

CITY OF FARMERSVILLE

FIRST AMENDMENT TO RESIDENTIAL, COMMERCIAL AND INDUSTRIAL SOLID WASTE AND RECYCLABLES COLLECTION CONTRACT

This FIRST AMENDMENT TO RESIDENTIAL, COMMERCIAL AND INDUSTRIAL SOLID WASTE AND RECYCLABLES COLLECTION CONTRACT (the "Amendment") is made and entered into on July 23, 2018 by and between the City of Farmersville, a California municipal corporation (the "City") and Mid Valley Disposal, LLC, a California Limited Liability Company ("MVD").

RECITALS

- A. On May 26, 2010, the City and MVD's predecessor in interest, Sunset Waste Systems, entered in to a certain Residential, Commercial and Industrial Solid Waste and Recyclables Collection Agreement (the "Agreement") to provide an exclusive franchise for the management, collection and disposal of all solid waste, including any and all recyclables within the solid waste, within the corporate boundaries of City.
- B. At the August 25, 2014 meeting, the City Council approved an extension of the term of the Agreement to July 31, 2021.
- C. At the August 25, 2014 meeting, the City Council also supported an assignment of the Agreement from Sunset Waste Systems to MVD.
- D. The Agreement contains a provision for annual rate adjustment for inflation based on a CPI formula.
- E. In October 2014 Governor Brown signed AB 1826 Chesbro (Chapter 727, Statutes of 2014), requiring businesses to recycle their organic waste on and after April 1, 2016.
- F. The Agreement does not contain provisions for organics waste collection and processing.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the receipt and sufficiency of which are hereby acknowledged, the City and MVD desire to amend the Agreement to reflect the foregoing, and mutually agree as follows:

- 1. Section 1 of the Agreement is amended to read as follows:

"SECTION 1: Term.

This Contract shall take effect on August 1, 2018 at 12:01 a.m., and shall remain in full force and effect until July 31, 2028, at 12:00 midnight. The City may grant an extension for three (3) additional years."

- 2. The opening paragraph is amended to read as follows:

"THIS Contract is entered into by and between the City of Farmersville, a municipal corporation of the State of California (hereinafter called the City) and Mid Valley Disposal, LLC, a California Limited Liability Company (hereinafter called the Contractor)."

3. Section 8. Subpart B. shall be amended to read as follows:

“B. Ownership of Refuse

Solid Waste collected shall be the property of the Contractor when placed for collection, subject to the right of customer to claim lost property of value. The City retains the right to designate disposal sites.”

4. Section 10. Subpart A. shall be amended to read as follows:

“A. Franchise Fee Schedule

The Contractor will be required to pay as part of this contract a franchise fee for the following amounts to the City which is to be deducted from all payments received for residential, commercial and industrial service:

1. Seventeen Percent (17%) of amounts collected for the City’s costs to administer the contract including billing and accounting, postage, City’s liability, attorneys’ fees and other miscellaneous costs.
2. Four Percent (4%) of amounts collected for repairs to allies and streets caused by garbage trucks and appropriate trash receptacles in the commercial area to encourage proper disposal of trash.

Contractor acknowledges that above percentages are accumulative 21% total of all accounts and shall apply to all changes of future rate increase as necessary.

The City shall have no obligation to pay any portion of billed amounts in excess of the amount collected. The City will use its best efforts (short of filing legal action) to collect all items charged.

Before an account is written off or abandoned by the City, the City Treasurer may assign said account to the Contractor for collection.”

5. In consideration of the extension of the term, MVD waives its right to the automatic CPI increase under section 10.B. of the Agreement for the years 2018 and 2019 for residential customers.
6. MVD also agrees to provide services and implement recycling services within the City of Farmersville to comply with the provisions and regulations of AB1826 concerning organics recycling and diversion.
7. The rates for service under the contract specifications are listed in Exhibit A to this amendment. These rates will take effect February 1, 2019.

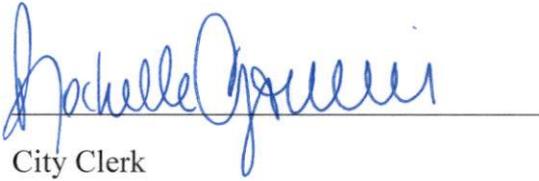
8. Except as specifically amended in this Amendment, all terms and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the City and MVD have caused this Amendment to be executed by the duly authorized representative thereof.

CITY OF FARMERSVILLE


Jennifer Gomez, City Manager

ATTEST:


Michelle Green
City Clerk



MID VALLEY DISPOSAL, LLC

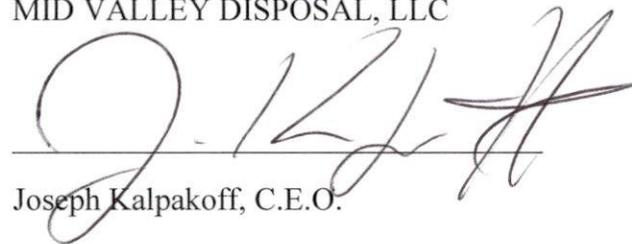

Joseph Kalpakoff, C.E.O.

EXHIBIT A CONTRACT RATES

REFUSE SERVICE FEES

Residential Rates	August 1st, 2017	August 1, 2018 CPI Increase	February 1st, 2019
Single Family Unit, per month	\$22.63	0%	\$22.63
Multi-Family Unit, per unit	\$22.63	0%	\$22.63
Small Business Can, per month	\$22.63	0%	\$22.63
Additional Automated Can/month	\$14.71	0%	\$14.71
Commercial Trash Rates:			
1 Yard Bin Container, serviced 1 time per week	\$44.54	2.6%	\$45.69
1 1/2 Yard Bin container, serviced 1 time per week	\$65.55	2.6%	\$67.24
2 Yard Bin container, serviced 1 time per week	\$73.87	2.6%	\$75.77
2 Yard Bin container, serviced 2 times per week	\$120.07	2.6%	\$123.16
3 Yard Bin container, serviced 1 time per week	\$94.25	2.6%	\$96.68
3 Yard Bin container, serviced 2 times per week	\$153.77	2.6%	\$157.73
3 Yard Bin container, serviced 3 times per week	\$208.01	2.6%	\$213.36
6 Yard Bin container, serviced 1 time per week	\$153.77	2.6%	\$157.73
6 Yard Bin container, serviced 2 times per week	\$307.54	2.6%	\$315.45
Commercial Recycling Rates:			
2 Yard Bin container, serviced 1 time per week	N/A	New Service	\$35.00
2 Yard Bin container, serviced 2 times per week	N/A	New Service	\$60.00
3 Yard Bin container, serviced 1 time per week	N/A	New Service	\$47.00
3 Yard Bin container, serviced 2 times per week	N/A	New Service	\$82.00
6 Yard Bin container, serviced 1 time per week	N/A	New Service	\$78.00
6 Yard Bin container, serviced 2 times per week	N/A	New Service	\$154.00
Commercial Organics Rates:			
96 Gallon Cart, serviced 1 time per week	N/A	New Service	\$17.50
97 Gallon Cart, serviced 2 time per week	N/A	New Service	\$34.00
2 Yard Bin container, serviced 1 time per week	N/A	New Service	\$63.00
2 Yard Bin container, serviced 2 times per week	N/A	New Service	\$105.00

**EXHIBIT A
CONTRACT RATES**

30 Yard Roll-Off Container, per load	Contract direct for service with Mid Valley Disposal		Contract direct for service with Mid Valley Disposal
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