

FRANCHISE AGREEMENT
FOR
SOLID WASTE, RECYCLING,
AND ORGANIC WASTE SERVICES
AMENDED AND RESTATED NOVEMBER 26, 2019

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**FRANCHISE AGREEMENT
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ORGANIC WASTE SERVICES**

This **FRANCHISE AGREEMENT FOR SOLID WASTE, RECYCLING, AND ORGANIC WASTE SERVICES** (this "Agreement") is made and entered into this first day of January 1, 2020 (the "Effective Date"), by and between the **TOWN OF SAN ANSELMO**, a municipal corporation, ("Town"), and **MARIN SANITARY SERVICE**, a California corporation, ("Company"). Town and Company may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

The following Recitals are a substantive part of this Agreement.

- A. It is in the best interest of the public health, safety and welfare of the residents of the Town and it is necessary for the protection of public health, safety, and welfare, and property within said Town that Solid Waste, Recyclable Material and Organic Waste collection, processing and disposal services be rendered to all business and Residential properties within the Town.
- B. The Parties entered into the Franchise Agreement for Solid Waste, Recycling, and Green Waste Services dated effective on January 1, 2010 (the "2010 Agreement"), for a term of ten (10) years and pursuant to which the Company currently renders Solid Waste, Recycling Material and Green Waste collection, processing and disposal services to businesses and residents in the Town.
- C. The Parties have been in ongoing discussions and negotiations regarding an expansion and/or modification of the services currently provided by Company and desire to enter into this Agreement to supersede and replace the 2010 Agreement and to clarify the services to be provided by Company under this Agreement.

AGREEMENT

NOW, THEREFORE, the Parties hereby agree as follows:

- 1. **Definitions.** For the purpose of this Agreement, the following definitions will apply, unless the context hereof requires a different meaning:
 - A. "Food Waste" means food scraps and trimmings and other putrescible waste that results from food production, preparation, storage, consumption or handling. Food Waste includes but is not limited to: meat, fish and dairy waste, fruit and vegetable waste, grain waste, Stable Matter, acceptable food packaging items such as pizza boxes, paper towels, and unlined food contaminated paper products.

- B. "Green Waste" means a subset of Organic Waste, consisting of grass cuttings, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees (not more than six (6) inches in diameter), and similar materials generated at Residential and Commercial properties within the Town, separated and set out for collection, processing and Recycling. Green Waste does not include materials such as, but not limited to, palm fronds, yucca, poison oak, bamboo, brick, rock, gravel, large quantities of dirt, concrete, sod, non-organic wastes, oil and wood or wood products. Diseased plants and trees are also excluded from Green Waste.
 - C. "Organic Waste" means Food Waste and Green Waste, either separately or commingled with each other, that has been separated at the source of generation from Solid Waste and Recyclable Materials.
 - D. "Recycling" means the process of collection, sorting, cleansing, treating and/or reconstituting and selling Recyclable Materials which would otherwise be discarded and returning them to the economy in the form of raw materials for new, reused, repaired, refabricated, remanufactured or reconstituted products. The collection, transportation or disposal of Solid Waste not intended for, or capable of, reuse is not Recycling.
 - E. "Recyclable Materials" means separated Residential, Commercial or industrial by-products of some potential economic value, set aside, handled, packaged, or offered for collection in a manner different from Solid Waste. Recyclable Materials include but are not limited to: newspaper, chipboard, corrugated cardboard, mixed waste paper (including office paper, computer paper, magazines, junk mail, catalogs, craft bags and craft paper, paperboard, egg cartons, phone books, brown paper, grocery bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other similar food boxes), glass containers (including brown, clear, and green glass bottles and jars), aluminum (including beverage containers, foil, and food containers), steel or tin cans, small scrap metal, plastic containers, household batteries, and any other materials mutually agreed to by the Parties.
 - F. "Solid Waste" means all putrescible and non-putrescible solid, semi-solid and associated liquid waste, as defined in California Public Resources Code Section 40191.
2. **Grant of Franchise, Terms.** Company shall have the exclusive right and privilege to collect all Solid Waste, Recyclable Materials and Organic Waste within the territorial limits of the Town, for a period of ten (10) years commencing on the Effective Date and expiring at midnight on December 31, 2029 (the "Term"). Notwithstanding the exclusive grant of franchise, customers may:
- A. May donate to a charity or sell to a third-party Recyclable Materials of their choice;

- B. Have materials and/or debris removed from a premises and disposed of by a construction company, landscape company, gardening company or individual as an incidental part of a gardening, landscaping, tree trimming, cleaning, maintenance, construction or similar service offered by that company or individual, provided that such company or individual uses its own employees and vehicles for such purpose;
- C. Contract for outside debris box services provided to customers for collection of construction and demolition debris on a temporary basis subject to the provisions of the Town ordinance.

At the Town's sole discretion, the Town shall have the option to offer extension of the Term of this Agreement for two (2) extension terms of five (5) years each. If the Town elects to offer this option and the Company accepts, it shall give written notice to Company at least one hundred and eighty (180) calendar days prior to the end of the initial or the extended Term, as the case may be.

- 3. **Meet and Confer.** The Town and Company agree to meet and consider appropriate revisions to this Agreement, on an "as-needed" basis, to reflect changes in law and regulation, including statutory Recycling standards, technology, and/or local needs. In the event the parties agree that changes in applicable law require amendments to the Agreement, notwithstanding any other provision of this Agreement, the Company and Town agree to amend this Agreement to set forth any agreement to incorporate such changes herein in a timely manner.
- 4. **Scope of Services.** Company shall collect all Solid Waste, Recyclable Materials and Organic Waste within the territorial limits of the Town during the Term in accordance with all applicable regulations, including without limitation applicable provisions of the Town Code, and in accordance with the Description of Services set forth in Exhibit A.
- 5. **Hours of Collection/Change in Collection.** Company shall limit collection to 6:00 am to 6:00 pm except in Commercial areas and/or in selected Residential areas between 700 and 1500 Sir Francis Drake Boulevard, Bridge Street, and the parking area of Creek Park where Company shall limit collection to 5:00 am and 6:00 pm. Town, in collaboration with the Company, reserves the right to change the hours of collection. Town Manager may allow Company to begin collection in other areas of Town at 5:00 am for safety reasons; provided, however, that Town Manager may in his/her sole and absolute discretion submit such a request to the Town Council for consideration per Exhibit A.

Company shall notify all affected Residential customers at least fourteen (14) calendar days prior to any change in their scheduled Solid Waste, Recyclables and/or Organic Waste collection. Company shall not permit any Residential customer to go more than seven (7) days without service (with the exception of approved Intensive Recyclers). Company shall notify all Commercial customers at least five (5) calendar days prior to any change in service. Except by prior arrangement with the Commercial customer, no change in service shall temporarily reduce the weekly frequency of collection.

6. **Rate Setting and Rates.** The parties intend to create a rate structure which will provide reasonable compensation, including a reasonable profit, to Company from the services rendered within the Town, and the Parties intend at all times to maintain a rate structure, which upon review, will continue to provide reasonable compensation to Company. In this regard, the Parties agree that a review and any increase or decrease of said rate or charges, in the future, shall be based upon a rate setting methodology as set forth in Exhibit B. Exhibit C sets forth the current schedule of rates for services which may be amended by the Town Council from time to time in accordance with the rate setting methodology set forth in Exhibit B. Neither the Town nor any of its officers, employees, or appointive or elective officials shall be liable or in any way responsible for the payment of said charges to Company for performing said service to customers.
7. **Equipment.** The Company shall utilize modern fully and semi-automated equipment, clean, painted, and in a state of good repair with the Company's name and telephone number clearly visible from the outside of the vehicle or equipment.
8. **Town Waste.** Company agrees to pick up and remove all Solid Waste, Recyclable Materials and Organic Waste resulting from official operations and functions of Town, including all Town parks, and public trash containers in the public right-of-way, provided such Solid Waste, Recyclable Materials and Organic Waste is deposited in containers furnished by Town per Exhibit A.

This Agreement to provide the above service to the Town includes all waste materials except, in the event of an emergency, removal of a large volume of Solid Waste, hazardous waste or dredging materials. In such an event, Town agrees to meet with Company to agree upon adequate compensation to Company.

9. **Insurance.** At all times during the term of this Agreement, Company will carry insurance meeting the following requirements:

A. Types of Insurance and Levels of Coverage:

- 1) Liability Insurance. Comprehensive general and automobile liability insurance which shall include, but not be limited to, protection against claims arising from any act or occurrence arising out of Company's operations in the performance of this Agreement, including without limitation, acts involving vehicles. The amounts of insurance shall be not less than the following: single limit coverage applying to bodily and personal injury, including death resulting therefrom, and property damage, in the total amount of \$10,000,000.

The following endorsements must be attached to the policy:

- a. If the insurance policy covers an "accident" basis, it must be changed to "occurrence."

- b. The policy must cover personal injury as well as bodily injury.
 - c. Blanket contractual liability must be provided and the policy must contain a cross liability or severability of interest endorsement.
- 2) Workers Compensation Insurance. In accordance with the provisions of Section 3700 of the Labor Code, Company shall be required to be insured for workers' compensation or to undertake self-insurance. Company agrees to comply with such provision before commencing the performance of the work of this Agreement.
 - 3) Unemployment and State Disability Insurance. During the term of this Agreement, Company shall provide unemployment and state disability insurance as required by the laws of the State of California.
 - 4) Pollution and/or Environmental Impairment Liability and/or Errors and Omissions. \$1,000,000 each occurrence/\$1,000,000 policy aggregate covering liability arising from the release of waste materials and/or irritants, contaminants or pollutants. Such coverage shall, if Commercially available, without involvement of the Town, automatically broaden in its form of coverage to include legislated changes in the definition of waste materials and/or irritants, contaminants or pollutants.
- B. The following requirements apply to all insurance to be provided by the Company:
- 1) The Town, its elected and appointed officials, officers, employees, volunteers and agents shall be named as additional insured under the policies, and the policies shall provide that the insurance will operate as primary insurance and that no other insurance maintained by the Town will be called upon to contribute to a loss hereunder.
 - 2) A copy of each insurance policy (except Worker's Compensation) shall be furnished to the Town. A certificate of insurance shall be provided before commencement of this Agreement. Subsequent certificates of insurance shall be provided at least ten (10) days before the expiration of current policies.
 - 3) Certificates and policies shall state that the policies shall not be cancelled or reduced in coverage or changed in any other material aspect unless thirty (30) days prior written notice is provided to Town.
 - 4) Approval of the insurance by Town shall not relieve the Company from nor decrease the extent to which the Company may be held responsible for payment of damages resulting from Company's services or operations pursuant to this Agreement.

- 5) The policies shall include a waiver of subrogation against the Town.
- C. If Company fails or refuses to procure or maintain the insurance required by this paragraph or fails or refuses to furnish Town with required proof that insurance has been procured and is in force and paid for, Town shall have the right, at Town's election, to terminate this Agreement in accordance with the provisions herein. If insurance coverage for certain items shall become unavailable on an industry basis, termination of this Agreement as above provided shall not apply. The parties shall meet and mutually agree upon appropriate revisions or amendments to such coverage requirements.
- 10. Surety/Performance Security.** Company shall provide Town with ten (10) days after execution of this Agreement, cash or a surety bond in the amount of three hundred thousand dollars (\$300,000) provided by a Surety Company with a Best rating of "A" or better and licenses to do business in the State of California, conditioned upon the full faithful performance of all provisions of this Agreement and any extensions or amendments thereto. Said surety bond must be approved by Town prior to performance of any work under this Agreement. A certificate of deposit or an irrevocable letter of credit for the required amount from a bank acceptable to Town may be provided in lieu of said surety bond.
- A. Subject to the notice and hearing procedures set forth herein, if Town determines that Company has substantially failed to keep and perform any provisions of this Agreement or any extension or amendment thereto, Town may require Surety to perform or may resort to any certificate of deposit or irrevocable letter of credit received in lieu of a bond. In that event, Town shall notify the Surety of Company's failure to perform any provision, as well as the amount of time necessary for performance as determined by Town. If the Surety fails to perform, Town may perform and assess the Surety on its bond for all costs associated with such performance. The costs of performance may include all labor, equipment, insurance, and any and all other reasonably necessary resources as determined by Town to perform the work required under this Agreement.
- B. Notwithstanding any other provision of this Agreement, Town shall annually review the adequacy of the amount of the surety bond and Town shall notify Company in writing of any changes to the required bond amount not later than thirty (30) days after the completion of said review. Company shall renew said surety bond as necessary and file it with Town at least thirty (30) days prior to the expiration of the bond; provided, however, that Company shall not be required to increase or decrease the amount of the bond prior to six (6) months following any such bond adjustment required pursuant to this paragraph. Costs related to coverage under the Surety bond will be considered an allowable cost for rate setting purposes.
- 11. Indemnification.** Company shall indemnify, defend with counsel acceptable to the Town, and hold harmless (to the full extent permitted by law) the Town and its Town Council, elected and appointed officials, officers, employees, volunteers, and agents (collectively, "Indemnitees") from and against any and all claims, liability, loss, injuries,

damage, expense, and costs (including without limitation costs and fees of litigation) (collectively, "Damages") of every nature arising out of or in connection with Company's performance under this Agreement, or its failure to comply with any of its obligations contained in the Agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the Town.

Company's duty to defend and indemnify herein shall include Damages arising from or attributable to any operations, repairs, clean-up or detoxification, or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substance or hazardous waste collected in the Town.

Notwithstanding the foregoing, Company shall not be required to indemnify the Town for costs for any claims arising from the disposal of Solid Waste at the designated disposal location, including, but not limited to, claims arising under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) unless such claim is a direct result of Company's actions or negligence. The foregoing is intended to operate to defend and indemnify and hold harmless indemnitees to the full extent permitted for liability pursuant to Section 107(e) of CERCLA, 42 U.S.C. Section 9607(e) and California Health and Safety Code Section 25364.

In addition, Company's duty to defend and indemnify herein includes, without limitation:

- A. All fines and/or penalties imposed by the California Integrated Waste Management Board, subject to the restrictions set forth in Public Resources Code Section 40059.1, if the requirements of the Act are not met by the Company with respect to the waste stream collected under this Agreement, and such failure is (i) due to the failure of Company to meet its obligations under this Agreement, or (ii) due to Company delays in providing information that prevents Company or Town from submitting reports required by the Act in a timely manner; and
- B. Damages from the Town setting rates for service under this Agreement or in connection with the application of Article XIIC and Article XIID of the California Constitution (Proposition 218) to the imposition, payment, or collection of rates and fees for services provided by Company under this Agreement provided, however, that such obligation to defend and indemnify shall not apply to the imposition or payment of Franchise Fees or any other amounts payable to the Town under this Agreement; and
- C. Damages arising from or related to the Town's request to remove or reassign any employee. This provision will survive the expiration or earlier termination of this Agreement and shall not be construed as a waiver of rights by Town to contribution or indemnity from third-parties.

- 12. Reporting.** Collector shall provide to Town and all other appropriate governmental agencies, in a timely manner, all information regarding its operations under this Agreement as may be required by law.

Collector shall retain records and data requested in this Section for the Term of this Agreement plus five (5) years after its expiration or earlier termination. Records shall be in chronological and organized format and readily and easily interpreted.

A. Financial and Operational Records

Collector shall keep adequate books and records of expenditures and income attributable to its operations, including all records and data used in preparing rate adjustment applications pursuant to Exhibit B, which shall be open to inspection by Town at all reasonable times.

B. Collection Service Records

Collector shall maintain Collection service records for the Town, which shall be open to inspection by Town at all reasonable times, relating to:

1. Customer services and billing, including copies of billings and payment receipts;
2. Weight and volume of material Collected by type (e.g. Solid Waste, Recyclable Materials and Organic Waste). Where possible, information is to be separated among Single-Family, Multi-Family and Commercial Customers, and further separated by container type (e.g. Cart service, Bin service, and roll-off/compactor service);
3. Recyclable Materials and Organic Materials Collection participation and/or set-out rates;
4. Routes;
5. Facilities, equipment and personnel used;
6. Facilities and equipment operations, maintenance and repair; and
7. Disposal and Processing of Solid Waste, Recyclable Materials and Organic Waste.

C. Customer Service Records

Collector shall maintain customer service records for the Town relating to:

1. Number of Calls;
2. Categories (e.g. missed pickups, damage, etc.) of calls; and
3. Individual call and resolution log (written record of all Customer complaints and the actions taken by Collector in response to these complaints).

D. Reporting Requirements

Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

1. Determine and set rates and evaluate the financial efficacy of operations; and
2. Evaluate past and expected progress towards achieving the Town's diversion goals and objectives; and

3. Determine needs for adjustment to programs; and
4. Evaluate service recipient service and complaints.

Company may propose report formats that are responsive to the objectives and audiences for each report. The format of each report shall be approved by the Town. Collector agrees to submit all reports electronically in a format compatible with the Town's software and computers at no additional charge, if requested by Town. Collector will provide a certification statement, under penalty of perjury, by the responsible Collector official, that the report being submitted is true and correct to the best knowledge of such official after their reasonable inquiry.

Reports will be submitted annually no later than August 31 (unless another date is mutually agreed upon).

All reports shall be submitted to:

Town of San Anselmo
c/o David Donery, Town Manager Town Hall
525 San Anselmo Avenue
San Anselmo, California 94960

E. Annual Report

Collector shall provide a comprehensive report to Town annually that will provide a description and progress of: all Zero Waste programs and the status of new technologies as well as industry practices that could enhance progress towards zero waste; public education, outreach and technical support activities undertaken during the year, including distribution of bill inserts, numbers of customers directly contacted regarding diversion services, number of waste audits and results, collection notification tags, community information including website and newsletters and events, tours and other activities; Recycling and Organic Waste program participation "set outs" by Residential, Multi-Family and Commercial accounts; year to year changes in customer account data segregated by type of service, container size and frequency of collection; annual gross receipts and payments made to Town segregated by type of payment. Collector shall provide Town a report on quantities and types of Solid Waste, Recyclable Material, and Organic Waste collected. Collector shall provide Town a report on curbside Recycling tonnage diverted and shall report to Town the per capita landfill tonnages generated. Collector shall report to Town the average monthly market value per ton of Recyclable Materials collected as reported in the Waste & Recycling News, Los Angeles Region (Southwest USA). In addition, Collector shall provide updates to the Town on the progress of programs or services implemented during the past two years

Certificate of End Use. If requested by the Town, Collector will obtain a certification of end use documentation from the purchaser/recipients of Recyclable Materials establishing that the materials sold have been, in fact, recycled, reused or acquired for a use that will allow the Recyclable Materials to qualify, under State regulations,

as having been diverted from disposal. The documentation shall be sufficient in form and content to satisfy the California Department of Resources, Recycling and Recovery (CalRecycle) that the materials have been diverted.

Collector shall conduct and provide to the Town upon request, a route audit of all Customers charged a Manual Distance Charge and Vehicle Distance Charges.

Upon Town's request, Collector shall provide justification or explanation for amounts charged to individual Customers beyond the standard base rates.

13. Breach and Termination

A. Events of Default

- 1) Definition. Each of the following shall constitute an Event of Default by Company ("Event of Default") hereunder:
 - a. Material Breach. Failure to perform any obligation under this Agreement which (i) constitutes a significant hazard to the public health safety or welfare or (ii) would impose civil or criminal liability on the Town.
 - b. Repeated Pattern of Breaches. A pattern of breaches over time such that in combination, they constitute a significant failure by Company to perform its obligations hereunder.
 - c. Misrepresentation or False Warranty. Any representation, disclosure, assurance, or warranty made to Town by Company in connection with, or as an inducement to entering into or performing this Agreement or any future amendment to this Agreement, or that is a condition to the effectiveness of the Agreement, that proves to be false or misleading in any material respect as of the time the representation, disclosure, assurance, or warranty.
 - d. Seizure or Attachment of Equipment. There is a seizure or attachment (other than a prejudgment attachment) of, or levy affecting possession of, the operating equipment of Company, including without limitation its vehicles, maintenance or office facilities, or any part thereof of such proportion as to impair Company's ability to perform under this Agreement and which cannot be released, bonded, or otherwise lifted within forty-eight (48) hours excluding weekends and holidays.
 - e. Contractor Debt. Company files a voluntary petition for debt relief

under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or consents to the appointment of, or taking of possession by, a receiver, liquidator, assignee (other than as a part of a transfer of equipment no longer useful to Company or necessary for this Agreement), trustee (other than as security for an obligation under a deed of trust), custodian, sequestrator (or similar official) of Company or a part of Company's operating assets or any substantial part of Company's property, or shall make any general assignment for the benefit of Company's creditors, or shall become insolvent and unable to pay its debts generally as they become due.

- f. Court Order or Decree. Any court having jurisdiction - enters a decree or order for relief in respect of Company, in any involuntary case brought under any bankruptcy , insolvency, debtor relief, or similar law now or hereafter in effect, or Company shall consent to or shall fail to oppose any such proceeding, or any such court shall enter a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Company or for any part of Company's operating equipment or assets, or order the winding up or liquidation of the affairs of Company.
- g. Failure to Provide Performance Assurances. Company fails to provide reasonable assurances of performance as required under Article 10.
- h. Failure to Notify Town. Company fails to notify Town in a timely manner of any receipt of notice of violation or official communication from those regulatory agencies regulating Solid Waste, Recyclables, Organic Waste collection, transportation, processing or disposal activities that might materially affect Company's ability to perform all of the services hereunder.
- i. Lapse of Financial Requirement. Lapse of any insurance, letter of credit, bond or other financial instrument required under this Agreement.
- j. Regulatory Violation. Company violates in any material respect any orders or filings of any regulatory body having jurisdiction over Contractor relative to this Agreement, provided Company may contest any such orders or filings by appropriate proceedings conducted in good faith, in which case no breach of the franchise or this Agreement shall be deemed to have occurred.
- k. Cessation of Services. Company ceases to provide the services

required under this Agreement for a period of two (2) consecutive days or more, for any reason within the control of Company. In the event of a labor dispute, strike or slow down the period shall be seven (7) consecutive days.

- l. Failure to Meet Payment or Reporting Requirements. Company fails to make any payment of any sum owed to Town required under this Agreement and/or refuses to provide Town with required information, reports, and/or records in a timely manner as provided for in this Agreement.
- m. Unremedied Acts or Omissions. Any act or omission relative to this Agreement by Company which violates in any material respect the terms, conditions, or requirements of this Agreement, the California Integrated Waste Management Act of 1989, as it may be amended from time to time, or any law, statute, ordinance, order, directive, rule, or regulation issued thereunder and which is not corrected or remedied within the time set in the written notice of the violation or, if Company cannot reasonably correct or remedy the breach within the time set forth in such notice, if Company should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.
- n. Criminal Activity of Company. Should Company or any of its officers or directors be "found guilty" of criminal conduct relating to its obligations hereunder, or other criminal conduct at any of Company's operations. The term "found guilty" shall be deemed to include any judicial determination that Company or any of Company's officers or directors are guilty, and any admission of guilt by Company, or any of Company's officers or directors including, but not limited to, the pleas of "guilty," "nolo contendere," "no contest," or "guilty to a lesser crime" entered as part of any plea bargain. Such criminal conduct includes, but is not limited to: (i) price fixing, (ii) illegal transport or disposal of hazardous or toxic materials, (iii) bribery of public officials, (iv) fraud or tampering, or (v) other such conduct which involves moral turpitude, but shall exclude misdemeanor criminal activity such as routine traffic violations. In the event of criminal conduct Town reserves the right to exercise one or more of the remedies specified below in Section 13D. Such action shall be taken after Company has been given notice and an opportunity to present evidence in mitigation.
- o. Assignment. Company assigns this Agreement in violation of this

Agreement.

2) Notice; Cure.

- a. Notice of Default. Subject to Company's right to cure set forth below, Company shall be in default from the date of receipt of a notice from Town identifying such default. The notice shall include a brief written description of the default. Company may review (and copy at its own expense) all information in the possession of Town relating to the Event(s) of Default. Company may, within three (3) Working Days after receiving the notice, request a meeting with Town Representative. Company may present evidence in writing and through testimony of its employees and others relevant to the Event(s) of Default.
- b. Cure of Default. Company shall begin cure of any event of default as soon as it becomes aware of the event of default, whether discovered by contractor or through notice from town. upon receiving notice of default, Company shall proceed to cure such breach as follows:
 - i. Immediately, if the default is such that in the sole determination of Town, the health, welfare or safety of the public is endangered thereby; or
 - ii. Within ten (10) Working Days of receiving notice of default; provided that if the nature of the default is such that it will reasonably require more than ten (10) days to cure, Company shall have such additional time as is reasonably needed to expeditiously complete a cure, upon written agreement with Town will not unreasonably withhold its consent in connection with any request from Company to extend time to complete cure of default. During any default cure period, Company shall provide Town weekly written status of progress in curing such default.

B. Determination of Cure of Breach or Default. An Event of breach or default shall be considered remedied and/or cured upon signature by both Parties of a written agreement specifying the event and stating that remedy and/or cure of such event has been completed.

C. Town's Right to Perform

- 1) General. In addition to any and all other legal or equitable remedies, in the event that Company, for any reason whatsoever, fails, refuses or is unable to

provide any service hereunder for a period of more than seventy-two (72) hours, and if, as a result thereof, should Solid Waste accumulate in Town to such an extent, in such a manner, or for such a time that Town should find that such accumulation endangers or menaces the public health, safety or welfare, then Town shall have the right, but not the obligation, without payment to Company upon twenty-four (24) hours prior notice to Company during the period of such emergency as determined by Town: (i) to perform, or cause to be performed, such services itself with its own or other personnel without liability to Company.

Notice of Company's failure, refusal or neglect to provide services hereunder may be given email or other form of written communication to Contractor and shall be effective immediately.

Company further agrees that in such event:

- a. It will fully cooperate with Town to affect the transfer of possession of equipment, subject to bank financing obligations, to Town for Town's use.
- b. It will, if Town so requests, and to the extent feasible, keep in good repair and condition all of such equipment, provide all motor vehicles with fuel, oil and other service, and provide such other service, and provide such other service as may be necessary to maintain said property in operational condition.
- c. Company shall provide all scheduling, routing and billing information to the Town. Town shall determine how to bill, in what amounts, and the distribution of amounts received.

Town's exercise of its rights under this Article 13: (i) does not constitute a taking of private property for which compensation must be paid; (ii) will not create any contract, tort, or common count liability on the part of Town to Company; and (iii) does not exempt Contractor from the indemnity provisions of Article 11, which are meant to extend to circumstances arising under this Section, provided that Company is not required to indemnify Town against claims and damages arising from the active negligence or willful misconduct of Town officers, employees, agents, or volunteers acting under this section.

- 2) Duration of Town's Possession. Town has no obligation to maintain possession of Company's property and/or continue its use in providing any services for any period of time and may, at any time, in its sole discretion, relinquish possession to Company. Town's right to retain temporary possession of Company's property, and to provide one or more services, shall continue until Company can demonstrate to Town's satisfaction that it is ready, willing, and able to resume such services.

D. **Town's Remedies for Contractor Default.** Upon Company's failure to cure a default pursuant to Article 13C, Town shall have the following rights:

- 1) Waive Default. To, at its sole discretion, waive the Company default.
- 2) Termination. Terminate the Agreement in accordance with Article 13F.
- 3) All Other Available Remedies. In addition to, or in lieu of termination, to exercise all of its remedies in accordance with this Article 13 and any other remedies at law and in equity, to which Town shall be entitled, according to proof.
- 4) Damages Survive. If Company owes any damages upon Town's termination of the Agreement, Company's liability under this Article 13 shall survive termination.

In the event Town does not exercise its right to terminate, Town shall have the right to: (i) seek performance by the surety under the performance bond, and (ii) make a claim on any insurance policy or policies.

E. **Town Waiver of Breach or Default.** A waiver by Town of any breach or default by Company shall not be deemed to be waiver of any other breach or default by Company, including ones with respect to the same obligations hereunder, and including new incidents of the same breach or default. The subsequent acceptance by Town of any damages or other money paid by Company hereunder shall not be deemed to be a waiver by Town of any preexisting or concurrent breach or default by Company.

F. **Termination**

- 1) Termination for Cause. Town shall have the unilateral right to terminate this Agreement for any of the reasons specified below. Company shall forfeit its performance bond to Town to the extent required to compensate Town for damages incurred as a result of -an uncured default. Termination may occur upon:
 - a. Uncured Default. An uncured Event of Default by Company.
- 2) Notice of Termination. Town shall have the right to terminate this agreement in the circumstances specified above, upon giving at least thirty (30) days advance written notice to Company, and providing Company with an opportunity to be heard and to correct any claimed default or failure to perform cited by Town. The decision as to whether or not Company has failed to perform or there exists a default under any of the provisions described herein shall be solely that of the San Anselmo Town Council. Such decision shall be based upon substantial evidence.

- G. **Possession of Property Upon Termination.** In the event of termination for default, agrees to continue to provide services under the provisions of this Agreement. Company will continue to be entitled to compensation for these services at the then current Rates. Such services will be provided until the Town can make other suitable arrangements for the provision of services, which may include the award of an agreement to another contractor. Company will provide these services for up to 90-days from the date of termination or until the Town requests Company to cease providing such services, whichever is later. Company shall furnish Town with immediate access to all of its business records related to its route maps, schedules, and billing of accounts for services.
- H. **Town's Remedies Cumulative.** All remedies provided for in this Agreement shall be in addition to any and all other legal and equitable rights and remedies which Town may have under law or as otherwise provided in this Agreement. By virtue of the nature of this Agreement, the urgency of timely, continuous and high-quality service, the lead time required to effect alternative service, and the rights granted by Town to Company, the remedy of damages for a default hereof by Company is inadequate, and Town may be entitled to injunctive/equitable relief.
- I. **Excuse from Performance.**
- 1) Excuse from Performance. The Parties shall be excused from performing their respective obligations hereunder in the event they are prevented from so performing by reason of floods, moderate to severe earthquakes, tsunamis, other "acts of God," war, civil insurrection, riots, and other similar catastrophic events which are beyond the control of and not the fault of the Party claiming excuse from performance hereunder. Labor unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted job action conducted by Company's employees or directed at Company, or a subcontractor, is not an excuse from performance, and Company shall be obligated to continue to provide service notwithstanding the occurrence of any or all of such events. In the case of labor unrest or job action directed at a third party over whom Company has no control, the inability of Company to make collections due to the unwillingness or failure of the third party to provide reasonable assurance of the safety of Company's employees while making collections or to make reasonable accommodations with respect to container placement and point of delivery, time of collection, or other operating circumstances to minimize any confrontation with pickets or the number of persons necessary to make collections, shall, to that limited extent, excuse performance. The foregoing excuse shall be conditioned on Contractor's cooperation in making collection at different times and in different locations.
 - 2) Inexcuse from Performance. None of the following are to be considered an excuse from performance: (i) general economic conditions, interest or

inflation rates, or currency fluctuation or changes in the cost or availability of fuel, commodities, supplies or equipment; (ii) changes in transport or disposal costs, disposal facility locations, and/or other related circumstances; (iii) changes in the financial condition of Company or any of its subcontractors affecting their ability to perform their obligations; (iv) the consequences of errors, neglect or omissions by Company, or any subcontractor; (v) any failure of any subcontractor or supplier to furnish labor, materials, service or equipment for any reason; (vi) equipment failure; or (vii) changes in market prices for, or the unavailability of markets for, the sale or purchase of Recyclable Materials.

- 3) Notice. The Party claiming excuse from performance shall, within two (2) days after such party has notice of such cause, give the other Party notice of the facts constituting such cause and asserting its claim to excuse under this Article. Notwithstanding, Company, in the event of a declared disaster, shall comply with the emergency plans of Town and County.
- 4) Waiver of Damages. In the event that either Party validly exercises its rights under this Article, the Parties hereby waive any claim against each other for any damages sustained thereby.
- 5) Interruption or Discontinuance of Service. The partial or complete interruption or discontinuance of Company's services caused by one or more of the events described in this Article and constituting an excuse from performance shall not constitute an Event of Default by Company under this Agreement. Notwithstanding the foregoing, however, (i) the existence of an excuse from performance shall not affect Town's right to perform services under Article 13 and (ii) if Company is excused from performing its obligations hereunder for any of the causes listed in this Article 13 I for a period of thirty (30) days or more, other than as the result- of third-party labor disputes under which services cannot be provided for reasons described earlier in this Article, Town shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) days' notice, in which case the provisions of Article 13C shall apply.

- J. **Right to Demand Assurances of Performance.** If Contractor is: (i) the subject of any labor unrest including work stoppage or slowdown, sickout, picketing or other concerted job action; (ii) appears in the reasonable judgment of Town to be unable to regularly pay its bills as they become due; or (iii) is the subject of a civil or criminal investigation, charge, or judgment or order entered by a federal, state, regional or local agency for violation of a law relating to performance under this Agreement, and Town believes in good faith that Company's ability to perform under the Agreement has thereby been placed in substantial jeopardy, Town may, at its option and in addition to all other remedies it may have, demand from Company reasonable assurances of timely and proper performance of this Agreement, in such form and substance as Town believes in good faith is reasonably necessary in the circumstances

to evidence continued ability to perform under the Agreement. If Company fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by Town, such failure or refusal shall be an Event of Default for purposes of Article 13.

- K. **Performance Review.** Town may conduct periodic reviews of Contractor's performance ("Performance Review"), with up to one (1) Performance Review occurring every three years, with the first such Performance Review being possible between 2020 and 2022. The Town agrees to conduct its performance review as part of the Performance Review conducted for the benefit of the Franchisors' Group.
- 1) The Company shall be responsible for the cost of each Performance Review in an amount not exceeding \$60,000 per Performance Review for all the Members of the Franchisors' Group (and including the Town of San Anselmo and the Town of Fairfax), escalated annually by the annual change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG, with a floor of 2.5% and a cap of 5%. Payment is due in full prior to the start of each Performance Review and is considered an allowable cost for the purposes of a Base Year approach rate review.
 - 2) The Performance Reviews may be performed by the Franchisors' Group or its consultant. In the event the Franchisors' Group intends to retain a consultant to perform any Performance Review, it may seek and accept comments and recommendations from Company.
 - 3) The Performance Reviews may be designed to verify that: rates have been properly calculated and that they correspond to the level of service received by customers; franchise fees and other fees required under this Agreement have been properly calculated and paid to Town; Company has complied with the reporting requirements and performance standards of the Agreement; Company's customer service, outreach, education, compliance and internal auditing functions meet or exceed industry best practices; and reports provided by Company are accurate.
 - 4) Company shall cooperate fully with the Performance Review and provide all requested data, including operational data, financial data and other data reasonably requested by Town (or its designated consultant) within thirty (30) work days.
 - 5) The Franchisors' Group (or its designated consultant) may utilize a variety of methods in the execution of the Performance Review, including analysis of relevant documents, on-site and field observations, and interviews.
 - 6) Franchisors' Group (or its designated consultant) will review and document the items in the Agreement that require Company to meet specific

performance standards, submit information or reports, perform additional services, or document operating procedures, that can be objectively evaluated.

- 7) Franchisors' Group (or its designated consultant) may also review the customer service functions and structure utilized by Company. This may include Company's protocol for addressing customer complaints and service interruption procedures. Complaint logs may be reviewed, along with procedures and systems for tracking and addressing complaints. On-site and field observations by the Franchisors' Group (or its designated consultant) may include, but are not necessarily limited to:
 - a. Interviews and discussions with Company's administration and management personnel;
 - b. Interviews and discussions with Company's financial and accounting personnel;
 - c. Interviews and discussions with route dispatchers, route drivers, vehicle maintenance staff, field and service supervisors, and managers;
 - d. Review and observation of Company's customer service functions and structure, and vehicle maintenance practices;
 - e. Review of public education and outreach materials;
 - f. Review of on-route collection services, including observation of driver performance and collection productivity and visual inspection of Residential routes before and after collection to evaluate cart placement and cleanliness of streets;
 - g. Review of vehicle and equipment maintenance log and accident or vehicle incident records, if any.

- 8) In the event that the Performance Review concludes that Company is not in compliance with all terms and conditions of this Agreement and such non-compliance is material, Town may conduct an additional Performance Review via the Franchisors' Group to ensure that that Company has remedied any such area of non-compliance. Company shall be responsible for the cost of any such additional Performance Review, at a maximum cost of \$40,000, escalated annually by the annual change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG, with a floor of 2.5% and a cap of 5%. Costs for additional Performance Reviews per this section are not considered allowable costs for the purposes of a Base Year approach rate review.

14. Assignments, Sub-Companies, and Change of Ownership

- A. No interest in this Agreement may be assigned, sold or transferred, either in whole or in part, by Company without the prior written consent of the Town which the Town may grant or refuse in its reasonable discretion. The Company shall promptly notify the Town in writing at least one hundred twenty (120) days in advance of the

proposed closing of any such proposed assignment, sale or transfer. The Company is encouraged to notify the Town as soon as possible of any proposed assignment, sale or transfer. In the event that the Town Council approves of any assignment, sale or transfer, said approval shall not relieve Company of any of its obligations or duties under this Agreement unless this Agreement is modified in writing to that effect.

- B. Any such assignment, sale or transfer made by the Company without the consent of the Town shall be null and void and the attempted assignment, sale or transfer shall constitute a material breach of this Agreement and give the Town grounds to terminate this Agreement upon written notice to the Company, and upon such termination, all liability of the Town under this Agreement to the Company shall cease, and the Town shall have the right to call the performance bond and shall be free to negotiate with other contractors.
- C. The Town may not assign its rights or subrogate its obligations under this Agreement without the prior written consent of the Company, except to a joint powers authority authorized by Govt. Code Sec. 6500 et seq.
- D. For purposes of this section, "assignment, sale or transfer" shall include, but not be limited to:
 - i. A sale, exchange or other transfer to a third party of outstanding common stock of the Company which results in a Change in Control (as defined below);
 - ii. Any sale to a third party of all or substantially all of the Company's assets dedicated to providing the services required by this Agreement;
 - iii. Any subcontracting of the Company's services required under this Agreement, except to an affiliate of the Company (defined as an entity that is controlled by Joseph John Garbarino or his lineal descendants and/or the lineal descendants of Joseph and Angelina Garbarino) or for processing or landfilling services customarily subcontracted by the Company;
 - iv. Any dissolution, reorganization, consolidation, merger, recapitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction that results in a Change in Control;
 - v. Any assignment by operation of law, including insolvency or bankruptcy, assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Company's property, or transfer occurring in a probate proceeding that results in a Change in Control; and
 - vi. Any combination of the foregoing (whether or not related or

contemporaneous transactions), or any other factors, which would have the effect of a Change in Control.

- E. The Company acknowledges that this Agreement involves rendering a vital service to the Town's residents and businesses, and that the Town has selected the Company to perform the services specified herein based on:
- i. The Company's experience, skill and reputation for conducting its solid waste management operations in a safe, effective and responsible fashion, at all times in keeping with applicable local, state and federal environmental laws, regulations and best waste management practices; and
 - ii. The Company's financial resources to maintain the required equipment and to support its indemnity obligations to Town under this Agreement. The Town relied on each of these factors, among others, in choosing the Company to perform the services to be rendered by the Company under this Agreement.
- F. The Town is concerned about the possibility that an assignment, sale or transfer could result in significant rate increases, as well as a change in the quality of service. Accordingly, the following standards have been set to ensure that any assignment, sale or transfer shall result in continued quality of service. At a minimum, no request by the Company for the Town's consent to an assignment, sale or transfer need be considered by the Town unless and until the Company has met the following requirements:
- i. Marin Sanitary Service shall reimburse the Town for its reasonable, documented expenses for attorneys and other consultants engaged by the Town to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment. However, it is likely that other agencies of the Franchisors' Group served by Marin Sanitary Service (the "Members") may also be considering the request for consent to the assignment, sale or transfer. In consideration of the payment described in this subsection, the Members and the Town agree to work together to reasonably avoid duplication of such costs among them, given the common requests for consent. In furtherance of Marin Sanitary Service's obligation to all such Members and the Town, upon notice by Marin Sanitary Service of its intention to assign its rights hereunder and under each of its franchise agreements with the other Members, Marin Sanitary Service shall pay the sum of two hundred thousand dollars (\$200,000), escalated annually by the annual change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG, with a floor of 2.5% and a cap of 5%, into an escrow account towards the total of all such costs incurred by the Town and the Members and the Town and the Members shall direct Marin Sanitary Service to pay a pro rata share of that amount to each of them with the apportionment of such payments at the sole discretion of the Town

and the Members, it being understood that the Town and each Member shall address Marin Sanitary Service's request for consent to such assignment, sale or transfer on a separate basis;

- ii. The Company shall furnish the Town with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years;
- iii. The Company shall furnish the Town with satisfactory proof:
 - a. That the proposed assignee has at least ten (10) years of solid waste management experience including the handling of solid waste, recyclable and organic materials on a scale equal to or exceeding the scale of operations conducted by the Company under this Agreement;
 - b. That in the last five (5) years, neither the proposed assignee nor any of its affiliates have suffered significant major citations or other charges from any federal, state or local agency having jurisdiction over its waste management operations due to any significant failure to comply with state, federal or local environmental laws and that the assignee has provided the Town with a complete list of such citations and charges;
 - c. That the proposed assignee has conducted its operations in a reasonably environmentally safe and conscientious fashion;
 - d. That the proposed assignee has conducted its solid waste management practices in good faith and substantial compliance with sound waste management practices, including all federal, state and local laws regulating the collection and disposal of solid waste, including hazardous wastes; and
 - e. Provide any other available information required by Town to ensure that the proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner.
- G. Under no circumstances shall the Town be obliged to consider any proposed assignment, sale or transfer by the Company if the Company is in material breach of any provision of this Agreement at the time of the request or at any time during the period of consideration of the request. The Town will provide the Company with a reasonable opportunity to be heard before the Town Council and the opportunity to correct any such claimed failure of performance or material breach.
- H. In the case of any assignment, sale or transfer, the assignee shall not be entitled to request any adjustment in rates other than as provided under this Agreement.

- I. A Change in Control shall occur when Joseph John Garbarino or his lineal descendants and/or the lineal descendants of Joseph and Angelina Garbarino shall cease to have the power, directly or indirectly, to control the management, operation and policies of the Company, directly or indirectly whether through the ownership of a majority of voting securities, as trustee, by contract or otherwise.
 - J. Company shall provide an annual written update to the Town by October 1 of each year detailing the Company's plans, actions, accomplishments and next steps with respect to its internal succession planning. Company shall meet with the Town on request to discuss details of the Company's succession planning efforts.
- 15. Notice.** Any notices required by this Agreement, or by the applicable municipal ordinance or ordinances shall be given in writing, personally delivered or by mail as follows:

To Company: Marin Sanitary Service, Inc.
 c/o Patricia Garbarino, President 565 Jacoby Street
 San Rafael, California 94901

To Town: Town of San Anselmo
 c/o David Donery, Town Manager, Town Hall
 525 San Anselmo Avenue
 San Anselmo, California 94960

If given by mail, such notice shall be effective three (3) days from the date of deposit in the United States Post Office, or a Post Office box maintained or controlled by the United States Postal Service.

- 16. Use of Streets.** In connection with this Agreement, Town hereby grants permission to Company to carry Solid Water, Recyclable Materials and Organic Waste through the streets of the Town, subject to any applicable ordinance or ordinances relating thereto and now in effect or hereafter enacted by Town. Town shall collect a fee for Company 's use of street. The fee is currently \$84,000 per year and may be adjusted by Town in the future with an associated adjustment in rates.
- 17. Franchise Fee.** As consideration for the granting by Town to Company of all rights and privileges under this Agreement, Company agrees to pay Town an amount equal to eleven percent (11%) of Company's gross receipts, excluding gross receipts from the sale of Recyclable Materials ("Franchise Fee"), except that the Franchise Fee for Company's provision of debris box services shall be two percent (2%) of Company's gross receipts for the provision of such services. The Company does not owe a Franchise Fee for debris box services provided to the Town. Town reserves the right to modify the Franchise Fee related to provisions of the services by Company hereunder at any time during the Term of this Agreement with an associated adjustment in rates. The Town shall give the Company ninety (90) days' notice prior to the date on which an increase become effective.

The Franchise Fee shall be paid monthly, on the fifteenth of each month, computed on the

previous month's gross receipts. The Company shall provide Town with a certified annual independent audit, at Company's expense, of gross receipts for the calendar year (January 1st through December 31st) for the purpose of verification of Franchise Fee compliance. The audit shall be submitted by April 15th of each year.

Additionally, Company, with respect to any legal challenge resulting from the imposition, payment or collection of said revised rates and fees, agrees to cancel as a lien against property, the imposition, payment or collection of revised rates and fees if such rates cannot be legally enforced.

The parties agree that Company shall have the right, at its sole discretion, to stipulate to a judgment or dismissal in any legal action relating to such a claim or, alternatively, if the Town desires, shall allow the Town to defend the action at the sole expense of the Town.

18. **Litter Control.** Company shall be diligent in all collection activities so as to provide a sanitary and litter-free collection area. Company shall use due care to prevent solid waste and/or liquids from leaking, being spilled, and/or scattered during the collection/transportation process. If any solid waste or fluids escape, leak, or spill, Company shall promptly clean up such spills or leaks. Company shall properly cover all open containers for transportation.
19. **Inspection of Books and Records.** Company shall maintain full, complete and separate financial, statistical and accounting records prepared in accordance with generally acceptable accounting principles. Such records shall be subject to audit, copy and inspection by the Town Manager or her/his designee during normal business hours. Such records shall be maintained for a period of not less than five (5) years following the close of each of Company's fiscal years.
20. **Customer Complaint Resolution.** Company shall promptly investigate and correct, where appropriate, any complaint by customer(s) in the franchise area with respect to its service or its employees. Company shall maintain a written record of all customer complaints and the actions taken by Company in response to these complaints. Town may request and receive from Company an up-to-date written record of all customer complaints and actions taken by Company in response to these complaints.
21. **End of Term Transition.** If following the conclusion of the Term of this Agreement, Town grants the franchise rights under this Agreement to a third-party, Company shall be obligated to cooperate with Town and subsequent contractor to assist in an orderly transition. Contractor shall provide Town with such information as may be reasonably requested, including but not limited to, route maps and days of collection, account names, level of service provided, and inventory of vehicles and containers used in providing services.
22. **Entire Agreement.** This Agreement, including Exhibits A through C which are attached hereto and incorporated herein by reference as though set forth herein in full, represents the entire agreement between the parties pertaining to the subject matter hereof and supersedes and cancels any and all previous negotiations, arrangements, representations, agreements and

communications between the parties whether written or oral, with respect to such subject matter, and none of the foregoing shall be used to construe or interpret this Agreement. Notwithstanding the foregoing, Company's indemnification obligations set forth in Article 9 of the immediately preceding 2010 Agreement shall survive and be enforceable by Town with respect to any act or event that occurred during the term of the preceding 2010 Agreement.

23. **Attorneys' Fees.** In the event of any action or proceeding brought by either party against the other pertaining to or arising out of this Agreement, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.
24. **Remedies; Choice of Law.** No remedy or election exercised hereunder shall be deemed exclusive but shall be cumulative with all other remedies at law or in equity. This Agreement shall be governed by the internal laws of the State of California, irrespective of choice of law principles.
25. **Successors and Assigns.** Subject to the provisions regarding assignment contained herein, this Agreement shall apply to and bind the heirs, personal representatives, successors and assigns of the Parties hereto.
26. **Severability.** A final determination by a court of competent jurisdiction that any provision of this Agreement is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its reflected intent.
27. **Authority.** Each individual executing this Agreement on behalf of Company hereby warrants and represents that he is duly authorized to execute this Agreement on behalf of Company and upon execution of this Agreement, will deliver to Town a certified copy of the Articles of Incorporation, the resolution of the Board of Directors of said corporation and minutes of the meeting authorizing said Resolution; authorizing execution of this Agreement and naming the officers who are authorized to execute this Agreement on behalf of Company.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in the day and year first above written.

TOWN:

TOWN OF SAN ANSELMO, a
municipal corporation

Dated: **December XX, 2019**

By: _____
Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Special Counsel

COMPANY:

MARIN SANITARY SERVICE, a
California corporation

Dated: December XX, 2019

By: _____

Printed Name

APPROVED AS TO FORM:

Company Counsel

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EXHIBIT A

DESCRIPTION OF SERVICES

I. GENERAL

A. Recyclable Materials Processing Facility

Company shall continue to provide full-service processing, marketing and sale of Recyclable Materials collected by the Company within the Town at the Recyclable Materials processing facility located at 535 Jacoby Street in San Rafael (the “Marin Recycling Center”), which is operated by the Company’s affiliated Company, Marin Recycling & Resource Recovery Association. Company and Town agree that the charges for rate revenues for Recyclable Materials processing to be billed by the Company as described in Exhibit B are predicated on the Company continuing to process Recyclable Materials at the Marin Recycling Center. Under no circumstances may the Company cease processing of the Recyclable Materials at the Marin Recycling facility without prior approval of the Town. The Company may temporarily ship Recyclable Materials to other processing facilities at its discretion as needed while repairs or upgrades are made to the Marin Recycling facility, but any such temporary shipment of Recyclable Materials is at the Company’s sole expense and risk without any change in the rate revenues and charges for Recyclable Materials processing via either an Indexed Year approach or a Base Year approach.

B. Education, Outreach, Technical Assistance, Monitoring, Compliance Services

Company shall continue to provide Town with outreach, education, technical assistance, monitoring and compliance services to residents, Multi-Family dwellings and Commercial businesses. The Town and Company intend for these services to: provide information to customers regarding the services offered by the Company as provided for via the Agreement; encourage, incentivize and maximize participation in Recycling and organics collection programs, and; implement the requirements of state laws AB 341, AB 1826, SB 1383, and any other solid waste, Recycling and organics local and/or state law requirements applicable to Town and/or Company. The Town and Company further intend to define specific and quantifiable performance targets and reporting requirements for these services so that the Town and Company can accurately and consistently evaluate and monitor progress towards landfill diversion goals and state laws. To that end, the Town and Company agree to develop standard service area wide quantitative performance targets and reporting requirements for these services. These will supplement other reporting and performance requirements in the Agreement and are not intended to change or replace them in any way.

Company shall provide Collection services using modern automated and semi-automated equipment with the Company’s name and telephone number clearly

visible from the outside of the vehicle or equipment.

Company shall provide Carts or bins to Residential, Multi-Family, and Commercial Customers that are clearly labeled for their allowable contents, with Solid Waste, Recyclable Materials or Organic Waste. All containers provided by the Company are the property of the Company.

Company to provide customer billing and payment options including automatic billing, credit card billing, and online payments.

C. Manual or Vehicle Distance Charge

A Manual or Vehicle Distance Charge (see Exhibit C) will apply to all containers located more than five feet (5'), but less than fifty feet (50) from the curb or designated collection location. An additional distance charge will be applied to containers located more than fifty feet (50') from the curb for each additional fifty feet (50') or portion thereof, up to a maximum of three hundred feet (300'). This may be adjusted as we develop standard service area pricing.

Shared Distance Charge: If distance is traveled by the collection vehicle while performing service at more than one (1) customer in a private driveway, that distance charge will be split between the number of customers sharing that distance. If a customer on a shared driveway elects curb collection then only the remaining distance customers will share the charge.

Liability Waiver: If the Company determines that a Load Liability Waiver is required and the property owner or owner's refuses to sign a Load Liability Waiver, the garbage container(s) for those properties must be placed at the curb or designated collection location.

Company has the sole right and ability to determine if distance collection is Manual or Vehicular.

D. Hours of Collection

Company shall limit collection to 6:00 am to 6:00 pm except in Commercial areas and/or in selected Residential areas between 700 and 1500 Sir Francis Drake Boulevard, Bridge Street, and the parking area of Creek Park where Company shall limit collection to 5:00 am and 6:00 pm. Town, in collaboration with the Company, reserves the right to change the hours of collection. Town Manager may allow Company to begin collection in other areas of Town at 5:00 am for safety reasons; provided, however, that Town Manager may in his/her sole and absolute discretion submit such a request to the Town Council for consideration. Town Manager may also request that Company begin collection in limited areas of Town at later times. Company shall not unreasonably deny Town Manager's request for later collection time in limited areas of Town.

Company shall notify all affected Residential customers at least fourteen (14) calendar days prior to any change in their scheduled Solid Waste, Recyclables and/or Green Waste collection. Company shall not permit any Residential customer to go more than seven (7) days without service. Company shall notify all Commercial customers at least five (5) calendar days prior to any change in service. Except by prior arrangement with the Commercial customer, no change in service shall temporarily reduce the weekly frequency of collection.

II. RESIDENTIAL SERVICE (THREE OR FEWER UNITS IN A SINGLE STRUCTURE)

A. Solid Waste

Company shall provide automated or semi-automated tipper Carts in 20-, 32-, 64-, and 96-gallon capacities to be placed at the curb or Company-designated location for one time per week Collection at the rates and fees listed in Exhibit C. Carts should be placed at the designated Collection location by 6:00 am the day of service. Lids of carts must close. Customers may place additional bags not to exceed 32 gallons in size and 60 pounds by weight for a fee as listed in Exhibit C. Items placed outside the Cart or overflowing Carts will incur an additional charge as listed in Exhibit C. Carts are the property of the Company. Company will determine the appropriate Collection location. Solid Waste placed in Company-provided Carts or at the curb for Collection is the property of Company. Low-income rates are available for customers who meet the PG&E CARE Program qualifications.

B. Recyclable Materials

As part of the Residential Customer rates, Company shall provide all Residential Customers with one (1) 64 or 96-gallon Split cart for Recyclable Materials with one side for paper and fiber products, and one side for acceptable glass, metal and plastic excluding polystyrene, plastic bags and compostable plastics. Acceptable materials may change depending on the markets. A full list of accepted materials is available on the Company's website (marinsanitaryservice.com). Cardboard must be broken down small enough to easily slide out of the cart. Large cardboard boxes may also be broken down and tied into 24" x 24" bundles and left beside the Recycling container. Carts must be placed at the curb or, upon approval of Company, the designated Collection location next to their Solid Waste container for one time per week Collection by 6:00 am the day of service. All Residential Customers must be offered Recyclable Materials Collection services. Additional split carts are available for a nominal monthly fee as listed in Exhibit C.

Recyclable Materials placed in Company-provided Carts or at the curb for Collection are the property of Company, and the theft thereof is a crime.

C. Compostable (Organic Waste) Materials

As part of the Residential Customer rates bundled with Solid Waste and Recycling collection, Residential Customers may request up to two (2) additional 32- or 64-

gallon Organic Carts at no cost through December 31, 2020. Beginning January 1, 2021, customers may request one (1) additional Organic Waste Carts at no additional cost. Customers who have secured up to three (3) total green waste carts before December 31, 2020, will keep secured level of service at no additional cost until the customer terminates service with the Company.

Only Company provided tipper carts will be allowed for the weekly collection of Organic Waste. Organic Waste placed in only Company-provided Carts or at the curb for Collection are the property of Company. Company will collect existing “user-owned cans” for Recycling. Company will provide the Town with a list of all San Anselmo Residential customers by June 30, 2020 that will specifically identify all Residential customers by address that have set-out “user-owned cans” between September 1, 2019 and June 30, 2020.

The Company shall inform customers of the new service changes in 2020. The Town may conduct separate accompanying outreach to residents regarding service level changes. As a part of this outreach, the Company shall:

- 1) Send direct mail letters to customers in January and June 2020 explaining new program and options to every resident in San Anselmo (direct mail);
- 2) Tag owner cans with cart hanger with new program and options; and
- 3) Provide information via bill inserts in January 2020, April 2020, July 2020, and October 2020.

Customers may also request up to four (4) additional Organic Waste Carts, at the rates specified in Exhibit C, beyond the total two (2) carts and three (3) carts (if secured before December 31, 2020) at no additional cost. All Organic Waste Carts shall be placed at the curb or Company-approved designated Collection location next to their Solid Waste container for one time per week Collection by 6:00 am the day of service. All Residential Customers must be offered Organic Waste Collection for the collection of accepted Yard Trimmings, Food Waste and Food Soiled Papers in the same Container. A full list of accepted materials is available on the Company’s website (marinsanitaryservice.com).

D. Notification of Improper Recycling/Organic Waste Set Out

To improve communication between Company route drivers and the customers, drivers will leave cart hanger notices for the customers. The most common reasons for leaving notices are:

- 1) To educate customers on proper cart placement.
- 2) To inform customers of collection polices for overweight or compacted carts and ability to rent additional Organic Waste and Recycling Carts for a nominal fee.
- 3) To educate customers about contamination.
- 4) To inform customers about the procedure for having broken carts repaired.
- 5) To document that we have collected extras and additional charges will be

added to the account.

E. Additional Services

1) Clean Up Programs

Company shall provide Residential Customers with two (2) scheduled Clean-up Collection events per calendar year for extra Solid Waste, Recyclable Materials, and/or Organic Waste at no additional cost to the Customers provided that Company's costs for such events shall constitute costs of operation included in the rate base and compensated for through the rates. Company shall also provide all Residential Customers with two (2) on-call pickups of Bulky Items per calendar year on their regularly scheduled Collection day, upon Customer request. Company will also provide on-call Bulky Item pickups beyond two (2) per Residential Customer per calendar year for an additional fee as listed in Exhibit C. These Bulky Items may be Collected in non-compaction vehicles, or in compaction vehicles if the materials are not compacted, and taken to the Designated Processing Facility for sorting.

Company shall schedule Clean-up Collection events in such a manner that all Residential Customers shall receive Clean-up Collection services on their regularly scheduled Collection day. Extra Solid Waste, Recyclable Materials and/or Organic Waste can also be Collected for a fee as listed in Exhibit C in customer provided bags, not to exceed 32 gallons in size and 60 pounds by weight, when placed next to the regular container on Collection day. If an Operations Manager determines it is safe to collect overweight or oversized items, an additional fee will be charged as listed in Exhibit C to cover the cost of extra labor and/or equipment.

2) Semi-Annual Scheduled Clean-Up Service Guidelines

For each Clean-up Collection event, each Customer shall be permitted to place up to two (2) cubic yards (equivalent to fourteen (14) standard 32-gallon bags) of Solid Waste, Recyclable Materials and/or Organic Waste for Collection by Company at no charge. In the event Customer places more than two (2) cubic yards of materials for Collection, Company shall charge the Customer for additional Collection services as listed in Exhibit C.

Company shall require Customers to adhere to the following guidelines:

- a. No Bulky Items will be collected.
- b. No rocks, cement, dirt or Hazardous Waste shall be accepted.
- c. Materials shall be placed in disposable bags/containers, cardboard boxes or customer owned 32-gallon cans or bags. Company will only empty customer owned cans that are not more than 32 gallons in volume and are less than 60 pounds in weight. Recyclables and/or yard

waste should be placed in paper bags or cardboard boxes to ensure they are recycled.

- d. Discarded materials to be Collected in the Clean-up event shall be placed at the designated Collection location by the Generator by 6:00 a.m. on the pickup day to ensure Collection, but in no case shall be placed more than twenty-four (24) hours prior to the pick-up day.

3) On-Call Bulky Item Service Guidelines

Each Residential Customer may call prior to their regular Collection day and schedule two (2) collections of up to two Bulky Items each per calendar year.

Company shall require Customers to adhere to the following guidelines:

- a. Customer must call in at least 24 hours on a regular business day (excluding weekends and holidays) prior to their regular Collection day to have Bulky Items collected and give the approximate size and weight of the Item so appropriate truck, equipment and number of drivers can be determined.
- b. No more than two (2) Bulky Items will be collected.
- c. Any Bulky Item that is over 60 pounds, greater than 6 feet in length, or that cannot be collected safely by one driver-operator, will be charged an additional special handling fee as set forth in Exhibit C.

Company may provide on-call Bulky Item pickups beyond two (2) per Residential Customer per calendar year for an additional fee as listed in Exhibit C. These Bulky Items will be Collected in non-compaction vehicles and taken to the Designated Processing Facility for sorting.

Holiday trees will be Collected curbside on the regularly-scheduled pickup day during a two (2) week period beginning on the Monday following the first Saturday after January 1. If trees are greater than six (6) feet in length, they must be cut in half. All metal stands, plastic tree bags, ornaments, and decorations of any sort must be removed. Flocked trees will not be accepted.

4) Low Income Service Discount

Company shall provide lifeline low income discount service to customers with financial need. To qualify, customers must be enrolled in the PG&E CARE Residential program and provide documentation to the Company showing enrollment qualification annually.

5) Christmas Tree Collection

Company will collect Christmas trees placed whole at the curb on regular collection days each year from December 26 through January 15, or for a mutually agreed upon time range not to exceed 2 weeks. The Christmas trees

shall be limited in length to five (5) feet. Longer trees, must be cut in half. Organic Waste cart lids must close completely. All collected Christmas trees shall be disposed of by Company in the same manner as other green waste. Trees collected after this time period will incur a cost per tree per Exhibit C.

III. MULTI-FAMILY SERVICE (4 OR MORE SERVICE UNITS)

A. Solid Waste

Company shall provide semi-automated or automated tipper Carts in 32-, 64-, and 96-gallon capacities to be placed for Collection at the curb or, upon approval of Company, the designated Collection location. Company will also provide Bins with 1-6, 10-, or 18-cubic yard capacities for large volumes of material. Company will determine the size and type of container depending on materials generated, recycled and diverted, safety, collection vehicle and service location. Service levels shall range from one time per week to six times per week but should be adequate for the volume of material generated. Lids of containers must close and should not be overflowing. Extra fees may be incurred for extra bags or overloaded bins as listed in Exhibit C. Each Multi-Family Customer must maintain a 32 gallon per living unit equivalency minimum service level, which the Company may reduce based on actual waste reduction and diversion results. Company retains approval of all service locations for carts not at the curb and for bins. Company shall also service Customer-owned compactor units for the fees as listed in Exhibit C. For safety and equipment purposes, Company retains right of approval as to the type of compactor to be serviced and the service location.

B. Recyclable Materials

Company shall provide all Multi-Family Customers with unlimited collection of acceptable glass, metal and plastic excluding polystyrene, plastic bags and compostable plastics. Acceptable materials may change depending on the markets. A full list of accepted materials is available on the Company's website (marinsanitaryservice.com). These materials will be collected in Company provided 32 or 64-gallon color-coded tipper carts: blue for paper and paper-fiber products, and brown for accepted commingled glass, metal and plastics. Collection is available from one time per week to six times per week. Cardboard placed in carts must be broken down small enough to easily slide out of the cart. Large cardboard boxes may also be broken down and tied into 24" x 24" bundles and left beside the Recycling container. 1-2 cubic yard rear loading bins are available for large amounts of cardboard collection with Company's approval of size and location. Company will evaluate the appropriate container sizes on an individual customer basis. Pickups can be scheduled from one time per week to six times per week. Recyclable Materials placed in Company-provided containers or at the curb for Collection are the property of the Company.

C. Compostable (Organic Waste) Materials

Company will provide post-consumer Organic Waste collection at all Multi-Family Dwellings and that parallel the Single-Family Residential program. Customers will

be provided up to four (4) 32- or 64-gallon tipper green carts for the collection of accepted Yard Trimmings, Food Waste and Food Soiled Paper in the same Container. A full list of accepted materials is available on the Company's website (marinsanitaryservice.com). Additional carts beyond four may be rented at a nominal monthly fee as listed in Exhibit C.

In addition, Multi-Family tenants may receive kitchen pails at no additional cost to the tenant or property manager for the collection of Organic Waste after participating in a Company provided training.

D. Notification of Improper Recycling/Organic Waste Set Out

To improve communication between Company route drivers and the customers, drivers will leave cart hanger notices for the customers. The most common reasons for leaving notices are:

- 1) To educate customers on proper cart placement.
- 2) To inform customers of collection polices for overweight or compacted carts and ability to rent additional Organic Waste and Recycling carts for a nominal fee.
- 3) To educate customers about contamination.
- 4) To inform customers about the procedure for having broken carts repaired.
- 5) To document that we have collected extras and additional charges will be added to the account.

E. Additional Services

Company is to perform a visual waste audit at least one time per year for each Multi-Family account to provide an estimate of the amount of Recyclable Materials and Organic Waste still in the Solid Waste container to help guide the Customer in service changes to increase diversion.

Company will provide services to comply with all state laws regarding Recycling and Organic Waste diversion.

On-site Collection of Solid Waste, Recyclable materials and Organic Waste carts not at the curb is available for an extra charge as set forth in Exhibit C.

Special pickups of Bulky Items may be requested by Multi-Family Customers for an additional fee as listed in Exhibit C, provided that such a request may only be made by the bill payer (Property Manager or Owner) and not by the occupant of an individual unit. If an individual occupant pays his or her own collection service bill, only then will they be allowed to schedule special pick-ups. Company may provide fee estimates to Customer while scheduling the pickup. These Bulky Items may be Collected in non-compaction vehicles, or in compaction vehicles if the materials are not compacted, and taken to the Designated Processing Site for sorting resulting in greater re-use and Recycling. Extra material can be Collected for a fee as listed in Exhibit C in customer provided bags not greater than 32 gallons in size and 60 pounds

by weight when placed next to the regular container on Collection day.

IV. COMMERCIAL SERVICE

A. Solid Waste

Company shall provide semi-automated or automated tipper Carts in 32-, 64-, and 96-gallon capacities to be placed for Collection at the curb or, upon approval of Company, the designated Collection location. Company will also provide Bins with 1-6, 10-, or 18-cubic yard capacities for large volumes of material. Company will determine the size and type of container depending on materials generated, recycled and diverted, safety, collection vehicle and service location. Service levels shall range from one time per week to six times per week. Each Commercial Customer must subscribe to a level of service that is adequate for the volume of material generated. Lids of containers must close and should not be overflowing. Extra fees may be incurred for extra bags or overloaded bins as listed in Exhibit C. Company retains approval of all service locations for carts not at the curb and for bins. Company shall also service Customer-owned compactor units for the fees as listed in Exhibit C. For safety and equipment purposes, Company retains right of approval as to the type of compactor to be serviced and service location.

B. Recyclable Materials

Company shall provide all Commercial Customers with unlimited collection of acceptable glass, metal and plastic bottles, jugs and containers excluding polystyrene, plastic bags and compostable plastics. Acceptable materials may change depending on the markets. A full list of accepted materials is available on the Company's website (marinsanitaryservice.com). These materials will be collected in Company provided 32 or 64-gallon tipper carts color-coded carts: blue for paper and paper-fiber products, and brown for accepted commingled glass, metal and plastics. Collection is available from one time per week to six times per week. Cardboard placed in carts must be broken down small enough to easily slide out of the cart. Large cardboard boxes may also be broken down and tied into 24" x 24" bundles and left beside the Recycling container. 1-2 cubic yard rear loading bins are available for large amounts of cardboard collection with Company's approval of size and location. Company will evaluate the appropriate container sizes on an individual customer basis. Pickups can be scheduled from one time per week to six times per week. Recyclable Materials placed in Company-provided containers or at the curb for Collection are the property of the Company.

C. Compostable (Organic Waste) Materials

Two options are available for Commercial Business for collection of Organic materials. Both programs are offered at a discounted rate to Commercial customers as listed in Exhibit C.

1) Commercial Composting

Company will provide post-consumer Organic Waste collection at Commercial Businesses that would parallel the Single-Family Residential

program. Customers will be provided 32- or 64-gallon tipper green carts for the collection of accepted Yard Trimmings, Food Waste and Food Soiled Papers in the same Container. A full list of accepted materials is available on the Company's website (marinsanitaryservice.com). By special request and upon approval of the Company, 1-2 cubic yard bins may be available. Larger containers may be provided on a per case basis. Monthly collection fees are listed in Exhibit C.

2) Commercial Food to Energy (F2E) program in partnership with Central Marin Sanitation Agency

Company will provide restaurants, grocery stores, cafeterias, and other similar businesses with 32 and/or 64-gallon tipper dark green carts for the collection of a subset of Food Waste consisting of fruits, vegetables, meats, dairy, fish, breads, pastas and other food scraps. A full list of accepted materials is available on the Company's website (marinsanitaryservice.com). This pre-consumer Food will be anaerobically digested for energy production at Central Marin Sanitation Agency. Monthly collection fees for this service are set forth in Exhibit C.

D. Notification of Improper Recycling/Green Waste/Food Waste Set Out

To improve communication between Company route drivers and the customers, drivers will leave cart hanger notices for the customers. The most common reasons for leaving notices are:

- 1) To educate customers on proper cart placement.
- 2) To inform customers of collection polices for overweight or compacted carts and ability to rent additional Organic Waste and Recycling carts for a nominal fee.
- 3) To educate customers about contamination.
- 4) To inform customers about the procedure for having broken carts repaired.
- 5) To document that we have collected extras and additional charges will be added to the account.

E. Additional Services

Company is to perform a visual waste audit at least one time per year for each Commercial Business account to provide an estimate of the amount of Recyclable Materials and Organic Waste still in the Solid Waste container to help guide the Customer in service changes to increase diversion.

Company will provide services to comply with all state laws regarding Recycling and Organic Waste diversion.

On-site Collection of Solid Waste, Recyclable Materials and Organic Waste Carts not at the curb, is available for an extra charge as set forth in Exhibit C.

Special pickups of large, hard to handle or bulky items may be requested for an

additional fee as listed in Exhibit C. Estimates can be provided. These bulky items will be collected in non-compaction vehicles and taken to the Marin Resource Recovery Center for sorting resulting in greater re-use and Recycling. Extra material can be collected for a fee as listed in Exhibit C in cans or bags not greater than 32-gallons in size or 60 pounds by weight when placed next to the regular container on collection day.

V. MUNICIPAL SERVICES

Company shall provide service to each Town facility and those Town-owned cans in public areas and parks based upon mutually agreed upon parameters by Town and Company. These services shall constitute costs of operation included in the rate base and compensated for through the rates of all Residential, Commercial and Multi-Family Customers. Town may request additions and/or changes to these services periodically and it is incumbent on the Company to notify Town if such changes constitute a “Change in Scope” as defined and described in Exhibit B.

A. Solid Waste

Company shall provide semi-automated or automated tipper Carts in 32-, 64-, and 96-gallon capacities to be placed for Collection at the curb or, upon approval of Company, the designated Collection location. Company will also provide Bins with 1-6, 10-, or 18-cubic yard capacities for large volumes of material. Company will determine the size and type of container depending on materials generated, recycled and diverted, safety, collection vehicle and service location. Service levels shall range from one time per week to six times per week. Each Town facility must subscribe to a level of service that is adequate for the volume of material generated. Lids of containers must close and should not be overflowing. Company retains approval of all service locations for carts not at the curb and bins. For safety and equipment purposes, Company retains right of approval as to the type of compactor to be serviced and service location.

B. Recyclable Materials

Company shall provide all Town facilities with unlimited collection of acceptable glass, metal and plastic excluding polystyrene, plastic bags and compostable plastics. Acceptable materials may change depending on the markets. A full list of accepted materials is available on the Company’s website (marinsanitaryservice.com). These materials will be collected in Company provided 32 or 64-gallon tipper carts color-coded carts: blue for paper and paper-fiber products, and brown for accepted commingled glass, metal and plastics. Collection is available from one time per week to six times per week. Cardboard placed in carts must be broken down small enough to easily slide out of the cart. Large cardboard boxes may also be broken down and tied into 24” x 24” bundles and left beside the Recycling container. 1-2 cubic yard rear loading bins are available for large amounts of cardboard collection with Company’s approval of size and location. Company will evaluate the appropriate container sizes on an individual customer basis. Pickups can be scheduled from one time per week to six times per week. Recyclable Materials placed in Company-provided containers or at the curb for Collection are the property of the Company.

C. Compostable (Organic Waste) Materials

Two options are available for Town facilities for collection of Organic materials.

1) Composting

Company will provide post-consumer Organic Waste collection at Town facilities that would parallel the Single-Family Residential program. Facilities will be provided 32- or 64-gallon tipper green carts for the collection of accepted Yard Trimmings, Food Waste and Food Soiled Papers in the same Container. A full list of accepted materials is available on the Company’s website (marinsanitaryservice.com). By special request and upon approval of the Company, 1-2 cubic yard bins may be available.

2) Food to Energy (F2E) program in partnership with Central Marin Sanitation Agency

Company will provide Town facilities with cafeterias or other similar food service facilities with 32 and/or 64-gallon tipper dark green carts for the collection of a subset of Food Waste consisting of fruits, vegetables, meats, dairy, fish, breads, pastas and other food scraps. A full list of materials accepted is available on the website. This pre-consumer Food will be anaerobically digested for energy production at Central Marin Sanitation Agency.

D. Municipal Facility Services

TOWN FACILITY	SERVICE PROVIDED	COLLECTION FREQUENCY	MATERIAL
Corporation Yard	3CY Bin	Once per week	Landfill
	6CY Bin	Twice per week	Yard Waste
	18CY Roll-off (on-call)	Not to exceed three times per week	General Dry Debris
Robson-Harrington House	(7) 96G Carts	Once per week	Landfill
	(4) 64G Carts	Once per week	Yard Waste
	(1) 64G Carts	Once per week	Paper
	(2) 64G Carts	Once per week	Containers
Isabel Cook Community Center (Parks Department)	3CY Bin	Three times per week	Landfill
	2CY Bin	Three times per week	Cardboard
	(5) 64G Carts	Once per week	Paper
	(3) 64G Carts	Once per week	Containers
Town Hall, Library, Police Dept.	3CY Bin	Three times per week	Landfill
	2CY Bin	Twice per week	Cardboard
	(2)64G Carts	Once per week	Paper
	(1)32G Cart	Once per week	Containers
Ross Valley Fire Department #19	2CY bin	Once per week	Landfill
	(1)64G Cart	Once per week	Yard Waste
	(1)64G Cart	Once per week	Paper
Ross Valley Fire Department #20	(1)64G Cart	Once per week	Containers
	2CY Bin	Once per week	Landfill
	(1)64G Cart	Once per week	Yard Waste

	(3)64G Cart	Once per week	Paper
	Battery Collection	Once per week	Batteries

1) Community Clean-ups and Events

Company will collaborate with the Town two (2) community events and (5) community clean-ups annually as designated by the Town (See list below). Company will provide the above services, at no additional cost to the Town provided; however, that Company's costs for such clean-ups and events shall constitute costs of operation included in the rate base with compensation to the Company through the rates. Included in the above-mentioned costs is an annual maximum of up to 250 annual cubic yards of debris box service. These debris boxes are to be used solely for Solid Waste, Organic Waste, and Recycling generated by the events.

2) Community Clean-ups and Events

EVENT	SERVICE	FREQUENCY	MATERIAL
Creek Clean-Ups	20CY Roll-off	One empty	Debris
Community Volunteer Clean-ups	20CY Roll-off	One empty	Debris
Homeless Encampment Clean-ups	20CY Roll-off	Three empties	Debris
Fire Fuel Clean-ups	20CY Roll-off	Two empties	Yard waste
Flood Control (sand bag collections)	10CY Roll-off	Three empties	Sand Bags
San Anselmo Country Fair Days	10CY Roll-off plus carts	Three empties	All services (carts & bins)
Picnics on the Plaza	10CY Roll-off plus carts	Three empties	All services (carts & bins)

3) Collection from Public Containers

Company shall collect Discarded Materials from all street-side public litter and Recycling containers based upon mutually agreed upon parameters by Town and Company up to 7 days per week not to exceed 60 cubic yards annually. The Town and the Company shall jointly determine frequency of service for Public Area Collection Areas listed below.

LOCATION
Memorial Park
Robson-Harrington Park
Imagination Park
Creek Park
Lansdale Playground
Faude Park
Sorich Park
Town Hall (San Anselmo and Tungsted Avenue)
Golden Gate Transit Stops

E. Additional Services

Special pickups of Bulky Items may be requested. These Bulky Items may be Collected in non-compaction vehicles, or in compaction vehicles if the materials are not compacted, and sorted at the Marin Resource Recovery Center for greater re-use and Recycling.

Company shall provide the occasional on-call pick-up of illegally dumped Discarded Materials at Town's request. Company shall provide such service within twenty-four (24) hours of such request, provided that the Town authorizes or directs the service so that all costs incurred by Company in providing the service shall constitute costs of operations included in the rate base and compensated for through the rates.

1) Compost Delivery Program

Company shall deliver 15 cubic yards of compost to a central location as determined by the Town up to three (3) times per year.

2) Chipper Days Program

Town shall decide on two Saturdays for Company to provide 50 cubic yards daily for a maximum of 20 tons. Company shall reimburse Town for the annual cost of the chipper rental up to an annual maximum of \$10,000. Company will work with Town to advertise this program.

F. Services Subject to Change

Services provided by Company are subject to "Change in Scope" as defined and described in Exhibit B to the Agreement. Town and Company shall meet and confer to establish any such change in scope. Agreed upon changes of scope shall be effective irrespective of whether this Exhibit A – Description of Services or any other exhibits are subsequently amended to reflect such Changes in Scope.

EXHIBIT B

COMPANY'S RATE REVENUE REQUIREMENT AND RATE ADJUSTMENT

Note Regarding Exhibit B

This Exhibit B is an exhibit to the Franchise Agreement (“Agreement”) for Solid Waste, Recycling and Organic Waste Services dated January 1, 2020 between the Town of San Anselmo (“Town”) and Marin Sanitary Service (“Company”). It is intended to conform to the Agreement and related exhibits. Certain terms in this Exhibit B may not conform to the defined terms used elsewhere in the Agreement. In the event of any inconsistency between the terms of the Agreement and this Exhibit B, the terms of this Exhibit B shall control. The rates for Rate Year 2020 are as set forth in Exhibit C to the Agreement.

I. COMPANY'S RATE APPLICATION

Overview

The Company provides Solid Waste, Recycling and Organic Waste Services to the Town of San Anselmo, The Town of Fairfax and to the members of the “Franchisors’ Group” (comprised of the cities of Larkspur, Ross and San Rafael, the Las Gallinas Valley Sanitary District and the County of Marin). Because the Company provides services and incurs related expenses that are unrelated to the Town, its revenues and expenses are allocated between the Town and these other agencies. The Company’s rates are based on its rate revenue requirement for the Rate Year¹ calculated in accordance with either Section II or Section III below. Because both the forecasted rate revenue requirement and the revenues from the approved rates involve assumptions about future events and because such assumptions usually differ from actual events and these differences can be material, the Company is not guaranteed a profit.

Company’s Rate Applications

By August 1 (in a Base Year) or September 1 (in an Indexed Year), the Company shall submit an application requesting the amount of Company’s rate revenue requirement and rate adjustment for the next Rate Year, commencing January 1 of the following calendar year. The application is prepared using either the Base Year approach (Section II) or the Indexed Year approach (Section III). In either case, the application shall be submitted in the format described in Attachment 1 of this Exhibit B. In addition to the application the Company shall provide a description and schedule of forecasted revenues and costs of new programs agreed to by the Company and the Town or proposed by the Company.

¹ The Rate Year is the year for which rates are being calculated, the Current Rate Year is the year during which the rates are being calculated and the Prior Rate Year is the most recently completed Rate Year. For example, in the application for rates effective January 1, 2021 the Rate Year refers to the period from January 1, 2021 to December 31, 2021, the Current Rate Year refers to the period from January 1, 2020 to December 31, 2020 and the Prior Rate Year refers to the period from January 1, 2019 to December 31, 2019.

- A. **Base Year Application:** The Town and the Company agree to use the Base Year approach for the same Rate Years as the members of Franchisors' Group. As such, the Town agrees to abide by the time schedule for use of the Base Year approach adopted and requested by the Franchisors' Group or the Company as defined below.

Beginning with the application for the 2025 Rate Year, either the Company or the Franchisors' Group may request use of the Base Year approach, with such written request due by March 1 of the year preceding the January 1 for which rate revenues are requested to be adjusted via a Base Year approach. If no such request is made, the 2025 Rate Year application will be prepared using the Indexed Year approach (Section III). Thereafter, the Base Year approach may be requested for any succeeding Rate Year, by either the Company or the Franchisors' Group, by providing a written request as provided above. Once the Base Year approach is requested and prepared for a Rate Year, use of the Base Year approach may next be requested by either the Company or the Franchisors' Group for the fifth Rate Year following the last Base Year approach. For example, if a Base Year application is prepared for the 2027 Rate Year, either the Company or the Franchisors' Group may request use of the Base Year approach for the 2032 Rate Year. However, nothing contained herein shall prevent the Company and the Franchisors' Group from mutually agreeing to use the Base Year approach earlier than would be allowed in the schedule stated above.

The Base Year application shall be based on: the Company's actual financial results of operations for the Prior Rate Year; audited financial statements for the Prior Rate Year; year-to-date financial results of operations for the Current Rate Year; and Company's forecasted costs for the next Rate Year. This shall be called the "Base Year Rate Revenue Requirement." The Base Year approach application's cost projections shall be directly derived from and directly reference revenues and costs by category as listed in the Company's audited financial statements such that all figures presented as the basis for the Company's application can be tied back to the financial statements for the most recently completed fiscal year preceding the given August 1 rate application due date.

In its rate application, the Company shall assemble and submit its forecasts of revenues at current rates and subscription levels (with no adjustments for bad debt or projected migration or service level changes), annual cost of operations, pass-through costs, and profit, for the coming year. The Company shall clearly explain in its rate application the method used to produce such forecasts, and such information as is necessary to support the assumptions made with regard to such forecasts (such as projected population growth or migration, service or operational changes, projected changes in tonnages, known or reasonably expected cost increases, etc.).

The Company shall provide all financial information and supporting documentation required for the completion of the Base Year approach in a format acceptable to the Town or its designated consultant in a timely manner. The Company shall allow for all required information and supporting documentation to be provided to the Town or its designated consultant via physical mail, e-mail, or any other delivery method approved by the Town, including on-site review of information at the Company's

offices. The Company shall present forecasted amounts for each of the categories listed in Section II below calculated in accordance with such Section.

- B. **Indexed Year Application:** Every year that there is no use of the Base Year approach, commencing with the rate application for the 2021 Rate Year, the application shall be based on the Base Year Rate Revenue Requirement adjusted as described below. This shall be called the “Indexed Year Rate Revenue Requirement.” The Indexed Year approach is the default method for annual rate adjustments and shall continue indefinitely unless use of the Base Year approach is allowed and requested in accordance with Section I.A. above.

Review of Rate Application

The Town or a consultant engaged by the Town will review the Company's rate application to ensure mathematical accuracy, conformance with this Exhibit B, reasonableness of expense and revenue projections, and to review necessary supporting documentation for figures stated by the Company in the rate application. The Company shall reimburse the Town for its proportionate share of the aggregate cost of its consultant and the consultant(s) for the members of the Franchisors' Group, not to exceed an aggregate amount of \$15,000 (for the Town and such members) for an Indexed Year application, or \$125,000 (for the Town and such members) for a Base Year application, with such limits to increase annually in accordance with the annual change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG, between the Index value for June of the current year and the corresponding Index value for June of the prior year, rounded to the nearest hundredth of a percent, subject to a minimum increase of 2.5% and a maximum increase of 5%.

The amount of reimbursement for an Indexed Year application is included in the Base Year Rate Revenue Requirement for 2020, and as such the Town will be reimbursed annually up to the limit stated above (and including applied annual increase) without additional Indexed Rate Revenue Requirement amounts being necessary. If the full amount of reimbursement is not requested by the Town, then any amounts of reimbursement below the limit will be subtracted from the Rate Revenue Requirement in the Company's application (Indexed or Base Year) for the following Rate Year. For a Base Year application the amount of such reimbursement will be included in the Company's Base Year Rate Revenue Requirement.

The Town shall make its best efforts to complete the review in a timely manner so that rates may be adjusted effective January 1 of each Rate Year. If the Company submits its rate application on or before the application submittal date (August 1 or September 1, as applicable), and the Town delays approving the annual rate adjustment until after January 1 of the following Rate Year, then the Company shall be entitled to retroactively apply the rate adjustment to January 1. If the Company submits its rate application after the application submittal date (August 1 or September 1, as applicable), a retroactive adjustment will be at the discretion of the Town.

II. CALCULATION OF COMPANY'S BASE YEAR RATE REVENUE REQUIREMENT

The Base Year application shall clearly document the Company’s calculation of the Company’s Base Year Rate Revenue Requirement and proposed rate adjustment based on the methodology described in this Section II. The Company's Base Year Rate Revenue Requirement shall equal the sum of the forecasted amounts set forth in this Section II, each of which shall be calculated in accordance with this Section II.

A. Forecasted Annual Cost of Operations.

The forecasted annual cost of operations consists of the sum of forecasted:

1. Labor expense
2. Benefits expense (including workers’ compensation)
3. Garbage landfilling and Organics processing expense (including Commercial mixed waste processing expense and adjustment for the Town’s transfer/transport expenses)
4. General and administrative expense (including other operating expenses)
5. Depreciation and lease expense
6. Maintenance expense (equipment and vehicles)
7. Fuel and oil expense

B. Methodology for Forecasting Annual Cost of Operations.

1. **Determine Actual Costs.** The Company's audited financial statement shall be reviewed to determine the Company's actual costs necessary to perform all the services in the manner required by this Agreement. The Company’s auditor shall determine that costs have actually been incurred and have been assigned to the appropriate cost category as described below:
2. **Allocation of Costs.** The audited financial statements include costs of operations unrelated to the Town. These include costs reported for the following Company’s departments:

Department Number	Department Name	Part of the Town
100	Garbage Collection	Allocation
101	San Anselmo Collection	Yes
102	County (RVSD-N) Collection	No
103	Fairfax Collection	No
104	San Quentin Collection	No
200	Debris Box Collection	No
300	Transfer Station	No
400	Shop	Allocation
500	General & Administrative	Allocation
600	Recycling Collection	Allocation
700	MRRC Operations	No

Department Number	Department Name	Part of the Town
800	Shredding/Street Sweeping	No

The Company shall include only costs for Department 101 - San Anselmo Garbage Collection, plus allocated Shop (Department 400), General and Administrative costs (Department 500), management salaries (Department 500), Garbage Collection (Department 100), and Recycling Collection (Department 600) when performing these procedures. In allocating costs among these departments the Company shall use the following procedures.

- a. Shop costs (Department 400) shall be allocated by truck route hours.
- b. General & administrative costs (Department 500) are allocated using an average of:
 - i. Each department's percentage of projected revenue
 - ii. Each department's percentage of annual customer counts
 - iii. Each department's percentage of wages

For example:

Revenue		
Total Revenue (all departments)		\$100
Franchisors Group (Dept 100) Revenue		\$75
Franchisors Group (Dept 100) Percentage		75% A
Annual Customer Counts		
Total Annual Customer Counts (all departments)		100
Franchisors Group (Dept 100) Annual Customer Counts		73
Franchisors Group (Dept 100) Percentage		73% B
Wages		
Total Wages (all departments)		\$100
Franchisors Group (Dept 100) Wages		\$25
		25% C
Allocation % for General & Administrative Costs to Dept 100		58% (A+B+C)/3

- c. Management salaries (Department 500) shall be allocated based on the study completed for the Rate Year ended December 31, 2017 reporting the time spent by management related to the Town and other non-Town activities.
- d. Garbage Collection (Department 100) shall be allocated by route hours or truck hours, as appropriate.
- e. Recycling Collection (Department 600) shall be allocated by route hours or truck hours, as appropriate.

- f. The Company shall identify the allocated portion of the Company's financial statement costs that are allocated to the Town.
3. **Calculate Adjusted Costs.** The Company shall adjust actual costs allocated to the Town to eliminate costs that are unnecessary or unreasonable for the performance of the services required by the Agreement. These non-allowable costs include the following:
- a. Costs of any category or type not actually incurred, not necessary for the provision of services under this Agreement or unreasonable in amount.
 - b. Payments to directors and/or owners of the Company, unless paid as reasonable compensation for services actually rendered.
 - c. Fines for penalties of any nature.
 - d. Federal or state income taxes.
 - e. Charitable or political donations.
 - f. Depreciation or interest expense for collection vehicles, containers, other equipment, offices and other facilities if such items are leased from a related party at more than their actual cost.
 - g. Attorneys' fees and other expenses incurred by the Company in any court proceeding in which the Town and the Company are adverse parties, unless the Company is the prevailing party in such proceeding.
 - h. Attorneys' fees and other expenses incurred by the Company arising from any act or omission by Company in violation of the Agreement.
 - i. Attorneys' fees and other expenses incurred by the Company in any court proceeding in which the Company's own negligence, violation of law or regulation, or wrongdoing are at issue.
 - j. Payments to related-party entities for products or services, in excess of the cost to the related-party entities for those products or services.
 - k. Goodwill.
 - l. Transfer and transport, disposal, and/or processing costs whose rate/ton exceeds comparable charges for the same services under the same conditions (e.g., transport distances to processing and disposal facilities) by other companies in the San Francisco Bay Area.

The Allocated Costs (from Step 2 above), adjusted for non-allowable costs (from this Step 3), shall be considered "Allowed Costs" for the purposes of forecasting costs.

4. **Forecasted Rate Year Allowed Cost of Operations.** The Allowed Cost of operations for the Rate Year shall be forecasted in the following manner:

- a. **Labor expense** for the Rate Year shall be forecasted based on negotiated labor agreements for represented employees as well as reasonable wage and salary adjustments for non-represented employees. Reasonableness will be determined by such factors such as a comparison to industry standards for comparable operations in the San Francisco Bay Area.
- b. **Benefit expense** for the Rate Year shall be forecasted based on negotiated labor agreements for represented employees, reasonable adjustments for non-represented employees, and changes in insurance premiums net of any refunds. Benefits includes workers' compensation expense, which shall be calculated by multiplying the wages established in the Step 4.a above by the applicable premium rates from the Company's insurance carrier for the projected Rate Year.
- c. **Garbage landfilling and Organics processing expense** for the Rate Year shall be forecasted in the following manner:
- i. Garbage expense:
Projected Rate Year Disposal Expense = (Rate Year projected disposal tip fee per Ton) X (total annualized actual tons for the first six months of the Current Rate Year subject to reasonable adjustments for anticipated changes).
- ii. Commercial mixed waste processing expense:
Projected Rate Year Processing Expense = (Rate Year projected processing fee per Ton) X (total annualized actual tons for the first six months of the Current Rate Year subject to reasonable adjustments for anticipated changes). This tonnage includes waste collected from municipal facilities, parks, cans, and illegally dumped material.
- The Commercial mixed waste processing rate per ton shall be \$100.12 for the Rate Year ending December 31, 2020 and thereafter shall be adjusted annually by multiplying the Processing rate per Ton contained in the most recent Indexed Year Rate Revenue Requirement by one (1) plus the percentage change in the "Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG" between the Index value for June of the current year and the corresponding Index value for June of the prior year, rounded to the nearest hundredth of a percent.

The above rate per ton may change subject to final approval by the Franchisors' Group of the Company's pending 2020 Rate Application.

iii. Organics processing expense:

Forecasted Organics processing expense = (Organics projected processing rate per Ton as calculated below) X (annualized actual total Tons of Organics for the first six months of the Current Rate Year subject to reasonable adjustments for anticipated changes).

The Organics Processing rate per Ton shall be set at \$52.40 for the 2020 Rate Year and thereafter shall be adjusted annually by multiplying the Processing Rate per Ton contained in the most recent Indexed Year Rate Revenue Requirement by one (1) plus the annual percentage change in the "Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG" between the average Index value for June of the current year and the corresponding Index value for June of the previous year, rounded to the nearest hundredth of a percent.

The above rate per ton may change subject to final approval by the Franchisors' Group of the Company's pending 2020 Rate Application.

iv. Food Scraps processing expense:

Forecasted Food scraps processing expense = (Food scraps projected processing rate per Ton) X (annualized actual Tons of Food scraps for the first six months of the Current Rate Year subject to reasonable adjustments for anticipated changes).

v. Transfer/transport adjustment shall be calculated in the following manner:

Forecasted Transfer/Transport Adjustment = (Transfer/Transport projected Fee per ton as calculated below) X (annualized actual total disposal Tons for the Town for the first six months of the Current Rate Year subject to reasonable adjustments for anticipated changes). The Transfer/ Fee per ton shall be \$24.12 for the 2020 Rate Year and thereafter shall be determined as part of the Base Year Rate Revenue Requirement.

The above fee per ton may change subject to final approval by the Franchisors' Group of the Company's pending 2020 Rate Application.

- d. **General and administrative expense** for the Rate Year shall be forecasted based on historical costs adjusted for the Company's forecasts as approved by the Town.
 - e. **Depreciation and lease expense** for the Rate Year shall be forecasted based on the Company's actual depreciation, which shall reflect the retirement and addition of assets. Projected depreciation shall include anticipated purchases in the next Rate Year. The Allocation of depreciation and lease expense between the Town and other operations shall be based on truck usage.
 - f. **Maintenance expense** for the Rate Year shall be forecasted based on historical costs adjusted for changes in the number of equipment and vehicles to be maintained and the cost of such maintenance.
 - g. **Fuel and oil expense** for the Rate Year shall be forecasted based on actual annualized costs and gallons of fuel and oil consumed for the first six months of the Current Rate Year.
5. **Calculated profit.** The Company's calculated profit for the Rate Year shall be forecasted by dividing the forecasted annual cost of operations (from steps 1-4 above) by 0.905 and subtracting the forecasted annual costs of operations from the dividend.
6. **Forecasted Other Costs.** The Other Costs for the Rate Year, which are not used for the basis of calculating the Company's Profit as described above, shall be forecasted in the following manner:
- a. **Recyclables Net Processing Expense.** The 2020 Rate Year Recyclable Materials processing rate revenue category is set at \$118,100 and is calculated as the product of a projected 2,397 tons of Recyclable Materials to be collected by the Company from the Town in Rate Year 2020, times a net Recyclable Materials processing cost of \$49.27 per ton, which is set and shall be adjusted annually, in both Base Years and Indexed Years, as described below. Under no circumstances will the Company charge a net Recyclable Materials processing cost to the Town that would exceed the net Recyclable Materials processing cost charged by the Company or its affiliates to any other agency whose Recyclable Materials are delivered to the Marin Recycling Center.

The amounts reflected in items 6.a, 6.a.i, and 6.a.ii may change subject to final approval by the Franchisors' Group of the Company's pending 2020 Rate Application.

Recyclables Net Processing Expense shall be forecasted in the following manner:

- i. Rate Year 2020 Net Recyclable Materials Processing Cost Per Ton: The net Recyclable Materials processing cost of \$49.27 per ton is set to incentivize the Company to maximize revenues from the sale of Recyclable Materials and is calculated as the difference between the per ton Recyclable Materials processing costs (set at \$208.05 per ton for Rate Year 2020) and the per ton Recyclable Materials revenue (set at \$158.78 per ton for Rate Year 2020) for the Marin Recycling Center.

The Company's Rate Year 2020 per ton Recyclable Materials processing cost amount of \$208.05 is calculated as 90% of the projected Recyclable Materials processing cost (90% of a projected \$5,796,839 yielding \$5,217,155 in incentivized processing cost) divided by the projected total tons of Recyclable Materials processed at the Marin Recycling Center (set at 25,077 tons for Rate Year 2020), rounded to the nearest cent. \$5,217,155 divided by 25,077 tons is \$208.05 per ton. The Company's Rate Year 2020 per ton Recyclable Materials revenue amount of \$158.78 per ton is calculated as 90% of projected Recyclable Materials sales revenues (90% of a projected \$4,424,083 yielding \$3,981,675 in Recycling revenues) divided by the projected total tons of processed Recyclable Materials (set at 25,077 tons for Rate Year 2020), rounded to the nearest cent. \$3,981,675 divided by 25,077 tons is \$158.78 per ton.

- ii. Annual Adjustments in Net Recyclable Materials Processing Cost Per Ton: The Rate Year 2020 \$5,217,155 incentivized Recyclable Materials processing cost shall increase annually by the annual change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG between the Index value for June of the current year and the corresponding Index value for June of the prior year, rounded to the nearest hundredth of a percent, rounded to the nearest dollar.

For example, using the same 3.47% increase shown in Section III.A. below, the Rate Year 2021 incentivized processing cost would be \$5,398,190. That amount shall be divided by the number of all tons of Recyclable Materials processed at the Marin Recycling Center from July 1 of the Prior Rate Year through June 30 of the Current Rate Year. As a sample calculation, if the Marin Recycling Center processes 26,000 tons of Recyclable Materials between July 1, 2019 and June

30 of 2020, then the Company's Rate Year 2021 per ton Recyclable Materials processing cost would be \$5,398,190 divided by 26,000 tons, equaling \$207.62 per ton.

The Rate Year 2021 per ton Recyclable Materials revenue amount shall be calculated based on 90% of the total revenue received by the Marin Recycling Center in the categories of "Salvage Support (Processing Fee Income)", "Salvage Income (Buyback Scrap, Paper, Plastics, Aluminum, Glass)", "Redemption Income – Plastics, Aluminum, Glass (Net of Buyback Purchases)", "Sales Adjustments (Other Salvage Income)" and "Miscellaneous Income (Other Redemption Income-State)" from July 1 of the Prior Rate Year through June 30 of the Current Rate Year. The total of those revenues shall be divided by the number of all tons of Recyclable Materials processed at the Marin Recycling Center during that same time period, yielding the same number of tons as calculated for the per ton Recyclable Materials processing cost, above. For example, using the same example of 26,000 tons from July 1, 2019 through June 30, 2020, and a placeholder example of \$4,500,000 in total revenue received in the categories stated above, the Company's Rate Year 2021 per ton Recyclable Materials revenue amount would be \$4,500,000 times 90% divided by 26,000 tons, equaling \$155.77 per ton. Based on the examples shown above, the Company's Rate Year 2021 net Recyclable Materials processing cost would be \$207.62 per ton minus \$155.77 per ton, equaling \$51.85. Notwithstanding the foregoing, (a) Salvage Income for Paper shall be reduced by non-processed paper brokerage sales for third parties, and (b) the calculation will not include income or tons from recyclable materials processed for third parties or agencies that were not customers of the Company or the Marin Recycling Center as of December 31, 2018.

- iii. Revisions to Incentivized Recyclable Materials Processing Cost: The Town and Company agree that the methodology to incentivize the Company to maximize revenues from the sale of Recyclable Materials described herein (specifically the use of 90% of costs and 90% of revenues) is appropriate given current market conditions. However, in the event that markets for Recyclable Materials change substantially resulting in two (2) consecutive Rate Years of annual decreases or increases of 10% or greater in the total revenue received by the Marin Recycling Center in the categories of "Salvage Support (Processing Fee Income)", "Salvage Income (Buyback Scrap,

Paper, Plastics, Aluminum, Glass)”, “Redemption Income – Plastics, Aluminum, Glass (Net of Buyback Purchases)”, “Sales Adjustments (Other Salvage Income)” and “Miscellaneous Income (Other Redemption Income-State)” between July 1 of the Prior Rate Year and June 30 of the Current Rate Year, then the Town and Company agree to mutually consider necessary and appropriate revisions to the incentive mechanism described herein. Such revisions would be considered inasmuch as they would maintain fair and equitable cost to Town ratepayers while continuing to provide incentives for the Company to maximize efficiencies and the amount of revenue generated from the sale of Recyclable Materials. Any change in the incentive methodology as described herein would be via Amendment to the Agreement. In addition, in a Rate Year subject to a Base Year approach only, the Company may propose to update the Recyclable Materials processing cost component based on changes in its costs to process Recyclable Materials.

- b. **Forecasted Interest Expense** for the Rate Year shall be based on the Company’s actual interest from its loan amortization schedules for actual and projected capital expenditures for services under this Agreement.
 - c. **Zero Waste Marin (JPA) Fees Expense** for the Rate Year shall be based on the tons collected in the Town for the period determined and rate established by the JPA.
 - d. **Forecasted Other Agency Fees Expense.** Forecasted Other Fees expense (including the Vehicle Impact Fee and additional Other Fees not based on tonnage as they may be implemented throughout the Term) for the Rate Year shall be calculated using the appropriate methodology and the forecasted values.
- 7. **Forecasted Revenues at Current Rates.** Company shall provide detailed forecasts of revenues at current rates and subscription levels, with no adjustments for bad debt or projected migration or service level changes.
 - 8. **Forecasted Other Revenues.** Forecasted other revenues for the Rate Year shall include revenues received by the Company from related and third parties from the use of assets (including but not limited to vehicles and transfer station equipment) or provision of services by employees (including but not limited to drivers, operators, and processors).
 - 9. **Forecasted Franchise Fees Expense.** Forecasted Franchise Fees expense for the Rate Year shall be calculated by multiplying the applicable Town Franchise Fee percentage (which is set to be a percentage of gross rate

revenues collected by Company) times the projected Town revenues for the Rate Year. Projected revenues for the Rate Year are calculated by multiplying Forecasted Revenues at Current Rates (Step 7, above) times the Rate Adjustment Factor (calculated in accordance with Section II.C, below). Note that this is a circular calculation wherein: the Rate Adjustment Factor is dependent on the Total Company's Rate Revenue Requirement (calculated in accordance with Step 10, below); the Total Company's Rate Revenue Requirement is dependent on the Forecasted Franchise Fees; the Forecasted Franchise Fees are dependent on the Rate Year Revenues, and; the Rate Year Revenues are dependent on the Rate Adjustment Factor. Because of this circular relationship, this is best calculated using a computer which can run iterative calculations to resolve this circular reference and yield accurate calculations for each of the interdependent elements described in this Section.

10. **Forecasted Total Company's Rate Revenue Requirement.** Company's Total Base Year Rate Revenue Requirement necessary to perform all the services and pay all fees in the manner required by this Agreement for the Rate Year shall be equal to the sum of the following:
 - a. Forecasted annual cost of operations (determined in accordance with Step 4 above); plus
 - b. Profit (determined in accordance with Step 5 above); plus
 - c. Forecasted Other Costs (determined in accordance with Step 6 above); plus
 - d. Calculated Franchise Fees at projected Rate Year rates (determined in accordance with Step 9, above); plus or minus
 - e. Starting with the 2022 Rate Year, the difference between the Prior Rate Year Rate Revenue Requirement and the total amount of the Company's billings to all Town customers during the Prior Rate Year. The Draft Rate Revenue Requirement for Rate Year 2020 is \$4,289,634. For example, if the total amount of 2020 charges billed by the Company to all Town customers is \$4,300,000 then the Rate Year 2022 Rate Revenue Requirement adjustment would be \$4,289,634 minus \$4,300,000, yielding negative \$10,366, thus decreasing the Rate Year 2022 Rate Revenue Requirement by \$10,366. Likewise, if the total amount of 2020 charges billed by the Company to all Town customers is \$4,275,000 then the Rate Year 2022 Rate Revenue Requirement adjustment would be \$4,289,634 minus \$4,275,000, yielding positive \$14,634, thus increasing the Rate Year 2022 Rate Revenue Requirement by \$14,634.

- C. **Rate Adjustment Factor.** The Rate Adjustment Factor shall be calculated for the Town via the following:

1. Total Forecasted Revenues, which are calculated as the sum of Forecasted Revenues at Current Rates (Step 7, above) and Forecasted Other Revenues (Step 8, above); minus
2. The Total Company's Rate Revenue Requirement for the coming Rate Year (inclusive of calculations of Franchise Fees and Other Agency Fees).
3. The difference between the Total Forecasted Revenues minus Total Company's Rate Revenue Requirement will equal either a negative Shortfall (requiring a rate increase) or a positive Surplus (requiring a rate decrease).
4. The Rate Adjustment Factor is calculated by dividing the Shortfall or Surplus by Forecasted Revenues at Current Rates. For example, using overall Town amounts as shown in Attachment 1 to this Exhibit B:

Total Forecasted Revenues = \$4,780,000 in Revenues at Current Rates + \$0 in Forecasted Other Revenues = **\$4,780,000.**

Surplus or Shortfall = \$ 4,780,000 in Total Forecasted Revenues minus \$4,931,992 in Total Company's Rate Revenue Requirement for the Rate Year = **Shortfall of \$151,992.**

Rate Adjustment Factor = Shortfall of \$151,992 divided by \$4,780,000 in Revenues at Current Rates = **3.18% Rate Adjustment Factor (as an increase to rates).**

- D. **Adjustment of Rates.** Each rate approved for the Current Rate Year shall be multiplied by the Rate Adjustment Factor to calculate the effective rate for the Rate Year.

III. DETERMINATION OF COMPANY'S INDEXED RATE REVENUE REQUIREMENT

The Indexed Year application shall clearly document Company's calculation of Company's Indexed Year Rate Revenue Requirement and rate adjustment based on the methodology described in this Section III. Company's Indexed Year Rate Revenue Requirement shall equal the sum of the forecasted amounts for the categories set forth in this Section III, each of which shall be calculated in accordance with the procedures set forth below. The Town and the Company have agreed after thorough review that the Rate Year 2020 monthly service rates set by the Town, described in Exhibit C to the Agreement, and charged and billed by the Company are necessary to collect rate revenues for the following rate revenue categories, yielding a Draft Rate Year 2020 Base Year Rate Revenue Requirement of \$4,289,634. Amounts shown below are 2020 totals for the Town.

Town of San Anselmo
2020 Rate Revenues by Category
Basis for Indexed Rate Revenue Requirement Calculation

Rate Revenue Category	2020 Year Amounts
Collector Operations	\$2,723,050
Garbage Landfilling and Organics Processing	\$538,932
Change in Law - AB 1826 Costs	\$8,503
Subtotal for Profit Calculation	\$3,270,485
Operating Profit (90.5% Operating Ratio)	\$343,311
Recyclables Processing	\$118,100
Interest	\$38,042
Zero Waste Marin Fees	\$47,133
Franchise Fees	\$482,155
Vehicle Impact Fee	\$84,000
Total 2020 Rate Revenue Requirement	\$4,383,226

A. **Collector Operations.** The Collector Operations rate revenue category for the Rate Year consists of the sum of the following categories as described below:

1. Labor expense
2. Benefits expense
3. General and administrative expense
4. Depreciation and lease expense
5. Maintenance expense
6. Fuel and oil expense

The Collector Operations rate revenue category increases annually from the Prior Rate Year, whether such category for the Prior Rate Year was determined by the Base Year approach or the Indexed Year approach, by the percentage change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG, subject to a minimum increase of 2.5% and a maximum increase of 5.0%. The percentage change is

calculated by dividing the Index value for June of the current year by the Index value for June of the prior year, rounded to the nearest hundredth of a percent.

For example, the Rate Year 2021 Collector Operations rate revenue category shall be the product of the Draft 2020 Collector Operations rate revenue category of \$2,723,050 times the Index value in June of 2020 divided by the Index value in June of 2019 (which was 244.505), rounded to the nearest dollar. If the Index value in June of 2020 is 253.00, then the Rate Year 2021 Collector Operations rate revenue category shall equal \$2,723,050 times 253.00 divided by 244.505, which is \$2,826,457 (a 3.47% increase over the Prior Rate Year).

- B. **Garbage Landfilling and Organics Processing.** The Rate Year 2020 Garbage Landfilling and Organics processing rate revenue category is set at \$538,932 and is calculated based on the sum of the products of the projected Rate Year 2020 Town tons and the per ton tipping fees for the following categories: Residential garbage, Residential green waste/organics, Commercial garbage, Commercial mixed waste for processing, Commercial food scraps, Town waste delivered to the Company and Town clean-ups collected by the Company. This sum is increased by the product of the projected Rate Year 2020 Town transfer station tons times the per ton charge for transfer and hauling of those tons.

The total of the above for Rate Year 2020 is \$538,932. The specific tons and per ton rates used for the basis of the Rate Year 2020 calculation are shown below.

Type	Tons	Rate per Ton	Amount
Residential garbage	2,196.2	\$59.86	\$131,465
Commercial garbage	1,973.4	\$59.86	\$118,128
Commercial mixed waste	44.1	\$100.12	\$4,415
Organics/yard waste	3,401.3	\$52.40	\$178,228
Commercial food scraps	252.2	\$24.29	\$6,125
Subtotal	7,867.2		\$438,361
Transfer/transport adjustment for Town T/S volume	4,169.6	\$24.12	\$100,571
Garbage Landfilling and Organics Processing			\$538,932

The above amounts may change subject to final approval by the Franchisors' Group of the Company's pending 2020 Rate Application.

The Company shall use the same methodology to calculate the Garbage Landfilling and Organics Processing revenue category amount for each Rate Year after the 2020 Rate Year by using the annualized actual tons by category shown above for the first six months of the Current Rate Year subject to reasonable adjustments for anticipated changes as the basis for projecting tons for the coming Rate Year. For example, the Company shall use tons in the above categories from January 1, 2020 to June 30, 2020 as the basis for projecting tons for Rate Year 2021, and so forth. The Company

shall multiply the projected tonnages by the actual per ton tipping fees for each category for the coming Rate Year, if available; if actual per ton tipping fees for the coming year are not available for any category, then the Company will project the coming year per ton tipping fees for such categories by increasing the actual per ton tipping fee in the Current Rate Year by the annual percentage change in the Consumer Price Index for Water and Sewer and Trash Collection, U.S. city average, Bureau of Labor Statistics Series I.D. CUSR0000SEHG between the Index value for June of the current year and the corresponding Index value for June of the prior year, rounded to the nearest hundredth of a percent, subject to a minimum increase of 2.5% and a maximum increase of 5.0%.

- C. **Collector Profit.** The Collector Profit rate revenue category is calculated based on the sum of the Collection Operations (per Section III.A. above) and Garbage Landfilling and Organics Processing (per Section III.B. above) for the Rate Year, divided by 0.905 and subtracting the same sum, rounded to the nearest dollar. For example, if the sum of Collector Operations and Garbage Landfilling and Organics Processing for the Rate year is \$3,300,000 then the Collector Profit rate revenue category shall be \$3,300,000 divided by 0.905 (yielding \$3,646,409), minus \$3,300,000, equaling \$346,409.
- D. **Recyclable Materials Processing.** The Recyclable Materials Processing rate revenue category for each Rate Year shall be calculated in accordance with Section II.B.6.a. above.
- E. **Interest.** The Interest rate revenue category shall be increased in the same manner as Collector Operations, in accordance with Section III.A. above.
- F. **Franchise Fees.** The Forecasted Franchise Fees category for the Rate Year shall be calculated in accordance with Section II.B.9. above.
- G. **Other Agency Fees.** The Forecasted Other Agency Fees category (including the Vehicle Impact Fee and additional Other Fees as they may be implemented throughout the Term) for the Rate Year shall be calculated in accordance with Section II.B.6.d. above.
- H. **Zero Waste Marin (JPA) Fees.** The Zero Waste Marin (JPA) Fees category amount for each Rate Year shall be calculated based on the amounts of Zero Waste Marin (JPA) Fees in the Current Rate Year times the percentage increase in Zero Waste Marin (JPA) Fees to be paid by the Company in the Rate Year.
- I. **Annual Rate Revenue Reconciliation.** The annual rate revenue reconciliation for each Rate Year shall be calculated in accordance with Section II.B.10.e. above.
- J. **Collector's Total Rate Revenue Requirement for Rate Year.** Collector's Total Rate Revenue Requirement for the Rate Year shall be equal to the sum of the amounts calculated in accordance with subsections A through I of this Section III.
- K. **Rate Adjustment Factor.** The Rate Adjustment Factor for the Rate Year shall equal the Total Rate Revenue Requirement (inclusive of calculations of Franchise Fees and Other Agency Fees) for the Rate Year divided by the Total Rate Revenue Requirement for the Current Rate Year, rounded to the nearest hundredth of a percent. For example, if the 2021 Total Rate Revenue Requirement, calculated in accordance

with subsections A through J, above, is \$4,400,000, then dividing that amount by the Draft Rate Year 2020 total Rate Revenue Requirement of \$4,289,634 yields a Rate Adjustment Factor, effective January 1, 2021, of an increase of 2.57% overall for the Town.

- L. **Adjustment of Rates.** Each rate approved for the Current Rate Year shall be multiplied by the Rate Adjustment Factor to calculate the effective rate for the Rate Year.

IV. RATES FOR CHANGES IN SCOPE, CHANGES IN LAW, CHANGES IN FEES, EXTRAORDINARY COSTS

In the event of any Change in Scope or Change in Law (each as described below) that results in an increase or decrease in the Company's costs or revenues, in the event of an Extraordinary Cost Increase (as defined below), or in the event of any Change in Fees (as described below), an appropriate adjustment will be made in the rates in order to compensate, to the maximum extent possible, for such increase or decrease in costs, revenues or Fees, commencing from the date(s) such increase or decrease first occurs while maintaining the Company's Profit (as defined in this Exhibit B). Any rate adjustment due to a Change in Scope, a Change in Law or an Extraordinary Cost Increase shall be in the reasonable discretion of the Town.

"Change in Scope" shall mean any change in the services provided by the Company under the Agreement, whether proposed by the Company or by the Town.

"Change in Law" shall mean the enactment, adoption, promulgation, issuance, modification or written change in any law, regulation, order or judgment of any governmental body that affects the Company's performance of services under the Agreement or under any Other Franchise Agreement, including, without limitation, the issuance of final regulations under existing laws, such as SB 1383.

"Change in Fees" shall mean any change in Franchise Fees, vehicle impact fees and other fees charged to the Company by any governmental agency in connection with the services provided by the Company under the Agreement or any Other Franchise Agreement, including, without limitation, Franchise Fees, Other Agency Fees, Zero Waste Marin (JPA) Fees, the cancellation of any existing fees, and the adoption of any new fees.

"Extraordinary Cost Increase" shall mean a substantial increase in the Company's operating or capital costs or expenses that is outside of the Company's control but not due to a Change in Scope or Change in Law.

In the case of a Change in Scope, a Change in Law or an Extraordinary Cost Increase, the Company shall provide the Town with projected operational, cost and revenue data reflecting the entire financial effect of such Change or Increase, including any change in the Company's Profit. The Town reserves the right to require that the Company supply any additional operational, cost and revenue data, or any other information it may reasonably need, to ascertain the appropriate financial impact of the Change or Increase and any necessary adjustment to rates resulting from such Change or Increase.

Rate adjustments for a qualifying Change in Scope or Change in Law, for a Change in Fees, or for an Extraordinary Cost Increase shall take effect as of the beginning of the next Rate Year; provided, however, that, in the case of any Change in Fees charged by the Town, the rate adjustment shall take effect as of the effective date of such Change in Fees. The underlying service, cost, revenue or Fee changes supporting any rate adjustment under this Section IV will be added to the appropriate category under Sections II and III above for purposes of future rate adjustments.

Any rate adjustment under this Section IV that results from a Change in Scope, Change in Law, Change in Fees or Extraordinary Cost Increase may be imposed on only the rate-payers of the Town in amounts necessary to compensate the Company for the financial effects of such Change or Increase.

**Attachment 1 to Exhibit B: Sample Format of Rate Application: Base Year Application
Marin Sanitary Service
2025 Base Year Rate Application**

2025 Operating Expense	
Labor	\$ 1,250,024
Benefits	671,039
Garbage Landfilling and Organics Processing	626,847
Maintenance	273,884
Depreciation and Leases	354,868
Fuel and Oil	213,865
General and Administrative	372,044
2025 Operating Expense (Subject to Profit)	\$ 3,762,571
2025 Revenue Requirement	
2025 Operating Expense (Subject to Profit)	\$ 3,762,571
Operating Profit (90.5% Operating Ratio)	394,966
Recyclables Processing	121,488
Interest	48,987
Zero Waste Marin Fees	42,144
2023 Rate Revenue Requirement Adjustment	17,637
2025 Revenue Requirement	\$ 4,387,793
2025 Pass Through Costs	
Projected 2025 Franchise Fees	\$ 493,199
Vehicle Impact and Street Sweeping Fees	51,000
Projected 2025 Pass Through Costs	\$ 544,199
2025 Revenue Requirement	
2025 Revenue Requirement	\$ 4,387,793
2025 Pass Through Costs	544,199
2025 Revenue Requirement	\$ 4,931,992
2025 Revenue Shortfall at Current 2024 Rates	
Rate Revenue at Current 2024 Rates	\$ 4,780,000
Other Revenue	-
2025 Total Revenue at Current 2024 Rates	\$ 4,780,000
Less: 2025 Revenue Requirement	(4,931,992)
2025 Revenue less 2025 Rate Revenue Requirement	\$ (151,992)
2025 Rate Increase Percentage	3.18%
2025 Revenues after Rate Adjustment	
Calculated 2025 Rate Revenue	\$ 4,931,992
Other Revenue	-
Projected 2025 Revenue at Adjusted Rates	\$ 4,931,992
2025 Revenue Requirement	\$ 4,931,992

Attachment 2 to Exhibit B: Sample Format of Rate Application: Indexed Year Application

EXAMPLE 2021 Indexed Rate Adjustment Calculation

Rate Revenue Category	2021 Year Amounts
Collector Operations	\$ 2,826,457
Garbage Landfilling and Organics Processing	557,891
Subtotal for Profit Calculation	\$ 3,384,348
Operating Profit (90.5% Operating Ratio)	355,263
Recyclables Processing	125,300
Interest	39,736
Zero Waste Marin Fees	49,356
Franchise Fees	498,415
Other Agency Fees (VIF)	84,000
Total 2021 Rate Revenue Requirement	\$ 4,531,043
Total 2020 Rate Revenue Requirement	\$ 4,289,634
2021 Rate Revenue Adjustment	5.63%

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EXHIBIT C
TOWN OF SAN ANSELMO
PROPOSED CUSTOMER RATES FOR SOLID WASTE,
RECYCLABLE, AND ORGANIC WASTE COLLECTION

TOWN OF SAN ANSELMO	RESIDENTIAL COLLECTION RATES				Rate Increase
					7.09%
					Effective
					1/1/2020
RECURRING CHARGES	<i>Residential Service (Bundled service includes 1 landfill (garbage) cart, 2* organic waste carts, 1 Recycling split cart)</i>				
	Weekly Service Rates (Billed Quarterly)	2020 Flat Rate		2020 ST Rate**	
		Monthly Rate	Quarterly Rate	Monthly Rate	Quarterly Rate
	20 gallon cart	\$36.69	\$110.07	\$41.50	\$124.50
	32 gallon cart	\$47.95	\$143.85	\$52.76	\$158.28
	64 gallon cart	\$95.98	\$287.94	\$100.79	\$302.37
	96 gallon cart	\$143.96	\$431.88	\$148.77	\$446.31
	Low-income 20 gal. cart***	\$29.35	\$88.05	\$33.20	\$99.60
	Low-income 32 gal. cart***	\$38.36	\$115.08	\$42.21	\$126.63
	Low-income 64 gal. cart***	\$76.78	\$230.34	\$80.63	\$241.89
	Low-income 96 gal. cart***	\$115.17	\$345.51	\$119.02	\$357.06
	Intensive recycler****	\$25.74	\$77.22	\$30.54	\$91.62
	Additional Organic Waste Cart Rental (35 or 64 gallon cart, up to 4 total carts)	\$2.68	\$8.04	\$2.68	\$8.04
	Additional Split Cart Rental (64 or 96 gallon cart)	\$2.68	\$8.04	\$2.68	\$8.04
	Additional Monthly Charges	Monthly Fee (per cart, each way)		Quarterly Fee	
	Distance 5' - 50'	\$12.98		\$38.94	
Distance Over 50'	\$12.98		\$38.94		

* Residential Customers may request one additional Organic Waste Cart, for a total of three, as part of the service bundle, for a limited period of time expiring on December 31, 2020.

** ST Rate is the Small Truck Rate.

*** Must meet PG&E CARE program eligibility requirements.

**** This program has been discontinued as of January 1, 2020. Existing customers will be able to retain this service provided no changes are made to existing level of service (20-gallon landfill cart).

NOTE: MSS may not be able to accommodate any collection requests NOT at the curb due to a variety of factors including safety, accessibility, and efficiency. Requests to be assessed and approved by Route Manager

ONE TIME SERVICE FEES	Residential Additional Service Fees per Occurrence		Fee
	Return Fees - Off day		\$25.00
	Return Fees - Same day		\$10.00
	Resume Service/Late Fee		\$35.00
	Contamination (cart) any size cart		\$30.00
	Overload/Overweight (cart)		\$25.00
	Extra bag garbage		\$15.00
	Extra bag yard waste		\$10.00
	Steam Clean (cart)		\$15.00
	Special Collection		\$35.00
	Special Handling (Bulky items)		\$30.00
	Bulky item fees per item		Fees Vary
	Cart Strap Set-up Admin Fee		\$25.00
	20 Gal Cart Replacement Fee		\$55.00
	32 Gal Cart Replacement Fee		\$60.00
	64 Gal Cart Replacement Fee		\$65.00
	96 Gal Cart Replacement Fee		\$75.00
64 Gal Split Cart Replacement Fee		\$90.00	
96 Gal Split Cart Replacement Fee		\$100.00	

TOWN OF SAN ANSELMO		COMMERCIAL COLLECTION RATES					7.09% Increase Effective 01/01/20	
RECURRING CHARGES	Commercial Cart, Bins, and Roll-Offs	Collections per Week					Additional 1 Time Empty	
	Garbage	1	2	3	4	5	6	
	20 gallon cart*	\$41.14	\$82.28	\$123.42	\$164.56	\$205.70	\$246.84	\$9.49
	32 gallon cart	\$53.75	\$107.50	\$161.25	\$215.00	\$268.75	\$322.50	\$12.40
	64 gallon cart	\$107.50	\$215.00	\$322.50	\$430.00	\$537.50	\$645.00	\$24.81
	96 gallon cart	\$161.25	\$322.50	\$483.75	\$645.00	\$806.25	\$967.50	\$37.21
	1 yard bin	\$273.19	\$546.33	\$819.53	\$1,092.67	\$1,365.84	\$1,639.01	\$63.04
	2 yard bin	\$546.37	\$1,092.66	\$1,639.06	\$2,185.34	\$2,731.67	\$3,278.01	\$126.09
	3 yard bin	\$786.94	\$1,574.00	\$2,360.97	\$3,147.93	\$3,934.89	\$4,721.88	\$181.60
	4 yard bin	\$979.45	\$1,958.90	\$2,938.35	\$3,917.82	\$4,897.28	\$5,876.70	\$226.03
	5 yard bin	\$1,196.02	\$2,392.01	\$3,588.03	\$4,784.05	\$5,980.10	\$7,176.08	\$276.00
	6 yard bin	\$1,412.58	\$2,825.12	\$4,237.70	\$5,650.27	\$7,062.92	\$8,475.46	\$325.98
	10 yard roll-off	\$2,354.30	\$4,708.53	\$7,062.83	\$9,417.12	\$11,771.53	\$14,125.77	\$543.30
	18 yard roll-off	\$4,237.74	\$8,475.35	\$12,713.09	\$16,950.82	\$21,188.75	\$25,426.39	\$977.94
	20 yard roll-off	\$4,708.60	\$9,417.06	\$14,125.66	\$18,834.24	\$23,543.06	\$28,251.54	\$1,086.60
	25 yard roll-off	\$5,885.75	\$11,771.33	\$17,657.08	\$23,542.80	\$29,428.83	\$35,314.43	\$1,358.25
	Organic Waste Cart (F2E or Compost)	1	2	3	4	5	6	Additional 1 Time Empty
	32 gallon	\$26.23	\$52.46	\$78.69	\$104.92	\$131.15	\$157.38	\$6.05
	64 gallon	\$52.46	\$104.92	\$157.38	\$209.84	\$262.30	\$314.76	\$12.11
	1 yard	\$183.62	\$367.24	\$550.86	\$734.48	\$918.10	\$1,101.72	\$42.37
	2 yard	\$367.24	\$734.48	\$1,101.72	\$1,468.96	\$1,836.20	\$2,203.44	\$84.75
	3 yard	\$550.86	\$1,101.72	\$1,652.58	\$2,203.44	\$2,754.30	\$3,305.16	\$127.12
	10 yard roll-off	\$1,648.01	\$3,296.02	\$4,944.03	\$6,592.04	\$8,240.05	\$9,888.06	\$380.31
	18 yard roll-off	\$2,966.42	\$5,932.84	\$8,899.25	\$11,865.67	\$14,832.09	\$17,798.51	\$684.56
	20 yard roll-off	\$3,296.02	\$6,592.04	\$9,888.06	\$13,184.08	\$16,480.10	\$19,776.12	\$760.62
	25 yard roll-off	\$4,120.03	\$8,240.05	\$12,360.08	\$16,480.10	\$20,600.13	\$24,720.15	\$950.78
	Garbage Compactors (Per empty)							
	Roll-off Compactor Tipping fee per ton		\$121.62		Roll-off Compactor Hauling charge		\$273.36	
	Stationary FL (Per Compacted Yard)		\$105.63		Roll-off Compactor Special handling		Rates Vary	
	Other Charges		Service		Fee		Details	
			Lock		\$25.00		Monthly fee	
			Box rental		Fees Vary		Min. Bi-monthly fee	
Distance < 50ft			\$12.98		Monthly fee per cart, each way			
Distance > 50ft		\$12.98		Monthly fee per cart, each way				

Customers must have a sufficient level of service for the volume of material generated. Requests for 20-gallon carts require assessment and approval of a Route Manager.

NOTE: All container types and size may not be available at all locations depending on a variety of factors including safety, accessibility, and efficiency. Requests to be assessed and approved by Route Manager.

ONE TIME SERVICE FEES	Commercial Additional Service Fees per Occurrence	Fee
	Return Fee - BIN	\$75.00
	Return Fee - CART -same day	\$10.00
	Return Fee - CART -off day	\$25.00
	Late Fee/Resume Service Fee	\$35.00
	Contamination (BIN)	\$50.00
	Contamination (CART)	\$30.00
	Overload/Compaction (BIN)	\$60.00
	Overload/Compaction (CART)	\$25.00
	Extra Bag Garbage	\$15.00
	Additional Empty BIN	Fees vary
	Extra Bag Yard Waste	\$15.00
	Steam Clean (1-6 yard BIN)	\$95.00
	Steam Clean (CART)	\$15.00
	Steam Clean (COMPACTOR/ROLL-OFF)	\$225.00
	Lock Set-up Admin Fee	\$25.00
	Lock Single Use Fee	\$5.00
	Lock Purchase Fee	\$20.00
	Lock Bar Bin Set-up Fee	\$75.00
	Overweight Charge Per Ton*	\$205.00
	20 Gal Cart Replacement Fee	\$55.00
	32 Gal Cart Replacement Fee	\$60.00
	64 Gal Cart Replacement Fee	\$65.00
	96 Gal Cart Replacement Fee	\$75.00
64 Gal Split Cart Replacement Fee	\$90.00	
96 Gal Split Cart Replacement Fee	\$100.00	
Bin Repair/Replacement Fee**	Fees vary	

TOWN OF SAN ANSELMO		MULTI-FAMILY COLLECTION RATES						7.09% Increase Effective 01/01/20
RECURRING CHARGES	MFD Carts, Bins, Roll-Offs	<i>Collections per Week</i>						Additional 1 Time Empty
	Garbage	1	2	3	4	5	6	
	20 gallon cart*	\$36.69	\$73.38	\$110.07	\$146.76	\$183.45	\$220.14	\$8.47
	32 gallon cart	\$47.95	\$95.90	\$143.85	\$191.80	\$239.75	\$287.70	\$11.07
	64 gallon cart	\$95.90	\$191.80	\$287.70	\$383.60	\$479.50	\$575.40	\$22.13
	96 gallon cart	\$143.85	\$287.70	\$431.55	\$575.40	\$719.25	\$863.10	\$33.20
	1 yard bin	\$273.19	\$546.33	\$819.52	\$1,092.67	\$1,365.84	\$1,639.01	\$63.04
	2 yard bin	\$546.37	\$1,092.66	\$1,639.04	\$2,185.34	\$2,731.67	\$3,278.01	\$126.09
	3 yard bin	\$786.94	\$1,574.00	\$2,360.97	\$3,147.93	\$3,934.89	\$4,721.88	\$181.60
	4 yard bin	\$979.46	\$1,958.90	\$2,938.35	\$3,917.82	\$4,897.26	\$5,876.70	\$226.03
	5 yard bin	\$1,196.02	\$2,392.02	\$3,588.03	\$4,784.05	\$5,980.09	\$7,176.08	\$276.00
	6 yard bin	\$1,412.58	\$2,825.14	\$4,237.70	\$5,650.27	\$7,062.92	\$8,475.46	\$325.98
	10 yard roll-off	\$2,354.30	\$4,708.53	\$7,062.83	\$9,417.12	\$11,771.53	\$14,125.77	\$543.30
	18 yard roll-off	\$4,237.74	\$8,475.35	\$12,713.09	\$16,950.82	\$21,188.75	\$25,426.39	\$977.94
	20 yard roll-off	\$4,708.60	\$9,417.06	\$14,125.66	\$18,834.24	\$23,543.06	\$28,251.54	\$1,086.60
	25 yard roll-off	\$5,885.75	\$11,771.33	\$17,657.08	\$23,542.80	\$29,428.83	\$35,314.43	\$1,358.25
	Organic Waste Cart	1	2	3	4	5	6	Additional 1 Time Empty
	Additional Organic Waste Cart Rental (35 gallon cart) after 4 total carts per cart per month	\$2.68	N/A	N/A	N/A	N/A	N/A	N/A
	Additional Organics Waste Cart Rental (64 gallon cart) after 4 total carts per cart per month	\$2.68	N/A	N/A	N/A	N/A	N/A	N/A
	1 yard	\$183.62	\$367.24	\$550.86	\$734.48	\$918.10	\$1,101.72	\$42.37
2 yard	\$367.24	\$734.48	\$1,101.72	\$1,468.96	\$1,836.20	\$2,203.44	\$84.75	
3 yard	\$550.86	\$1,101.72	\$1,652.58	\$2,203.44	\$2,754.30	\$3,305.16	\$127.12	
Garbage Compactors (Per empty)								
Roll-off Compactor Tipping fee per ton			\$121.62	Roll-off Compactor Hauling charge				\$273.36
Stationary FL (Per Compacted Yard)			\$105.63	Roll-off Compactor Special handling				Rates Vary
Other Charges	Service			Fee		Details		
	Lock			\$25.00		Monthly fee		
	Box rental			Fees Vary		Min. Bi-monthly fee		
	Distance < 50ft			\$12.98		Monthly fee per cart, each way		
Distance > 50ft			\$12.98		Monthly fee per cart, each way			

NOTE: Minimum service level is 32 gallons per unit or equivalent volume. Decrease to 20 gallon per unit is subject to Company review and approval.

NOTE: Up to four (4) Organic Waste carts provided at no additional charge. Additional carts may be rented for a nominal monthly fee.

NOTE: All container types and sizes may not be available at all locations depending on a variety of factors including safety, accessibility, and efficiency.

ONE TIME SERVICE FEES	MFD Additional Service Fees per Occurrence	Fee
	Return Fee - BIN	\$75.00
	Return Fee - CART -same day	\$10.00
	Return Fee - CART -off day	\$25.00
	Late Fee/Resume Service Fee	\$35.00
	Contamination (BIN) Per Yard	\$50.00
	Contamination (CART)	\$30.00
	Overload/Compaction (BIN)	\$60.00
	Overload/Compaction (CART)	\$25.00
	Additional Empty Bag	\$15.00
	Extra Bag Yard Waste	\$15.00
	Additional Empty Garbage	Fees vary
	Steam Clean (BIN)	\$95.00
	Steam Clean (CART)	\$15.00
	Steam Clean (COMPACTOR/ROLL-OFF)	\$225.00
	Lock Set-up Admin Fee	\$25.00
	Lock Single Use Fee	\$5.00
	Lock Purchase Fee	\$20.00
	Lock Bar Bin Set-up Fee	\$75.00
	Overweight Charge Per Ton*	\$205.00
	20 Gal Cart Replacement Fee	\$55.00
	32 Gal Cart Replacement Fee	\$60.00
	64 Gal Cart Replacement Fee	\$65.00
	96 Gal Cart Replacement Fee	\$75.00
64 Gal Split Cart Replacement Fee	\$90.00	
96 Gal Split Cart Replacement Fee	\$100.00	
Bin Repair/Replacement Fee**	Fees vary	