cost of providing such coverage.

SECTION 16. ASSIGNMENT, SUBLETTING, AND TRANSFER; REQUIREMENTS AND LIMITATIONS

16.1 General

Contractor shall not assign any portion of or all of its rights, nor delegate, subcontract or otherwise transfer any portion of or all of its obligations under this Agreement (collectively referred to as an "Assignment") to any other Person without the prior approval by the City Council. The City Council has unfettered discretion to approve or deny such an Assignment. The City Council's exercise of its unfettered discretion may include City Council review and approval of any Assignment terms, including, but not limited to, insurance obligations, indemnification language, bonding requirements, and any and all other terms the City Council may in its unfettered discretion require. Any such Assignment made without the approval by the City Council shall be void and the attempted Assignment shall constitute a material breach of this Agreement.

16.2 Assignment to be Broadly Interpreted

For purposes of this Section, the term "Assignment" shall be given the broadest possible interpretation, and shall include, but not be limited to: (i) a sale, exchange or other transfer of substantially all of Contractor's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of any membership interest of Contractor to a third party; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, 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 those resulting from mergers or acquisitions by or of Contractor or any of its Affiliates, insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; (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; and (vi) Contractor's subcontracting of only a portion of its rights and obligations under this Agreement (e.g., the In-Home Bulky Item Collection service).

16.3 Nature of Agreement – Personal to Contractor

Contractor acknowledges that this Agreement involves rendering a vital service to City's residents and businesses, and that City has selected Contractor to perform the services specified herein based on (1) Contractor's experience, skill and reputation for conducting its Solid Waste Handling Services in a safe, effective and responsible fashion, at all times in keeping with

applicable Environmental Laws, regulations and best Solid Waste management practices, and (2) Contractor's financial resources to maintain the required equipment and to support its indemnity obligations to City under this Agreement. City has relied on each of these factors, among others, in choosing Contractor to perform the services to be rendered by Contractor under this Agreement.

16.4 Procedure for Consideration of Assignment

If Contractor requests City's consideration of and consent to an Assignment, the City Council may deny, approve or conditionally approve such request in its sole and absolute discretion. Under no circumstances shall City be obliged to consider any proposed Assignment if Contractor is in default at any time during the period of consideration. Should the City consent to any Assignment request, such Assignment shall not take effect until all conditions relating to the City's approval have been met. Any request for an Assignment shall be made in a manner to be prescribed by the City Manager, and no request by Contractor for consent to an Assignment need be considered by City unless and until Contractor has met (or with respect to matters that would only occur upon completion of the Assignment if approved, made reasonable assurances that it will meet) the following requirements:

(A) Contractor shall undertake to pay City its reasonable direct and indirect expenses, including administrative, investigative, consulting, and attorneys' fees and 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 (collectively the "Administrative Assignment Fee"). An advance non-refundable payment in an amount to be determined by the City Manager towards the Administrative Assignment Fee shall be paid to the City prior to City's consideration of any Assignment request, although Contractor shall be responsible to pay all costs incurred by City in considering a request for Assignment, including those in excess of the aforesaid deposit amount, regardless of whether City consents to the Assignment.

(B) If requested to do so, Contractor shall furnish City with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years.

(C) Contractor shall furnish City with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of Solid Waste management experience on a scale equal to or exceeding the scale of operations conducted by Contractor under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any significant citations or other censure from any federal, state or local agency having jurisdiction over its Solid Waste management operations due to any significant failure to comply with state, federal or local laws, including the Environmental Laws and that the assignee has provided City with a complete list of such citations and censures; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed assignee conducts its Solid Waste management practices in accordance with sound Solid Waste management practices in full compliance with all federal, state and local laws regulating the Collection and disposal of Solid Waste including Hazardous Substances; and, (v) of any other information required by City to ensure the

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

(D) The proposed assignee shall execute an agreement assuming all of Contractor's rights and liabilities under this Agreement.

SECTION 17. REVIEW OF SERVICES AND PERFORMANCE

17.1 Performance Hearing

(A) Commencing in or about January 2017, and on a biennial basis thereafter, City may hold a hearing to review Contractor's Solid Waste Collection efforts, source reduction, processing and other diversion services and overall performance under this Agreement (the "Solid Waste Services and Performance Review Hearing"). The purpose of the Solid Waste Services and Performance Review Hearing is to provide for a discussion and review of technological, economic, and regulatory changes in Collection, source reduction, recycling, processing and disposal to achieve a continuing, advanced Solid Waste Collection, source reduction and recycling and disposal system; and to ensure services are being provided by Contractor with adequate quality, effectiveness and economy and in full compliance with the terms of this Agreement. Topics for discussion and review at the Solid Waste Services and Performance Review Hearing shall include, but shall not be limited to, services provided, feasibility of providing new services, application of new technologies, Customer complaints, amendments to this Agreement, developments in the law, new initiatives for meeting or exceeding AB 939's goals and where applicable AB 341's goals, regulatory constraints and Contractor performance. City and Contractor may each select additional topics for discussion at any Solid Waste Services and Performance Review Hearing.

(B) In addition to the Solid Waste Services and Performance Review Hearings City may hold in accordance with the immediately preceding paragraph, if the number of Customer complaints regarding Contractor's Solid Waste Collection are deemed by City to be excessive or the nature of to be significant, City may, at any time (subject to the paragraph immediately below), hold a Solid Waste Services and Performance Review Hearing.

(C) City shall notify Contractor of its intent to hold a Solid Waste Services and Performance Review Hearing at least ninety (90) days in advance thereof. The notice will indicate whether the hearing will occur before City staff, the City Council, or such other body as the City may designate in the notice. Forty-five (45) days after receiving notice from City of a Solid Waste Services and Performance Review Hearing, Contractor shall submit a report to City which may contain such information as it wished to have considered, and shall contain the following:

(1) Current diversion rates and a report on Contractor's outreach activities for the past year.

(2) Recommended changes and/or new services to improve the City's ability to meet the goals of AB 939 and AB 341 and to contain costs and minimize impacts on rates.

(3) Any specific plans for provision of changed or new services by Contractor.

(D) The reports required by this Agreement regarding Customer complaints shall be used as one basis for review of Contractor's performance, and Contractor may submit other relevant performance information and reports for consideration at the Solid Waste Services and Performance Review Hearing. In addition to the above, City may request Contractor to submit any other specific information relating to its performance for consideration at the Solid Waste Services and Performance Review Hearing, and any Customer may submit comments or complaints during or before the Hearing, either orally or in writing. Contractor shall be present at and participate in the Solid Waste Services and Performance Review Hearing.

SECTION 18. CITY'S REMEDIES; DEFAULT AND TERMINATION

18.1 Notice of Default

If the City Manager determines that Contractor has defaulted in the performance of any obligation hereunder, or that Contractor's performance pursuant to this Agreement with respect to such matters has not been in conformity with reasonable industry standards which are obtained in similar cities in Southern California, the provisions of this Agreement, the requirements of the Municipal Code, the requirements of CalRecycle, including, but not limited to, requirements for source reduction and recycling or any other applicable federal, state, or local law or regulation, including but not limited to the laws governing transfer, storage, or disposal of special wastes, or hazardous wastes, the City Manager may provide written notice to Contractor of such default. The City Manager may, in such written notice, set a reasonable time within which correction of such default shall be made. Unless a longer or shorter time is otherwise specified by the City Manager, a reasonable time for correction shall be thirty (30) days from the date such written notice is given.

18.2 Failure to Cure

If Contractor fails to correct, to the satisfaction of the City Manager, all deficiencies contained in the written notice thereof within the specified time, or if it is not reasonably possible to correct such deficiencies within the specified time, and Contractor fails to commence to correct or remedy such deficiencies within the specified time and diligently effect such correction or remedy thereafter, then the City Manager may refer the matter to the City Council for review, or review the matter himself.

18.3 Review by City Manager

If the City Manager reviews the matter and determines that Contractor has failed to properly or adequately cure any default set forth above, the City Manager, in the exercise of his discretion, may terminate this Agreement, or take such other action as he deems appropriate to pursue any remedy available to City. A decision or order of the City Manager shall be final and binding on Contractor unless Contractor files a "Notice of Appeal" with the City Clerk within five

(5) business days of the date the notice of the City Manager's decision is given. The City Manager shall schedule any appeal for consideration by the City Council no later than the earliest feasible regular City Council Meeting following the date a Notice of Appeal is given to City.

18.4 City Council Review

In the event an appeal of a decision of the City Manager is filed, or if the City Manager refers the matter to the City Council without rendering a decision, the City Council shall set the matter for consideration before the City Council as an agenda item at either a regular, adjourned regular, or special meeting. In reviewing the matter the City Council may consider any information reported by the City Manager regarding the deficiencies, and shall give Contractor, or its representatives and any other interested person, a reasonable opportunity to be heard. The City Council shall determine whether Contractor has failed to properly or adequately perform as set forth above, and if so whether to terminate the Agreement, or to pursue any other remedy available to City.

18.5 Performance During Reviews

Contractor's performance under this Agreement is not excused during any period of time when its performance is under review as set forth above, including at any time prior to a final decision as to whether such performance is deficient.

18.6 Termination without Right to Cure

The above right of termination as a result of Contractor's failure to timely cure any deficiency is in addition to City's right to terminate this Agreement without affording Contractor an opportunity to cure in circumstances where Contractor is determined by City to have materially breached this Agreement. City shall thus be afforded the right to terminate this Agreement in the event of any material breach hereof by Contractor without affording Contractor the right to cure as a result of any action, inaction or circumstance which is a legally defined material breach, or is defined herein as a material breach, and/or under any of the following circumstances which are hereby specifically defined as material breaches:

- (A) If Contractor practices, or attempts to practice, any fraud upon City.
- (B) If Contractor becomes insolvent, unable, or unwilling to pay its debts, or upon listing of an order for relief in favor of Contractor in a bankruptcy proceeding.
- (C) If Contractor willfully violates any orders or rulings of any regulatory body having jurisdiction over Contractor relative to this Agreement. So long as City's rights are not prejudiced during the pendency of any challenge to such orders or rulings by Contractor, Contractor may contest any such orders or rulings by appropriate proceedings conducted in good faith, in which case no material breach of this Agreement shall be deemed to have occurred until a final ruling has been rendered.
- (D) If Contractor ceases to provide Solid Waste Handling Services, including Collection of Solid Waste and/or Recyclable Material, as required under this Agreement

over all or any portion of the Franchise Area for a period of seven (7) days or more, for any reason not specified as a force majeure event hereunder.

(E) If Contractor fails to materially comply with any insurance or indemnification requirement set forth in this Agreement.

(F) If City is required to pay any fine or penalty, which is not paid on its behalf by Contractor or which Contractor fails, refuses, neglects or is unable to pay or indemnify City against, relating to any diversion or other requirement of AB 939 and/or AB 341.

(G) If Contractor, Contractor's shareholders, Contractor's directors, or any senior management level employee of Contractor (defined for purposes of this provision as any representative of Contractor who regularly is in communication with or regularly has contact with any member of the City Council or City Manager, or any of Contractor's employees who communicate with any City Department Head or City employee with decision making authority on matters related to the performance of the Agreement) is convicted of a Criminal Matter (as defined herein). For purposes of this Section the term Criminal Matter refers to any felony or misdemeanor offense having any relationship to either Solid Waste Handling Services or public corruption (including, without limitation, bribery, conflict of interest related allegations, vote selling, or any similar type charges).

(H) If Contractor fails to meet the Recycling Diversion Requirement in Section 8.6.4 for any calendar year under this Agreement.

18.7 Liquidated Damages

18.7.1 General

The City finds, and Contractor agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by City as a result of a breach by Contractor of certain specific obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) that the services that are the subject of this Agreement might be available at substantially lower costs than alternative services and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such specific breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

18.7.2 Service Performance Standards; Liquidated Damages for Failure to Meet Standards

The parties further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to City and that City has considered and relied on Contractor's

representations as to its quality of service commitment in entering this Agreement with it. The parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The parties further recognize that if Contractor fails to achieve the performance standards, or fails to submit required documents in a timely manner, City and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which City will suffer. Therefore, without prejudice to City's right to treat such breaches as an event of default, the parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to City that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Agreement was made.

Contractor _____ City
Initial Here _____ Initial Here _____

18.7.3 Calculations for Liquidated Damages

Contractor agrees to pay (as liquidated damages and not as a penalty) the amounts set forth below for each type of action warranting such damages:

18.7.3.1 Collection Reliability

(A) For each failure to commence service to a new Customer account within seven (7) days after order: \$200.00.

(B) For each failure to Collect Solid Waste from any established Customer on the scheduled Collection day and not Collected within the period described in this Agreement which exceed five (5) such failures annually: \$200.00.

(C) For each failure to Collect Solid Waste, which has been properly set out for Collection, from the same Customer on two (2) consecutive scheduled pickup days: \$200.00.

18.7.3.2 Collection Quality

(A) For each occurrence of failure to properly return empty Containers to avoid pedestrian or vehicular traffic impediments or to place Containers upright with lids secured which exceeds ten (10) such occurrences annually: \$150.00.

(B) For each occurrence of excessive noise or discourteous behavior which exceeds five (5) such occurrences annually: \$500.00.

(C) For each occurrence of Collecting Solid Waste during unauthorized hours which exceeds five (5) such occurrences annually: \$500.00.

(D) For each occurrence of damage to private property in an amount in excess of \$1,000 which exceeds five (5) such occurrences annually: \$500.00.

(E) For each failure to clean up Solid Waste spilled from Containers, excepting amounts that are so nominal in nature that they would not reasonably be expected to be noticed by the driver of a Collection Vehicle, within 90 minutes or in compliance with NPDES requirements, whichever is stricter: \$500.00.

18.7.3.3 Customer Responsiveness

(A) For each failure to initially respond to a Customer complaint within one (1) business day, which exceeds five (5) such occurrences annually, and for each additional day in which the complaint is not addressed: \$150.00.

(B) For each failure to process Customer complaints to City as required herein, which exceeds five (5) such occurrences annually: \$200.00.

(C) For each failure to remove graffiti from Containers or to replace with Containers bearing no graffiti, within twenty-four (24) hours (Sundays and holidays excepted) of a request from City: \$150.00.

18.7.3.4 Timeliness of Submissions to City

(A) 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:

- (1) Monthly Reports: \$100.00 per day.
- (2) Quarterly Reports: \$200.00 per day.
- (3) Annual Reports: \$500.00 per day.

18.7.3.5 Cooperation During Transition With Subsequent Solid Waste Enterprise

(A) For each day routing information, including billing information and other operating records needed to service premises, is requested by City or any subsequent solid waste enterprise in accordance with Section 29 and is received after City-established due dates, both for preparation of a request for proposals and for any subsequent solid waste enterprise's implementation of service: \$1,000.00 per day.

(B) For each day delivery of keys, security codes, remote controls used to access garages, gates and bin enclosures, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new solid waste enterprise servicing Customers with access issues: \$1,000.00 per day.

(C) For delay in not meeting the requirements from Section 29 in a timely manner, in addition to the daily liquidated damages for breach under Sections 18.7.3.5(A)-(B) above, a one-time charge of: \$35,000.

18.7.3.6 Minimum Hauler Recycling Requirements

(A) For each calendar year, beginning in 2017, in which Contractor fails to meet the guaranteed Recycling Diversion Requirement set forth in Section 8.6.4: \$40 for each ton below the tonnage level necessary to meet the Recycling Diversion Requirement.

18.7.4 Process for Assessment of Liquidated Damages

(A) City may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representative or through an investigation of Customer complaints. It is the desire of the parties to work together to avoid the imposition of liquidated damages and accordingly City will endeavor to timely communicate to Contractor any information that it receives which might give rise the imposition of liquidated damages in order to facilitate Contractor's ability to correct any deficiency, or prevent the recurrence of any conduct for which liquidated damages might eventually be imposed.

(B) 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 information in the possession of City relating to incident(s)/non-performance. Contractor may, within ten (10) days after receiving the notice, request a meeting with the City Manager. Contractor may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. The City Manager 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 City Manager shall be final.

(C) City may assess liquidated damages for each calendar day or event, as appropriate, that Contractor is determined to be liable in accordance with this Agreement.

18.7.5 Timing of Payment

Contractor shall pay any liquidated damages assessed by City within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, City may proceed against any security required by this Agreement to obtain payment, and/or find Contractor in default and exercise its right to terminate this Agreement as set forth herein.

SECTION 19.
CONTRACTOR'S REMEDIES; ADMINISTRATIVE HEARING

19.1 Administrative Hearing

Should Contractor contend that City is in breach of any aspect of this Agreement, it shall give notice to the City Manager requesting an administrative hearing on the allegation. The hearing shall occur as soon as reasonably possible, or on such date as mutually agreed by the parties, and shall be held before an impartial hearing officer to be determined by the City Manager. The hearing officer shall make an advisory ruling on Contractor's allegations, and suggest a remedy if a breach by City is determined to exist. The hearing officer's ruling and recommendations shall become final and binding if the parties so agree in writing within thirty (30) days of the date notice of the decision is given to both parties. Otherwise, the hearing officer's ruling shall have no further force or effect.

19.2 Other Remedies; Claims

Contractor shall be entitled to all available remedies in law or equity for City's breach of this Agreement; provided, however, Contractor shall not file or otherwise commence any action against City, in law or equity, in any court, until after an administrative hearing as set forth above has been completed, and the above noted thirty (30) day period to accept the hearing officer's decision has passed, or either City or Contractor has given timely written notice to the other that it will not accept the hearing officer's decision.

19.3 Actions for Damages

As a prerequisite to the filing and maintenance of any action for damages by Contractor against City arising out of this Agreement, Contractor shall present a claim to City, as required by Government Code Section 910 et seq., within thirty (30) days of the date of the occurrence giving rise to the claim for damages.

SECTION 20.
CITY'S ADDITIONAL REMEDIES

In addition to any other remedies set forth herein, City shall be entitled to any or all of the following rights and remedies in the event of a breach of this Agreement by Contractor:

(A) The right to use Contractor's equipment for the purpose of Collecting, transporting, and/or disposing of Solid Waste, including Recyclable Material, for a period not to exceed six (6) months. In the case of equipment not owned by Contractor, Contractor shall assign to City, to the extent Contractor is permitted to do so under the instruments pursuant to which Contractor possesses such equipment, the right to use and possess the equipment. If City exercises its rights under this Section, City shall pay to Contractor the reasonable rental value of the equipment for the period of City's possession thereof (although payment may, if appropriate, occur in the form of a setoff against damages otherwise owed by Contractor pursuant to the terms hereof);

(B) The right to license others to perform the services otherwise to be performed by Contractor hereunder, or to perform such services itself; and

(C) The right to obtain damages and/or injunctive relief. Both parties recognize and agree that in the event of a breach of this Agreement by Contractor, City will suffer irreparable injury and incalculable damages sufficient to support injunctive relief, to specifically enforce the provisions of this Agreement, and to enjoin the breach hereof.

SECTION 21. RIGHTS OF CITY TO PERFORM DURING EMERGENCY

21.1 Provision of Service

Should Contractor, for any reason whatsoever, refuse or be unable to provide Solid Waste Handling Services for a period of more than forty-eight (48) hours, and if as a result thereof, Solid Waste should accumulate in City to such an extent or in such a manner that the City Manager finds that such accumulation endangers or menaces the public health, safety, or welfare, City shall have the right, upon twelve (12) hours prior written notice to Contractor, during the period of such emergency, to temporarily take possession of any or all equipment and facilities of Contractor previously used in providing Collection, transportation, and disposal of Solid Waste and provide, through its own forces or otherwise, Solid Waste Handling Services which Contractor otherwise would be obligated to provide pursuant to this Agreement. Contractor agrees that in such event it shall fully cooperate with City to affect such a transfer of possession for City's use.

21.2 Possession of Equipment

Contractor agrees, that in the event of circumstances described in Section 21.1 above, City may take temporary possession of and use all of said equipment and facilities without paying Contractor any rental or other charge. Upon Contractor giving City notice that it is able to resume its normal responsibilities under this Agreement City shall either relinquish possession of all of the above mentioned property to Contractor.

21.3 Exclusions from Right to Possession of Equipment without Compensation

Specifically excluded from the circumstances in which City may possess and utilize Contractor's equipment without compensation are circumstances in which Contractor fails or refuses to provide Solid Waste Handling Services hereunder for any reason which is not a force majeure event as defined herein. In such circumstances City's right to utilize and possess Contractor's equipment shall be subject to the provisions of the above Section 20.

SECTION 22. PRIVACY

Contractor shall strictly observe and protect the privacy rights of Customers. Information identifying individual Customers or the composition or contents of a Customer's Solid Waste stream, or any of the billing information pertaining to any Customers, shall not be revealed to any person, governmental unit, private agency, or company, unless upon the authority of a court of law, by statute, ordinance, or regulation of a governmental agency having jurisdiction, or upon

valid authorization of the Customer. This provision shall not be construed to preclude Contractor from preparing, participating in, or assisting in the preparation of waste characterization studies or waste audits which may be required by AB 939 or this Agreement. Contractor shall not market or distribute, outside the normal course of its business, mailing lists with the names and addresses of Customers. The rights afforded Customers pursuant to this Section shall be in addition to any other privacy right afforded Customers pursuant to federal or state law.

SECTION 23. REPORTS AND ADVERSE INFORMATION

The parties acknowledge that City will require reporting at various intervals by which information important to City can be compiled and analyzed. Throughout the Term the parties agree to work together to address City's needs with respect to the information to be contained in reports prepared by Contractor. The following is intended as a starting point in order to have established an objective baseline for reporting, but the frequency and content of the reports called out below may be changed by agreement of the parties; provided any such change is approved by the City Manager in writing. Monthly reports shall be submitted within twenty (20) calendar days after the end of the report month. Quarterly reports shall be submitted within twenty (20) calendar days after the end of the calendar quarter.

23.1 Monthly Reports

At a minimum, Contractor shall report the following to City on a monthly basis: Solid Waste Collected by Contractor for each month, sorted by type of Solid Waste in tons broken down at a level acceptable to City (which at a minimum shall include: refuse, Green Waste, e-waste and universal waste item counts, types of recyclables including PET, HDPE, mixed plastics, aluminum, cardboard, mixed paper, sand, and concrete), as well as by customer type (i.e., single family, multi-family, commercial, roll-off, curbside, etc.); the facilities where all Solid Waste Collected was processed or disposed; a list of all missed pick-ups; a list of the records related to non-collection notices; warning notices issued for contaminated Recyclable Materials, and Green Waste Containers (if applicable); and a narrative summary of problems encountered (including scavenging) and actions taken with recommendations for City, as appropriate. Contractor shall also provide a detailed list of all In-Home Bulky Item Collections including, at a minimum, Customer name, Customer address, Customer telephone number, date(s) of service, and a description of each item Collected.

23.2 Quarterly Reports

At a minimum, Contractor shall report the following to City on a quarterly basis: the information required in the monthly reports; the complaint summary for the quarter summarized by nature of complaints; copies of promotional and public education materials sent during the quarter; description of Contractor outreach activities conducted the previous quarter; report of the number of Customers participating in Recycling Collection services, a narrative description of problems encountered and actions taken with respect to scavenging, and such other information or reports that the City may reasonably request or require. Contractor shall, upon demand by City, provide true and accurate copies of landfill tipping receipts, records showing delivery at processing

or reuse facilities, and similar such documents in order to enable City to verify Contractor's quarterly reports.

23.3 Annual Reports

Within 30 days of the end of each calendar year during the Term of this Agreement and within thirty (30) days after the end of the Term, Contractor shall submit a written annual report, at its sole expense, in a form approved by City, which includes, but is not limited to, the following information:

(A) A summary of the previous year's activities including, but not limited to, services begun or discontinued during the reporting year, and the number of Customers broken down on a monthly basis;

(B) A summary of the total tons of Solid Waste Collected in City in the preceding year as well as a summary of the total tonnage diverted from the State's landfill systems during that time frame;

(C) Information and reports required by City to meet its reporting obligations imposed by AB 939 and the regulations implementing AB 939, in a form and content approved by the City Manager;

(D) A revenue statement, certified by the chief financial officer of Contractor, setting forth Franchise Fees paid and the basis for the calculation thereof, including specifically a breakdown of sources of revenue included in Gross Receipts and the amount of revenue derived from each such source comprising Gross Receipts;

(E) A list of Contractor's officers and the members of its Board of Directors, or as applicable a list identifying all Persons holding a membership interest in Contractor;

(F) A list of stockholders or other equity investors holding five percent (5%) or more of the interest in Contractor; and

(G) A list of each service address or other identifying location associated with each Customer's or Responsible Customer's account, the total number of Carts at each such address or other identifying location, types of services being Billed and the serial numbers associated or other identifying information associated with each Cart at such address as required by Section 8.1.8(F).

(H) A list of Customer's or Responsible Customer's who elect not to receive a Recycling Cart, including contact information, reasons, and the locations thereof.

23.4 Format of Reports

Each monthly, quarterly, and annual report shall be submitted to City, addressed to the City Manager or his or her designee. Records related to performance of this Agreement shall be maintained by Contractor in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. The format of each report shall be approved by City.

Contractor agrees to submit all reports to e-mail addresses designated by City in an electronic format approved by the City, compatible with City's software/computers at no additional charge.

23.5 Adverse Information

(A) Contractor shall provide City two copies of all reports and other material adversely affecting this Agreement submitted by Contractor to the United States Environmental Protection Agency, CalRecycle, the California Regional Water Quality Control Board, and any other federal, state, regional, or local regulatory agency. Copies shall be submitted to City simultaneously with Contractor's filing of such matters with said agencies. Contractor's routine correspondence to said agencies need not be automatically submitted to City, but shall be made available to City upon written request.

(B) Contractor shall submit to City copies of all pleadings, applications, notifications, communications, and documents of any kind submitted by Contractor to, as well as copies of all decisions, correspondence, and actions by, any federal, state, and local courts, regulatory agencies, and other government bodies relating in any manner to Contractor's performance of services pursuant to this Agreement. To the degree authorized by law, any confidential data exempt from public disclosure shall be retained in confidence by City and its authorized agents and shall not be made available for public inspection.

(C) Contractor shall submit to City such other information or reports in such forms and at such times as City may reasonably request or require.

(D) All reports and records required under this or any other Section hereof shall be furnished at the sole expense of Contractor.

23.6 Disaster Plan

Within ninety (90) days of the Effective Date, Contractor shall prepare a draft disaster debris cleanup implementation plan that sets forth procedures for collection of debris following a major disaster such as an earthquake, mudslide, storm, flood, fire, terrorist attack, riot, civil disturbance or other similar event. The disaster plan shall address priorities for cleanup at critical facilities, procedures for reimbursement for costs, describe communication plans, list key contact persons, and provide maps showing proposed sites for stockpiling of disaster debris that cannot be transported to the landfill. Contractor shall coordinate the plan with City's emergency service teams. The draft plan shall be presented to the City Manager for consideration and approval. In addition to the disaster debris cleanup implementation plan, Contractor shall: (1) assist City in the event of a major disaster by providing Collection Vehicles and drivers normally assigned to City at rates which do not exceed the maximum rates set forth on Exhibit A; and (2) , upon request and at no additional charge, provide to City at City Hall or other locations designated by the City Manager, up to ten (10) Bins and/or Rolloff Boxes, with the quantity and size to be designated by City, for use as emergency containers to store emergency materials and supplies. The final plan shall be distributed to those employees of Contractor and City who would have a role in implementing it in the event of a disaster.

23.7 Failure to Report

The refusal of Contractor to file any of the reports required, or the inclusion of any materially false or misleading statement or representation made knowingly by Contractor in such report shall be deemed a material breach of the Agreement, and shall subject Contractor to all remedies, legal or equitable, which are available to City under this Agreement or otherwise.

SECTION 24. COMPENSATION

24.1 Contractor Rates

Contractor shall provide services to Customers pursuant to this Agreement at rates it sets, charges to, and collects from Customers, which rates shall not exceed those set forth in the attached Exhibit A, which sets out the maximum rates that may be charged by Contractor, as such maximum rates may be adjusted from time to time pursuant to the terms hereof. The maximum rates set forth in Exhibit A are inclusive of all services to be provided, including transportation, disposal, and Container costs, and no other charges shall be imposed by Contractor for such services.

24.2 Resolution of Disputes Regarding Rate Adjustments

Any dispute regarding an adjustment to the maximum rates Contractor may charge, or the computation thereof, shall be decided by the City Manager. The rates in effect at the time such dispute is submitted to the City Manager shall remain in effect pending resolution of such dispute. The effective date of the adjusted maximum rate following the resolution of any such dispute, whether retroactive or prospective, shall be determined by the City Manager.

24.3 Annual Consumer Price Index Adjustments

Commencing on January 1, 2017, the maximum rates as set forth in Exhibit A shall be adjusted, and such rates shall be adjusted annually thereafter on each subsequent January 1st during the Term hereof (the "Adjustment Dates"), by multiplying each rate by ninety percent (90%) of the percentage change in the average Consumer Price Index ("CPI") for All Urban Consumers, CUURA421SA0 not seasonally adjusted, all items index (CPI-U) – Los Angeles County, Riverside County, Orange County for the twelve (12) month period ending the September immediately prior to the applicable Adjustment Date versus the index average for the previous twelve months. At least forty-five (45) days prior to charging Customers any rate increased due to an increase in the CPI, Contractor shall obtain the City Manager's approval to do so. The City Manager shall approve such a request unless it is determined, based upon substantial evidence, that the requested adjustment to the maximum rate does not meet the requirements as set forth herein.

It is anticipated that to obtain City Manager's approval of Contractor's requested rate increase, Contractor shall provide all necessary information to justify the request. City will make an effort to verify information provided by Contractor, but ultimately Contractor bears the burden of ensuring the submitted information is correct and supported by all necessary documentation. Contractor agrees and acknowledges that City is entitled to rely, in good faith, on information submitted by Contractor, including mathematical calculations, CPI data, and other documentation,

to justify Contractor's requested rate increase. In the event that there are errors in Contractor's requested rate increase request, including, but not limited to, an inaccurate rate adjustment request, inaccurate application of the rate increase formula described above, or usage of inaccurate data, Contractor acknowledges and agrees that City is entitled to seek recovery of damages on behalf of the public or impose future rate reductions to compensate for the errors. Contractor also waives any arguments or defenses Contractor now has or may have in the future, including estoppel, waiver, or other similar equitable remedies, with respect to any action, claim, demand, proceeding or suit in law or equity of any and every kind and description brought by or on behalf of City or Customers due to errors in Contractor's requested rate increase.

24.4 Limitations to Annual CPI Adjustments

Notwithstanding anything to the contrary in Section 24.3 above, the maximum annual adjustment occurring pursuant to Section 24.3 shall be limited by the provisions set forth below.

24.4.1 Three Percent (3%) Cap

Any maximum rate may not be increased in any given year by more than three percent (3%) without regard to any higher increase which may otherwise be justified by the formula set forth in Section 24.3. In the event an increase exceeds the three percent (3%) cap, the un-applied percentage may not be rolled forward and applied to maximum rate increases in subsequent years.

24.4.2 Compliance with Agreement

No increase to the maximum rates shall occur if the City Manager determines that Contractor did not substantially comply with all terms of this Agreement in the Rate Year preceding the increase, including without limitation, provisions hereof relating to reporting, diversion, and Customer service standards.

24.5 Discretionary Adjustments

Contractor may request an adjustment to the maximum rates set forth in Exhibit A at reasonable times other than as set forth in Section 24.3 for unusual changes in the cost of providing service under this Agreement. For each request for an adjustment to the maximum rates brought pursuant to this Section Contractor shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to City with support for assumptions made by Contractor in preparing the estimate. The City Council shall review Contractor's request and, in the City Council's sole judgment and absolute, unfettered discretion, make the final determination as to whether an adjustment to the maximum rates will be made, and, if an adjustment is permitted, the appropriate amount of the adjustment. The City Council may consider increases or decreases in Contractor's total revenues and total cost of services when reviewing an extraordinary rate adjustment request. Contractor may not request an extraordinary increase in the maximum rates as a result of: changes in fees or taxes such as Social Security, disability or income tax; changes in health care costs, including increases to the cost of health insurance or changes to the requirements for health insurance; changes in the market value of Recyclables or processing costs for Recyclables or Green Waste; inaccurate estimates by Contractor of its cost of operations; or costs of compliance with South Coast Air Quality Management District and Air Resource Board rules and standards for Collection Vehicles. An advance non-refundable payment of Five

Thousand Dollars (\$5,000.00) shall be paid to City prior to City's consideration of each of Contractor's requests for an adjustment of the maximum rates pursuant to this Section.

24.6 Grants

From time to time, federal, state or local agencies including the City may provide to Contractor grants to assist in financing qualified programs provided by Contractor in the City (including, without limitation, grants for diversion programs and related equipment, alternative fuel vehicles and equipment, and Household Hazardous Waste Collection and Disposal). Contractor shall notify City upon receipt of any such grant funds that may be used to fund services provided pursuant to the terms of this Agreement. With the exception of grants already received by Contractor as of the Effective Date, and grants for Collection Vehicles, any funds received through grants for services in the City are intended to benefit City and its residents and businesses, and in essence are held by Contractor in trust on behalf of City. Accordingly, Contractor agrees that the total amount of compensation it receives from Customers hereunder, may be reduced by the amount of any such grant, unless the grant is used to pay for services in City. The City Council shall determine whether the reduction in Contractor's compensation shall be: (1) passed through to Customers designated by City as a reduction to maximum rates; (2) as an offset to the next increase to maximum rates requested by Contractor; (3) paid to City for use as City directs; or (4) applied in any combination of (1) through (3).

SECTION 25. IDENTIFICATION OF CONTRACTOR

Contractor has agreed to use the name "[INSERT NAME]" to identify itself to the public as the specific organization that shall provide all services under this Agreement. Unless otherwise approved in writing by City, this name shall be used for all correspondence, Billing statements, directory listings, references, signs, and vehicle and Container identification.

SECTION 26. CITY'S FLOW CONTROL OPTION/COUNTY AGREEMENT

26.1 Flow Control Option

City shall have the absolute ability to choose the location for the delivery and/or disposal of all Solid Waste (including Recyclable Material, green waste, and construction and demolition waste) Collected pursuant to this Agreement (hereinafter City's "Flow Control Option"). Contractor expressly consents to City's ability to direct the location for disposal of Solid Waste hereunder, and waives any and all rights to challenge City's ability to do so, including without limitation any rights under the Commerce Clause of the United States Constitution. As of the Effective Date, City shall be deemed to have exercised its Flow Control Option so as to require delivery of all Solid Waste Collected hereunder to the Orange County landfill system in a manner consistent with its obligations under the County Agreement (including, without limitation, its obligations related to Solid Waste that is delivered to a processing/transfer facility prior to being delivered to a landfill for disposal), and Contractor has agreed to handle all Solid Waste Collected hereunder in a manner consistent with City's exercise of its Flow Control Option as noted above. At any time during the Term of this Agreement the City Manager may notify Contractor in writing

that City no longer desires to exercise its Flow Control Option. In the event City so notifies Contractor of its desire to cease exercising its Flow Control Option, Contractor shall have the absolute discretion to utilize any disposal facility, transfer station, recycling facility, material recovery facility, landfill, or other facility of its choosing to retain, recycle, process, and dispose of Solid Waste generated within the City, provided the use of such facility by Contractor enables it to meet all other requirements of this Agreement.

26.2 County Agreement

Contractor expressly acknowledges its awareness of the County Agreement which has been adopted and entered into by City. Moreover, Contractor acknowledges that it has had an opportunity to review the County Agreement, and is aware of the provisions thereof that require all Solid Waste collected in the City Limits to be disposed of in the Orange County landfill system. Contractor further acknowledges that the County of Orange is an intended third party beneficiary of Contractor's obligations relating in any way to the disposal of Solid Waste pursuant to this Agreement and the County Agreement. Contractor hereby adopts as its obligations hereunder such provisions of the County Agreement that require action or inaction by it as City's Solid Waste franchisee. Contractor represents and warrants that it can and will perform its duties in connection with this Agreement in such a manner as to ensure that City does not breach the terms of the County Agreement as a result of Contractor's actions or inaction. In the event City advises Contractor in writing that the County Agreement has been terminated, or that it no longer wishes to exercise its Flow Control Option in a manner consistent with the County Agreement, then Contractor's obligations pursuant to this paragraph shall be terminated.

SECTION 27. INDEMNIFICATION

27.1 General

(A) Contractor hereby agrees to and shall indemnify and hold harmless City, its elected and appointed officials, officers, employees, agents, and volunteers (collectively the "Indemnities") from and against any and all loss, liability, penalty, forfeiture, claim, demand, action, proceeding or suit in law or equity of any and every kind and description (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) arising out of, resulting from, and/or in any way connected with this Agreement including: (1) the negligence or willful misconduct of Contractor, its officers, employees, agents, and/or subcontractors in performing services under this Agreement; (2) the failure of Contractor, its officers, employees, agents, and/or subcontractors to comply in all respects with the provisions of this Agreement, all Applicable Laws (including, without limitation, the Environmental Laws), ordinances and regulations, and/or applicable permits and licenses; (3) the acts of Contractor, its officers, employees, agents, and/or subcontractors in performing services under this Agreement for which strict liability is imposed by law (including, without limitation, the Environmental Laws); and (4) any challenge to the award of, or any provisions of this Agreement (including any claim that the application of any provision

hereof violates any provision of the California Constitution). The foregoing indemnity and hold harmless provisions shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of Indemnities' negligence, but shall not extend to matters resulting from Indemnities' sole negligence, or willful misconduct. Contractor further agrees to and shall, upon demand of City, at Contractor's sole cost and expense, defend (with attorneys acceptable to City) City, its elected and appointed boards and commissions, officers, employees, and agents against any claims, actions, suits in law or equity or other proceedings, whether judicial, quasi-judicial or administrative in nature, arising or resulting from any of the aforementioned events, and to reimburse City for any and all costs and expenses City incurs in providing any such defense, either before, during or after the time Contractor elects to provide such defense, including any and all costs incurred in overseeing any defense to be provided herein by Contractor.

(B) Contractor, upon demand of City, made by and through the City Attorney, shall protect City and appear in and defend City and its elected officials, officers, employees and agents, in any claims or actions by third parties, whether judicial, administrative or otherwise, including, but not limited to disputes and litigation over the definitions of "Solid Waste" or "Recyclable Material," the scope of the rights granted herein, conflicts between the rights granted herein and rights asserted by other Persons, or the limits of City's authority with respect to the grant of licenses, or agreements, exclusive or otherwise, asserting rights under the Dormant Commerce Clause or any other federal or state laws to provide Collection services in the City.

(C) The provisions of this Section shall not terminate or expire, shall be given the broadest possible interpretation, and shall survive the expiration or earlier termination of this Agreement.

27.2 Hazardous Substances Indemnification

(A) Without regard to any insurance coverage or requirements, and without limiting the above general indemnification obligation in any way, Contractor specifically agrees to and shall, to the maximum extent permitted by law, defend (with counsel acceptable to City) reimburse, indemnify, and hold City and its past and present officers, council members, employees, consultants and agents (hereinafter "Indemnified Parties") harmless from and against any and all claims, actions, liabilities, damages, demands, judgments, losses, costs, liens, expenses, suits, actions, attorneys' fees, consultant fees, penalties and any and all other losses, damages, fees and expenses of whatever kind or nature ("Claims") (including but not limited to response costs, investigative costs, assessment costs, monitoring costs, treatment costs, cleanup costs, removal costs, remediation costs, and similar costs, damages and expenses) that arise out of or are alleged to arise out of or in any way relate to any action, inaction or omission of Contractor that:

(1) results in any demand, claim, notice, order, or lawsuit, asserting that any Indemnified Party is liable, responsible or in any way obligated to investigate, assess, monitor, study, test, treat, remove, remediate, or otherwise cleanup, any Hazardous Contaminant (as defined herein); or

(2) relates to material Collected, transported, recycled, processed, treated or disposed of by Contractor.

(B) Contractor's obligations pursuant to this Section shall apply, without limitation, to:

(1) any Claims brought pursuant to or based on the provisions of the Environmental Laws, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., the Carpenter-Presley-Tanner Hazardous Substances Account Act (California Health & Safety Code Sections 25300 et seq.), the California Hazardous Waste Control Laws (California Health and Safety Code Sections 25100 et seq.), the California Porter-Cologne Act (California Water Code Section 13000 et seq.), and any and all amendments and regulations thereto, and any other federal, state, regional or local environmental statutory or regulatory provision;

(2) any Claims based on or arising out of or alleged to be arising out of the ownership, use, lease, sale, design, construction, maintenance or operation by Contractor of any facility;

(3) any Claims based on or arising out of or alleged to be arising out of the marketing, sale, distribution, storage, transportation, disposal, processing or use of any materials recovered by Contractor; and

(4) any Claims based on or arising out of or alleged to be arising out of any breach of any express or implied warranty, representation or covenant arising out of or in connection with this Agreement.

(C) The foregoing indemnity and defense obligations shall apply irrespective of the negligence or willful misconduct of Contractor or any Affiliate of Contractor.

(D) For purposes of this Agreement, the term "Hazardous Contaminant" shall mean any "hazardous material," as that term is defined under California Health & Safety Code Section 25501(n); any "hazardous substance," as that term is defined herein or under California Health & Safety Code Sections 25281(h), 25501(n), 25501.1 and under Title 42, Section 9601(14) of the United States Code; any "hazardous waste," as that term is defined herein and under Title 42, Section 6903(5) of the United States Code and under California Health & Safety Code Section 25501(n); any chemical which the Governor has identified as a chemical known to the State to cause cancer or reproductive toxicity pursuant to California Health & Safety Code Section 25249.8; any crude oil or refined or unrefined petroleum product or any fraction or derivative thereof; and any asbestos or asbestos-containing material. The term "Hazardous Contaminant" shall also include any and all amendments to the above-referenced statutory and regulatory provisions made before or after the date of execution of this Agreement.

(E) The provisions of this Section shall not terminate or expire, shall be given the broadest possible interpretation, and shall survive the expiration or earlier termination of this Agreement.

SECTION 28.
CONTRACTOR'S BOOKS AND RECORDS; AUDITS

28.1 Maintenance and Inspection of Records

Contractor shall maintain all records relating to the services provided hereunder, including but not limited to Customer lists, billing records, accounts payable records, maps, AB 939 compliance records, records reflecting the number of refuse, recycling and Green Waste (if applicable) routes and route hours by service category (such as residential, multi-family, commercial, roll-off, and special services), records demonstrating facilities, equipment and personnel used to perform services, records reflecting the number of refuse, recycling and Green Waste (if applicable) Containers in service by frequency of Collection for each customer group (such as single family, multi-family, commercial, roll-off); records reflecting the number of roll-off box pulls, and such other documents and materials which reasonably relate to Contractor's compliance with the provisions of this Agreement (the "Records"), for the full Term of this Agreement, and an additional period thereafter of not less than three (3) years, or any longer period required by law. City shall have the right, upon five (5) business days advance notice, to inspect the Records. Such Records shall be made available to City at Contractor's regular place of business, but in no event outside the County of Orange. Prior to destruction of records relating to the services provided pursuant to this Agreement, Contractor shall provide copies or originals of such records to City.

28.2 CERCLA Defense Records

City views the ability to defend against the Comprehensive Environmental Response, Compensation and Liability Act and related litigation as a matter of great importance. For this reason, the City regards the ability to prove where Solid Waste Collected in the City was taken for Disposal, as well as where it was not taken, to be matters of concern. Contractor shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the City was landfilled (and therefore establish where it was not landfilled) for not less than five (5) years following the termination of this Agreement, and agrees to notify City's City Manager, City Clerk and City Attorney before destroying such records thereafter. At any time, including after the expiration of the Term hereof, Contractor shall provide copies of such records to City. The requirements of this Section shall survive the expiration of the Term of this Agreement.

28.3 Ongoing Compliance Review

City intends review Contractor's performance on an ongoing basis to ensure compliance with the terms and provisions of this Agreement, and it is City's intent that a designated portion of the Waste and Recycling Services Reimbursement, as more fully described in Section 11.4, will be used to fund City's costs associated with ensuring Contractor's ongoing compliance. At a minimum, City intends to have internal staff or outside consultants review Contractor's performance to ensure ongoing compliance with the terms hereof, including, but not limited to, the payment of required fees, performance of the services stated herein, implementation of programs required under the Agreement, Contractor's maintenance and upkeep of records, and compliance with all Applicable Laws. Contractor shall provide any and all information reasonably requested by City in connection with its efforts to ensure compliance with the terms hereof,

regardless of whether such information is specifically otherwise called out herein as an item that Contractor is required to maintain and provide to City.

28.4 Audits

28.4.1 Examination of Services

From time to time, anticipated to occur as a result of reports and other submittals required by this Agreement, City may request Contractor to make available any or all of its records related to performance hereunder available to an independent auditor or examiner, to be selected by the City, for auditing and examination purposes (a "Discretionary Audit"). The first Discretionary Audit shall be performed in 2017 and shall be based on the Contractor's reports and records through calendar year 2016. The scope of the Discretionary Audit and auditor or examiner will be determined by City and the scope may include, but is not limited to, compliance with terms of this Agreement, Customer service levels and Billing, fee payments, Gross Receipts, tonnage, and verification of diversion rates. Except as otherwise provided herein, City shall bear the cost of any Discretionary Audit. Should any Discretionary Audit reveal an underpayment of any Franchise Fee required pursuant to this Agreement, the amount of such underpayment shall become due and payable to City not later than fifteen (15) days after written notice of such underpayment is sent to Contractor by City, complete with any additional late charges as set forth herein. If a Discretionary Audit reveals inaccuracies or inconsistencies in more than five percent (5%) of all Customer accounts, either with Contractor's operations or billing systems, or an underpayment of Franchise Fees of more than three percent (3%), Contractor shall bear the entire cost of such Discretionary Audit.

28.4.2 Route Audit

Contractor shall complete an audit at its expense of its Collection routes for all Customers at Residential and Commercial Premises at such times as may be requested by City; provided, however, that while City may request that such an audit occur at any time, it may not request such audits at Contractor's expense more than seven (7) times during the Term. The timing of such audits is at the City's discretion and may be required to be timed with the issuance of a request for proposals for a new agreement. The route audit, at minimum, shall consist of an independent physical observation by Person(s) other than the route driver or route supervisor of each Customer in the City. The route audit shall include, as a minimum, the following information for each account:

- Route Number;
- Truck Number;
- Account Name;
- Account Number;
- Account service address;
- Service Level per Billing System (quantity, size, frequency);

- Service Level per Routing System;
- Observed Containers (quantity, type and size);
- Serial number (or other coding if acceptable to the City Manager) identifying each Cart and its associated service address;
- Bin condition;
- Proper signage; and
- Graffiti.

Within thirty (30) days after the completion of the route audit, Contractor shall submit to City a report summarizing the results thereof which shall include:

- Identification of the routes;
- Truck numbers;
- Number of accounts, by route and in total;
- Number of Containers (broken down by type) per service address, per route and total number of Containers;
- Types of exceptions observed;
- Number of exceptions by type;
- Total monthly Billing, pre-audit;
- Total monthly Billing, post-audit (subsequent to corrections of identified exceptions);
- Percentage of the number of accounts with errors to the total number of accounts served; and
- Percentage of the "net" change in monthly Billing as a result of the audit to the total pre-audit monthly Billing.

The report shall include a description of the procedures followed to complete the audit, and shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations. Additionally, the report shall include a description of the pre-audit training of the route auditors, particularly if temporary personnel are used. The report shall also include a description of the changes and Contractor's plans to resolve any exceptions. The route audit data and results of the audit shall be available for review by the City or its representative.

**SECTION 29.
TRANSITION OBLIGATIONS**

At the end of the Term, or in the event this Agreement is terminated for cause prior to the end of the Term, Contractor shall cooperate fully with City and any subsequent solid waste enterprise it designates to assure a smooth transition of services. Contractor's cooperation shall include, but not be limited to, providing route lists, billing information and other operating records needed to service all premises covered by this Agreement. The failure to cooperate with City following termination shall be conclusively presumed to be grounds for specific performance of this covenant and/or other equitable relief necessary to enforce this covenant.

Contractor shall provide any new solid waste enterprise with all keys, security codes and remote controls used to access garages, gates and bin enclosures. Contractor shall be responsible for coordinating transfer immediately after its final collection activities, so as to not disrupt services, including coordinating with the new solid waste enterprise on the removal of Contractor's Containers and the delivery of the new solid waste enterprise's Containers. Contractor shall provide City with detailed route sheets containing service names and addresses, billing names and addresses, monthly rate and service levels (number and size of Containers and pickup days) at least 90 days prior to the transition date, provide an updated list two weeks before the transition, and a final updated list with any changes the day before the transition. Contractor shall provide means of access to the new solid waste enterprise at least one full business day prior to its first day of collection, and within sufficient time so as to not impede in any way the new solid waste enterprise from easily servicing all Containers.

**SECTION 30.
GENERAL PROVISIONS**

30.1 Force Majeure

Contractor shall not be in default under this Agreement in the event that its ability to provide Solid Waste Handling Services or Temporary Services, in compliance with its obligation to do so hereunder, is temporarily interrupted or discontinued for any of the following reasons: riots, wars, sabotage, civil disturbances, insurrections, strikes or other labor disturbances lasting five (5) days or less, explosion, natural disasters such as floods, earthquakes, landslides, and fires, or "other catastrophic events" which are beyond the reasonable control of Contractor. The term "other catastrophic events" does not include: (i) the financial inability of Contractor to perform; (ii) failure of Contractor to obtain any necessary permits or licenses from other governmental agencies; (iii) the failure to obtain the right, or the loss of the right, to use the facilities of any public utility where such failure is due in substantial part to the acts or omissions of Contractor; or (iv) strikes or other labor disturbances lasting longer than five (5) days.

30.2 Independent Contractor

Contractor is an independent contractor and not an officer, agent, servant, or employee of City. Contractor is solely responsible for the acts and omissions of its officers, agents, employees, and subcontractors, if any. Nothing in this Agreement shall be construed as creating a partnership or joint venture between City and Contractor. Neither Contractor nor its officers, employees,

agents, or subcontractors shall obtain any rights to retirement or other benefits which accrue to City employees.

30.3 Pavement Damage

Contractor shall be responsible for the cost of repair of any extraordinary damage to the public streets and streets, whether or not paved, located within the City resulting from providing the services required hereunder.

30.4 Property Damage

Any physical damage caused by the negligent or willful acts or omissions of employees, agents, or subcontractors of Contractor to private or public property shall be promptly repaired or replaced at Contractor's expense.

30.5 Right of Entry

Contractor shall not have the right, until Contractor receives permission from the property owner, to enter or drive on any private street, court, place, easement, or other private property for the purpose of providing Temporary Services and/or Solid Waste Handling Services pursuant to this Agreement.

30.6 Law to Govern; Venue

The laws of the State of California shall govern this Agreement. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Orange and venue in federal trial courts shall lie exclusively in the District of California in which City is located.

30.7 Amendment

This Agreement is intended to carry out City's obligations to comply with the provisions of AB 939 and AB 341, as implemented by regulations of CalRecycle, as they from time to time may be amended. In the event that, after the Effective Date of this Agreement, AB 939 or AB 341 is amended, or other state or federal laws or regulations are enacted and prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations. Except as otherwise expressly stated herein, no other amendment of this Agreement shall be valid unless it is in writing and duly executed by the parties.

30.8 Notices

All notices required or permitted to be given under this franchise shall be in writing and shall be personally delivered or sent by United States certified mail, postage prepaid, return receipt requested, and addressed as follows:

To City: City of Laguna Woods
Attn: City Manager
24264 El Toro Road
Laguna Woods, CA 92637

To Contractor: [INSERT CONTACT INFORMATION]

or to such other address as either party may from time to time designate by notice to the other given in accordance with this Section. Notice shall be deemed given on the date served if served personally between the hours of 8:00 a.m. to 5:00 p.m. on any regular business day for City's business offices. If mailed, notice shall be deemed given three (3) business days from the date such notice is deposited in the United States mail in the manner proscribed above.

30.9 Savings Clause

If any non-material provision of this Agreement is for any reason held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the validity and enforceability of any of the remaining provisions of this Agreement.

30.10 Exhibits Incorporated

Exhibits A through B are attached to and incorporated in this Agreement by reference.

30.11 Joint Drafting

This Agreement shall be interpreted as if it were drafted jointly by the parties to the Agreement.

30.12 Attorneys' Fees and Litigation Costs

In the event either party brings any action or proceeding to enforce or interpret the terms or provisions of this Agreement, the prevailing party in any such action or proceeding shall be entitled to recover its reasonable attorneys' fees and other litigation costs and expenses, including without limitation expert witness fees, consultant fees and costs. Without limiting its scope in any way, this provision is expressly intended to, and shall, apply to fees and costs incurred in any appeal.

30.13 City's Authorized Agent

Notwithstanding anything contained herein to the contrary, and excepting amendments hereto and such actions set forth herein specifically calling for City Council action or approval, the City Manager is designated as the City's authorized agent to take any action with regard to any matter, or enforce any right, set forth herein requiring action by the City.

30.14 Integrated Agreement

This Agreement contains the entire integrated agreement and understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, promises, proposals, and agreements between the Parties, whether written or oral. The Parties acknowledges this document has been executed with the consent and upon the advice of counsel. Each of the Parties acknowledges that no party or agent or attorney of any other party has made any promise, representation, or warranty, express or implied, not contained in this Agreement, to induce the other party to execute this instrument.

30.15 Section Headings

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

30.16 Compliance with Law

In providing the services required under this Agreement, Contractor shall at all times, at its sole cost, comply with all Applicable Laws, including the laws and regulations of the United States, the State of California, the provisions of the Municipal Code, and any federal, state, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended.

30.17 No Third Party Beneficiaries

Except as otherwise provided for in this Agreement, nothing in this Agreement, whether expressed or implied, is intended to confer any rights on any persons other than the parties to the Agreement and their representatives, successors, and permitted assigns.

[SIGNATURES ON FOLLOWING PAGE]

"City"

Dated: _____

CITY OF LAGUNA WOODS

By: _____
Cynthia S. Conners, Mayor

ATTEST:

By: _____
Yolie Trippy, Deputy City Clerk

APPROVED AS TO FORM:

By: _____
David B. Cosgrove, City Attorney

"Contractor"

Dated: _____

[INSERT NAME]

By: _____

Its: _____

**EXHIBIT A
MAXIMUM RATE SCHEDULE FOR SOLID WASTE HANDLING SERVICES**

Residential Cart Service

Service Category	Rate Per Month
Standard Rate – 32 Gallon (or 64 Gallon or 96 Gallon if requested) Cart (1 refuse and 1 recycling; once weekly pickup)	\$_____
Extra Pickup of 32 Gallon (or 64 Gallon or 96 Gallon if requested) Cart Within Same Service Week	\$_____
Additional 32 Gallon (or 64 Gallon or 96 Gallon if requested) Refuse Cart	\$_____
Additional 32 Gallon (or 64 Gallon or 96 Gallon if requested) Recycling Cart (over 2 - <i>i.e.</i> , no charge for first additional Cart)	\$_____
Walk-Out Service for Eligible Customers	\$0
Walk-Out Service for Other Customers	\$_____
Additional Requested Bulky Item Collection (outside the scheduled Monthly Bulky Item Collection Service)	\$_____

Monthly Bin Rates							
Container Size/Type	Pickups per week						
	1	2	3	4	5	6	7
2 yard refuse bin	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
3 yard refuse bin	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
4 yard refuse bin	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
2 yard recycling bin	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
3 yard recycling bin	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
Other							
Locking Bin Service	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
Organics – _____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____

Extra Refuse Bin Pickups (standard and compactor)	\$_____/pickup
Extra Recycling Bin Pickups (standard and compactor)	\$_____/pickup
Extra Bin Cleanings beyond two per year (requested by City or Customer)	\$_____/cleaning
Extra Bin Exchange beyond two per year (requested by City or Customer)	\$_____/exchange

**EXHIBIT A
MAXIMUM RATE SCHEDULE FOR SOLID WASTE HANDLING SERVICES
(CONTINUED)**

Commercial Services

Service Category	Rate
Restart Fee	\$_____
Bulky Items	\$_____/item
Indoor Recycling Containers	\$0

Monthly Bin and Cart Rates							
Container Size/Type	Pickups per week						
	1	2	3	4	5	6	7
2 yard refuse bin	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
3 yard refuse bin	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
4 yard refuse bin	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
2 yard recycling bin	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
3 yard recycling bin	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
32, 64, or 96 gallon refuse cart	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
32, 64, or 96 gallon recycling cart	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
Other							
Locking Bin Service	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
Organics – _____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____

Service Category	Rate
Extra Refuse Bin Pickups (standard and compactor)	\$_____/pickup
Extra Recycling Bin Pickups (standard and compactor)	\$_____/pickup
Extra Bin Cleanings beyond two per year (requested by City or Customer)	\$_____/cleaning
Extra Bin Exchange beyond two per year (requested by City or Customer)	\$_____/exchange
Temporary 2-Yard Bin Service (delivery, dump, seven day rental)	\$_____/dump
Temporary 3-Yard Bin Service (delivery, dump, seven day rental)	\$_____/dump
Temporary 4-Yard Bin Service (delivery, dump, seven day rental)	\$_____/dump
Temporary Bin Rental per day beyond 7 without a pull	\$_____/day

EXHIBIT A
MAXIMUM RATE SCHEDULE FOR SOLID WASTE HANDLING SERVICES
(CONTINUED)

Commercial Services (continued)

Roll-Off Box Services

Service Category	Rate
Pull Rate (includes 6 tons processing/disposal, delivery, and 7-day rental)	-
- Standard Roll-Off Box	\$_____
- Low Boy Roll-Off Box	\$_____
- Compactor (all sizes)	\$_____
Per Ton Over 6 Tons	\$_____/ton
Roll-Off Box Rental per day beyond 7 without a pull	\$_____/day
Roll-Off Box Trip Charge (dry run, relocation)	\$_____/trip

EXHIBIT B
CONTAINER/BIN SPECIFICATIONS

- Contractor's Container specifications shall be consistent with the specifications submitted by Contractor to City for the City's Request for Proposal for Solid Waste Handling Services. All Containers utilized by Contractor shall meet the standards of the industry and shall perform to the reasonable satisfaction of the City Manager in order to be utilized in City. Container sizes specified within this Agreement may vary by manufacturer type and specifications up to 10% more or less in volume than that identified.
- Each Refuse and Recycling Cart utilized by Contractor shall be labeled on the inside in English, Spanish, Korean, Mandarin Chinese and Tagalog and with graphics so as to: (1) explain/depict the items for which it is designated to Collect, and (2) identify the name of Contractor and Contractor's phone number for service related issues, including complaints. In addition, each such Cart shall include information, in a format acceptable to City (such as hot stamping or stickers), regarding Contractor's Bulky Item service, and a phone number that Customers can call to access such service.
- The body of Refuse Carts shall be either a uniform black, brown, or gray color, Recycling Carts shall be a uniform blue color and Green Waste Carts (if applicable) shall be a uniform green color.
- Unless otherwise specified in the Agreement, any Cart distributed by Contractor in City after the Effective Date shall be newly manufactured and have never previously been used for the Collection of Solid Waste; excepting that Carts which have been refurbished such that they are "like new" may be used so long as their condition is satisfactory as determined by the City Manager.
- All Carts distributed pursuant to this Agreement shall have an identifying serial number hot stamped into the Cart body, or otherwise have an individual identification demarcation affixed to the Cart in a manner acceptable to the City Manager. Contractor shall keep current, and provide to City at the times set forth in this Agreement, a list of each address to which a Cart has been distributed and the serial number (or other acceptable identification) of all Carts at each such address.
- All Bins shall have lightweight and/or counterweighted lids, as well as low-profile casters not to exceed 3 inches in height to facilitate ease of use by elderly Persons. Bins shall be further equipped with lids that are split vertically and hinged to allow opening of the front half of each lid or the whole half lid. [THE AGREEMENT WILL BE MODIFIED TO EITHER REFERENCE THE SUCCESSFUL CONTRACTOR'S PROPOSAL OR EXPLAIN WITHIN THE TEXT WHAT IT IS AND THE RELATED OBLIGATIONS.]
- All Carts shall have lightweight lids. [THE AGREEMENT WILL BE MODIFIED TO EITHER REFERENCE THE SUCCESSFUL CONTRACTOR'S PROPOSAL OR EXPLAIN WITHIN THE TEXT WHAT IT IS AND THE RELATED OBLIGATIONS.] Upon request of any Customer, Contractor shall provide Bins with lids that close securely and which are capable of being locked at rates that do not exceed those set forth in Exhibit A.

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7.2
SMALL RESIDENTIAL ROOFTOP SOLAR
SYSTEMS PERMITTING PROCESS

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: Christopher Macon, City Manager
FOR: August 19, 2015 Regular Meeting
SUBJECT: Small Residential Rooftop Solar Systems Permitting Process

Recommendation

1. Receive staff report.

AND

2. Open public hearing.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Approve the introduction and first reading of an ordinance – read by title with further reading waived – entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA ADOPTING A CODE AMENDMENT TO ADD A NEW CHAPTER 10.26 TO THE LAGUNA WOODS MUNICIPAL CODE RELATING TO

EXPEDITED PERMITTING PROCEDURES FOR SMALL
RESIDENTIAL ROOFTOP SOLAR ENERGY SYSTEMS

AND

6. Approve a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAGUNA WOODS, CALIFORNIA, ADOPTING A CHECKLIST OF
REQUIREMENTS FOR EXPEDITED PROCESSING OF PERMITS
FOR SMALL RESIDENTIAL ROOFTOP SOLAR ENERGY
SYSTEMS

Background

On September 21, 2014, Governor Brown signed Assembly Bill 2188 into law, amending Section 714 of the California Civil Code and Section 65850.5 of the California Government Code. Section 65850.5(a) provides that it is the policy of the State to promote and encourage the installation and use of solar energy systems by limiting obstacles to their use and by minimizing the permitting costs of such systems. In furtherance of that objective, Section 65850.5(g)(1) requires that, on or before September 30, 2015, cities adopt an ordinance that creates an expedited, streamlined permitting process for small residential rooftop solar energy systems.

“Small residential rooftop solar energy system” includes all of the following:

- A solar energy system that is no larger than 10 kilowatts alternating current nameplate rating or 30 kilowatts thermal.
- A solar energy system that conforms to all applicable state fire, structural, electrical, and other building codes as adopted or amended by the City and paragraph (iii) of subdivision (c) of Section 714 of the Civil Code, as such section or subdivision may be amended, renumbered, or re-designated from time to time.
- A solar energy system that is installed on a single or duplex family dwelling.
- A solar panel or module array that does not exceed the maximum legal building height.

Among other requirements, Assembly Bill 2188 requires cities to accept permit applications for small residential rooftop solar energy systems electronically. The City is unable to deny such applications or require additional permits unless there is a specific, adverse impact resulting from the proposed project.

Discussion

To comply with Assembly Bill 2188, the proposed ordinance (Attachment A) would add Chapter 10.26 (“Small Residential Rooftop Solar Energy Systems”) to the Laguna Woods Municipal Code. The proposed resolution and Checklist of Requirements for Small Residential Rooftop Solar Energy Systems (Attachment B) are intended to assist applicants and staff with implementation of the ordinance.

Fiscal Impact

Sufficient funds to support this project are included in the City’s budget.

- Attachments: A – Proposed Ordinance
 Exhibit A – Code Amendment Text
 B – Proposed Resolution
 Exhibit A – Checklist of Requirements

ORDINANCE NO. 15-XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA ADOPTING A CODE AMENDMENT TO ADD A NEW CHAPTER 10.26 TO THE LAGUNA WOODS MUNICIPAL CODE RELATING TO EXPEDITED PERMITTING PROCEDURES FOR SMALL RESIDENTIAL ROOFTOP SOLAR ENERGY SYSTEMS

WHEREAS, on September 21, 2014, Governor Brown signed Assembly Bill 2188 (Stats. 2014, Ch. 521) into law; and

WHEREAS, Assembly Bill 2188 provides that the implementation of consistent statewide standards to achieve the timely and cost-effective installation of small residential rooftop solar energy systems is a matter of statewide concern; and

WHEREAS, Assembly Bill 2188 amended Section 714 to the California Civil Code, and Section 65850.5 to the California Government Code; and

WHEREAS, Section 65850.5 to the California Government Code now requires every city to adopt an ordinance that creates an expedited and streamlined permitting process for small residential rooftop solar energy systems; and

WHEREAS, the City of Laguna Woods (“City”) does not currently have an expedited and streamlined permitting process for small residential rooftop solar energy systems; and

WHEREAS, if adopted, the proposed amendments to the Laguna Woods Municipal Code, as identified in Exhibit “A” attached to this Ordinance and incorporated herein by this reference (the “Code Amendment”), will create an expedited and streamlined permitting process for small residential rooftop solar energy systems; and

WHEREAS, the Code Amendment is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15601, subsection (b)(3), of Title 14 of the California Code of Regulations, in that the proposed amendments are consistent with California law, specifically Government Code Section 65850.5 and Civil Code Section 714, and because it can be seen with certainty that the proposed text amendments will have no significant effect on the environment; and

WHEREAS, a duly noticed public hearing on the Code Amendment was held by the City Council on August 19, 2015; and

WHEREAS, in conjunction with the public hearing on the Code Amendment, the City Council also considered a proposed “Checklist of Requirements for Small Residential Solar Rooftop Energy Systems,” a copy of which was included with the City Council’s agenda report for the Code Amendment, dated August 19, 2015; and

WHEREAS, the City Council has considered information presented by City staff and interested parties at a public hearing held on August 19, 2015 and in written documents and reports.

THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds and determines that (i) the Code Amendment complies with all applicable requirements of State law, including, without limitation, Assembly Bill 2188 (Stats. 2014, Ch. 521), codified at Civil Code Section 714 and Government Code Section 65850.5, (ii) the Code Amendment will not adversely affect the health, safety, or welfare of the residents within the community, (iii) the Code Amendment is in the public interest of the City of Laguna Woods, (iv) the Code Amendment is consistent with the Laguna Woods General Plan and its various elements, and (v) the Code Amendment will not be contrary to other goals, objectives, and/or policies of the Laguna Woods Zoning Code (Title 17 to the Laguna Woods Municipal Code).

SECTION 2. The City Council hereby certifies that the Code Amendment is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061, section (b)(3), of Title 14 of the California Code of Regulations.

SECTION 3. A new Chapter 10.26 of the Laguna Woods Municipal Code is hereby added to read as set forth in Exhibit “A,” attached to this Ordinance and incorporated herein by this reference (referred to herein as the “Code Amendment”), to create an expedited and streamlined permitting process for small residential rooftop solar energy systems.

SECTION 4. This Ordinance shall take effect and be in full force and operation thirty (30) days after adoption.

SECTION 5. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity of effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 6. The Deputy City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance to be published or posted as required by law.

SECTION 7. All of the above-referenced documents and information have been and are on file with the City Clerk of the City.

PASSED, APPROVED AND ADOPTED this XX day of XX 2015.

CYNTHIA S. CONNERS, Mayor

ATTEST:

YOLIE TRIPPY, Deputy City Clerk

APPROVED AS TO FORM:

DAVID B. COSGROVE, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Ordinance No. 15-XX** was duly introduced and placed upon its first reading at a regular meeting of the City Council on the XX of XX 2015, and that thereafter, said Ordinance was duly adopted and passed at a regular meeting of the City Council on the XX day of XX 2015 by the following vote to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, Deputy City Clerk

CODE AMENDMENT

A new Chapter 10.26 (“Small Residential Rooftop Solar Energy Systems”) is added to Title 10 (“Buildings and Construction”) of the Laguna Woods Municipal Code to read as follows:

Chapter 10.26. – Small Residential Rooftop Solar Energy Systems

10.26.010 – Purpose and intent.

- A. The purpose and intent of this Chapter is to create an expedited, streamlined permitting process for small residential rooftop solar energy systems, in accordance with California Civil Code Section 714 and California Government Code Section 65850.5.
- B. It is also the purpose of this Chapter to promote and encourage the use of small residential rooftop solar energy systems and to limit obstacles to their use, in accordance with the standards adopted by the City pursuant to this Chapter and State law, while allowing the City to protect the public health and safety.
- C. It is hereby declared that in any instance where the provisions of this Section conflict with any applicable State law or regulation, such State law or regulation shall govern.

10.26.020 – Definitions.

The following definitions shall govern the meaning of words and phrases used in this Chapter:

- A. *Checklist of Requirements for Small Residential Rooftop Solar Energy Systems* or *Checklist* means the rules, regulations, guidelines, and checklist adopted by resolution of the City Council that sets forth implementing and additional requirements for small residential rooftop solar energy systems consistent with Section 65850.5 of the California Government Code.
- B. *Director* means the director of the City’s Planning & Environmental Services Department or his or her designee.
- C. *Electronic submittal* shall have the same meaning as the term is defined in Subsection (j)(2) of Section 65850.5 of the

California Government Code, as amended from time to time or replaced by a successor statute.

- D. *Small residential rooftop solar energy system* shall have the same meaning as the term is defined in Subsection (j)(3) of Section 65850.5 of the California Government Code, as amended from time to time or replaced by a successor statute.
- E. *Solar energy system* shall have the same meaning as the term is defined in Subsection (j)(4) of Section 65850.5 of the California Government Code, as amended from time to time or replaced by a successor statute.
- F. *Specific, adverse impact* shall have the same meaning as the term is defined in Subsection (j)(5) of Section 65850.5 of the California Government Code, as amended from time to time or replaced by a successor statute.

10.26.030 – Applicability.

This Chapter applies to the permitting of all small residential rooftop solar energy systems, as defined herein, in the City. Small residential rooftop solar energy systems legally established or permitted prior to the effective date of this Chapter are not subject to the requirements stated herein, unless physical modifications or alterations are undertaken that materially change the size, type, or components of a small rooftop solar energy system in such a way as to require new permitting. Routine operation and maintenance or like-kind replacements shall not require a permit.

10.26.040 – Development Standards.

In addition to the Checklist of Requirements for Small Residential Rooftop Solar Energy Systems, the following standards shall apply to each small residential rooftop solar energy system:

- A. Systems shall meet applicable health and safety standards and requirements imposed by state and local permitting authorities, consistent with Section 65850.5 of the California Government Code.
- B. Systems for producing electricity shall meet all applicable safety and performance standards established by the California Electrical Code, the Institute of Electrical and Electronics

- Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.
- C. The Director may from time to time revise the Checklist of Requirements for Small Residential Rooftop Solar Energy Systems as long as any revisions are consistent with the most recently adopted resolution of the City Council adopting the Checklist, and are consistent with Section 65850.5 of the California Government Code. Such revisions shall be subject to approval of the City Manager and approval as to form by the City Attorney.
 - D. The Checklist of Requirements for Small Residential Rooftop Solar Energy Systems shall be made available to the public during regular business hours at the Office of the City Clerk and by posting the Checklist on the City’s website.

10.26.050 – Application; Documents and Requirements.

All documents required for the submission of an expedited small residential rooftop solar energy system application shall be made available on the City’s website. The applicant may submit the permit application and associated documentation to the City in person or by electronic submittal, together with any required permit processing and inspection fees. For electronic submittal, the City shall accept an electronic signature on all forms, applications, and other documentation in lieu of a wet signature by an applicant to the extent permitted by law and to the extent such electronic submittal complies with the requirements set forth in this Chapter and the Checklist of Requirements for Small Residential Rooftop Solar Energy Systems.

10.26.060 – Review.

Review of the application to install a small residential rooftop solar energy system shall be limited to an expedited administrative, nondiscretionary review by the City of whether the application meets all health and safety requirements of local, state, and federal law. The requirements of local law shall be limited to those standards and regulations necessary to ensure that the small residential rooftop solar energy system will not have a specific,

adverse impact upon the public health or safety. If the Director makes a finding based on substantial evidence, that a small residential rooftop solar energy system could have a specific, adverse impact upon the public health and safety, the City may require the applicant to apply for a conditional use permit or other applicable license or permit in accordance with the procedure and standards set forth in Section 65650.5 of the California Government Code.

10.26.070 – Approval Requirements.

- A. An application that satisfies the requirements of this Chapter and the Checklist of Requirements for Small Residential Rooftop Solar Energy Systems shall be deemed complete upon confirmation by the Director that the application and supporting documents are complete and meet the requirements of this Chapter and the Checklist. Upon the Director’s determination that an application is complete, the City shall approve the application and, in conjunction with any other City Departments, issue all required permits or authorizations. Upon receipt of an incomplete application, the Director shall issue a written correction notice detailing all deficiencies in the application and any additional information required to be eligible for expedited permit issuance.
- B. If the City denies an application for a conditional use permit or other applicable license of permit to install a small residential rooftop solar energy system, the City shall make written findings based upon substantial evidence in the record that the proposed installation would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. The findings shall include the basis for the rejection of potential feasible alternatives of preventing the adverse impact.
- C. The decision of the Director pursuant to paragraphs (1) and (2) above may be appealed to the Planning Commission in accordance with the procedure set forth in Section 13.24.050 of this Code.

10.26.080 – City and Fire Safety Inspections.

For a small residential rooftop solar energy system eligible for expedited review, only one City inspection shall be required, which shall be done in a timely manner and may include (but is not required to include) a consolidated inspection with the Orange County Fire Authority’s fire safety inspection. A permit for a small residential rooftop solar energy system shall not take effect until it has passed both a City inspection and a fire safety inspection by the Orange County Fire Authority. If a small residential rooftop solar energy system fails either the City inspection or fire safety inspection, a subsequent inspection is authorized, however the subsequent inspection need not conform to the requirements of this Chapter.

10.26.090 – Approval by Association Not Required.

The City shall not condition approval for any small residential rooftop solar energy system permit on the approval of the system by an “association,” as that term is defined in Section 4080 of the Civil Code. Notwithstanding the foregoing, applicants for City approval of solar energy systems should be aware that the City will require association approval when the association owns the property on which the solar energy system will be located (e.g., the roof of the residence), and that association approval may be separately required by the association under the circumstances set forth in Section 714.1 of the Civil Code (e.g., the solar energy system will be located in a “common area,” as defined in Section 4095 or 6532 of the Civil Code, or the solar energy system will be located on another person’s “separate interest,” as defined in Section 4185 or 6564 of the Civil Code). It is the applicant’s responsibility to determine whether an association’s approval is required for a solar energy system and, if so, to comply with any and all association approval requirements.

RESOLUTION NO. 15-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING A CHECKLIST OF REQUIREMENTS FOR EXPEDITED PROCESSING OF PERMITS FOR SMALL RESIDENTIAL ROOFTOP SOLAR ENERGY SYSTEMS

WHEREAS, on September 21, 2014, Governor Brown signed Assembly Bill 2188 (Stats. 2014, Ch. 521) into law; and

WHEREAS, Assembly Bill 2188 provides that the implementation of consistent statewide standards to achieve the timely and cost-effective installation of small residential rooftop solar energy systems is a matter of statewide concern; and

WHEREAS, Assembly Bill 2188 amended Section 714 to the California Civil Code, and Section 65850.5 to the California Government Code; and

WHEREAS, Section 65850.5 to the California Government Code now requires every city to adopt an ordinance that creates an expedited and streamlined permitting process for small residential rooftop solar energy systems and to adopt a checklist of all requirements with which small rooftop solar energy systems shall comply to be eligible for expedited review; and

WHEREAS, the City of Laguna Woods (“City”) does not currently have an expedited and streamlined permitting process or checklist for small residential rooftop solar energy systems; and

WHEREAS, if adopted, the proposed “Checklist of Requirements for Expedited Processing of Permits for Small Residential Rooftop Solar Energy Systems,” as set forth in Exhibit “A” attached to this Resolution and incorporated herein by this reference (the “Checklist”), will list the requirements with which small rooftop solar energy systems shall comply to be eligible for expedited review; and

WHEREAS, the Checklist is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15601, subsection (b)(3), of Title 14 of the California Code of Regulations, in that the proposed Checklist is consistent with California law, specifically Government Code Section 65850.5 and Civil Code Section 714, and because it can be seen with certainty that the proposed Checklist will have no significant effect on the environment; and

WHEREAS, a duly noticed public meeting on the Checklist was held by the City Council on August 19, 2015; and

WHEREAS, in conjunction with the public meeting on the Checklist, the City Council also held a duly noticed public hearing on an ordinance to add a new Chapter 10.26 to the Laguna Woods Municipal Code to create an expedited permitting process for small residential solar energy systems, a copy of which was included with the City Council’s agenda report for this item, dated August 19, 2015; and

WHEREAS, the City Council has considered information presented by City staff and interested parties at a public hearing held on August 19, 2015 and in written documents and reports.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Council finds and determines that (i) the Checklist complies with all applicable requirements of State law, including, without limitation, Assembly Bill 2188 (Stats. 2014, Ch. 521), codified at Civil Code Section 714 and Government Code Section 65850.5, (ii) the Checklist will not adversely affect the health, safety, or welfare of the residents within the community, (iii) the Checklist is in the public interest of the City of Laguna Woods, (iv) the Checklist is consistent with the Laguna Woods General Plan and its various elements, and (v) the Checklist will not be contrary to other goals, objectives, and/or policies of the Laguna Woods Zoning Code (Title 17 to the Laguna Woods Municipal Code).

SECTION 2. The City Council hereby certifies that the Checklist is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061, section (b)(3), of Title 14 of the California Code of Regulations.

SECTION 3. Based on the findings herein, the City Council does hereby approve and adopt the Checklist, as set forth in Exhibit “A”.

SECTION 4. This Resolution shall take effect and be in full force and operation thirty (30) days after adoption of the ordinance to add a new Chapter 10.26 to the Laguna Woods Municipal Code to create an expedited permitting process for small residential solar energy systems.

SECTION 5. The Deputy City Clerk shall certify to the adoption of this Resolution.

SECTION 6. All of the above-referenced documents and information have been and are on file with the City Clerk of the City.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2015.

CYNTHIA S. CONNERS, Mayor

ATTEST:

YOLIE TRIPPY, Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 15-XX** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the XX day of XX 2015, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, Deputy City Clerk



CHECKLIST OF REQUIREMENTS FOR EXPEDITED PROCESSING OF PERMITS FOR SMALL RESIDENTIAL ROOFTOP SOLAR ENERGY SYSTEMS

City of Laguna Woods
 Planning & Environmental Services Department
 24264 El Toro Road, Laguna Woods, CA 92637
 Ph: (949) 639-0500 Fax: (949) 639-0591
www.cityoflagunawoods.org

To be eligible for expedited permit processing pursuant to Chapter 10.26 of the Laguna Woods Municipal Code, applicants for small residential rooftop solar energy systems must follow this Checklist of Requirements (“Checklist”)¹. An application that provides all of the information required by this Checklist, as determined by the City, shall be deemed complete and shall be processed as expeditiously as practicable. For additional information, please contact the Planning & Environmental Services Department during business hours: Monday through Friday, from 8:00 a.m. to 5:00 p.m.

I. GENERAL REQUIREMENTS

The term “small residential rooftop solar energy system” is defined in Subsection (j)(3) of Section 65850.5 of California Government Code, as amended from time to time or replaced by a successor statute. To qualify as a “small residential rooftop solar energy system,” a solar energy system must meet all of the following requirements: [1] it is no larger than 10 kilowatts alternating current nameplate rating or 30 kilowatts thermal; [2] it conforms to all applicable State fire, structural, electrical, and other building codes as adopted or amended by the City and paragraph (3) of subdivision (c) of Section 714 of California Civil Code; [3] it is installed on a single or duplex family dwelling; and, [4] its solar panel or module array does not exceed the maximum legal building height as defined by the City.

- A. The solar system size is 10kW AC CEC rating or less. Yes No
- B. The solar array is roof-mounted on a one- or two-family dwelling or accessory structure. Yes No
- C. The solar panel/module arrays will not exceed the maximum legal building height. Yes No
- D. The solar system is utility interactive and without battery storage. Yes No
- E. A City permit application is completed and attached. Yes No

II. ELECTRICAL REQUIREMENTS

- A. No more than four photovoltaic module strings are connected to each Maximum Power Point Tracking (MPPT) input where source circuit fusing is included in the inverter. Yes No
 - 1. No more than two strings per MPPT input where source circuit fusing is not included. Yes No
 - 2. Fuses (if needed) are rated to the series fuse rating of the photovoltaic (PV) module. Yes No
 - 3. No more than one noninverter-integrated DC combiner is utilized per inverter. Yes No

¹ If Chapter 10.26 of the Laguna Woods Municipal Code is amended or renumbered subsequent to the City Council’s adoption of this Checklist, those amendments may be incorporated into this Checklist administratively without the need for City Council approval. In addition, the Director of the Planning & Environmental Services Department may from time to time amend this Checklist pursuant to his or her authority under Chapter 10.26 of the Laguna Woods Municipal Code.

ITEM 7.2 – Attachment B – Exhibit “A”

- B. For central inverter systems: No more than two inverters are used. Yes No
- C. The PV system is interconnected to a single-phase AC service panel of nominal 120/220 Vac with a bus bar rating of 225 A or less. Yes No
- D. The PV system is connected to the load side of the utility distribution equipment. Yes No
- E. A Solar PV Standard Plan and supporting documentation is completed and attached. Yes No

III. STRUCTURAL REQUIREMENTS

- A. A completed Structural Criteria and supporting documentation is attached (if required). Yes No

IV. FIRE SAFETY REQUIREMENTS

- A. Clear access pathways are provided. Yes No
- B. Fire classification solar system is provided. Yes No
- C. All required markings and labels are provided. Yes No
- D. A diagram of the roof layout of all panels, modules, clear access pathways, and approximate locations of electrical disconnecting means and roof access points is provided. Yes No

Notes:

1. *These criteria are intended for expedited solar permitting process.*
2. *If any items are checked NO, revise design to fit within the Checklist, otherwise permit application may go through standard process.*

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8.1

**GOLDEN RAIN FOUNDATION
GENERAL PLAN AMENDMENTS, ZONING
CODE AMENDMENTS, AND ZONE CHANGES
PROJECT**

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: August 19, 2015 Regular Meeting

SUBJECT: Golden Rain Foundation General Plan Amendments, Zoning Code Amendments, and Zone Changes Project

Recommendation

Approve second reading and adopt an ordinance – read by title with further reading waived – entitled:

AN ORDINANCE OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING CHAPTERS 13.06 AND 13.12 OF THE LAGUNA WOODS MUNICIPAL CODE RELATED TO THE DEFINITION AND USE OF COMMUNITY GARDEN/GARDEN CENTER AND ADOPTING ZONE CHANGES RELATED TO THE GOLDEN RAIN FOUNDATION GENERAL PLAN AMENDMENTS, ZONING CODE AMENDMENTS, AND ZONE CHANGES PROJECT

Background

The City has received an application from the Golden Rain Foundation for General Plan Amendments, Zoning Code Amendments, and Zone Changes (“project”).

On July 29, 2015, the City Council unanimously approved a resolution adopting a mitigated negative declaration, a mitigation monitoring and reporting program, and amendments to the City’s General Plan related to the project. An ordinance which would amend the Laguna Woods Municipal Code with respect to the definition and use of “community garden/garden center” and adopt zone changes for eight parcels (Attachment A) was also unanimously approved for introduction and first reading.

Project Location

The General Plan Amendments and proposed Zone Changes pertain to eight parcels at several locations within the City of Laguna Woods, all of which are owned and maintained by the Golden Rain Foundation. Three of the parcels are north of Town Centre and City Centre Park and bounded on the west by Third Laguna Hills Mutual residential units, on the north by Santa Maria Avenue, and on the east by Moulton Parkway. The five remaining parcels are bounded by El Toro Road on the north, the Laguna Woods Village maintenance yard and recreational vehicle (RV) and boat storage lot and the Home Depot Center on the west, Moulton Parkway on the east, and the Aliso Viejo Golf Course and the City of Aliso Viejo Iglesia Park on the south.

In addition to the eight parcels, the proposed project involves amending the City's Zoning Code pertaining to the Open Space-Recreation (OS-R) zone. While the Zoning Code applies citywide, the OS-R zone specifically relates to the eight parcels described above; an area owned and maintained by the El Toro Water District for recycled water treatment and other utility uses; and areas of the private community of Laguna Woods Village that include a golf course, golf starter building with a pro shop and restaurant, practice areas, tennis courts, Clubhouse 2, Clubhouse 4, a RV and boat storage yard, and open space.

Project Description

The Golden Rain Foundation's application requested redesignation of all eight parcels from Urban Activities Center (UAC) to Open Space (OS) in the City's General Plan and rezoning from Urban Activities Center (UAC) to Open Space-Recreation (OS-R). The proposed ordinance (Attachment A) would adopt the zone changes, add a definition for "community garden/garden center" to the City's Zoning Code, and allow community gardens/garden centers as a principal use in the OS-R zone. A community garden/garden center is proposed to be defined as:

A non-commercial site used for the growing and cultivation of fruits, vegetables, plants, fibers, herbs, and flowers for primarily personal, family, or neighborhood use, or for sale or distribution at a nearby farmer's market or similar event.

All of the project sites are currently being used for recreation or other open space purposes. Following General Plan redesignation and rezoning, the Golden Rain

Foundation has indicated to the City that its intention is to continue to use the sites for substantially similar purposes.

Discussion

After reviewing the Golden Rain Foundation's land use application and considering environmental issues as required by the California Environmental Quality Act (CEQA), staff recommends that the City Council approve the proposed project.

Today's meeting is an opportunity for a second reading of the proposed ordinance, as required by State law, and consideration of adoption by the City Council. The ordinance was approved for introduction and first reading on July 29, 2015. If approved and adopted, the ordinance would be effective 30-days thereafter.

Environmental Review

The Initial Study prepared for the project found that although the project could have a significant effect on the environment, there will not be a significant effect in this case because of the incorporated mitigation measures and revisions in the project that have been made by or agreed to by the Golden Rain Foundation. Therefore, a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program were prepared. None of the project sites are included on any hazardous material lists enumerated under Government Code Section 65962.5. Adoption of the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program occurred on July 29, 2015.

The noticed, public review period for the Mitigated Negative Declaration was from June 22, 2015 to July 22, 2015. During that time, related documents – including the Golden Rain Foundation's land use application, Initial Study, and draft Mitigated Negative Declaration – were available for public review at City Hall and on the City's website. While several individuals contacted the City for information on the project, no written comments were received.

Fiscal Impact

The City's costs related to this project are recovered from the applicant.

Attachment: A – Proposed Ordinance
Exhibit A – Proposed, Updated Zoning Map

ORDINANCE NO. 15-XX

AN ORDINANCE OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING CHAPTERS 13.06 AND 13.12 OF THE LAGUNA WOODS MUNICIPAL CODE RELATED TO THE DEFINITION AND USE OF COMMUNITY GARDEN/GARDEN CENTER AND ADOPTING ZONE CHANGES RELATED TO THE GOLDEN RAIN FOUNDATION GENERAL PLAN AMENDMENTS, ZONING CODE AMENDMENTS, AND ZONE CHANGES PROJECT

THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Section 13.06.010, subdivision (d), of Chapter 13.06 (Zoning / Definitions) of the Laguna Woods Municipal Code is hereby amended to add the following language:

(262) Community Garden/Garden Center: A non-commercial site used for the growing and cultivation of fruits, vegetables, plants, fibers, herbs, and flowers for primarily personal, family, or neighborhood use, or for sale or distribution at a nearby farmer’s market or similar event.

SECTION 2. Section 13.12.020, permitted open space uses table, of Chapter 13.12 (Open Space Districts) of the Laguna Woods Municipal Code is hereby amended to permit Community Gardens/Garden Centers as a principal use within Open Space-Recreation districts and prohibit Community Gardens/Garden Centers within Open Space-Passive districts by adding the following language:

Land Use Types	Districts		Code References
	OS-P	OS-R	
Community Garden/Garden Center	X	P	

SECTION 3. The Zoning Map as amended and attached as Exhibit “A,” including zone changes related to the Golden Rain Foundation General Plan Amendments, Zoning Code Amendments, and Zone Changes Project, is hereby adopted.

SECTION 4. This Ordinance shall take effect and be in full force and operation thirty (30) days after adoption.

SECTION 5. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity of effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 6. The Deputy City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance to be published or posted as required by law.

PASSED, APPROVED AND ADOPTED this XX day of XX 2015.

CYNTHIA S. CONNERS, Mayor

ATTEST:

YOLIE TRIPPY, Deputy City Clerk

APPROVED AS TO FORM:

DAVID B. COSGROVE, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Ordinance No. 15-XX** was duly introduced and placed upon its first reading at an adjourned regular meeting of the City Council on the 29th of July 2015, and that thereafter, said Ordinance was duly adopted and passed at a regular meeting of the City Council on the XX day of XX 2015 by the following vote to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, Deputy City Clerk

CITY OF LAGUNA WOODS



ZONING MAP

Date: May 13, 2015 (DRAFT)

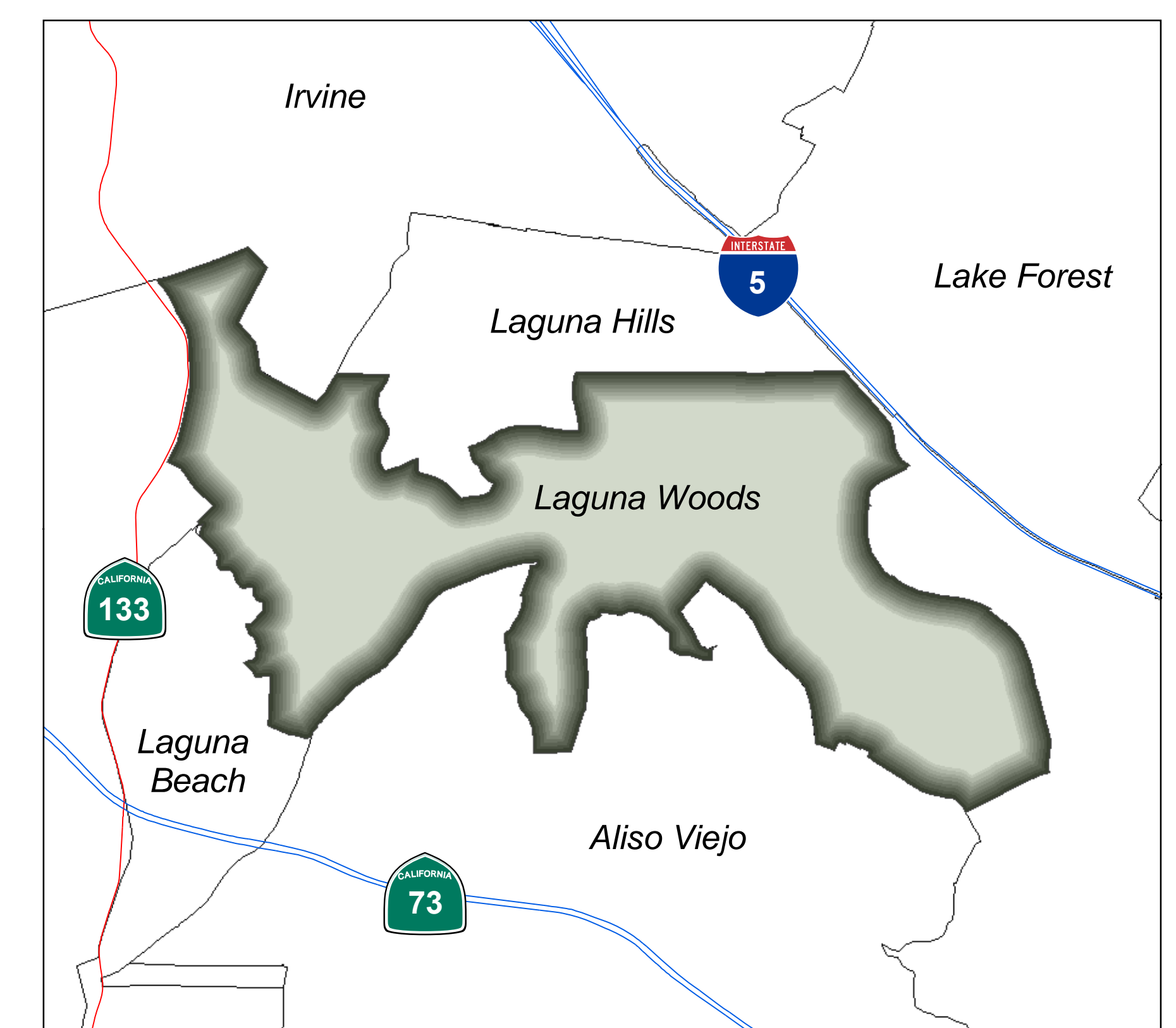
Legend

--- City Boundaries

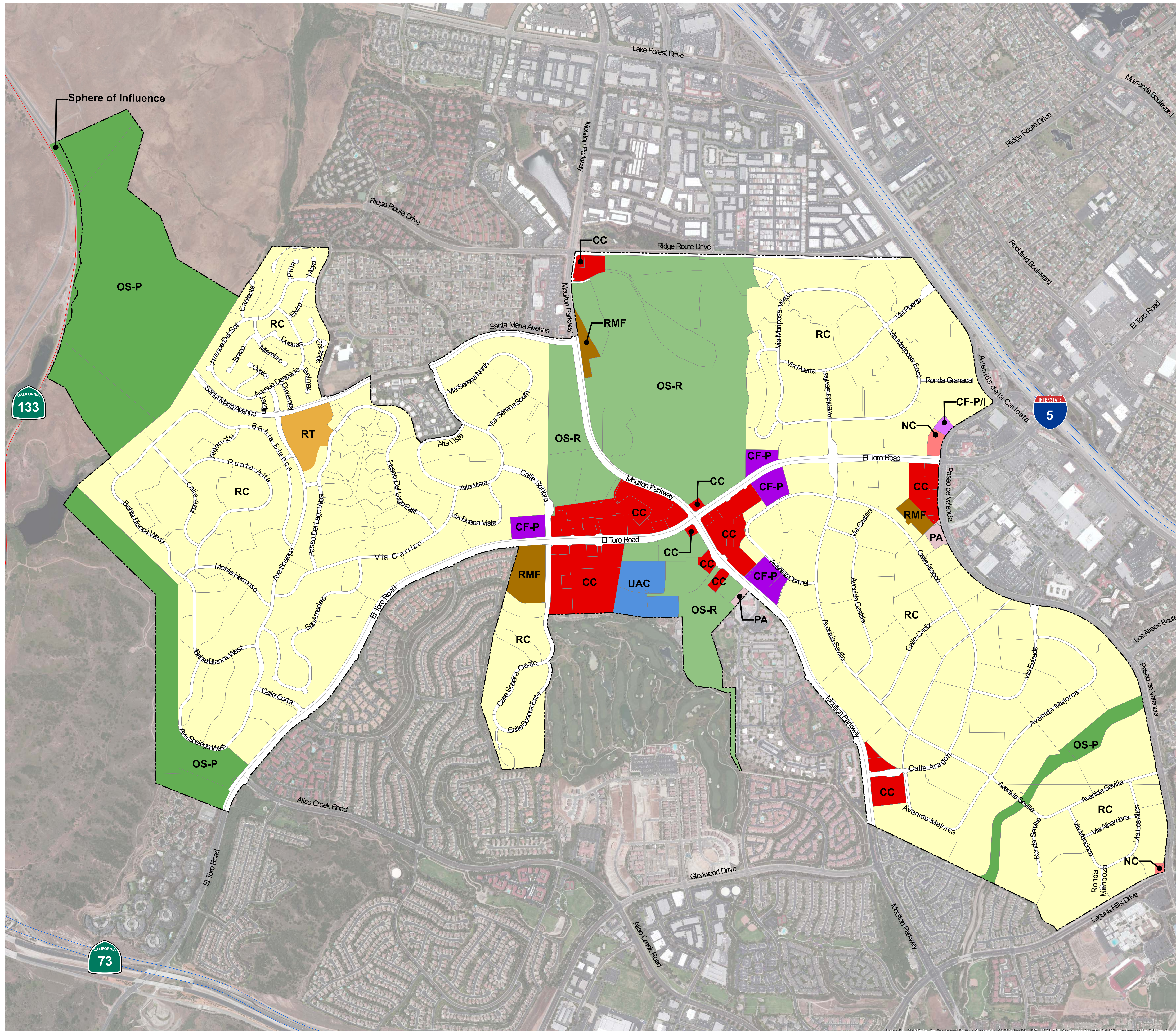
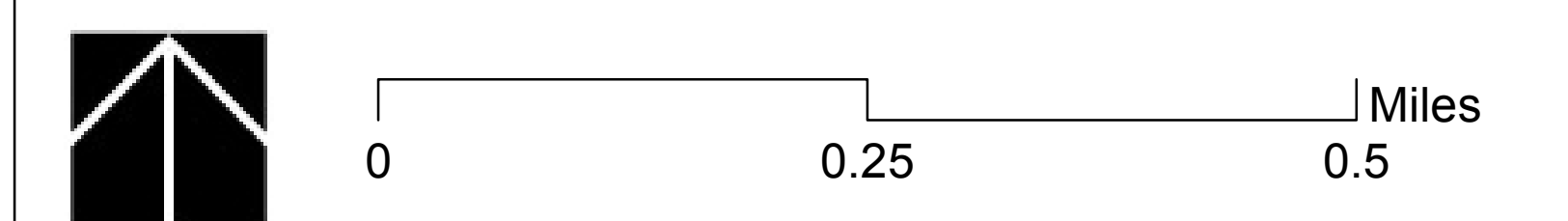
Zoning Designations

- Residential Community District (RC)
- Residential Towers District (RT)
- Residential Multifamily District (RMF)
- Professional and Administrative Office District (PA)
- Neighborhood Commercial District (NC)
- Community Commercial District (CC)
- Community Facilities - Public/Institutional (CF-P/I)
- Community Facilities - Private (CF-P)
- Open Space - Recreation District (OS-R)
- Open Space - Passive District (OS-P)
- Urban Activities Center (UAC)

Key Map



DISCLAIMER
 This map is a public resource of general information. The feature data provided on this map represents the most accurate zoning and parcel information available at the most recent date of revision. In the event of a conflict of information on this map and adopted City Resolutions or Ordinances, the City's Resolutions or Ordinances shall govern.



8.2

**PRIORITIZATION AND MODIFICATION OF
FISCAL YEAR 2015-16 SIGNIFICANT WORK
PLAN ITEMS**

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: August 19, 2015 Regular Meeting

SUBJECT: Prioritization and Modification of Fiscal Year 2015-16 Significant Work Plan Items

Recommendation

Provide direction to staff on the prioritization and modification of Fiscal Year 2015-16 significant work plan items.

Background

On June 24, 2015, the City Council discussed a future prioritization of significant work plan items to assist staff with implementation of the budget and work plan, as well as potential interest in considering additional significant work plan items.

The following 14 new significant work plan items were included in the Fiscal Year 2015-16 Budget & Work Plan (Attachment A):

- Financial Software Replacement
- Investment Policy Update
- Other Post-Employment Benefits (OPEB) Trust Establishment
- Reserve Policies Update
- Strategic Financial Plan (SFP) Policy Development
- Civic Support Fund
- Senior Mobility Taxi Transportation Request for Proposals
- Catch Basin Maintenance Services Request for Proposals
- Pavement Management Plan Update

- Commercial Zoning Code Uses and Parking Standards Update
- Drought Conscious Development Regulations Update
- Household Hazardous, Electronic, Medical, and Sharps Waste Disposal Services Request for Proposals
- General Plan Comprehensive Update
- Wireless Communication Facility Regulations Update

Discussion

Today's meeting is an opportunity for the City Council to provide direction to staff on the prioritization and modification of the Fiscal Year 2015-16 significant work plan items. In addition to prioritizing significant work plan items, the City Council may also choose to add or remove items.

For discussion purposes, staff has prepared a potential prioritization as follows:

- High Priority – These significant work plan items are either (1) included as a result of changes in federal or state law or (2) time sensitive (e.g., expiring consultant agreements, funding requirements, and regulatory clarity).
 - Financial Software Replacement
 - Investment Policy Update
 - Senior Mobility Taxi Transportation Request for Proposals
 - Catch Basin Maintenance Services Request for Proposals
 - Pavement Management Plan Update
 - Commercial Zoning Code Uses and Parking Standards Update (*The high priority component of this item relates to an update of permitted uses for commercial zoning districts. An update of associated parking standards is included as a medium priority item.*)
 - Drought Conscious Development Regulations Update (*The high priority component of this item relates to an update of water efficient landscape regulations as required by Governor Brown's Drought Executive Order of April 1, 2015. The balance of this item, including reviewing and updating tree maintenance and removal standards, and building and construction codes, is included as medium priority.*)
 - Household Hazardous, Electronic, Medical, and Sharps Waste Disposal Services Request for Proposals
 - General Plan Comprehensive Update
 - Wireless Communication Facility Regulations Update

- Medium Priority
 - Other Post-Employment Benefits (OPEB) Trust Establishment
 - Reserve Policies Update
 - Strategic Financial Plan (SFP) Policy Development
 - Civic Support Fund
 - Commercial Zoning Code Uses and Parking Standards Update (*The medium priority component of this item relates to an update of parking standards for commercial zoning districts. A portion of this item is included as high priority.*)
 - Drought Conscious Development Regulations Update (*The medium priority component of this item relates to reviewing and updating tree maintenance and removal standards, and building and construction codes. A portion of this item is included as high priority.*)




Fiscal Impact

Funding to support significant work plan items is included in the Fiscal Year 2015-16 Budget & Work Plan.



Attachment: A – Fiscal Year 2015-16 New Significant Work Plan Items Table

[New Significant Work Plan Items]






<p><i>Priority Alignment (A City that is...) Legend:</i></p>	 <p><i>Healthy and safe</i></p>	 <p><i>High in quality of life</i></p>	 <p><i>Environmentally conscious</i></p>	 <p><i>Economically prosperous</i></p>	 <p><i>Fiscally responsible</i></p>	 <p><i>Professionally and efficiently served</i></p>
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ID	Description	Lead Department	Priority Alignment (A City that is...)
1	<p>Financial Software Replacement – Replace the City’s financial software in order to meet operational needs, improve internal efficiencies, receive more effective technical support, and enhance capabilities to aide in the future implementation of electronic systems requiring financial integration.</p>	Administrative Services	 
2	<p>Investment Policy Update – Review and update the City’s investment policy in a manner that ensures adequate safety and liquidity of assets, while maximizing yield. This item includes the appointment of an Ad Hoc Investment Policy Update Committee of the City Council to prepare recommendations for consideration by the City Council.</p>	Administrative Services	



<p><i>Priority Alignment</i> (A City that is...) Legend:</p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
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ID	Description	Lead Department	Priority Alignment (A City that is...)
3	<p>Other Post-Employment Benefits (OPEB) Trust Establishment – Establish an irrevocable OPEB trust to fund the City’s currently unfunded retiree medical liabilities. The OPEB trust will be established with an initial funding level of 80% of the City’s unfunded liability calculated as of July 1, 2015 and invested in the California Public Employees’ Retirement System’s (CalPERS) California Employers’ Retiree Benefit Trust Fund using the investment strategy with the lowest risk of rate of return volatility.</p>	Administrative Services	
4	<p>Reserve Policies Update – Review and update the City’s policies regarding fund balances that should be accumulated and maintained as reserves for specified purposes in order to promote fiscal prudence.</p>	Administrative Services	



<p><i>Priority Alignment</i> (A City that is...) Legend:</p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
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ID	Description	Lead Department	Priority Alignment (A City that is...)
5	<p>Strategic Financial Plan (SFP) Policy Development – Adopt a policy establishing a methodology for the annual development of a five-year SFP. The SFP will provide economic forecasts, project long-term budget conditions, and identify long-range and future strategic priorities. It is anticipated that the first SFP will be developed in Fiscal Year 2016-17.</p>	Administrative Services	 
6	<p>Civic Support Fund – Consider the potential formation of a non-profit civic support fund to support City events and programs (e.g., public art, cultural affairs, library services, and business promotion). This item includes the appointment of an Ad Hoc Civic Support Fund Committee of the City Council to prepare recommendations for consideration by the City Council.</p>	City Manager's Office	  



<p><i>Priority Alignment</i> (A City that is...) Legend:</p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
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ID	Description	Lead Department	Priority Alignment (A City that is...)
7	<p>Senior Mobility Taxi Transportation Services Request for Proposals – Conduct a competitive process to select senior mobility taxi transportation services provider(s) for the City in order to ensure the efficient, effective, and economical conduct of City business. This item will be completed as both a routine business practice and a part of significant work plan item #18.</p>	City Manager’s Office	
8	<p>Catch Basin Maintenance Services Request for Proposals – Conduct a competitive process to select catch basin maintenance provider(s) for the City in order to ensure the efficient, effective, and economical conduct of City business. This item only applies to the maintenance of catch basins located on City property.</p>	Engineering & Infrastructure Services (City Manager’s Office)	



<p><i>Priority Alignment</i> (A City that is...) Legend:</p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
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ID	Description	Lead Department	Priority Alignment (A City that is...)
9	<p>Pavement Management Plan Update – Review and update the City’s pavement management plan to identify and plan for the long-term maintenance, rehabilitation, and reconstruction of public roadways. This item also fulfills a requirement for the local allocation of revenues generated from Orange County’s Measure M2 half-cent sales tax.</p>	<p>Engineering & Infrastructure Services (City Manager’s Office)</p>	
10	<p>Commercial Zoning Code Uses and Parking Standards Update – Review and update the City’s commercial zoning code to clarify and better align zoning districts with permitted uses and associated off-street parking standards. This item is consistent with the City’s goal of providing residents with access to high quality goods and services close to home.</p>	<p>Planning & Environmental Services (City Manager’s Office)</p>	

<p><i>Priority Alignment</i> (A City that is...) Legend:</p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
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ID	Description	Lead Department	Priority Alignment (A City that is...)
11	<p>Drought Conscious Development Regulations Update – Review and update the City’s development regulations in order to reduce potable water consumption and take local steps toward achieving the Governor’s statewide mandatory water reductions. Regulations to be reviewed include, but are not limited to, tree maintenance and removal standards, water efficient landscapes, and building and construction codes.</p>	<p>Planning & Environmental Services (City Manager’s Office)</p>	
12	<p>Household Hazardous, Electronic, Medical, and Sharps Waste Disposal Services Request for Proposals – Conduct a competitive process to select special waste disposal services provider(s) for the City in order to ensure the efficient, effective, and economical conduct of City business.</p>	<p>Planning & Environmental Services (City Manager’s Office)</p>	

<p><i>Priority Alignment (A City that is...) Legend:</i></p>	 <p><i>Healthy and safe</i></p>	 <p><i>High in quality of life</i></p>	 <p><i>Environmentally conscious</i></p>	 <p><i>Economically prosperous</i></p>	 <p><i>Fiscally responsible</i></p>	 <p><i>Professionally and efficiently served</i></p>
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ID	Description	Lead Department	Priority Alignment (A City that is...)
13	<p>General Plan Comprehensive Update – Review and update the City’s General Plan to establish a 25-year vision for the future of Laguna Woods. Updates will focus on the circulation, housing, land use, noise, and open space elements with modifications, as necessary, to the conservation and safety elements. A new economic vitality element will be developed to address business attraction, business development, and fiscal issues.</p>	<p>Planning & Environmental Services (City Manager’s Office)</p>	
14	<p>Wireless Communication Facility Regulations Update – Review and update the City’s wireless communication facility regulations in order to ensure consistency with federal and state laws, regulations, and orders, as well as to promote clarity and administration.</p>	<p>Planning & Environmental Services</p>	

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8.3
CITY COUNCIL MEETING SCHEDULE

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: Christopher Macon, City Manager
FOR: August 19, 2015 Regular Meeting
SUBJECT: City Council Meeting Schedule

Recommendation

1. Cancel the regular City Council meeting scheduled for October 21, 2015 at 2 p.m.

AND

2. Schedule an adjourned regular City Council meeting for October 28, 2015 at 2 p.m.

Discussion

Staff is recommending that the City Council modify its meeting schedule for the month of October 2015 in order to accommodate a discussion regarding the General Plan Comprehensive Update Project and other agenda items.

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