



CITY OF SANTA FE SPRINGS
ADJOURNED MEETINGS OF THE PUBLIC FINANCING
AUTHORITY, WATER UTILITY AUTHORITY, HOUSING
SUCCESSOR, SUCCESSOR AGENCY, AND CITY COUNCIL
AGENDA

TUESDAY, DECEMBER 9, 2025
AT 12:00 P.M.

CITY HALL COUNCIL CHAMBERS
11710 TELEGRAPH ROAD
SANTA FE SPRINGS, CA 90670

CITY COUNCIL

William K. Rounds, Mayor
Joe Angel Zamora, Mayor Pro Tem
Annette Rodriguez, Councilmember
Juanita Martin, Councilmember
John M. Mora, Councilmember

CITY MANAGER

René Bobadilla, P.E.

CITY ATTORNEY

Rick Olivarez

CITY STAFF

Assistant City Manager
Acting Fire Chief
Police Chief
Director of Community Development
Director of Community Services
Director of Finance
Director of Parks & Recreation
Director of Police Services
Director of Public Works
City Clerk

Nicholas Razo
Mike Kozicki
Aviv Bar
Cuong Nguyen
Maricela Balderas
Julio Morales
Gus Hernandez
Arlene Salazar
James Enriquez
Fernando N. Muñoz

NOTICES

This City Council Meeting ("Council") will be held in person and will meet at City Hall – City Council Chambers, 11710 E. Telegraph Road, Santa Fe Springs, California. The meeting will be live streamed on the City's YouTube Channel and can be accessed on the City's website via the following link:

https://santafesprings.gov/city_council/city_council_meetings/index.php

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

SB 1439: Effective January 1, 2025, City Council Members are subject to SB 1439 and cannot participate in certain decisions for a year after accepting campaign contributions of more than \$500 from an interested person. The Council Member would need to disclose the donation and abstain from voting.

Public Comments: The public is encouraged to address City Council on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council on the day of the meeting, please fill out a speaker card provided at the door and submit it to City Clerk staff. You may also submit comments in writing by sending them to the City Clerk's Office at cityclerk@santafesprings.gov. All written comments received by 12:00 p.m. the day of the City Council Meeting will be distributed to the City Council and made a part of the official record of the meeting. Written comments will not be read at the meeting, only the name of the person submitting the comment will be announced. Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

Council Meeting Start Times: If there is a closed session or study session scheduled on the agenda, the regular meeting shall be scheduled to start at 5:00 p.m. and open session shall start at 6:00 p.m. If there is no closed session or study session scheduled on the agenda, the regular meeting shall be scheduled to start at 6:00 p.m.

Please Note: Staff reports and supplemental attachments are available for inspection online and at the office of the City Clerk in City Hall, during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday. Telephone: (562) 868-0511.

CALL TO ORDER**ROLL CALL****PUBLIC COMMENTS ON CLOSED SESSION ITEMS**

At this time, the general public may address the City Council on closed session items *only*. Please be aware that the maximum time allotted for members of the public to speak shall not exceed three (3) minutes per speaker. State Law prohibits the City Council from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the City Council.

1. CLOSED SESSION**CONFERENCE WITH LEGAL – ANTICIPATED LITIGATION**

(Pursuant to California Government Code Sections 54956.9(d)(2) and 54569(e)(1)):
One Matter

CLOSED SESSION REPORT**PLEDGE OF ALLEGIANCE****CHANGES TO AGENDA****PUBLIC COMMENTS ON NON-AGENDA & NON-PUBLIC HEARING AGENDA ITEMS**

At this time, the general public may address the City Council on both non-agenda *and* non-public hearing agenda items. Comments relating to public hearing items will be heard during the public hearing. Please be aware that the maximum time allotted for members of the public to speak shall not exceed three (3) minutes per speaker. State Law prohibits the City Council from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the City Council.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST**PUBLIC HEARING – NONE****OLD BUSINESS – NONE****REGULAR BUSINESS**

- 2. CONSIDERATION AND APPROVAL OF RESOLUTION NO. 9992 RECITING THE FACT OF A NOVEMBER 4, 2025 SPECIAL MUNICIPAL ELECTION AND DECLARING THE RESULTS OF THE SAME; AND CITY COUNCIL CONFIRMATION AND RATIFICATION OF VOTER-APPROVED ORDINANCE NO. 1160 INCREASING THE CITY'S EXISTING TRANSACTIONS AND USE TAX RATE (CITY CLERK)**

RECOMMENDATION: It is recommended that the City Council:

- 1) Adopt Resolution No. 9992, reciting the fact of a November 4, 2025 Special Municipal Election and declaring the results of the same (**Attachment “A”**); and
- 2) Confirm and ratify adoption of Ordinance No. 1160, entitled “An Ordinance of the People of the City of Santa Fe Springs Increasing the Existing Transactions and Use Tax from One Percent to One and One Quarter of a Percent” (**Attachment “B”**).

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any Ordinance.

3. **APPROVAL OF RESOLUTIONS AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (CDTFA) FOR IMPLEMENTATION THE VOTER-APPROVED INCREASED 1.25% TRANSACTION AND USE TAX RATE; AND APPROVE RELATED DESIGNATING THE CITY EMPLOYEES AND CONSULTANTS AUTHORIZED TO REVIEW THE CITY’S TRANSACTION AND USE TAX AND BRADLEY BURNS SALES AND USE TAX DATA AND RECORDS COLLECTED AND MAINTAINED BY THE CDTFA; AND AUTHORIZING THE CITY MANAGER AND FINANCE DIRECTOR TO EXECUTE SUCH OTHER INSTRUMENTS AND DOCUMENTATION AS MAYBE NECESSARY TO IMPLEMENT THE SAME (CITY CLERK)**

RECOMMENDATION: It is recommended that the City Council:

- 1) Consideration and Approval of a resolution authorizing the City Manager to execute agreements with the California Tax and Fee Administration (“CDTFA”) for implementation of the voter-approved increase of the City’s existing transaction and use tax rate to 1.25%;
- 2) Consideration and Approval of a resolution making designations regarding City employees and consultants authorized to interact with CDTFA on the City’s behalf and to inspect CDTFA-maintained tax records and data; and
- 3) Authorize City Manager and Finance Director to complete, execute and submit such other documentation as may be required by CDTFA to implement the collection of the City’s transactions and use tax at the new increased rate of 1.25%.

4. **RESIDENTIAL SOLID WASTE MANAGEMENT SERVICES – AWARD OF FRANCHISE AGREEMENT (PUBLIC WORKS)**

RECOMMENDATION: It is recommended that the City Council:

- 1) Award a Residential Solid Waste Franchise Agreement to Universal Waste Systems, Inc. in accordance with Santa Fe Springs Municipal Code Chapter 50; and
 - 2) Approve Resolution No. 9991 Granting a Commercial Permit for the collection of commercial solid waste and recyclables to Universal Waste Systems, Inc. in accordance with Santa Fe Springs Municipal Code Chapter 50; and
 - 3) Authorize the City Manager to execute the Residential Solid Waste Franchise Agreement and Commercial Solid Waste Collection Franchise Agreement with Universal Waste Systems, Inc.; and
 - 4) Take such additional, related, action that may be desirable.
5. **APPROVAL OF TRACT MAP NO. 83297 TO CONSOLIDATE THREE PARCELS LOCATED AT 10934-10954 LAUREL AVENUE AND 13309-13321 LAKELAND ROAD INTO ONE PARCEL (PUBLIC WORKS)**

RECOMMENDATION: It is recommended that the City Council:

- 1) Determine that the final map approval of Tract Map No. 83297 has been previously determined to be categorically exempt from the requirements of the California Environmental Quality Act ("CEQA") (Pub. Res. Code § 21000 *et seq.*), and that no further action is required under CEQA; and
- 2) Adopt the attached resolution approving the merger of the three parcels in Tract Map No. 83297, into one parcel, and associated conditions; and
- 3) Authorize the City Engineer and City Clerk to sign Tract Map No. 83297; and
- 4) Take such additional, related action that may be desirable.

COUNCIL COMMENTS/AB1234 COUNCIL CONFERENCE REPORTING

Council member announcements; requests for future agenda items; conference/meetings reports. Members of the City Council will provide a brief report on meetings attended at the expense of the local agency as required by Government Code Section 53232.3(d).

ADJOURNMENT

I, Fernando N. Muñoz, City Clerk for the City of Santa Fe Springs hereby certify that a copy of this agenda has been posted no less than 72 hours at the following locations; City's website at www.santafesprings.gov; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road.



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Fernando N. Muñoz, City Clerk

SUBJECT: COSIDERATION AND APPROVAL OF RESOLUTION NO. 9992 RECITING THE FACT OF A NOVEMBER 4, 2025 SPECIAL MUNICIPAL ELECTION AND DECLARING THE RESULTS OF THE SAME; AND CITY COUNCIL CONFIRMATION AND RATIFICATION OF VOTER-APPROVED ORDINANCE NO. 1160 INCREASING THE CITY'S EXISTING TRANSACTIONS AND USE TAX RATE

DATE: December 9, 2025

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Adopt Resolution No. 9992, reciting the fact of a November 4, 2025 Special Municipal Election and declaring the results of the same (**Attachment "A"**); and
- 2) Confirm and ratify adoption of Ordinance No. 1160, entitled "An Ordinance of the People of the City of Santa Fe Springs Increasing the Existing Transactions and Use Tax from One Percent to One and One Quarter of a Percent" (**Attachment "B"**).

FISCAL IMPACT

The FY 2025-26 budget has included funds in the amount of \$60,000 for election purposes. Los Angeles County has not yet invoiced the City for election costs. Staff have received a preliminary estimate of the cost to conduct the special election to be between \$128,000 and \$140,000. Staff will be requesting additional costs during midyear budget revisions to fund the budgeted shortfall.

Since the voters approved the sales tax, the tax is expected to generate approximately \$4 Million per year.

RESOLUTION NO. 9992 – ADOPTION OF RESOLUTION DECLARING THE RESULTS OF THE SPECIAL MUNICIPAL ELECTION AND ADOPTION OF THE SALES TAX ORDINANCE

Page 2 of 3

BACKGROUND

At its July 1, 2025 regular meeting, the City Council adopted Resolution No. 9970 calling a special election to place a sales tax measure on the ballot. Also requested was the consolidation of the election with the County of Los Angeles on Tuesday, November 4, 2025, and to conduct the election and canvass the votes.

On November 4, 2025, the Special Municipal Election was held and semi-official results were tabulated (election night tally did not include provisional ballots nor Vote by Mail ballots that were dropped off at polling places). The Los Angeles County Registrar-Recorder/County Clerk (RR/CC) continued counting ballots through the Official Election Canvass period through the end of November.

On December 2, 2025, the City Clerk received the Certificate of the Canvass of the Election Returns completed and certified by the RR/CC for the November 4, 2025 Special Municipal Election (**Exhibit “A” to Attachment “A”**). The Certificate of the Canvass of Election Returns confirms Measure L, referenced above, was approved by the Santa Fe Springs voters.

Information from the County Registrar pertaining to the November 4, 2025 Special Municipal Election indicates the following:

MEASURE L

- 5,128 total votes cast for Measure L
- 3,180 votes cast for Yes on Measure L
- 1,948 votes cast for No on Measure L

ANALYSIS

Per Elections Code Section 10262(b), the City Clerk is required to certify the results to the City Council. In turn, the City Council, as required by Election Code Section 10263, must meet to declare the results of the election. As soon as the results of the election is declared by the City Council, the City Clerk must enter in its records a statement of the election results.

Pursuant to Government Code Sections 36937(a) and (d), an ordinance takes effect immediately upon final approval by the City Council if it relates to an election and taxes for the usual and current expenses of the city.

ENVIRONMENTAL

N/A

RESOLUTION NO. 9992 – ADOPTION OF RESOLUTION DECLARING THE RESULTS OF THE SPECIAL MUNICIPAL ELECTION AND ADOPTION OF THE SALES TAX ORDINANCE

Page 3 of 3

CONCLUSION

It is recommended that the City approve the following in the following order by separate vote:

1. Adopt Resolution No. 9992 declaring the results of the November 4, 2025 Special Municipal Election; and
2. Confirm and ratify adoption of Ordinance No. 1160 entitled: *“An Ordinance of the People of the City of Santa Fe Springs, California Increase to One and One Quarter of a Percent (1.25%) the City’s Existing General Purpose One Percent (1%) Transactions (Sales) and Uset Tax Currently Codified Under Section 35.017 (Transactions and Use Tx) of Chapter 35 (Taxation) of Title III (Administration) of the Santa Fe Springs Municipal Code”.*

ATTACHMENT(S):

- A. Resolution No. 9992
- B. Ordinance No. 1160

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

RESOLUTION NO. 9992

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS CALIFORNIA, RECITING THE FACT OF A NOVEMBER 4, 2025 SPECIAL MUNICIPAL ELECTION AND DECLARING THE RESULTS OF THE SAME AND SUCH OTHER MATTERS AS PROVIDED BY LAW

WHEREAS, at its regular meeting of July 1, 2025, the City Council of the City of Santa Fe Springs ("City Council") adopted Resolution No. 9970 calling a Special Municipal Election to be held on Tuesday, November 4, 2025 (the "Special Election"), for the submission of a ballot measure ("Measure L") to approve an ordinance ("Ordinance No. 1160") that increases the City of Santa Fe Springs' current 1% transactions and use tax rate to an increased rate of 1.25%; and

WHEREAS, Measure L presented the following question to Santa Fe Springs voters:

City of Santa Fe Springs Services Protection Measure. To protect Santa Fe Springs' long-term financial stability; maintain general services such as fire, paramedic, police, hazard material spill response; help prevent property crimes; keep public areas/parks safe/clean; address homelessness; maintain library/senior services, afterschool programs, shall a measure be adopted increasing the transaction and use tax (sales tax) by a ¼¢ providing approximately \$4,000,000 annually until ended by voters, requiring audits, annual publicly available expenditure reports, funds locally controlled?	YES
	NO

WHEREAS, the Special Election was in fact held on Tuesday, November 4, 2025, and was consolidated with the Statewide Special Election held on the same day and administered by the Registrar/Recorder/County Clerk of the County of Los Angeles ("County Registrar"); and

WHEREAS, notice of the election was given in the time, form and manner as provided by law; that voting precincts were properly established; that election officers were appointed and that in all respects the election was held and conducted and the votes were cast, received and canvassed and the returns made and declared in the time, form and manner as required by the provisions of the Election Code of the State of California for the holding of elections in general law cities; and

WHEREAS, pursuant to Elections Code Section 15300 *et seq.*, the County Registrar canvassed the returns of the Special Election and certified the results on December 2, 2025, and as required by Elections Code Section 10262(b), issued to the City Clerk a Certificate of the Canvass of the Election Returns for the Special Election; and

WHEREAS, per Elections Code Section 10263, upon completing the canvass, the City Council must adopt a resolution reciting the fact of the Special Election and declaring the results of the same; and

WHEREAS, upon the approval of said resolution, the City Clerk must then enter in its records a statement of the election results along with all other information required by Elections Code Section 10264.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Recitals stated above are true and correct and incorporated hereto by this reference.

SECTION 2. The City Council finds and affirms that:

- a. On November 4, 2025, the City held a Special Municipal Election which was consolidated with the Statewide Special Election administered by the County Registrar, to wit, the Special Election;
- b. On December 2, 2025, the County Registrar issued a Certificate of the Canvass of the Election Returns for the Special Election (hereinafter, the "2025 Canvass"). (A true and correct copy of the 2025 Canvass is attached and incorporated hereto as **Exhibit "A"** and is incorporated by this reference as though fully set forth herein.); and
- c. Measure L was approved by simple majority of votes cast at the Special Election by the following count: 3,180 votes cast in favor (or 62.01 % of votes cast) and 1,948 votes cast in opposition (or 37.99 % of votes cast).

SECTION 3. In satisfaction of Elections Code Section 10263, the City Council hereby adopts the findings, calculations, and determinations of the 2025 Canvass.

SECTION 4. This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this Resolution; enter it into the book of original Resolutions; and perform all such additional responsibilities set forth under Elections Code Section 20164.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Santa Fe Springs at an adjourned regular meeting held this 9th day of December 2025.

APPROVED:
ITEM NO.:

CITY OF SANTA FE SPRINGS

By: _____
William K. Rounds, Mayor

ATTEST:

By: _____
Fernando N. Muñoz, CMC, City Clerk
City of Santa Fe Springs

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SANTA FE SPRINGS)

I, Fernando N. Muñoz, CMC, City Clerk of the City of Santa Fe Springs, do hereby certify that the above and foregoing Resolution No. 9992 was passed, approved, and adopted by the City Council of the City of Santa Fe Springs, signed by the Mayor and attested by the City Clerk at an adjourned regular meeting of said City held on this 9th day of December 2025, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

By: _____
Fernando N. Muñoz, CMC, City Clerk
City of Santa Fe Springs

APPROVED:
ITEM NO.:

EXHIBIT "A"
CERTIFICATE OF THE CANVASS OF THE
ELECTION RETURNS FOR THE ELECTION



**LOS ANGELES COUNTY
REGISTRAR-RECORDER/COUNTY CLERK**

DEAN C. LOGAN
Registrar-Recorder/County Clerk

December 2, 2025

Fernando Munoz, City Clerk
City of Santa Fe Springs
11710 East Telegraph Road
Santa Fe Springs, California 90670

CITY OF SANTA FE SPRINGS SPECIAL ELECTION

Dear City Clerk:

Enclosed are the Official Canvass Certificate and the Official Statement of Votes Cast by precinct for the City of Santa Fe Springs Special Election consolidated with the Statewide Special Election held in Los Angeles County on November 4, 2025.

Please call the Election Planning Section at (562) 462-2317, if you have any questions.

Sincerely,

SONIA CORONA, Head
Election Planning Section

Attachment:
Official Canvass Certificate
Official Statement of Votes Cast



Los Angeles County Registrar-Recorder/County Clerk

CERTIFICATE OF THE CANVASS **OF THE ELECTION RETURNS**

I, **DEAN C. LOGAN**, Registrar-Recorder/County Clerk of the County of Los Angeles, of the State of California, DO HEREBY CERTIFY that pursuant to the provisions of Section 15300 et seq. of the California Elections Code, I canvassed the returns of the votes cast for each elective office and/or measure(s) for

Santa Fe Springs City

at the Statewide Special Election, held on the 4th day of November, 2025.

I **FURTHER CERTIFY** that the Statement of Votes Cast, to which this certificate is attached, shows the total number of ballots cast in said jurisdiction, and that the whole number of votes cast for each candidate and/or measure(s) in said jurisdiction in each of the respective precincts therein, and the totals of the respective columns and the totals as shown for each candidate and/or measure(s) are full, true and correct.

IN WITNESS WHEREOF,
I have hereunto set my hand and affixed my official seal this
2nd day of December 2025.

DEAN C. LOGAN
Registrar-Recorder/County Clerk
County of Los Angeles

FINAL OFFICIAL
STATEMENT OF VOTES CAST
BY PRECINCT

[illegible]

ORDINANCE NO. 1160

AN ORDINANCE OF THE PEOPLE OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA INCREASING TO ONE AND ONE QUARTER OF A PERCENT (1.25%) THE CITY'S EXISTING GENERAL PURPOSE ONE PERCENT (1%) TRANSACTIONS (SALES) AND USE TAX CURRENTLY CODIFIED UNDER SECTION 35.017 (TRANSACTIONS AND USE TAX) OF CHAPTER 35 (TAXATION) OF TITLE III (ADMINISTRATION) OF THE SANTA FE SPRINGS MUNICIPAL CODE

WHEREAS, pursuant to Revenue and Taxation Code Section 7285.9 *et seq.*, the City of Santa Fe Springs ("City") has the authority to collect a local transaction and use tax and to increase that transactions and use tax; and

WHEREAS, pursuant to Elections Code Section 9222, the Santa Fe Springs City Council ("City Council") has the authority to submit measures to be considered by Santa Fe Springs voters at a special municipal election; and

WHEREAS, pursuant to Section 35.017 (Transactions and Use Tax) found under the general heading entitled "Sales and Use Taxes" of Chapter 35 (Taxation) of Title III (Administration) of the Santa Fe Springs Municipal Code, the City currently levies a voter-approved 1 cent (or 1%) transactions and use tax, the proceeds of which are deposited into the general fund to be used for any general municipal purpose; and

WHEREAS, the City Council has called a November 4, 2025 special municipal election to submit to Santa Fe Springs voters an ordinance that increases the City's transactions and use tax rate, currently set at one percent (1%), by an additional one-quarter of a percent (0.25%) such that the new transactions and use tax rate will be one and one quarter percent (1.25%); and

WHEREAS, pursuant to Government Code Sections 53723 and 53724(b), Revenue and Taxation Code Section 7285.9, any proposed increase or extension of the City's general purpose transactions and use tax must be approved by no less than two-thirds of all the members of the City Council (i.e., by at least 4 "yes" votes), subject also to approval by Santa Fe Springs voters by a simple majority of votes cast (50% plus 1) at a City election; and

WHEREAS, Section 2(b) of Article XIII C of the California Constitution further provides that an election required to approve the establishment of, or increase to, a general tax must be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency, as was the situation here, declared by a unanimous vote of members present of the governing body (See 75 Ops Cal Atty Gen 47 (1992), citing *Tidewater S. Ry., Co. v Jordan* (1912) 163 C 105); and

WHEREAS, in compliance with Government Code Sections 53723 and 53724(b), Revenue and Taxation Code Section 7285.9, and Section 2(b) of Article XIII C of the California Constitution, the City Council at its meeting of July 1, 2025, approved City Council Resolution No. 9970 which (i) called and gave notice of the submission to Santa Fe Springs voters of a ballot measure to an increase to the City's 1% transactions and

use tax to 1.25; (ii) made a unanimous finding of a fiscal “emergency” within the meaning of Section 2(b) of Article XIII C(ii) of the California Constitution; (iii) acknowledged the concurrent first-reading approval of this Ordinance by the City Council; (iv) ordered that the ballot measure be submitted as part of the City’s November 4, 2025 special municipal election, which is to be consolidated with the County-administered elections of the same date; (v) requested the County to provide administrative services and support for its special municipal election, inclusive of the ballot measure; and (vi) setting priorities for the submission of arguments and rebuttals and ordering the preparation of the City Attorney’s Impartial Analysis; and

WHEREAS, the ballot measure seeking approval of this Ordinance was given the letter designation Measure L which presented the following question to Santa Fe Springs voters:

City of Santa Fe Springs Services Protection Measure. To protect Santa Fe Springs’ long-term financial stability; maintain general services such as fire, paramedic, police, hazard material spill response; help prevent property crimes; keep public areas/parks safe/clean; address homelessness; maintain library/senior services, afterschool programs, shall a measure be adopted increasing the transaction and use tax (sales tax) by a ¼¢ providing approximately \$4,000,000 annually until ended by voters, requiring audits, annual publicly available expenditure reports, funds locally controlled?	YES
	NO

WHEREAS, this Ordinance was provisionally approved by the City Council for first reading and second reading on July 1, 2025 and December 9, 2025, respectively, subject to the requirement that the ballot measure authorizing the implementation of this Ordinance is in fact approved by Santa Fe Springs voters at a special municipal election held November 4, 2025; and

WHEREAS, as required by Government Code Sections 53723 and 53724(b), Revenue and Taxation Code Section 7285.9, and Section 2(b) of Article XIII C of the California Constitution, the ballot measure seeking approval of this Ordinance was approved by a simple majority of votes cast at the City’s special municipal election of November 4, 2025, by a final count of 3,180 “Yes” votes (or 62.01 % “Yes”) to 1,948 “No” votes (or 37.99 % “No”); and

WHEREAS, at its meeting of December 9, 2025, the City Council approved Resolution No. 9992 which recited that fact of the November 4, 2025 special municipal election and declared the results of the same, including that the ballot measure authorizing the implementation of this Ordinance was approved by Santa Fe Springs voters.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, ACTING WITH THE CONSENT OF THE VOTERS FOLLOWING A NOVEMBER 4, 2025 SPECIAL MUNICIPAL ELECTION, HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Section 35.017 (Transactions and Use Tax) codified under the heading "Sales and Use Taxes" under Chapter 35 (Taxation) of Title III (Administration) of the Santa Fe Springs Municipal Code, is hereby amended in its entirety to now state the following:

35.017 Local Transactions and Use Tax.

(A) Title. *This section shall be known as the "Local Transactions and Use Tax" section of the Santa Fe Springs Municipal Code. For purposes of this section, City of Santa Fe Springs hereinafter shall be referred to as the "City." The provisions of this section shall be applicable in the incorporated territory of the City.*

(B) Operative Date.

(1) *The transactions and use tax codified under this section was first approved by Santa Fe Springs voters at a municipal election held November 6, 2018 and pursuant to Revenue and Taxation Code Section 7265 became operative on the first day of the calendar quarter commencing 110 days after its adoption, April 1, 2019 at an original rate of one percent (1%).*

(2) *On November 4, 2025, Santa Fe Springs voters approved a City-initiated ballot measure to increase the transactions and use tax rate to one and one quarter percent (1.25%). For purposes of this Section the term "operative date" shall mean April 1, 2026, the date upon which the increased one and one quarter percent (1.25%) transactions and use tax rate shall take effect.*

(C) Purpose. *This section is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:*

(1) *To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt the tax ordinance that codifies this section which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.*

(2) *To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.*

(3) *To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be*

administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

(4) To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this section.

(D) Contract with State. Prior to the operative date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

(E) Transactions and Use Tax Rate. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 1.25% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this section.

(F) Place of Sale. For the purposes of this section, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

(G) Use Tax Rate. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this section for storage, use or other consumption in said territory at the rate of 1.25% of the sales price of the property. The sales price shall

include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

(H) Adoption of Provisions of State Law. Except as otherwise provided in this section and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this section as though fully set forth herein.

(I) Limitations on Adoption of State Law and Collection of Use Taxes. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

(1) Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

(a) The word "State" is used as a part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California;

(b) The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this section;

(c) In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

1. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or

2. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

(d) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

(2) *The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.*

(a) *"A retailer engaged in business in the District" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.*

(J) *Permit Not Required.* *If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this section.*

(K) *Exemptions and Exclusions.*

(1) *There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.*

(2) *There are exempted from the computation of the amount of transactions tax the gross receipts from:*

(a) *Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.*

(b) *Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:*

1. *With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the*

Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

2. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

(c) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this section.

(d) A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this section .

(e) For the purposes of subparagraphs (K)(2)(b) and (K)(2)(c) of this section, above, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(3) There are exempted from the use tax imposed by this section, the storage, use or other consumption in this City of tangible personal property:

(a) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

(b) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

(c) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this section.

- (d) *If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this section.*
- (e) *For the purposes of subparagraphs (K)(3)(c) and (K)(3)(d) of this section, above, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.*
- (f) *Except as provided in subparagraph (K)(3)(g), below, a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.*
- (g) *"A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.*
- (4) *Any person subject to use tax under this section may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.*
- (L) *Amendments.* *All amendments subsequent to the effective date of this section to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of*

the Revenue and Taxation Code, shall automatically become a part of this section , provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this section .

(M) Enjoining Collection Forbidden. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this section , or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

(N) Fiscal Transparency. Not less than once each year, the City shall complete a study and produce a report reviewing the collection, management and expenditure of revenues from the City's transactions and use tax and on the basis of this annual study shall issue a report explaining and providing an overview of the same. This report shall be a public document available for copying and inspection by interested members of the public. The City Council, by resolution shall prescribe the methodology, means and scope for also conducting an annual independent financial audit of the City's transactions and use tax revenues. The City Council may incorporate such an audit into any broader and/or routine financial audit(s) conducted by the City. The resolution may be amended and modified from time to time by the City Council in its discretion.

SECTION 2. SEVERABILITY. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

SECTION 3. EFFECTIVE DATE.

A. This Ordinance relates to an increase to the City's transactions (sales) and use tax rate from one percent (1%) to one and one quarter percent (1.25%). The foregoing notwithstanding, this Ordinance may only become operative if approved by a simple majority of votes cast by Santa Fe Springs voters at a November 4, 2025 special municipal meeting. If approved by the voters, the transaction and use tax rate set forth under Section 35.017 (Transactions and Use Tax) of the Santa Fe Springs Municipal Code will increase to one and one quarter of a percent (1.25%). If the measure fails, this Ordinance shall be rendered inoperative and void, however, the defeat of the measure shall not operate to extinguish or amend the existing transaction and use tax as presently constituted and last approved by Santa Fe Springs voters in 2018. As stated in the recitals to this Ordinance, the increase to the City's transactions and use tax rate was in fact approved by Santa Fe Springs voters at a Special Municipal Election held November 4, 2025.

B. The increased tax rate established under this Ordinance shall not go into effect until April 1, 2026. Upon April 1, 2026, the current text of Section 35.017 (Transactions and Use Tax) found under the general heading "Sales and use Taxes" of Chapter 35 (Taxation) of Title III (Administration) of the Santa Fe Springs Municipal Code

shall be amended and updated in its entirety with the substitute text referenced in italics under Section 1 of this Ordinance. By passage of the Measure and approval of this Ordinance, the City may make, without additional voter approval, clerical, formatting or numbering corrections to the aforementioned text to ensure conformity with the requirements of the California Department of Tax and Fee Administration and to ensure internal consistency, provided that no such corrections may result in an increase to the transactions and use tax rate above the voter-approved rate of 1.25%.

SECTION 4. CEQA. This Ordinance and the contemplated levy of the transactions and use tax referenced herein is of the California Public Resources Code ("CEQA") because it will not result in a direct or reasonably foreseeable indirect physical change in the environment, nor does it involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

SECTION 5. DURATION UNCHANGED. The transactions and use tax increased under this Ordinance shall continue to be of an indefinite term unless and until repealed by Santa Fe Springs voters.

SECTION 6. CERTIFICATION OF ADOPTION. The City Clerk shall certify the adoption of this Ordinance and shall cause the same to be published pursuant to California Government Code Section 36933 following approval by Santa Fe Springs voters at the City's special election held of November 4, 2025.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Santa Fe Springs at its adjourned meeting on this 9th day of December 2025.

William K. Rounds, Mayor

ATTEST:

Fernando N. Muñoz
City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SANTA FE SPRINGS)

I, Fernando N. Muñoz, City Clerk of the City of Santa Fe Springs, do hereby certify that the above and foregoing Ordinance No. 1160 was passed, approved, and adopted by the City Council of the City of Santa Fe Springs, signed by the Mayor and attested by the City Clerk at a meeting of said City Council of the City of Santa Fe Springs held on this 9th day of December 2025, and that said Ordinance was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Fernando N. Muñoz
City Clerk, City of Santa Fe Springs



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Fernando N. Muñoz, City Clerk

SUBJECT: **APPROVAL OF RESOLUTIONS AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (CDTFA) FOR IMPLEMENTATION THE VOTER-APPROVED INCREASED 1.25% TRANSACTION AND USE TAX RATE; AND APPROVE RELATED DESIGNATING THE CITY EMPLOYEES AND CONSULTANTS AUTHORIZED TO REVIEW THE CITY'S TRANSACTION AND USE TAX AND BRADLEY BURNS SALES AND USE TAX DATA AND RECORDS COLLECTED AND MAINTAINED BY THE CDTFA; AND AUTHORIZING THE CITY MANAGER AND FINANCE DIRECTOR TO EXECUTE SUCH OTHER INSTRUMENTS AND DOCUMENTATION AS MAYBE NECESSARY TO IMPLEMENT THE SAME**

DATE: December 9, 2025

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Consideration and Approval of a resolution authorizing the City Manager to execute agreements with the California Tax and Fee Administration ("CDTFA") for implementation of the voter-approved increase of the City's existing transaction and use tax rate to 1.25%;
- 2) Consideration and Approval of a resolution making designations regarding City employees and consultants authorized to interact with CDTFA on the City's behalf and to inspect CDTFA-maintained tax records and data; and
- 3) Authorize City Manager and Finance Director to complete, execute and submit such other documentation as may be required by CDTFA to implement the collection of the City's transactions and use tax at the new increased rate of 1.25%.

CITY COUNCIL AGENDA REPORT – MEETING OF DECEMBER 9, 2025
**RESOLUTION NOS. 9993 AND 9994 APPROVING CDTFA AGREEMENTS AND
RELATED AUTHORIZATIONS FOR THE COLLECTION OF TRANSACTIONS AND
USE TAX AT NEW RATE**

Page 2 of 3

FISCAL IMACT

Based on current sales tax revenue trends, the annual revenue impact of the new ¼ cent sales tax is estimated to be \$4.3 Million (¾ cent Measure Y generates approximately \$17 million). The additional ¼ cent sales tax will increase the total sales tax rate in the City of Santa Fe Springs to 11.0%, of which the City will receive 2.0%.

Measure L will begin collection on April 1, 2026. We anticipate an additional \$1.0 million in sales tax revenues for the 3 months remaining in the current fiscal year (FY 25-26).

BACKGROUND

At a Special Municipal Election of November 4, 2025, Santa Fe Springs voters approved City-initiated ballot Measure L which approves an ordinance increasing the City's existing 1% transactions and use tax rate to the new voter-approved rate of 1.25% effective April 1, 2026. As required by Government Code Sections 53723 and 53724(b), Revenue and Taxation Code Section 7285.9, and Section 2(b) of Article XIII C of the California Constitution, the ballot measure was approved by a majority of votes cast at the City's General Municipal Election of November 4, 2025. The City's transactions and use tax continues to be structured as a general tax within the meaning of Proposition 218 whose proceeds may be used for any general municipal purpose. The ballot measure ordinance was formally ratified by the Santa Fe Springs City Council at its meeting of December 9, 2025, as Santa Fe Springs City Council Ordinance No. 1160. By law the new tax rate may not take effect until April 1, 2026.

Under State law, the City's transactions and use tax is collected by the California Department of Tax and Fee Administration ("CDTFA"). In order to commence its collection of the City's newly increased transactions and use tax at the new 1.25% rate, the CDTFA requires the City to approve the attached Resolution Nos. 9993 and 9994 which do the following respectively: (i) approve a Preparatory Agreement and an Administrative Agreement between the City and the CDTFA; and (ii) designate the City employee(s) and consultants authorized to interact with the CDTFA on the City's behalf and inspect City tax data and records maintained by the CDTFA. The substantive form of these two agreements are attached as Exhibits "A" and "B" to Resolution No. 9993. The agreements formalize the responsibilities of the City and the CDTFA as relates to the implementation, administration and collection of the City's increased transactions and use tax at the new rate of 1.25%.

CONCLUSION

It is recommended that the City Council approve Resolution Nos. 9993 and 9994 to set in motion the implementation of CDTFA's collection of the City's transactions and use tax rate at the voter-approved increased rate of 1.25% effective April 1, 2026.

CITY COUNCIL AGENDA REPORT – MEETING OF DECEMBER 9, 2025
**RESOLUTION NOS. 9993 AND 9994 APPROVING CDTFA AGREEMENTS AND
RELATED AUTHORIZTIONS FOR THE COLLECTION OF TRANSACTIONS AND
USE TAX AT NEW RATE**

Page 3 of 3

ATTACHMENT(S):

- A. Resolution No. 9993
- B. Resolution No. 9994

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

RESOLUTION NO. 9993

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION FOR IMPLEMENTATION OF THE LOCAL SANTA FE SPRINGS TRANSACTIONS AND USE TAX

WHEREAS, at its regular meeting of July 1, 2025, the City Council of the City of Santa Fe Springs ("City Council") adopted Resolution No. 9970 calling a Special Municipal Election to be held on Tuesday, November 4, 2025 (the "Special Election"), for the submission of a ballot measure ("Measure L") to approve an ordinance ("Ordinance No. 1160") that increases the City of Santa Fe Springs' current 1% transactions and use tax rate to an increased rate of 1.25%; and

WHEREAS, Measure L presented the following question to Santa Fe Springs voters:

City of Santa Fe Springs Services Protection Measure. To protect Santa Fe Springs' long-term financial stability; maintain general services such as fire, paramedic, police, hazard material spill response; help prevent property crimes; keep public areas/parks safe/clean; address homelessness; maintain library/senior services, afterschool programs, shall a measure be adopted increasing the transaction and use tax (sales tax) by a $\frac{1}{4}\%$ providing approximately \$4,000,000 annually until ended by voters, requiring audits, annual publicly available expenditure reports, funds locally controlled?	YES
	NO

WHEREAS, the Special Election was in fact held on Tuesday, November 4, 2025, and Measure L was approved by a majority of votes cast by Santa Fe Springs voters at the Special Election; and

WHEREAS, on December 2 2025, the County Registrar issued a Certificate of the Canvass of the Election Returns for the Special Election (the "2025 Canvass") and at an adjourned regular meeting held December 9, 2025, the City Council approved Resolution No. 9992 which recited the fact of the Special Election and declared the results of the same; and

WHEREAS, the 2025 Canvass indicated that Measure L was approved by Santa Fe Springs voters at the Special Election thereby making Ordinance No. 1160 operative; and

WHEREAS, on December 9, 2025, the City Council ratified and affirmed the approval of Ordinance No. 1160 by Santa Fe Springs voters thereby amending the

Santa Fe Sprints Municipal Code to increase the City's existing transactions and use tax rate from 1% to 1.25%; and

WHEREAS, the California Department of Tax and Fee Administration (the "Department") administers and collects transactions and use taxes for all applicable jurisdictions within the State of California; and

WHEREAS, the Department will be responsible for administering and collecting the transactions and use tax for the City of Santa Fe Springs ("City"); and

WHEREAS, the Department requires that the City enter into a "Preparatory Agreement" and an "Administrative Agreement" prior to implementation of said taxes. (The substantive form of the Preparatory Agreement and the Administrative Agreement are attached and incorporated hereto as **Exhibits "A"** and **"B"**, respectively); and

WHEREAS, the Department requires that the City Council approve and authorize the execution of the Preparatory Agreement and the Administrative Agreement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Council approves the Preparatory Agreement and the Administrative Agreement in the substantive forms attached and incorporated hereto as **Exhibits "A"** and **"B"**, respectively and authorizes the City Manager to execute the same on behalf of the City and the City Council and bind the City thereto.

SECTION 2. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Santa Fe Springs at an adjourned meeting of this 9th day of December 2025.

CITY OF SANTA FE SPRINGS

By: _____
William K. Rounds, Mayor

ATTEST:

By: _____
Fernando N. Muñoz, CMC, City Clerk
City of Santa Fe Springs

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SANTA FE SPRINGS)

I, Fernando N. Muñoz, CMC, City Clerk of the City of Santa Fe Springs, do hereby certify that the above and foregoing Resolution No. 9993 was passed, approved, and adopted by the City Council of the City of Santa Fe Springs, signed by the Mayor and attested by the City Clerk at an adjourned meeting of said City held on this 9th day of December 2025, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

By: _____
Fernando N. Muñoz, CMC, City Clerk
City of Santa Fe Springs

2025

AGREEMENT FOR PREPARATION TO ADMINISTER AND OPERATE
CITY'S TRANSACTIONS AND USE TAX ORDINANCE
(City of Santa Fe Springs – 1.25% Transactions and Use Tax)

THIS AGREEMENT FOR PREPARATION TO ADMINISTER AND OPERATE CITY'S TRANSACTIONS AND USE TAX ORDINANCE ("Agreement") is made and entered this _____ day of December 2025 by and between the CITY OF SANTA FE SPRINGS, a municipal corporation and general law city (hereinafter, "City") and the CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (hereinafter, "Department").

RECITALS

WHEREAS, pursuant to Revenue and Taxation Code Section 7285.9 *et seq.*, City has the authority to collect a local transaction and use tax and to increase that transactions and use tax; and

WHEREAS, pursuant to Elections Code Section 9222, the Santa Fe Springs City Council ("City Council") has the authority to submit measures to be considered by Santa Fe Springs voters at a municipal election; and

WHEREAS, prior to a November 4, 2025 Special Municipal Election, the City, pursuant to Section 35.017 (Transactions and Use Tax) found under the general heading entitled "Sales and Use Taxes" of Chapter 35 (Taxation) of Title III (Administration) of the Santa Fe Springs Municipal Code, the City levied a voter-approved 1 cent (or 1%) transactions and use tax, the proceeds of which are deposited into the general fund to be used for any general municipal purpose; and

WHEREAS, a the November 4, 2025 Special Municipal Election, the City Council submitted to Santa Fe Springs voters a ballot measure to increase the City's transactions and use tax rate from 1% to 1.25% effective April 1, 2026; and

WHEREAS, as required by Government Code Sections 53723 and 53724(b), Revenue and Taxation Code Section 7285.9, and Section 2(b) of Article XIIC of the California Constitution, the ballot measure was approved by a majority of votes cast at the City's Special Municipal Election of November 4, 2025; and

WHEREAS, the City's transactions and use tax continues to be structured as a general tax within the meaning of Proposition 218; and

WHEREAS, approval of the ballot measure was formally ratified by the Santa Fe Springs City Council at its meeting of December 2, 2025 as Santa Fe Springs City Council Ordinance No. 1160.

AGREEMENT

NOW THEREFORE, in order to prepare to administer the City's transactions and use tax ordinance adopted in accordance with the provision of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, the City and the Department do hereby agree as follows:

1. The Department agrees to enter into work to prepare to administer and operate a transactions and use tax in conformity with Part 1.6 of Division 2 of the Revenue and Taxation Code

which has been approved by a majority of the electors of the City and whose ordinance has been adopted by the City.

2. City agrees to pay to the Department at the times and in the amounts hereinafter specified all of the Department's costs for preparatory work necessary to administer the City's transactions and use tax ordinance. The Department's costs for preparatory work include costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for the Department's staff and for taxpayers, and other appropriate and necessary preparatory costs to administer a transactions and use tax ordinance. These costs shall include both direct and indirect costs as specified in Section 11256 of the Government Code.

3. Preparatory costs may be accounted for in a manner which conforms to the internal accounting and personnel records currently maintained by the Department. The billings for costs may be presented in summary form. Detailed records of preparatory costs will be retained for audit and verification by the City.

4. Any dispute as to the amount of preparatory costs incurred by the Department shall be referred to the State Director of Finance for resolution, and the Director's decision shall be final.

5. Preparatory costs incurred by the Department shall be billed by the Department periodically, with the final billing within a reasonable time after the operative date of the ordinance. City shall pay to the Department the amount of such costs on or before the last day of the next succeeding month following the month when the billing is received.

6. The amount to be paid by City for the Department's preparatory costs shall not exceed one hundred seventy-five thousand dollars (\$175,000) (Revenue and Taxation Code Section 7272.)

7. Communications and notices may be sent by first class United States mail or through email at jservices@cdtfa.ca.gov. If and when communications and notices may include confidential information, communications and notices must be sent through encrypted email at jservices@cdtfa.ca.gov or by mail. Communications and notices to be sent to the Department shall be addressed to:

California Department of Tax and Fee Administration
P.O. Box 942879 MIC: 27
Sacramento, California 94279-0027

Attention: Administrator
Local Revenue Branch

Communications and notices to be sent to City shall be addressed to:

City of Santa Fe Springs
Finance Department
11710 E. Telegraph Road
Santa Fe Springs, CA 90670
Attn: Finance Director

8. The date of this agreement is the date on which it is approved by the Department of General Services. This agreement shall continue in effect until the preparatory work necessary to administer City's transactions and use tax ordinance has been completed and the Department has received all payments due from City under the terms of this agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the day and year first appearing above, which date shall be the date this Agreement is signed by all of the parties.

CITY OF SANTA FE SPRINGS

CALIFORNIA DEPARTMENT OF TAX AND
FEE ADMINISTRATION

By: _____
Rene Bobadilla, City Manager

By: _____
Administrator
Local Revenue Branch

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Print
Name: _____

Date: _____

2025

AGREEMENT FOR STATE ADMINISTRATION
OF CITY TRANSACTIONS AND USE TAXES
(City of Santa Fe Springs – 1.25% Transactions and Use Tax)

THIS AGREEMENT FOR STATE ADMINISTRATION OF CITY TRANSACTION AND USE TAXES (“Agreement”) is made and entered this _____ day of December 2025, by and between the CITY OF SANTA FE SPRINGS, a municipal corporation and general law city (hereinafter, “City” or “District”) and the CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (hereinafter, “Department”).

RECITALS

WHEREAS, pursuant to Revenue and Taxation Code Section 7285.9 *et seq.*, City has the authority to collect a local transaction and use tax and to increase that transactions and use tax; and

WHEREAS, pursuant to Elections Code Section 9222, the Santa Fe Springs City Council (“City Council”) has the authority to submit measures to be considered by Santa Fe Springs voters at a municipal election; and

WHEREAS, prior to the November 4, 2025 Special Municipal Election, the City, pursuant to Section 35.017 (Transactions and Use Tax) found under the general heading entitled “Sales and Use Taxes” of Chapter 35 (Taxation) of Title III (Administration) of the Santa Fe Springs Municipal Code, the City levied a voter-approved 1 cent (or 1%) transactions and use tax, the proceeds of which are deposited into the general fund to be used for any general municipal purpose; and

WHEREAS, at the November 4, 2025 Special Municipal Election, the City Council submitted to Santa Fe Springs voters a ballot measure to increase the City’s transactions and use tax rate from 1% to 1.25% effective April 1, 2026; and

WHEREAS, as required by Government Code Sections 53723 and 53724(b), Revenue and Taxation Code Section 7285.9, and Section 2(b) of Article XIIC of the California Constitution, the ballot measure was approved by a majority of votes cast at the City’s Special Municipal Election of November 4, 2025; and

WHEREAS, the City’s transactions and use tax continues to be structured as a general tax within the meaning of Proposition 218; and

WHEREAS, approval of the ballot measure was formally ratified by the Santa Fe Springs City Council at its meeting of December 2, 2025, as Santa Fe Springs City Council Ordinance No. 1160.

AGREEMENT

NOW THEREFORE, to carry out the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code and the Ordinance No. 1160, the Department and the City do agree as follows:

ARTICLE I DEFINITIONS

Unless the context requires otherwise, wherever the following terms appear in the Agreement, they shall be interpreted to mean the following:

1. "District taxes" shall mean the transactions and use taxes, penalties, and interest imposed under an ordinance specifically authorized by Revenue and Taxation code Section 7285.9 *et seq.* and in compliance with Part 1.6, Division 2 of the Revenue and Taxation Code.

2. "City Ordinance" shall mean the City's Transactions and Use Tax Ordinance (City Council Ordinance No. 1160 adopted December 2, 2025 referred to above and attached hereto as **Exhibit "A"**, as amended from time to time, or as deemed to be amended from time to time pursuant to Revenue and Taxation Code Section 7262.2.

ARTICLE II ADMINISTRATION AND COLLECTION OF CITY TAXES

A. Administration. The Department and City agree that the Department shall perform exclusively all functions incident to the administration and operation of the City Ordinance.

B. Other Applicable Laws. City agrees that all provisions of law applicable to the administration and operation of the Department Sales and Use Tax Law which are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code shall be applicable to the administration and operation of the City Ordinance. City agrees that money collected pursuant to the City Ordinance may be deposited into the State Treasury to the credit of the Retail Sales Tax Fund and may be drawn from that Fund for any authorized purpose, including making refunds, compensating and reimbursing the Department pursuant to Article IV of this Agreement, and transmitting to City the amount to which City is entitled.

C. Transmittal of money.

1. For the period during which the tax is in effect, and except as otherwise provided herein, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City periodically as promptly as feasible, but not less often than twice in each calendar quarter.

2. For periods subsequent to the expiration date of the tax whether by City's self-imposed limits or by final judgment of any court of the State of California holding that City's ordinance is invalid or void, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City not less than once in each calendar quarter.

3. Transmittals may be made by mail or electronic funds transfer to an account of the City designated and authorized by the City. A statement shall be furnished at least quarterly indicating the amounts withheld pursuant to Article IV of this Agreement.

D. Rules. The Department shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and operation of the City Ordinance and the distribution of the district taxes collected thereunder.

E. Preference. Unless the payor instructs otherwise, and except as otherwise provided in this Agreement, the Department shall give no preference in applying money received for state sales and use taxes, state-administered local sales and use taxes, and district transactions and use taxes owed by a taxpayer, but shall apply moneys collected to the satisfaction of the claims of the State, cities, counties, cities and counties, redevelopment agencies, other districts, and City as their interests appear.

F. Security. The Department agrees that any security which it hereafter requires to be furnished by taxpayers under the State Sales and Use Tax Law will be upon such terms that it also will be available for the payment of the claims of City for district taxes owing to it as its interest appears. The Department shall not be required to change the terms of any security now held by it, and City shall not participate in any security now held by the Department.

G. Records of the Department.

When requested by resolution of the legislative body of the City under section 7056 of the Revenue and Taxation Code, the Department agrees to permit authorized personnel of the City to examine the records of the Department, including the name, address, and account number of each seller holding a seller's permit with a registered business location in the City, pertaining to the ascertainment of transactions and use taxes collected for the City. Information obtained by the City from examination of the Department's records shall be used by the City only for purposes related to the collection of transactions and use taxes by the Department pursuant to this Agreement.

H. Annexation. City agrees that the Department shall not be required to give effect to an annexation, for the purpose of collecting, allocating, and distributing District transactions and use taxes, earlier than the first day of the calendar quarter which commences not less than two months after notice to the Department. The notice shall include the name of the county or counties annexed to the extended City boundary. In the event the City shall annex an area, the boundaries of which are not coterminous with a county or counties, the notice shall include a description of the area annexed and two maps of the City showing the area annexed and the location address of the property nearest to the extended City boundary on each side of every street or road crossing the boundary.

ARTICLE III ALLOCATION OF TAX

A. Allocation. In the administration of the Department's contracts with all districts that impose transactions and use taxes imposed under ordinances, which comply with Part 1.6 of Division 2 of the Revenue and Taxation Code:

1. Any payment not identified as being in payment of liability owing to a designated district or districts may be apportioned among the districts as their interest appear, or, in the discretion of the Department, to all districts with which the Department has contracted using ratios reflected by the distribution of district taxes collected from all taxpayers.

2. All district taxes collected as a result of determinations or billings made by the Department, and all amounts refunded or credited may be distributed or charged to the respective districts in the same ratio as the taxpayer's self-declared district taxes for the period for which the determination, billing, refund or credit applies.

B. Vehicles, Vessels, and Aircraft. For the purpose of allocating use tax with respect to vehicles, vessels, or aircraft, the address of the registered owner appearing on the application for registration or on the certificate of ownership may be used by the Department in determining the place of use.

ARTICLE IV COMPENSATION

The City agrees to pay to the Department as the State's cost of administering the City Ordinance such amount as is provided for by law. Such amounts shall be deducted from the taxes collected by the Department for the City.

ARTICLE V MISCELLANEOUS PROVISIONS

A. Communications. Communications and notices may be sent by first class United States mail to the addresses listed below, or to such other addresses as the parties may from time to time designate or through email at jservices@cdtfa.ca.gov. If and when communications and notices may include confidential information, communications and notices must be sent through encrypted email at jservices@cdtfa.ca.gov or by mail.

Communications and notices to be sent to the Department shall be addressed to:

California State Department of Tax and Fee Administration
P.O. Box 942879
Sacramento, California 94279-0027

Attention: Administrator
Local Revenue Branch

Communications and notices to be sent to the City shall be addressed to:

City of Santa Fe Springs
Finance Department
11710 E. Telegraph Road
Santa Fe Springs, CA 90670
Attn: Finance Director

Unless otherwise directed, transmittals of payment of District transactions and use taxes will be sent to the address above.

B. Term. The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on April 1, 2026. This Agreement shall continue until December 31 next following the expiration date of the City Ordinance, and shall thereafter be renewed automatically from year to year until the Department completes all work necessary to the administration of the City Ordinance and has received and disbursed all payments due under that Ordinance.

C. Notice of Repeal of Ordinance. City shall give the Department written notice of the repeal of the City Ordinance not less than 110 days prior to the operative date of the repeal.

ARTICLE VI ADMINISTRATION OF TAXES IF THE ORDINANCE IS CHALLENGED AS BEING INVALID

A. Impoundment of funds.

1. When a legal action is begun challenging the validity of the imposition of the tax, the City shall deposit in an interest-bearing escrow account, any proceeds transmitted to it under Article II. C., until a court of competent jurisdiction renders a final and non-appealable judgment that the tax is valid.

2. If the tax is determined to be unconstitutional or otherwise invalid, the City shall transmit to the Department the moneys retained in escrow, including any accumulated interest, within ten days of the judgment of the trial court in the litigation awarding costs and fees becoming final and non-appealable.

B. Costs of administration. Should a final judgment be entered in any court of the State of California, holding that City's Ordinance is invalid or void, and requiring a rebate or refund to taxpayers of any taxes collected under the terms of this Agreement, the parties mutually agree that:

1. Department may retain all payments made by City to Department to prepare to administer the City Ordinance.

2. City will pay to Department and allow Department to retain Department's cost of administering the City Ordinance in the amounts set forth in Article IV of this Agreement.

3. City will pay to Department or to the State of California the amount of any taxes plus interest and penalties, if any, that Department or the State of California may be required to rebate or refund to taxpayers.

4. City will pay to Department its costs for rebating or refunding such taxes, interest, or penalties. Department's costs shall include its additional cost for developing procedures for processing the rebates or refunds, its costs of actually making these refunds, designing and printing forms, and developing instructions for Department's staff for use in making these rebates or refunds and any other costs incurred by Department which are reasonably appropriate or necessary to make those rebates or refunds. These costs shall include Department's direct and indirect costs as specified by Section 11256 of the Government Code.

5. Costs may be accounted for in a manner, which conforms to the internal accounting, and personnel records currently maintained by the Department. The billings for such costs may be presented in summary form. Detailed records will be retained for audit and verification by City.

6. Any dispute as to the amount of costs incurred by Department in refunding taxes shall be referred to the State Director of Finance for resolution and the Director's decision shall be final.

7. Costs incurred by Department in connection with such refunds shall be billed by Department on or before the 25th day of the second month following the month in which the judgment of a court of the State of California holding City's Ordinance invalid or void becomes final. Thereafter Department shall bill City on or before the 25th of each month for all costs incurred by Department for the preceding calendar month. City shall pay to Department the amount of such costs on or before the last day of the succeeding month and shall pay to Department the total amount of taxes, interest, and penalties refunded or paid to taxpayers, together with Department costs incurred in making those refunds.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the day and year first appearing above, which date shall be the date this Agreement was executed by all of the parties.

CITY OF SANTA FE SPRINGS

By: _____
Rene Bobadilla, City Manager

Date: _____

APPROVED AS TO FORM:

By: _____
Print
Name: _____

Date: _____

**CALIFORNIA DEPARTMENT OF TAX
AND FEE ADMINISTRATION**

By: _____
Administrator
Local Revenue Branch

Date: _____

EXHIBIT “A”
ORDINANCE NO. 1160

RESOLUTION NO. 9994

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA AUTHORIZING EXAMINATION OF TRANSACTIONS AND USE TAX RECORDS AND BRADLEY-BURNS SALES AND USE TAX RECORDS

WHEREAS, pursuant to Ordinance No. 1160 dated December 9, 2025, and prior Ordinance No. 1094 dated July 26, 2018, the City of Santa Fe Springs, California ("District") entered into a contract with the State Board of Equalization and now administered by its successor agency, the California Department of Tax and Fee Administration ("Department") to perform all functions incident to the administration and collection of sales and use taxes; and

WHEREAS, District's governing legislative body, the City Council of the City of Santa Fe Springs ("City Council"), deems it desirable and necessary for authorized officers, employees and representatives of the District to examine confidential sales or transactions and use tax records of the Department pertaining to the District's sales or transactions and use taxes collected by the Department for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That the City Manager, Finance Director or other officer or employee of the District designated in writing by the City Manager or the Finance Director to the California Department of Tax and Fee Administration, is hereby appointed to represent the District with authority to examine transactions and use tax records and Bradley Burns sales and use tax records of the Department pertaining to both transactions and use taxes and Bradley-Burns sales and use taxes collected for District by the Department pursuant to the contract between the District and the Department.

SECTION 2. The information obtained by examination of Department records shall be used only for purposes related to the collection of District's transactions and use taxes and Bradley-Burns sales and use taxes by the Department pursuant to that contract. The information obtained by examination of Department records shall be used only for those governmental functions of the City listed above.

SECTION 3. That Neumo (hereinafter “District Consultant”) is hereby designated to examine District’s transactions and use tax records and Bradley-Burns sales and use tax records of the Department pertaining to the District’s transactions and use taxes and Bradley-Burns sales and use taxes collected for the District by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the District and the District Consultant:

- a. has an existing contract with the District to examine those transactions and use tax records and Bradley-Burns sales and use tax records;
- b. is required by that contract to disclose information contained in, or derived from, those transactions and use tax records and Bradley-Burns sales and use tax records only to the officer or employee authorized under Section 1 of this Resolution to examine the information;
- c. is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d. is prohibited by that contract from retaining the information contained in, or derived from those transactions and use tax records and Bradley-Burns sales and use tax records, after that contract has expired.

SECTION 4. Be it further resolved that the information obtained by examination of Department records shall be used only for purposes related to the collection of District’s transactions and use taxes an Bradley-Burns sales and use taxes by the Department pursuant to the contract between the District and the Department.

SECTION 5. That District Consultant is hereby designated to examine the District’s transactions and use tax records and Bradley-Burns sales and use tax records of the Department pertaining to any petition or appeal for the reallocation/redistribtuion of transactions and use taxes or Bradley-Burns sales and use taxes that was filed by District Consultant on behalf of the District pursuant to the contract between the District and District Consultant. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the District and District Consultant:

- a. has an existing contract with the District to examine those transactions and use tax records and Bradley-Burns sales and use tax records;
- b. is required by that contract to disclose information contained in, or derived from, those transactions and use tax records and Bradley-Burns sales and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information;
- c. is prohibited by that contract from performing consulting services for a retailer during the term of that contract;

- d. is prohibited by that contract from retaining the information contained in, or derived from those transactions and use tax records and Bradley-Burns sales and use tax records, after that contract has expired.

SECTION 6. That this Resolution supercedes all prior resolutions of the District's governing legislative body, the City Council of the City of Santa Fe Springs, adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

SECTION 7. The City Manager and the Finance Director are further authorized to execute such other instruments and documents as may be required to implement the collection of the District's transactions and use taxes and Bradley-Burns sales and use taxes by the Department and to designate persons authorized to serve as points of contact with the Department and to designate District employees and consultants authorized to inspect data and records collected and maintained by the Department in connection with the District's transactions and use taxes and Bradley-Burns sales and use taxes.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Santa Fe Springs, the District's governing legislative body at its regular meeting held on this 9th day of December 2025.

CITY OF SANTA FE SPRINGS

By: _____
William K. Rounds, Mayor

ATTEST:

By: _____
Fernando N. Muñoz, CMC, City Clerk
City of Santa Fe Springs

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SANTA FE SPRINGS)

I, Fernando N. Muñoz, CMC, City Clerk of the City of Santa Fe Springs, do hereby certify that the above and foregoing Resolution No. 9994 was passed, approved, and adopted by the City Council of the City of Santa Fe Springs, signed by the Mayor and attested by the City Clerk at an adjourned meeting of said City held on this 9th day of December 2025, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

By: _____
Fernando N. Muñoz, CMC, City Clerk
City of Santa Fe Springs



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: James Enriquez, P.E., Director of Public Works / City Engineer

SUBJECT: RESIDENTIAL SOLID WASTE MANAGEMENT SERVICES – AWARD OF FRANCHISE AGREEMENT

DATE: December 9, 2025

RECOMMENDATION:

It is recommended that the City Council:

- 1) Award a Residential Solid Waste Franchise Agreement to Universal Waste Systems, Inc. in accordance with Santa Fe Springs Municipal Code Chapter 50; and
- 2) Approve Resolution No. 9991 Granting a Commercial Permit for the collection of commercial solid waste and recyclables to Universal Waste Systems, Inc. in accordance with Santa Fe Springs Municipal Code Chapter 50; and
- 3) Authorize the City Manager to execute the Residential Solid Waste Franchise Agreement and Commercial Solid Waste Collection Franchise Agreement with Universal Waste Systems, Inc.; and
- 4) Take such additional, related, action that may be desirable.

FISCAL IMPACT

The new structure for fees paid by the hauler to the city will result in an estimated increase of annual revenue to the city in the amount of \$20,000, in spite of the reduced gross revenue resulting from the reduced monthly rate the residents will pay. However, the annual Administration Fee of \$50,000 is waived for the first 3 years of the contract. During those first 3 years, the city will collect \$29,500 less in hauler fees than currently collected for the residential services.

RESIDENTIAL SOLID WASTE MANAGEMENT SERVICES - AWARD OF FRANCHISE AGREEMENT

Page 2 of 6

Additionally, the new hauler will be required to take all solid waste and recyclables collected from residential properties within the city to the UWS Universal Resources Recovery Facility located in Santa Fe Springs. The city collects a Host Fee for every ton processed at this facility. Although it is difficult to determine the percentage of residential waste currently dumped at this facility, the requirement to take all waste will increase the revenue the city collects from this Host Fee.

BACKGROUND

California has some of the most progressive and comprehensive solid waste legislation in the United States, significantly impacting municipal waste collection. The passage of the Integrated Waste Management Act of 1988 (AB 939) set the foundation for this movement initially mandating that California jurisdictions divert from landfills 25% of solid waste by 1995 and 50% by the year 2000. It also required jurisdictions to develop and implement waste management plans for waste reduction, recycling, and composting programs to meet this goal and required reporting of diversion progress to the California Department of Resource Recovery and Recycling (“CalRecycle”), a Division of California EPA.

The State has passed several subsequent bills relating to waste reduction that target specific waste streams such as single-use plastics and construction and demolition (C&D) waste. On January 1, 2022, CalRecycle began enforcing new regulations under SB 1383, a 2016 bill aimed at reducing methane emissions from short-lived climate pollutants (SLCPs). The regulations primarily aim to divert organic waste from California’s landfills through a variety of requirements that will present both significant costs and opportunities for public and private sectors in a variety of industries. CalRecycle has announced that “SB 1383 is the largest change to the waste and recycling industries in 30 years”, requiring the establishment of food recycling programs while also reducing organic waste shipments to landfills 70% over the next three years.

In November 2024, staff began an evaluation of residential solid waste services to improve services and ensure that the city is in compliance with State requirements relating to solid waste management and diversion standards. This involved discussions and negotiations with the three current authorized residential waste haulers: 1) Republic Services; 2) CR&R Waste & Recycling (CR&R); and 3) Serv-Wel Disposal Company.

In January 2025, the city and Republic Services came to a mutual agreement to terminate Republic’s residential services, although Republic continues to provide residential service while negotiations with other haulers are resolved.

From February 2025 to August 2025, staff continued discussions and negotiations with CR&R and Serv-Wel. Negotiations included the monthly rate charged to residents as well as other services the haulers would provide to the city and fees paid to the city by the haulers.

RESIDENTIAL SOLID WASTE MANAGEMENT SERVICES - AWARD OF FRANCHISE AGREEMENT

Page 3 of 6

In August 2025, the city received an unsolicited proposal from Universal Waste Systems, Inc. (UWS), a waste hauler that does not currently provide collection services within the City of Santa Fe Springs but does own and operate a Resource Recovery Facility in the city that also serves as their corporate headquarters. Staff initiated negotiations with UWS in response to the unsolicited proposal. Based on those negotiations, staff is recommending the award of a franchise agreement to UWS for residential services to replace Republic Services and CR&R. Serv-Wel will retain the residential services they currently provide.

On September 24, 2025, the city and CR&R came to a mutual agreement to terminate CR&R's residential services, although CR&R continues to provide residential service until the new hauler transitions into service.

Chapter 50 of the Santa Fe Springs Municipal Code regulates the collection of solid waste and recyclables in the City of Santa Fe Springs, including residential and commercial services. It sets at four (4) the maximum number of Commercial Permits the City Council may grant to operate as a commercial hauler. The city currently has three (3) permitted commercial haulers: 1) Republic Services; 2) CR&R Waste & Recycling (CR&R); and 3) Serv-Wel Disposal Company.

ANALYSIS

The recommended franchise agreement for residential services with UWS provides benefits to the residential customers and city. The primary benefit to the residents is a reduction in the monthly service charge from \$36.28 to \$28.50. The final negotiated rate results in a reduction of 21.4% - approximately \$933 over the life of the 10-year contract.

A recent survey of sixteen neighboring cities resulted in an average residential rate of \$29.73, with the highest at \$41.85 and lowest at \$17.09.

The trash fee for residential service is typically added to each resident's property tax bill and collected by LA County Assessor's Office each year. The LA County Assessor requires the City to submit the annual trash bill by August of each year.

The City was in the process of renegotiating the trash fee and therefore could not confirm the final fee at the time of submission. The City elected not to collect the trash fee on the property tax bill for the current year and spread the current year's fees over the next four years of the contract.

As a result, residents will have a fee holiday this calendar year = \$435.36 and continue to pay this same fee over the next four years (plus a CPI adjustment). After year 4, residents trash fees will be reduced to reflect the revised negotiated amount (\$28.50 per month x 12 = \$342 per annum, plus a CPI adjustment).

CITY COUNCIL AGENDA REPORT – MEETING OF DECEMBER 9, 2025
RESIDENTIAL SOLID WASTE MANAGEMENT SERVICES - AWARD OF FRANCHISE AGREEMENT
Page 4 of 6

The following services and fees paid to the city are also included in the recommended franchise agreement:

- **Term:** 10-year initial term with two 3-year optional extensions
- **Franchise Fee:** 15% of gross revenue
- **Administration Fee:** \$50,000 annual, paid in monthly installments, waived for the first 3 years
- **AB 939/SB 1383 Fee:** 1.75% of gross revenue
- **Contracting Fee:** \$30,000 one-time to cover negotiation and contract legal/admin costs
- **Audits:** Financial audits in years 3, 5 and 7 of the contract, with cost paid by hauler
- **CPI Rate Adjustment:** Annual adjustment of residential rate on July 1, beginning on July 1, 2026 based on Consumer Price Index for All Urban Consumers (CPI-U), Los Angeles-Long Beach-Anaheim, CA published by the U.S. Bureau of Labor Statistics
- **Vehicles:** Hauler will provide new trucks powered by Compressed Natural Gas (CNG) to meet South Coast Air Quality Management District requirements
- **Cart/containers:** New at the start of the contract to include: 1) 3-carts (96 gal trash & green); 2) 65 gal recycle; 3) 65 gal cart option for resident convenience with no reduced rate; and 4) Colors to comply with CalRecycle requirements
- **Approved Disposal Facility:** All residential waste shall be disposed of at UWS's Resource Recovery Facility located in Santa Fe Springs to ensure accurate waste diversion reporting to CalRecycle
- **Regulatory Compliance:** Meet all CalRecycle requirements (AB939, AB341, AB1826, SB1383, etc.), including route audits, education/outreach and minimum diversion standards
- **Annual Neighborhood Events:** Provide logistical support and collection/dumping services for 4 Neighborhood Cleanups, 1 Shredding event; 2 Compost/Mulch Giveaways per year
- **Bulky Items:** 5 pickups per year with a maximum of 10 items per pickup

Additionally, staff and the City Attorney have developed a modern and comprehensive franchise agreement. It is a 207-page document with comprehensive terms and conditions that will enable city staff to administer the contract and enforce contractual and state-mandated requirements to ensure the hauler continues to provide an acceptable level of service to the residents while ensuring compliance with CalRecycle requirements for waste diversion and reporting. The new agreement replaces an antiquated and difficult to enforce 5-page agreement.

CITY COUNCIL AGENDA REPORT – MEETING OF DECEMBER 9, 2025
RESIDENTIAL SOLID WASTE MANAGEMENT SERVICES - AWARD OF FRANCHISE AGREEMENT
Page 5 of 6

The recommended Commercial Solid Waste Collection Franchise Agreement with UWS is for a term of 5 years and includes trash collection services for city facilities at no additional charge to the city.

Both of the recommended agreements have been approved by the City Attorney as to form.

ENVIRONMENTAL

N/A

DISCUSSION

Universal Waste Systems (UWS) is a privately held, family-owned and operated waste management and recycling company founded in 1986 in Santa Fe Springs, CA where its headquarters is still located. Led by the Blackburn family, it has over 120 years of combined experience and serves residential, commercial, and industrial customers primarily in Southern California, with some services in the Western United States. The company provides services like solid waste collection, recycling, and dumpster rental primarily in Los Angeles County, with services extending to other parts of Southern California and the Western United States in Arizona and New Mexico.

UWS has been servicing Los Angeles County since its founding in 1986. It operates six facilities in Southern California (Santa Fe Springs, Los Angeles, South Gate, Costa Mesa, and Perris) and manages a transfer station that processes over 45,000 tons of solid waste annually. The company provides residential, commercial, and industrial waste and recycling services, including bulky item and household hazardous waste (HHW) pickups. UWS has a contract with the City of Los Angeles to provide multifamily recycling in the San Fernando Valley and also provides residential services in the Los Alamitos, Altadena, South Gate and Torrance areas of Los Angeles County. They have also partnered with organizations like the Hollywood Food Coalition to help with waste management and sorting practices.

SUMMARY/NEXT STEPS

Upon approval of the recommended actions by the City Council, staff will execute the agreements and coordinate the transition of solid waste management services with UWS and the affected existing haulers. The new service is anticipated to commence on February 1, 2026.

CITY COUNCIL AGENDA REPORT – MEETING OF DECEMBER 9, 2025
RESIDENTIAL SOLID WASTE MANAGEMENT SERVICES - AWARD OF FRANCHISE AGREEMENT
Page 6 of 6

ATTACHMENTS:

- A. Residential Solid Waste Franchise Agreement
- B. Resolution No. 9991 Granting a Commercial Permit

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

AGREEMENT
BETWEEN
CITY OF SANTA FE SPRINGS
AND
UNIVERSAL WASTE SYSTEMS, INC.
FOR
RESIDENTIAL SOLID WASTE
MANAGEMENT SERVICES

* * *

December 2, 2025

TABLE OF CONTENTS

Page

RECITALS	1
ARTICLE 1 DEFINITIONS	4
1.1 AB 341	4
1.2 AB 827	4
1.3 AB 939	4
1.4 AB 1594	5
1.5 AB 1826	5
1.6 AFFILIATE	5
1.7 AGREEMENT	6
1.8 ALTERNATIVE DAILY COVER (ADC)	6
1.9 ALTERNATIVE FACILITY	6
1.10 APPLICABLE LAW	6
1.11 APPROVED C&D PROCESSING FACILITY	6
1.12 APPROVED DISPOSAL FACILITY	7
1.13 APPROVED FACILITIES	7
1.14 APPROVED HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY	7
1.15 APPROVED ORGANIC WASTE PROCESSING FACILITY	7
1.16 APPROVED SOURCE SEPARATED RECYCLABLE MATERIALS PROCESSING FACILITY	7
1.17 APPROVED TRANSFER FACILITY	7
1.18 BACK-HAUL	8
1.19 BILLINGS	8
1.20 BIN	8
1.21 BLUE CONTAINER	8
1.22 GREEN CONTAINER	8
1.23 BULKY ITEMS	8
1.24 CALIFORNIA CODE OF REGULATIONS (CCR)	9
1.25 CALRECYCLE	9
1.26 CART	9
1.27 CITY	9
1.28 COLLECT/COLLECTION	9
1.29 COMMERCIAL	10
1.30 COMMERCIAL EDIBLE FOOD GENERATORS	10
1.31 COMMERCIAL PREMISES	10
1.32 COMPACTOR	10
1.33 COMPOST	11
1.34 COMPOSTABLE PLASTICS	11
1.35 CONSTRUCTION AND DEMOLITION DEBRIS	11
1.36 CONTAINERS	11
1.37 CPI	11
1.38 CUSTOMER	11
1.39 DESIGNATED WASTE	12
1.40 DISCARDED MATERIALS	12
1.41 DISPOSAL	12
1.42 DISPOSAL SITE(S)	12
1.43 DIVERT/DIVERSION	13
1.44 DBA	13

1.45	EDIBLE FOOD	13
1.46	EFFECTIVE DATE.....	13
1.47	ELECTRONIC WASTE OR E-WASTE	13
1.48	ENVIRONMENTAL LAW.....	14
1.49	EXCLUDED WASTE.....	14
1.50	FACILITY	15
1.51	FOOD RECOVERY	15
1.52	FOOD RECOVERY ORGANIZATION.....	15
1.53	FOOD RECOVERY SERVICE	15
1.54	FOOD SCRAPS.....	16
1.55	FOOD-SOILED PAPER.....	16
1.56	FOOD WASTE	16
1.57	FRANCHISE	16
1.58	FRANCHISE FEE	16
1.59	FRANCHISEE	16
1.60	RESERVED.....	17
1.61	FRANCHISEE COMPENSATION.....	17
1.62	GENERATOR	17
1.63	GRAY/BLACK CONTAINER.....	17
1.64	GREEN CONTAINER.....	17
1.65	GROSS REVENUE.....	17
1.66	HAZARDOUS MATERIAL	18
1.67	HIGH DIVERSION ORGANIC WASTE PROCESSING FACILITY	19
1.68	HOUSEHOLD HAZARDOUS WASTE (“HHW”)	19
1.69	INCOMPATIBLE MATERIALS	19
1.70	INERTS.....	19
1.71	LARGE EVENT.....	19
1.72	LARGE VENUE	20
1.73	MATERIALS RECOVERY FACILITY (“MRF”).....	20
1.74	MIXED WASTE.....	20
1.75	MIXED WASTE ORGANIC COLLECTION STREAM	20
1.76	MULCH.....	20
1.77	MULTI-FAMILY PREMISES OR MULTI-FAMILY DWELLING UNITS	21
1.78	NON-COMPOSTABLE PAPER	21
1.79	NON-ORGANIC RECYCLABLES	21
1.80	ORGANIC MATERIALS	22
1.81	ORGANIC WASTE	22
1.82	OWNER.....	22
1.83	PARTY OR PARTIES.....	22
1.84	PERSON	22
1.85	PREMISES.....	22
1.86	PROCESS, PROCESSED, OR PROCESSING	22
1.87	PROHIBITED CONTAINER CONTAMINANTS	23
1.88	PROPOSITION 218	23
1.89	PUTRESCIBLE WASTE	23
1.90	RATE YEAR.....	23
1.91	RECYCLING.....	23
1.92	RECYCLABLE MATERIALS	24
1.93	REFUSE.....	24
1.94	RENEWABLE NATURAL GAS (RNG).....	24
1.95	RESIDENTIAL PREMISES OR RESIDENTIAL DWELLING UNITS	25
1.96	ROLL-OFF BOX	25
1.97	SB 1383	25
1.98	SELF-HAULER.....	25
1.99	SHARPS	25
1.100	SOLID WASTE.....	26

1.101	SOLID WASTE HANDLING SERVICES.....	26
1.102	SOURCE SEPARATED.....	26
1.103	SOURCE SEPARATED BLUE CONTAINER ORGANIC WASTE.....	26
1.104	SOURCE SEPARATED GREEN CONTAINER ORGANIC WASTE.....	27
1.105	SOURCE SEPARATED RECYCLABLE MATERIALS.....	27
1.106	SPLIT CONTAINER OR SPLIT-CONTAINER.....	27
1.107	STATE.....	27
1.108	SUBCONTRACTOR.....	27
1.109	TIER ONE COMMERCIAL EDIBLE FOOD GENERATORS.....	28
1.110	TIER TWO COMMERCIAL EDIBLE FOOD GENERATORS.....	28
1.111	TRANSFORMATION.....	29
1.112	TRANSFER STATION.....	29
1.113	TRANSFER.....	29
1.114	TRANSPORTATION OR TRANSPORT.....	29
1.115	UNIVERSAL WASTE.....	29
1.116	YARD WASTE.....	29

ARTICLE 2 GRANT AND ACCEPTANCE OF FRANCHISE.....30

2.1	GRANT AND ACCEPTANCE OF FRANCHISE, INDEMNITY OF AWARD.....	30
2.2	RESERVED.....	30
2.3	EFFECTIVE DATE.....	30
2.4	TERM OF AGREEMENT.....	31
2.5	OPTION TO EXTEND TERM.....	31
2.6	REPRESENTATIONS AND WARRANTIES OF FRANCHISEE.....	31
2.7	CONDITIONS TO EFFECTIVENESS OF AGREEMENT.....	33
2.8	DELEGATION OF AUTHORITY.....	33
2.9	LIMITATIONS TO SCOPE.....	34
2.10	CITY'S RIGHT TO DIRECT CHANGES.....	36
2.10.1	General.....	36
2.10.2	New Diversion Programs.....	36
2.10.3	City's Right to Acquire Services.....	37
2.10.4	Flow Control Option.....	37
2.11	OWNERSHIP OF SOLID WASTE.....	38
2.12	FRANCHISEE STATUS.....	38
2.13	FRANCHISEE AUTHORIZATION.....	39
2.14	RESERVED.....	39
2.15	MANDATORY SERVICE.....	39
2.16	PERMITS AND LICENSES.....	39

ARTICLE 3 FRANCHISE FEE, AB 939/SB 1383 FEE, & ADMINISTRATIVE FEE.....39

3.1	CONTRACTING FEE.....	40
3.2	FRANCHISE FEE.....	40
3.2.1	Adjustment to Franchise Fee.....	40
3.3	AB 939/SB 1383 REGULATORY REIMBURSEMENT.....	40
3.4	ADMINISTRATIVE FEE.....	40
3.5	ANNUAL ADJUSTMENT TO AB 939/SB 1383 REGULATORY REIMBURSEMENT AND ADMINISTRATIVE FEE.....	41
3.6	TIME AND METHOD OF FRANCHISE FEE, AB 939/SB 1383 REGULATORY REIMBURSEMENT, AND ADMINISTRATION FEE PAYMENTS TO CITY.....	41
3.7	OTHER FEES.....	41
3.8	DISCONTINUANCE OF FEES.....	41

ARTICLE 4 DIRECT SERVICES.....42

4.1	SERVICES TO BE PROVIDED BY FRANCHISEE - GENERAL.....	42
4.2	RESIDENTIAL SERVICES.....	42
4.2.1	Residential Cart Collection.....	42

4.2.2	<i>Additional Carts</i>	43
4.2.3	<i>Residential Collection Services – See Exhibit 9</i>	43
4.2.4	<i>Holiday Tree Collection Program</i>	43
4.2.5	<i>Reserved</i>	43
4.2.5.1	<i>Qualified Disabled Cart Customers</i>	43
4.2.5.2	<i>Non-Qualified Cart Customers</i>	44
4.2.6	<i>On-Call Bulky Item Pickup</i>	44
4.2.7	<i>Bulky Item Diversion</i>	45
4.2.8	<i>Diversion of Electronic, Universal and Other Special Wastes</i>	46
4.2.9	<i>Sharps Collection Program</i>	46
4.2.10	<i>Reserved</i>	46
4.3	OTHER SERVICES	46
4.3.1	<i>Roll-off Box Service</i>	46
4.3.2	<i>Temporary Bin Service</i>	47
4.3.3	<i>Overflowing Containers</i>	47
4.3.4	<i>Holiday Tree Collection Program</i>	48
4.3.5	<i>Return Trip Fee</i>	48
4.4	CITY SERVICES	48
4.4.1	<i>Reserved</i>	48
4.4.2	<i>City Sponsored Events</i>	49
4.4.3	<i>Neighborhood Cleanups</i>	49
4.4.4	<i>Shredding Service Event</i>	50
4.4.5	<i>Compost and Mulch Giveaway</i>	50
4.4.6	<i>Large Venue and Event Assistance, Event Recycling</i>	51
4.4.7	<i>Collection of Former Franchisee’s Containers</i>	51
4.4.8	<i>Battery Recycling Program</i>	51
4.4.9	<i>Community Development Department Reviews</i>	51
4.4.10	<i>Provision of Recovered Organic Waste Products</i>	51
4.4.11	<i>Franchisee Warranty of Recovered Organic Waste Products</i>	52
4.4.12	<i>Reserved</i>	52
4.4.13	<i>Reserved</i>	52
4.4.14	<i>Preparation of Cal Recycle Electronic Annual Report</i>	53
4.4.15	<i>Food Scraps Kitchen Pails</i>	53
4.5	MINIMUM DIVERSION REQUIREMENTS	53
4.6	MARKETING AND SALE OF RECYCLABLE MATERIALS	54
4.7	OPERATIONS	54
4.7.1	<i>Schedules</i>	54
4.7.2	<i>Missed Pickups</i>	55
4.7.3	<i>Vehicles</i>	55
4.7.4	<i>Franchisee-Provided Containers</i>	58
4.7.4.1	<i>Carts</i>	58
4.7.4.2	<i>Cart Reparability or Replacement</i>	62
4.7.4.3	<i>Bins</i>	63
4.7.5	<i>Litter Abatement</i>	64
4.7.6	<i>Personnel</i>	65
4.7.7	<i>Reserved</i>	66
4.7.8	<i>Identification Required</i>	66
4.7.9	<i>Fees and Gratuities</i>	66
4.7.10	<i>Non-Discrimination</i>	66
4.7.11	<i>Coordination with Street Sweeping Services</i>	66
4.7.12	<i>Change in Collection Schedule</i>	67
4.7.13	<i>Report of Accumulation of Solid Waste; Unauthorized Dumping</i>	67
4.7.14	<i>Anti-Scavenging Assistance</i>	67
4.8	EMERGENCY SERVICES	67
4.9	TRANSPORTATION OF SOLID WASTE	67
4.10	STATUS OF DISPOSAL SITE	68

4.11	TRANSFER, PROCESSING, AND DISPOSAL.....	68
4.11.1	<i>Processing Facility Temporary Equipment or Operational Failure Waiver.....</i>	69
4.11.2	<i>Transportation to Non-Approved Facilities Prohibited.....</i>	70
4.12	COMMINGLING OF COLLECTION ROUTES.....	70
4.13	ROUTE AUDIT	71
4.14	SERVICE EXCEPTIONS;HAZARDOUS MATERIAL NOTIFICATIONS.....	73
4.15	FRANCHISEE/CITY MEETINGS.....	73

ARTICLE 5 OTHER SERVICES73

5.1	SERVICES AND CUSTOMER BILLING.....	74
5.1.1	<i>Service Description</i>	74
5.1.2	<i>Residential and Multi-Family Premises Cart Billing</i>	74
5.1.3	<i>Multi-Family Premises with Bin Service, Commercial Premises, Roll-off, and Temporary Services Billing.....</i>	74
5.1.4	<i>Suspension of Service Due to Non-Payment</i>	75
5.1.4.1	<i>Residential and Multi-Family Premises Cart Customers</i>	75
5.1.4.2	<i>Multi-Family Premises with Bin Service, Commercial Premises, Roll-off, and Temporary Services Customers.....</i>	75
5.1.5	<i>Refunds.....</i>	75
5.2	CUSTOMER SERVICE	75
5.2.1	<i>Customer Service Office.....</i>	75
5.2.2	<i>Complaint Documentation</i>	76
5.2.3	<i>Resolution of Customer Complaints</i>	76
5.2.4	<i>City Liaison</i>	77
5.2.5	<i>Route Supervisor</i>	77
5.2.6	<i>Customer Service Representative for Transition</i>	77
5.2.7	<i>Reserved.....</i>	78
5.2.8	<i>Customer Satisfaction Survey.....</i>	78
5.3	EDUCATION AND PUBLIC AWARENESS	78
5.3.1	<i>General.....</i>	78
5.3.2	<i>Material Distribution Methods.....</i>	79
5.3.3	<i>Non-English Language Requirements</i>	79
5.3.4	<i>Implementation Plan and On-going Education Requirements</i>	79
5.3.4.1	<i>Implementation Plan</i>	79
5.3.4.2	<i>Ongoing Education Requirements.....</i>	80
5.3.5	<i>Community Events.....</i>	83
5.3.6	<i>News Media Relations</i>	83
5.4	CONTAMINATION MONITORING	83
5.4.1	<i>Contamination Inspection Methods.....</i>	83
5.4.1.1	<i>Actions upon Identification of Prohibited Container Contaminants</i>	84
5.4.1.2	<i>On-Going Contamination Monitoring by Route Personnel.....</i>	85
5.4.1.3	<i>Prescribed Contamination Monitoring</i>	86
5.4.1.4	<i>Contamination Response.....</i>	87
5.4.1.5	<i>Noticing of Generators with Contamination, and Disposal of Materials.....</i>	87
5.4.1.6	<i>Monthly Reporting Requirements.....</i>	88
5.5	INSPECTION AND ENFORCEMENT.....	88
5.6	SERVICE COMPLAINTS	89
5.7	TECHNICAL ASSISTANCE PROGRAM.....	90
5.7.1	<i>Workshops and Meetings</i>	90
5.7.2	<i>Record Keeping and Reporting Requirements</i>	91
5.8	UNIVERSAL ENROLLMENT MONITORING.....	91

ARTICLE 6 COMPANY COMPENSATION AND RATES92

6.1	GENERAL.....	92
6.2	INITIAL RATES	92

6.3	SCHEDULE OF FUTURE ADJUSTMENTS.....	93
6.4	METHOD OF ADJUSTMENTS.....	93
6.4.1	General.....	93
6.4.1.1	Compliance with Proposition 218.....	93
6.4.1.2	Indemnification	94
6.4.1.3	No Waiver of City Council Discretion at Hearings.....	94
6.4.1.4	Proposition 218 Protest Contract Remedy.....	94
6.4.2	Rate Adjustment Calculation.....	95
6.4.2.1	Cost Component and Rate Adjustment Indexes	95
6.4.2.2	Rate Adjustment Steps	95
6.5	EXTRAORDINARY ADJUSTMENTS	96
6.6	ADDITIONAL CUSTOMER RATE INCREASE PROCEDURES	97

ARTICLE 7 REVIEW OF SERVICES AND PERFORMANCE98

7.1	PERFORMANCE HEARING	98
7.2	PERFORMANCE SATISFACTION SURVEY	99

ARTICLE 8 RECORDS, REPORTS AND INFORMATION REQUIREMENTS.....99

8.1	GENERAL.....	99
8.2	RECORDS.....	100
8.2.1	General.....	100
8.2.2	Financial Records	100
8.2.3	Solid Waste Records.....	101
8.2.4	CERCLA Defense Records	102
8.2.5	Disposal Records	103
8.2.6	Other Programs' Records.....	103
8.2.7	Cost of Audit.....	103
8.2.8	Payments and Refunds	104
8.2.9	Compilation of Information for State Law Purposes.....	104
8.3	REPORTS.....	104
8.3.1	Report Formats and Schedule	105
8.3.2	Monthly Reports	106
8.3.3	Annual Report	111
8.3.4	Financial Report	117
8.4	REPORTING ADVERSE INFORMATION	117
8.5	RIGHT TO INSPECT RECORDS.....	118
8.6	FAILURE TO REPORT	118
8.7	PUBLIC RECORDS.....	118

ARTICLE 9: INDEMNIFICATION, INSURANCE AND BOND.....119

9.1	INDEMNIFICATION	119
9.2	HAZARDOUS MATERIAL INDEMNIFICATION.....	120
9.2.1	CERCLA Defense Records.....	121
9.3	CALRECYCLE INDEMNIFICATION AND GUARANTEE.....	122
9.4	ELECTRONIC AND WEB BASED INFORMATION INDEMNITY	122
9.5	INSURANCE	122
9.6	FAITHFUL PERFORMANCE BOND.....	129
9.7	FAITHFUL PERFORMANCE LETTER OF CREDIT	130
9.8	FORFEITURE OF PERFORMANCE BOND.....	130
9.9	FORFEITURE OF LETTER OF CREDIT.....	130
9.10	PERFORMANCE SECURITY BEYOND SERVICE TERM.....	131

ARTICLE 10 CITY'S RIGHT TO PERFORM SERVICE131

10.1	GENERAL.....	131
------	--------------	-----

10.2	RESERVED.	131
10.3	BILLING AND COMPENSATION TO CITY DURING CITY'S POSSESSION	131
10.4	CITY'S RIGHT TO RELINQUISH POSSESSION	132
10.5	RESERVED.	132
10.6	RESERVED.	132
10.7	DISASTER PREPAREDNESS PLAN	132
ARTICLE 11 DEFAULT, REMEDIES AND LIQUIDATED DAMAGES		133
11.1	EVENTS OF DEFAULT	133
11.2	CRIMINAL ACTIVITY OF FRANCHISEE	136
11.3	NOTICE, HEARING AND APPEAL OF FRANCHISEE BREACH	136
11.4	LIQUIDATED DAMAGES	137
11.5	EXCUSE FROM PERFORMANCE	146
11.6	NOTICE, HEARING AND APPEAL OF CITY BREACH	147
11.7	ASSURANCE OF PERFORMANCE	147
ARTICLE 12 OTHER AGREEMENTS OF THE PARTIES		148
12.1	RELATIONSHIP OF PARTIES	148
12.2	COMPLIANCE WITH LAW	148
12.3	GOVERNING LAW	148
12.4	VENUE	148
12.5	ASSIGNMENT	148
12.6	AFFILIATED COMPANIES	150
12.7	CONTRACTING OR SUBCONTRACTING	151
12.8	BINDING ON ASSIGNS	151
12.9	TRANSITION TO NEXT FRANCHISEE	151
12.10	PARTIES IN INTEREST	152
12.11	WAIVER	152
12.12	FRANCHISEE'S INVESTIGATION	153
12.13	RESERVED.	153
12.14	NOTICE	153
12.15	REPRESENTATIVES OF THE PARTIES	154
12.16	CITY FREE TO NEGOTIATE WITH THIRD PARTIES	154
12.17	COMPLIANCE WITH MUNICIPAL CODE	154
12.18	PRIVACY	154
12.19	COOPERATION FOLLOWING TERMINATION	155
12.20	COMPLIANCE WITH IMMIGRATION LAWS	155
12.21	GUARANTEE OF FRANCHISEE'S PERFORMANCE	155
ARTICLE 13		156
MISCELLANEOUS AGREEMENTS		156
13.1	ENTIRE AGREEMENT	156
13.2	SECTION HEADINGS	156
13.3	REFERENCES TO LAWS AND OTHER AGREEMENTS	156
13.4	INTERPRETATION	156
13.5	AGREEMENT	156
13.6	SEVERABILITY	157
13.7	EXHIBITS	157
13.8	NON-WAIVER PROVISION	157
13.9	ATTORNEYS' FEES	157
13.10	AUTHORITY	157
13.11	COUNTERPARTS	157
13.12	ELECTRONIC SIGNATURES	157

EXHIBITS

1. [Reserved.]
2. Initial Maximum Rates
3. Example Rate Adjustment Formulas
4. Corporate Guarantee
5. Franchisee's Faithful Performance Bond
6. Notary Certification
7. AB 341, AB 827, AB 1826, and SB 1383 Implementation Plan
8. Processing, Transfer, and Disposal Services and Facility Standards
9. Collection System Options

RECITALS

This Franchise Agreement ("Agreement") is entered into this 4th day of November, 2025, by and between the City of Santa Fe Springs ("City") and Universal Waste Systems, Inc. ("Franchisee"), for the Collection, Transportation, Recycling, Processing, and Disposal of Solid Waste and other services related to meeting the goals of the City and requirements of Applicable Law. City and the Franchisee are sometimes referred to in this Agreement, each individually, as a "**Party**," or collectively, as the "**Parties**."

WHEREAS, pursuant to City of Santa Fe Springs Municipal Code Chapter 50, Sections 50.001 and 50.025, the City Council may award one or more Franchises, permits, or licenses for Refuse Collection from single-family residential properties, commercial, including industrial, governmental, institutional, and multifamily residential properties. Such Franchises shall be granted by the City Council by resolution, upon a determination that the public health, safety, and well-being are served by the award of the Franchise, permit, or license; and

WHEREAS, pursuant to California Public Resources Code Section 40059(a)(2), the City of Santa Fe Springs has determined that the public health, safety, and well-being of the community require that a Franchise be awarded to a qualified company for the Collection, Transfer and Transportation, Recycling, Processing, and Disposal of Solid Waste and other services related to meeting the Diversion goals stipulated under by AB 939, and other requirements of the California Integrated Waste Management Act; and

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for Solid Waste Handling within their jurisdictions to meet the goals and requirements of AB 939; and

WHEREAS, the State of California has found and declared that the amount of Solid Waste generated in California, coupled with diminishing Disposal capacity and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program. The State has, through enactment of AB 939 and subsequent related legislation including, but not limited to: the Jobs and Recycling Act of 2011 (AB 341), the Event and Venue Recycling Act of 2004 (AB 2176), Diversion Compliance: Per Capita Disposal Rate 2007 (SB 1016), the Mandatory Commercial Organics Recycling Act of 2014 (AB 1826), and the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), directed the responsible State agency, and

all local agencies, to promote a reduction in landfill Disposal and to maximize the use of feasible waste reduction, re-use, Recycling, and Composting options in order to reduce the amount of material that must be disposed; and

WHEREAS, SB 1383 establishes regulatory requirements for jurisdictions, Generators, haulers, Solid Waste Facilities, and other entities to support achievement of State- wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 requires jurisdictions to implement Collection programs, meet Processing Facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement and fulfill other requirements; and, the City has chosen to delegate some of its responsibilities to Franchisee, acting as the City's designee, through this Agreement; and

WHEREAS, the City declares its intention of maintaining reasonable rates and quality service related to the Collection, Transportation, Recycling, Processing, and Disposal of Solid Waste and other services; and

WHEREAS, the Parties hereto desire to enter said Agreement; and

WHEREAS, City and Franchisee are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling, Processing and Disposal of Solid Waste, including AB 939, AB 341, AB 1826, SB 1383, the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C §§ 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C §§ 9601 et seq., the Electronic Waste Recycling Act of 2003 (SB 20 Sher, Chapter 526, Statutes of 2003; SB 50, Sher, Chapter 863, Statutes of 2004; AB 575, Wolke, Chapter 59, Statutes of 2005), and laws governing Universal Waste and Electronic Waste; and

WHEREAS, City and Franchisee desire to leave no doubts as to their respective roles and to memorialize that by entering into this Agreement, City is not thereby becoming an "arranger" or a "Generator" as those terms are used in CERCLA, and that it is Franchisee, not City, who is "arranging for" the Collection from Premises in the City, Transport for Disposal, Composting or other Processing, and Recycling of municipal Solid Waste which may contain Hazardous Material; and further to confirm that as a material inducement to City entering into this Agreement, Franchisee has agreed to fully indemnify City, its officers, employees, director and agents, in connection with any claims, losses, liabilities, lawsuits or actions relating to the inadvertent or intentional Collection, Transportation and/or Disposal of Hazardous Materials that may occur in connection with Franchisee's performance under this Agreement; and

WHEREAS, Franchisee has agreed, as part of this Agreement, to provide such services as are necessary or desirable to ensure City complies with the requirements of all Applicable Laws and regulations including specifically, without limitation, AB 939, AB 341, AB 1594, AB 1826, SB 1383, Public Resources Code Section 40000, *et seq*, as it may be amended from time to time, and such other laws and regulations of the State of California as may be enacted from time to time concerning Solid Waste, Organic Waste, Recyclable Materials, or the Collection, Composting, Recycling, or Disposal of such materials; and

WHEREAS, there are no places within the City limits of the City of Santa Fe Springs where landfills are located, or which are suitable for the siting of a landfill and therefore Solid Waste must be exported from the City; and

WHEREAS, City and Franchisee agree that, subject to City's exercise of its reserved flow control right under Section 2.10.4 of this Agreement, (1) Franchisee, and not City, will select the landfill destination of the non-recyclable Solid Waste which Franchisee will arrange to Collect; and (2) City has not and, by this Agreement does not, instruct Franchisee on its Collection methods, nor supervise Franchisee in the Collection of waste and nothing in this Agreement or other action of the City shall be construed to give rise to any interference that the City has any title, ownership or right of possession of such Solid Waste; and

WHEREAS, City intends that this Agreement will contribute to safeguarding public health by providing the most cost-effective, efficient, reliable, and environmentally appropriate Solid Waste services to its citizens; and

WHEREAS, the successful implementation of Solid Waste Handling in Residential, areas in the City will entail the expenditure of large sums of capital by the Franchisee, for which the Franchisee is, subject to the terms of Proposition 218, entitled to be compensated. City intends that this Agreement will contribute to safeguarding public health by providing the most cost-effective, efficient, reliable, and environmentally appropriate Solid Waste services to its citizens; and

WHEREAS, Franchisee has agreed, as part of this Agreement, acting as an independent contractor to provide such personnel, equipment and supplies as are necessary to ensure City complies with the requirements of Public Resources Code Section 49100 *et seq.*; and

WHEREAS, Franchisee agrees to and acknowledges that it shall arrange for the proper Collection, Transportation, Recycling, and Disposal of all Solid Waste Collected in City in accordance with the terms of this Agreement and Applicable Law.

NOW, THEREFORE, AND IN CONSIDERATION OF THE PREMISE ABOVE STATED AND THE TERMS, CONDITIONS, COVENANTS, AND AGREEMENTS CONTAINED HEREIN, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

ARTICLE 1 DEFINITIONS

Whenever any term used in this Agreement has been defined by the provisions of Chapter 50, Article 50.001 of the Santa Fe Springs Municipal Code or by Division 30, Part 1, Chapter 2 of the California Public Resources Code, the definitions in the Santa Fe Springs Municipal Code or the Public Resources Code shall apply unless the term is otherwise defined in this Agreement, in which case this Agreement shall control.

Except as provided in Article 1, words beginning with lower case letters are being used with their common ordinary meanings, not as defined terms. Otherwise, the following capitalized words and terms used in this Agreement shall have the following respective meanings:

1.1 AB 341

"AB 341" means the Assembly Bill approved by the Governor of the State of California on October 5, 2011, which amended Sections 41730, 41731, 41734, 41735, 41736, 41800, 42926, 44004, and 50001 of, and added Sections 40004, 41734.5, and 41780.01 and Chapter 12.8 (commencing with Section 42649) to Part 3 of Division 30 of, and added and repealed Section 41780.02 of, the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded and replaced from time to time; which sets forth the requirements of the statewide mandatory commercial recycling program.

1.2 AB 827

"AB 827" means the Assembly Bill approved by the Governor of the State of California on October 2, 2019, which amended Sections 42649.2, 42649.2, 42649.8, and 42649.81 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time.

1.3 AB 939

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

1.4 AB 1594

"AB 1594" means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Sections 40507 and 41781.3 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time.

1.5 AB 1826

"AB 1826" means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as "AB 1826," as amended, supplemented, superseded, and replaced from time to time, which requires businesses that generate a specified amount of organic waste per week to arrange for recycling services for that waste, and for jurisdictions to implement a recycling program to divert organic waste from businesses subject to the law, as well as report to CalRecycle on their progress in implementing an organic waste recycling program.

1.6 Affiliate

"Affiliate" means all businesses (including corporations, limited and general partnerships, and sole proprietorships) which are directly or indirectly related to Franchisee by virtue of direct or indirect ownership interest, or common management, shall be deemed to be "Affiliated with" Franchisee and included within the term "Affiliates" as used herein. An Affiliate shall include a business in which Franchisee owns a direct or indirect ownership interest, a business which has a direct or indirect ownership interest in Franchisee and/or a business which is also owned, controlled or managed by any business or individual which has a direct or indirect ownership interest in Franchisee. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date of this Agreement, shall apply; provided, however, that (i) "ten percent (10%)" shall be substituted for "fifty percent (50%)" in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater. Being an Affiliate does not exempt

a business from the application of assignment requirements under Section 12.5.

1.7 Agreement

"Agreement" means this Franchise Agreement between City and Franchisee for Collection, Transportation, Recycling, Processing and/or Disposal of Recyclable Materials, Organic Materials, and Solid Waste, and other services, including all exhibits and attachments, and any amendments thereto.

1.8 Alternative Daily Cover (ADC)

"Alternative Daily Cover" or "ADC" has the same meaning as in Section 20690 of Title 27 of the California Code of Regulations.

1.9 Alternative Facility

"Alternative Facility" means any Facility other than Approved Facilities approved by City for temporary use.

1.10 Applicable Law

"Applicable Law" means all statutes, rules, regulations, guidelines, actions, determinations, Permits, orders, or requirements of the United States, State, County, City (including the Santa Fe Springs Municipal Code Chapter 50) and local and regional government authorities and agencies having applicable jurisdiction, that apply to or govern the Facility, the Site or the performance of the Parties' respective obligations hereunder, including any of the foregoing which concern health, safety, fire, environmental protection, labor relations, mitigation monitoring plans, building codes, zoning, non-discrimination, and prevailing wages if applicable, and the Los Angeles County Integrated Waste Management Plan. All references herein to Applicable Law include subsequent amendments or modifications thereof, unless otherwise specifically limited in this Agreement.

1.11 Approved C&D Processing Facility

"Approved C&D Processing Facility" means the Universal Waste Systems, Inc. Resource Recovery Facility at 9010 Norwalk Boulevard, Santa Fe Springs, CA 90670, which is owned and operated by Universal Waste Systems, Inc., which is a C&D

Processing Facility.

1.12 Approved Disposal Facility

“Approved Disposal Facility” means the Universal Waste Systems, Inc. Resource Recovery Facility at 9010 Norwalk Boulevard, Santa Fe Springs, CA 90670, which is owned and operated by Universal Waste Systems, Inc., which is a Disposal Facility.

1.13 Approved Facilities

“Approved Facility(ies)” means any one of or any combination of the: Approved C&D Processing Facility; Approved Disposal Facility; Approved High Diversion Organic Waste Processing Facility; Approved Organic Waste Processing Facility, Approved Source Separated Recyclable Materials Processing Facility; and, Approved Transfer Facility.

1.14 Approved High Diversion Organic Waste Processing Facility

“Approved High Diversion Organic Waste Processing Facility” means the Universal Waste Systems, Inc. Resource Recovery Facility at 9010 Norwalk Boulevard, Santa Fe Springs, CA 90670, which is owned and operated by Universal Waste Systems, Inc., which is a High Diversion Organic Waste Processing Facility.

1.15 Approved Organic Waste Processing Facility

“Approved Organic Waste Processing Facility” means the Universal Waste Systems, Inc. Resource Recovery Facility at 9010 Norwalk Boulevard, Santa Fe Springs, CA 90670, which is owned and operated by Universal Waste Systems, Inc., which is an Organic Waste Processing Facility.

1.16 Approved Source Separated Recyclable Materials Processing Facility

“Approved Source Separated Recyclable Materials Processing Facility” means the Universal Waste Systems, Inc. Resource Recovery Facility at 9010 Norwalk Boulevard, Santa Fe Springs, CA 90670, which is owned and operated by Universal Waste Systems, Inc., which is a Source Separated Recyclable Materials Processing Facility.

1.17 Approved Transfer Facility

“Approved Transfer Facility” means the Universal Waste Systems, Inc. Resource

Recovery Facility at 9010 Norwalk Boulevard, Santa Fe Springs, CA 90670, which is owned and operated by Universal Waste Systems, Inc., that is a Transfer Facility.

1.18 Back-Haul

“Back-Haul” means generating and Transporting Recyclable Materials and/or Organic Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or as otherwise defined in 14 CCR Section 18982(a)(66)(A).

1.19 Billings

"Billings" means any and all statements of charges for services rendered in accordance with this Agreement, howsoever made, described or designated by City or Franchisee, or made by others for City or Franchisee, to Customers in the City.

1.20 Bin

“Bin” means a rigid Container used for the temporary accumulation and collection of solid waste or recyclables for removal from all premises located within the City. A Bin includes, but is not limited to, a rigid Container with hinged lids and wheels and a capacity of at least one (1) cubic yard and less than ten (10) cubic yards.

1.21 Blue Container

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a) and shall be used for the purpose of storage and Collection of Source Separated Recyclable Materials or Source Separated Blue Container Organic Waste.

1.22 Green Container

“Green Container” has the same meaning as in 14 CCR Section 18982.2(a) and shall be used for the purpose of storage and Collection of Source Separated Food Waste.

1.23 Bulky Items

“Bulky Items” means Solid Waste that cannot and/or would not typically be accommodated within a Cart including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as “white goods”); Residential wastes (including wood waste, tree branches, scrap wood, debris from building remodeling, rocks, sod and earth); electronic

equipment (including stereos, televisions, computers and monitors, microwaves and other similar items commonly known as “brown goods” and “E- Waste”); Universal Waste, “U-Waste,” (including, but not limited to batteries, thermostats, lamps; and cathode ray tube materials); and clothing. Bulky Items do not include car bodies, tires, Construction and Demolition Debris, or items requiring more than two Persons to remove. Other items not specifically included or excluded above will be Collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, City shall be responsible to determine whether said definition shall apply, which determination shall be final and binding on the Parties.

1.24 California Code of Regulations (CCR)

“California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR” refers to Title 14 of CCR).

1.25 CalRecycle

“CalRecycle” means the State of California’s Department of Resources Recycling and Recovery, which is the Department designated with responsibility for developing, implementing, and enforcing, among others, SB 1383 Regulations on Jurisdictions.

1.26 Cart

“Cart” means a polyethylene wheeled Container with a hinged lid and wheels serviced by an automated or semi-automated truck with a capacity of no less than 30 and no greater than 101 gallons.

1.27 City

“City” means City of Santa Fe Springs, California, a municipal corporation, and all the territory lying within the municipal boundaries of City as presently existing or as such boundaries may be modified during the term of this Agreement.

1.28 Collect/Collection

“Collect” or “Collection” means to take physical possession, Transport, and remove Solid Waste, recyclables, and construction and demolition debris, within and from City.

1.29 Commercial

"Commercial" refers to services performed at or for Commercial Premises, including, but not limited to, a firm, partnership, proprietorship, joint-stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility, or a multifamily residential dwelling, or as otherwise defined in 14 CCR Section 18982(a)(6). A multifamily residential dwelling that consists of fewer than five units is not a commercial business for purposes of this Agreement.

1.30 Commercial Edible Food Generators

"Commercial Edible Food Generators" includes Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 18982(a)(7). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators.

1.31 Commercial Premises

"Commercial Premises" means Premises upon which business activity is conducted, and any other Premises not defined as Residential Premises per Section 1.95 of this Agreement, including but not limited to Multi-Family Dwelling Units, containing five (5) or more family residential units, utilizing common or shared Bins, retail sales, services, wholesale operations, manufacturing and industrial operations, but excluding Residential Premises upon which business activities are conducted when such activities are permitted under applicable zoning regulations and are not the primary use of the property. Notwithstanding any provision to the contrary herein, in the Santa Fe Springs Municipal Code, or otherwise, for purposes of this Agreement, means all Premises upon which the following uses (as defined in the Santa Fe Springs Municipal Code) are occurring shall be deemed to be Commercial Premises: stores, restaurants; rooming houses; hotels; motels; offices; auto courts; manufacturing, Processing, production or fabrication, or assembling shops or plants; warehouses; hospitals; clinics; nursing homes; convalescent centers; dormitories; barracks; and card rooms.

1.32 Compactor

"Compactor" means a mechanical apparatus that compresses materials together with the Container that holds the compressed materials or the Container that holds the compressed materials if it is detached from the mechanical compaction apparatus.

Compactors include two (2) to eight (8) cubic yard Bin Compactors serviced by front- end

loader Collection vehicles and ten (10) to fifty (50) cubic yard Drop Box Compactors serviced by roll-off Collection vehicles.

1.33 Compost

“Composting” or “Compost” (or any variation thereof) includes a controlled biological decomposition of Organic Materials yielding a safe and nuisance free Compost product, consistent with the definition set forth in 14 CCR Section 17896.2(a)(4).

1.34 Compostable Plastics

“Compostable Plastics” or “Compostable Plastic” means plastic materials that meet the ASTM D6400 standard for compostability, or as otherwise described in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

1.35 Construction and Demolition Debris

"Construction and Demolition Debris" or "C&D Material," means any combination of inert building materials and Solid Waste resulting from construction, remodeling, repair, cleanup, or demolition operations as defined in California Code of Regulations, Title 22 Section 66261.3 et seq. This term includes, but is not limited to, asphalt, concrete, asphaltic concrete, Portland cement concrete, brick, lumber, gypsum wallboard, cardboard, and other associated packaging; roofing material, ceramic tile, carpeting, plastic pipe and steel. The material may be commingled with rock, soil, tree stumps; and other vegetative matter resulting from land clearing and landscaping for construction or land development projects.

1.36 Containers

"Containers" means a receptacle constructed of metal, plastic or some other impervious material and having a solid bottom, including but not limited to Bins, Carts, Compactors, Roll-off Boxes, and kitchen pails.

1.37 CPI

“CPI” means the Consumer Price Index for All Urban Consumers (CUUR0000A0L1E), all items less food and energy – U.S. City Average.

1.38 Customer

“Customer” means the Person having the care and control of any Premises in the City receiving Collection Service from the Franchisee pursuant to the terms of this Agreement.

1.39 Designated Waste

“Designated Waste” means non-Hazardous Waste which may pose special Disposal problems because of its potential to contaminate the environment and which may be Disposed of only in Class II Disposal sites or Class III Disposal sites pursuant to a variance issued by the California Department of Health Services. Designated Waste consists of those substances classified as Designated Waste by the State, in California Code of Regulations Title 23, Section 2522 as may be amended from time to time.

1.40 Discarded Materials

“Discarded Materials” are a form of Solid Waste, and shall be regulated as such. For purposes of this Agreement, material is deemed to have been discarded, without regard to whether it is destined for Recycling or Disposal, and whether or not it has been separated from other Solid Wastes, in all cases where a fee or other compensation, in any form or amount, is directly or indirectly solicited from, or, levied, charged, or otherwise imposed on, or paid by, the Generator or Customer in exchange for handling services. As used herein, handling services include, without limitation, the Collection, removal, Transportation, delivery, and Processing and/or Disposal of the material. Discarded Materials do not include Edible Food that is recovered for human consumption and is not discarded. For the purposes of this Agreement, Discarded Materials include Source Separated Recyclable Materials, Organic Waste, Food Waste, Gray/Black Container Waste or Mixed Waste, and C&D once the materials have been placed in Containers for Collection.

1.41 Disposal

"Disposal" or "Dispose" means the ultimate disposition of Solid Waste Collected by Franchisee at a landfill or otherwise in full regulatory compliance, including the complete operation of treating and disposing of the accumulations of Solid Waste and the product or residue arising from such treatment.

1.42 Disposal Site(s)

"Disposal Site(s)" means the Solid Waste Handling Facility or Facilities utilized for the ultimate Disposal of Solid Waste Collected by Franchisee.

1.43 Divert/Diversion

"Divert" or "Diversion" (or any variation thereof) means to prevent Discarded Materials from Disposal at landfill or Transformation facilities, (including facilities using incineration, pyrolysis, distillation, gasification, or biological conversion methods) through source reduction, reuse, Recycling, Composting, anaerobic digestion or other method of Processing, subsequent to the provisions of AB 939. Diversion is a broad concept that is to be inclusive of material handling and Processing changes that may occur over the Term including, but not limited to, changes in standard industry practice or implementation of innovative (but not necessarily fully proven) techniques or technology that reduce Disposal risk, decrease costs and/or are for other reasons deemed desirable by the City.

1.44 DBA

"DBA" means a fictitious name, assumed name, or trade name that is different from Franchisee's legal name, which Franchisee uses for "doing business as" to provide Collection services.

1.45 Edible Food

"Edible Food" means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

1.46 Effective Date

"Effective Date" means the date on which the latter of the two Parties signs this Agreement.

1.47 Electronic Waste or E-Waste

“Electronic Waste” or “E-Waste” means consumer and business electronic equipment that is near or at the end of its useful life and includes, but is not limited to, stereos, televisions, computers and computer monitors, cellular phones, fax machines, household copiers, computer printers, computer peripherals, telephones, answering machines, radios, tape players/recorders, phonographs, video cassette players/recorders, compact disc players/recorders, calculators, some appliances, other items with electric plugs that are banned from landfilling, and other similar items commonly known as “brown goods”. Certain components of some electronic products contain materials that render them hazardous, depending on their condition and density. For instance, California law currently views non-functioning CRTs (cathode ray tubes) from televisions and monitors as hazardous.

1.48 Environmental Law

"Environmental Law" means any federal and State statute, county, local and City ordinance, rule, regulation, order, consent decree, judgment or common-law doctrine, and provisions and conditions or permits, licenses and other operating authorizations relating to (i) pollution or protection of the environment, including natural resources, (ii) exposure of Persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or Commercial activities, or (iv) regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, Transportation, handling, storage and Disposal.

1.49 Excluded Waste

“Excluded Waste” means Hazardous Substance, Hazardous Waste, infectious waste, Designated Waste, volatile, corrosive, biomedical, infectious, biohazardous, and toxic substances or material, waste that Franchisee reasonably believes would, as a result of or upon Disposal, be a violation of local, State or Federal law, regulation or ordinance, including land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or City to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Residential Solid Waste

after implementation of programs for the safe Collection, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code. Excluded Waste does not include Used Motor Oil and Filters, or household batteries when properly placed for Collection by Franchisee as set forth in this Agreement.

1.50 Facility

"Facility" means any plant or site, owned or leased and maintained, operated or used by Franchisee for purposes of performing under this Agreement.

1.51 Food Recovery

"Food Recovery" means actions to Collect and distribute Edible Food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

1.52 Food Recovery Organization

"Food Recovery Organization" means an entity that primarily engages in the Collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including, but not limited to:

- A. A food bank as defined in Section 113783 of the Health and Safety Code;
- B. A nonprofit charitable organization; and,
- C. A nonprofit charitable temporary food Facility as defined in Section 113842 of the Health and Safety Code.

If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this Agreement.

1.53 Food Recovery Service

"Food Recovery Service" means a Person or entity that Collects and Transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26). A food recovery service is not a Commercial Edible Food Generator for the purposes of this Agreement and implementation of 14 CCR, Division 7, Chapter 12

pursuant to 14 CCR Section 18982(a)(7).

1.54 Food Scraps

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.

1.55 Food-Soiled Paper

“Food-Soiled Paper” means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

1.56 Food Waste

“Food Waste” means source-separated Food Scraps, Food-Soiled Paper, and Compostable Plastics. Food Waste is a subset of Source Separated Green Container Organic Waste.

1.57 Franchise

"Franchise" means the rights and privileges granted by this Agreement, and as set forth in the Santa Fe Springs Municipal Code.

1.58 Franchise Fee

“Franchise Fee” means the fee paid by Franchisee to City for the right to hold the Franchise for Solid Waste services granted by this Agreement, calculated as the applicable percentage of gross receipts of residential and/or commercial permittees that must be submitted monthly or quarterly upon submission of tonnage report for the applicable time period.

1.59 Franchisee

“Franchisee” means Universal Waste Systems, Inc. organized and operating under laws of the State of California, and its officers, directors, employees, agents, companies, Affiliates, DBAs, and Subcontractors.

1.60 Reserved.

1.61 Franchisee Compensation

"Franchisee Compensation" means the revenue received by the Franchisee from Billings in return for providing services in accordance with this Agreement and any amendments to this Agreement.

1.62 Generator

"Generator" means any Person whose act first causes Discarded Materials to become subject to regulation under federal, State, or local regulations, including any individual, partnership, joint venture, unincorporated private organization, or corporation that accumulates, exports, or causes to be exported from the City solid waste and/or recyclable materials which is sold, donated, or charged a fee by a permittee identified in § 50.020 of the Santa Fe Springs Municipal Code.

1.63 Gray/Black Container

"Gray/Black Container" has the same meaning as in 14 CCR Section 18982.2(a) and shall be used for the purpose of storage and Collection of Gray/Black Container Waste or Mixed Waste.

1.64 Green Container

"Green Container" has the same meaning as in 14 CCR Section 18982.2(a) and shall be used for the purpose of storage and Collection of Source Separated Green Container Organic Waste.

1.65 Gross Revenue

"Gross Revenue" means any and all revenue or compensation in any form, derived directly or indirectly, of Franchisee, or their subsidiaries, or other affiliates of Franchisee, in which Franchisee has a financial interest, for the Collection, Transportation, Processing, Recycling, Diversion and Disposal of Solid Waste pursuant to this Agreement, in accordance with Generally Accepted Accounting Principles, including, but not limited to, monthly Customer fees for Collection of Solid Waste, without subtracting fees paid to the City as required by Article 3 of this Agreement, or any other cost of doing business, but excluding revenues from the sale of Recyclable Materials.

1.66 Hazardous Material

“Hazardous Material” is defined to include any hazardous or toxic substance, material or waste, or a mixture of wastes, which is or becomes regulated by any local governmental authority, the State of California, or the United States Government. The term “Hazardous Material” includes, without limitation, any material or substance which is: (i) petroleum or oil or gas or any direct or derivate product or byproduct thereof; (ii) defined as a “hazardous waste,” “extremely hazardous waste” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (iii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (iv) defined as a “Hazardous Material,” “hazardous substance,” or “hazardous waste” under Sections 25501(j) and (k) and 25501.1 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (v) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (vi) “used oil” as defined under Section 25250.1 of the California Health and Safety Code; (vii) asbestos; (viii) listed under Captor 11 of Division 4.5 of Title 22 of the California Code of Regulations, or defined as hazardous or extremely hazardous pursuant to Chapter 10 of Division 4.5 of Title 22 of the California Code of Regulations; (ix) defined as waste or a hazardous substance pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (x) designated as a “toxic pollutant” pursuant to the Federal Water Pollution Control Act, 33 U.S.C. Section 1317; (xi) defined as “hazardous waste” pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq. (U.S.C. § 6903); (xii) defined as a “hazardous substance” pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 6901); (xiii) defined as “Hazardous Material” pursuant to the Hazardous Materials Transportation Act 29 U.S.C. Section 5101, et seq.; or (xiv) defined as such or regulated by any “Superfund” or “Superlien” law, or any other federal, State or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials and/or oil wells and/or underground storage tanks and/or pipelines, as now, or at any time hereafter, in effect.

1.67 High Diversion Organic Waste Processing Facility

“High Diversion Organic Waste Processing Facility” means a High Diversion Organic Waste Processing Facility as defined in 14 CCR Section 18982(a)(33). Per SB 1383, the High Diversion Organic Waste Processing Facility is a Facility that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average Mixed Waste organic content recovery rate of 50 percent between January 1, 2022 and December 31, 2024, and 75 percent after January 1, 2025 as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the “Mixed Waste collection stream” as defined in 14 CCR Section 17402(a)(11.5); or, as otherwise defined in 14 CCR Section 18982(a)(33).

1.68 Household Hazardous Waste (“HHW”)

“Household Hazardous Waste” or “HHW” means material used in residences that may threaten human health or the environment when improperly discarded and usually has one or more of the following characteristics: flammable, toxic, corrosive, and/or reactive.

1.69 Incompatible Materials

“Incompatible Material” or “Incompatibles” mean(s) human-made inert material, including, but not limited to, glass, metal, plastic, and also includes Organic Waste that the receiving end-user, Facility, operation, property, or activity is not designed, permitted, or authorized to perform Organic Waste recovery activities as defined in 14 CCR Section 18983.1(b), or as otherwise defined by 14 CCR Section 17402(a)(7.5).

1.70 Inerts

“Inerts” means materials such as concrete, soil, asphalt, and ceramics.

1.71 Large Event

“Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

1.72 Large Venue

"Large Venue" means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this Agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7 Chapter 12 and this Agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

1.73 Materials Recovery Facility ("MRF")

"Materials Recovery Facility" means a Department of Resources Recycling and Recovery (CalRecycle) permitted Solid Waste Facility where Solid Wastes or Recyclable Materials are sorted or separated for the purposes of Recycling, Processing or composting, and capable of guaranteeing a reduction in the amount of waste residue through the diversion of materials, including but not limited to papers, glass, plastic, metal, organics, wood products, or fiber board.

1.74 Mixed Waste

"Mixed Waste" means Mixed Waste Organic Collection Stream and Solid Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be Transported to a High Diversion Organic Waste Processing Facility.

1.75 Mixed Waste Organic Collection Stream

"Mixed Waste Organic Waste Collection Stream" means Organic Waste Collected in a Container that is required by 14 CCR Sections 18984.1, 18984.2, or 18984.3 to be taken to a High Diversion Organic Waste Processing Facility, or as otherwise defined in 14 CCR Section 17402(a)(11.5).

1.76 Mulch

"Mulch" means a layer of material applied on top of soil, and, for the purposes of the Agreement, Mulch shall conform with the following conditions, or conditions as

otherwise specified in 14 CCR Section 18993.1(f)(4):

- i. Meets or exceeds the physical contamination, maximum metal concentration, and pathogen density standards for land applications specified in 14 CCR Section 17852(a)(24.5)(A)(1) through (3).
- ii. Was produced at one or more of the following types of Facilities:
 - a) A compostable material handling operation or Facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under Division 7 of Title 14 of the CCR, other than a chipping and grinding operation or Facility as defined in 14 CCR Section 17852(a)(10);
 - b) A Transfer/Processing Facility or Transfer/Processing operation as defined in 14 CCR Section 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR, Division 7, Chapter 12; or,
 - c) A Solid Waste landfill as defined in PRC Section 40195.1 that is permitted under 27 CCR, Division 2.

1.77 Multi-Family Premises or Multi-Family Dwelling Units

"Multi-Family Premises" or "Multi-Family Dwelling Units" means any Residential Premises, with five or more dwelling units, that generally receive Collection service through the use of shared Bins, but may use Carts. Service is not dependent upon unit count unless specifically stated. A multifamily residential dwelling, or as otherwise defined in 14 CCR Section 18982(a)(6), is "commercial" for purposes of this Agreement.

1.78 Non-Compostable Paper

"Non-Compostable Paper" includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the Composting Process, or as otherwise defined in 14 CCR Section 18982(a)(41).

1.79 Non-Organic Recyclables

"Non-Organic Recyclables" means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section 18982(a)(43). Non-Organic Recyclables are a subset of Source Separated Recyclable Materials.

1.80 Organic Materials

“Organic Materials” means Yard Waste and Food Waste, individually or collectively. No Discarded Material shall be considered to be Organic Materials, however, unless it is separated from Recyclable Material and Solid Waste. Organic Materials are a subset of Organic Waste.

1.81 Organic Waste

“Organic Waste” means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, Yard Waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

1.82 Owner

"Owner" means the Person holding the legal title to the real property constituting the Premises to which Solid Waste Collection service is to be provided under this Agreement or the Person holding legal title to the Disposal Site.

1.83 Party or Parties

“Party” or “Parties” refers to the City and Franchisee, individually or together.

1.84 Person

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

1.85 Premises

"Premises" means any land, or building in City where Solid Waste is generated or accumulated.

1.86 Process, Processed, or Processing

“Processing” means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste including, but not limited to, organized, manual, automated,

or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

1.87 Prohibited Container Contaminants

“Prohibited Container Contaminants” means any of the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the City’s Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable Source Separated Green Container Organic Waste for the City’s Green Container; (iii) Discarded Materials placed in the Gray/Black Container that are acceptable Source Separated Materials and/or Source Separated Green Container Organic Waste to be placed in City’s Green Container and/or Blue Container; and (iv) Excluded Waste placed in any Container.

1.88 Proposition 218

"Proposition 218" means Articles XIII C and XIII D of the California Constitution and any implementing legislation promulgated thereunder, as amended, supplemented, superseded, and replaced from time to time.

1.89 Putrescible Waste

“Putrescible Waste” means wastes that are capable of being decomposed by micro-organisms with sufficient rapidity as to cause nuisances because of odors, gases, or other offensive conditions, and includes materials such as, but not limited to Food Waste, offal, and dead animals; or as otherwise defined in 14 CCR Section 17402(a)(21).

1.90 Rate Year

"Rate Year" means the period July 1 to June 30, for each year during the Term of this Agreement.

1.91 Recycling

“Recycling” or “Recycle” means the Process of Collecting, sorting, cleansing, treating, and reconstituting materials for the purpose of returning them to the economic mainstream in the form of raw material for new, Reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace. Recycling includes Processes deemed to constitute a reduction of landfill Disposal pursuant to 14 CCR, Division 7,

Chapter 12, Article 2. Recycling does not include gasification or Transformation as defined in Public Resources Code Section 40201.

1.92 Recyclable Materials

"Recyclable Materials" means those Discarded Materials that: the Generators set out in Recyclables Containers for Collection for the purpose of Recycling by the Franchisee and that exclude Excluded Waste. No Discarded Materials shall be considered Recyclable Materials unless such material is separated from Organic Materials, and Solid Waste. Recyclable Materials include material that has been source-separated from other forms of solid waste, whether or not there is a fee-for-purchase or a fee-for-hauling associated with the material. Recyclable Materials shall include, but not be limited to: newspaper (including inserts, coupons, and store advertisements); mixed paper (including office paper, computer paper, magazines, junk mail, catalogs, brown paper bags, brown paper, paperboard, paper egg cartons, telephone books, grocery bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, gable-top beverage containers, cereal, and other similar food boxes yet excluding paper tissues, paper towels, paper with plastic coating, paper contaminated with food, wax paper, foil-lined paper and cartons, Tyvek non-tearing paper envelopes); chipboard; corrugated Cardboard; glass containers of any color (including brown, clear, and green glass bottles and jars); aluminum (including beverage containers and small pieces of scrap metal); steel, tin, or bi-metal cans; mixed plastics such as plastic containers (no. one (1) to seven (7)), except expanded Polystyrene (EPS); bottles including containers made of HDPE, LDPE, or PET; film plastic (when clean, dry, and contained inside of a plastic bag); dry cell household batteries when placed on the Recycling Cart in a sealed heavy-duty plastic bag; and, those materials added by the Franchisee from time to time.

1.93 Refuse

"Refuse" means Solid Waste or debris, except sewage, Construction and Demolition Debris, Recyclable Materials, and/or Organic Waste placed in source-separated Containers for Collection.

1.94 Renewable Natural Gas (RNG)

"Renewable Natural Gas" or "RNG" means gas derived from Organic Waste that has been Diverted from a landfill and Processed at an in-vessel digestion Facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

1.95 Residential Premises or Residential Dwelling Units

“Residential Premises” or “Residential Dwelling Units” means a detached building, or each unit of a Multi-Family Premises, in which the residents utilize one or more Carts or trash cans, but not a common or shared Bin, for the temporary accumulation and Collection of Solid Waste. This includes every lot in the City upon which is situated one or more but not more than four dwelling units including planned development projects and any other parcel which has been improved with a "duplex" or "triplex" residential dwelling unit designated and used as living quarters by human beings.

1.96 Roll-off Box

“Roll-off Box” means Solid Waste Collection Containers of 10-yards or larger.

1.97 SB 1383

“SB 1383” means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time. For the purposes of this Agreement, SB 1383 specifically refers to the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.

1.98 Self-Hauler

“Self-Hauler” or “Self-Haul” means a Person who hauls Discarded Materials, recovered material, or any other material, to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste, as defined in 14 CCR Section 18982(a)(66)(A).

1.99 Sharps

“Sharps” means hypodermic needles, pen needles, intravenous needles, lancets, and other devices that are used to penetrate the skin for the delivery of medications.

1.100 Solid Waste

“Solid Waste” means Solid Waste as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, § 40191 and regulations promulgated hereunder. Excluded from the definition of Solid Waste are Excluded Waste, C&D, Source Separated Recyclable Materials, Source Separated Organic Materials, and radioactive waste. Notwithstanding any provision to the contrary, Solid Waste may include de minimis volumes or concentrations of waste of a type and amount normally found in Residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment, and Disposal of Household Hazardous Waste in compliance with Section 41500 and 41802 of the California Public Resources Code as may be amended from time to time. Solid Waste includes salvageable materials only when such materials are included for Collection in a Solid Waste Container not Source Separated from Solid Waste at the site of generation.

1.101 Solid Waste Handling Services

“Solid Waste Handling Services” means the Collection, storage, Transfer, Transport, Recycling, Processing, and Disposal of Solid Waste performed by by entities holding a valid residential and/or commercial collection permit in accordance with the Santa Fe Springs Municipal Code.

1.102 Source Separated

“Source Separated” means materials, including commingled Recyclable Materials, that have been separated or kept separate from the Refuse stream, at the point of generation, for the purpose of additional sorting or Processing of those materials for Recycling or reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Agreement, Source Separated shall include separation of materials by the Generator, property Owner, property Owner’s employee, property manager, or property manager’s employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray/Black Container Waste/Mixed Waste and other Solid Waste for the purposes of Collection and Processing.

1.103 Source Separated Blue Container Organic Waste

“Source Separated Blue Container Organic Waste” means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the Collection of those

Organic Wastes and Non-Organic Recyclables as defined in 14 CCR Section 18982(a)(43); or as otherwise defined by 14 CCR Section 17402(a)(18.7). SSBCOW is a subset of Organic Waste.

1.104 Source Separated Green Container Organic Waste

“Source Separated Green Container Organic Waste” (“SSGCOW”) or means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding Source Separated Blue Container Organic Waste, carpets, Non-Compostable Paper, and textiles. Source Separated Green Container Organic Waste is a subset of Organic Waste.

1.105 Source Separated Recyclable Materials

“Source Separated Recyclable Materials” means Source Separated Non-Organic Recyclables and Source Separated Blue Container Organic Waste. Source separated recyclable material shall be deemed contaminated if the container into which it has been placed contains more than ten percent of any other type of material (including but not limited to any mixed waste and/or any amount of hazardous waste). If a container is deemed "contaminated" it is therefore considered "Solid Waste" as defined under this Agreement.

1.106 Split Container or Split-Container

“Split Container” or “Split-Container” means a Container that is split or divided into segregated sections, instead of an entire Container, or as otherwise specified in 14 CCR, Division 7, Chapter 12, Article 3.

1.107 State

“State” means the State of California.

1.108 Subcontractor

“Subcontractor” means any Person, firm, or entity hired by Franchisee to carry out any of Franchisee’s duties under this Agreement as approved with express written consent of the City Manager or their designee.

1.109 Tier One Commercial Edible Food Generators

“Tier One Commercial Edible Food Generator” means a Commercial Edible Food

Generator that is one of the following, each as defined in 14 CCR Section 18982:

- A. Supermarket.
- B. Grocery Store with a total facility size equal to or greater than 10,000 square feet.
- C. Food Service Provider.
- D. Food Distributor.
- E. Wholesale Food Vendor.

If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

1.110 Tier Two Commercial Edible Food Generators

“Tier Two Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:

- A. Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
- B. Hotel with an on-site food facility and 200 or more rooms.
- C. Health facility with an on-site food facility and 100 or more beds.
- D. Large Venue.
- E. Large Event.
- F. A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
- G. A local education agency with an on-site food facility.

If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement.

1.111 Transformation

“Transformation” means incineration, pyrolysis, distillation, gasification, or biological conversion other than Composting. “Transformation” does not include Composting or biomass conversion. For purposes of diversion rate measurement, only waste sent to CalRecycle-permitted transformation facilities is used in diversion rate calculations. Transformation counts as disposal, except in special circumstances beginning in the year 2000, when limited amounts of waste sent to CalRecycle-permitted transformation facilities may count as diversion.

1.112 Transfer Station

“Transfer Station” means a Facility that receives Solid Waste from Collection vehicles and Transfers the material to larger vehicles for Transport to landfills and other destinations. Transfer Stations may or may not also include MRFs Transferring residual Refuse (Refuse left after the sorting of Recyclable Materials) to landfills and Recyclable Materials, including Organic Waste and/or Construction and Demolition Debris, to processors, brokers or end-users.

1.113 Transfer

“Transfer” means the act of Transferring the materials Collected by Franchisee in its route vehicles into larger vehicles for Transport to other Facilities for the purpose of Recycling or Disposing of such materials.

1.114 Transportation or Transport

“Transportation” or “Transport” means the act of conveying Collected materials from one location to another.

1.115 Universal Waste

“Universal Waste” or “U-Waste” means all wastes defined by 22 CCR Subsections 66273.1 through 66273.9. These include, but are not limited to, batteries, fluorescent light bulbs, mercury switches, and Electronic Waste.

1.116 Yard Waste

“Yard Waste” or “Green Waste” means leaves, grass clippings, brush, branches, and other forms of Organic Waste generated from landscapes or gardens, which have been Source

Separated from other Solid Waste. Yard Waste also includes holiday trees from which all tinsel, flock, base attachments and ornaments have been removed. Yard Waste is a subset of Organic Waste and excludes Hazardous Materials.

ARTICLE 2

GRANT AND ACCEPTANCE OF FRANCHISE

2.1 Grant and Acceptance of Franchise, Indemnity of Award

Subject to the terms and conditions of this Agreement (including but not limited to the exclusions set forth in Section 2.9 hereof) and Applicable Laws, and to the rights of State, county and school district facilities to use a solid waste enterprise other than Franchisee, City hereby acknowledges and reaffirms the previously granted Franchise, right and privilege to provide Solid Waste Handling Services at all Residential Premises within the boundaries of the City (the “Franchise”).

Franchisee agrees to and shall timely take all actions that are reasonably necessary to defend the validity and enforceability of this Agreement and shall pay all costs related to such defense. Franchisee shall defend, indemnify, protect and hold harmless, the City, its officers, agents and employees from any and all claims, actions or proceedings to attack, set aside, void, annul or seek monetary damages resulting from an approval by the City of this Agreement. The City shall promptly notify Franchisee of any such claim, action, or proceeding. The City and Franchisee shall meet in good faith in an effort to come to a mutual agreement for a joint defense; provided that the City shall be entitled to select legal counsel of its choice to conduct the defense if an agreement cannot be reached. Franchisee’s obligations to pay all costs, defend, indemnify, protect and hold harmless under this section shall not be altered in the event City retains separate counsel.

Franchisee hereby accepts the Franchise on the terms and conditions set forth in this Agreement.

2.2 Reserved.

2.3 Effective Date

The Effective Date of this Agreement shall be the date on which the latter of the two Parties signs this Agreement, and of that date, this Agreement shall supersede and replace the existing agreement in its entirety.

This Agreement shall become effective at the Effective Date. However, the provision of Solid Waste Handling Services, imposition of Customer rates, payment of City fees, and actual Collection services by Franchisee shall commence on February 2, 2026, as described in Section 2.4. Franchisee understands and agrees that the interim time between the Effective Date and February 2, 2026, is intended to provide Franchisee with ample and sufficient time to, among other things, order equipment, prepare necessary routing schedules and route maps, obtain any permits and licenses, establish/build Facilities, obtain required service agreements, begin the public awareness campaign as part of Franchisee's transition program as specified in this Agreement, and undertake a Proposition 218 hearing process for purposes of adopting the initial Maximum Rates at Exhibit 2.

2.4 Term of Agreement

The term of this Agreement shall commence on the Effective Date. Solid Waste Handling services under this Agreement shall commence at midnight February 2, 2026, and expire at 11:59 P.M. December 31, 2035 subject to extension as provided herein. Notwithstanding the foregoing, the unexcused failure or refusal of Franchisee to perform any material term, covenant, obligation or condition contained in this Agreement shall give rise to the right, in favor of City, for earlier termination of this Agreement for cause in accordance with the procedures elsewhere contained herein.

2.5 Option to Extend Term

City shall have the sole option to extend this Agreement up to two additional three-year periods. The City may, upon 90-day advance written notice to the Franchisee prior to Agreement expiration, exercise the extension option. If such extension notice is provided by City, the Agreement will automatically renew three additional years, unless City gives Franchisee a 60-day written notice of expiration.

2.6 Representations and Warranties of Franchisee

Franchisee hereby covenants, represents, and warrants the following to City for the purpose of inducing City to enter into this Agreement and to consummate the transaction contemplated herein, all of which shall be true as of the date of this Agreement and as of the Effective Date:

Franchisee is wholly owned by Universal Waste Systems, Inc. a corporation duly organized and validly existing as a corporation under the laws of the State of California.

Neither the execution of this Agreement nor the delivery by Franchisee of services, nor the performance by Franchisee of its obligations hereunder: (1) conflicts with, violates, or results in a breach of any Applicable Law; (2) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, agreement (including, without limitation, the certificate of incorporation of Franchisee) or instrument to which Franchisee is a Party or by which Franchisee or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument; or (3) will result in the creation or imposition of any encumbrance of any nature whatsoever upon any of the properties or assets of Franchisee.

There is no action, suit, or other proceeding as of the date of this Agreement, at law or in equity, or to the best of Franchisee's knowledge, any investigation, before or by any court or governmental authority, pending or threatened against Franchisee or which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Agreement or any such agreement or instrument entered into by Franchisee in connection with the transactions contemplated hereby, or which could materially and adversely affect the ability of Franchisee to perform its obligation hereunder or which would have a material adverse effect on the financial condition of Franchisee.

Franchisee has no knowledge of any Applicable Law in effect as of the date of this Agreement that would prohibit the performance by Franchisee of its obligations under this Agreement and the transactions contemplated herein.

Franchisee has made an independent investigation, satisfactory to it, of the conditions and circumstances surrounding this Agreement and the work to be performed by it, and is satisfied that those conditions and circumstances will not impair its ability to perform the work and provide the Collection services required by this Agreement.

The information supplied by Franchisee in all submittals made to the City, including those in connection with the existing agreement and the negotiation and execution of this Agreement, including all materials in Exhibits of this Agreement, and all representations and warranties made by Franchisee throughout this Agreement, remain true, accurate, correct and complete in all material respects on and as of the Effective Date of this Agreement. Franchisee understands and agrees that inaccuracies in its Proposal, such as

material omissions of past and pending litigation as requested under the Request for Proposals through which the existing agreement was procured, are grounds for termination of this Agreement.

Franchisee's representative, designated in Section 5.2.4, shall have authority in all daily operational matters related to this Agreement. City may rely upon action taken by such designated representative as action of Franchisee unless the actions taken are not within the scope of this Agreement.

2.7 Conditions to Effectiveness of Agreement

The obligation of City to permit this Agreement to become effective and to perform its undertakings provided for in this Agreement is subject to the satisfaction of each and all of the conditions set out below, each of which may be waived in whole or in part by City.

- a) Accuracy of Representations. Representations and warranties made by Franchisee throughout this Agreement are accurate, true and correct on and as of the Effective Date of this Agreement.
- b) Absence of Litigation. There is no litigation pending in any court challenging the award of this Franchise to Franchisee or the execution of this Agreement or seeking to restrain or enjoin its performance.
- c) Furnishing of Insurance and Bonds. Franchisee has furnished evidence of the insurance and bonds required by Article 9.
- d) Effectiveness of City Council Action. City's Ordinance approving this Agreement shall have become effective pursuant to California law prior to the Effective Date.
- e) Franchisee shall have paid the Contracting Fee to City, as provided in Section 3.1.

2.8 Delegation of Authority

The administration of this Agreement by the City shall be under the supervision and direction of the City Manager's office and the actions specified in this Agreement, unless otherwise stated, shall be taken by the City Manager, or his or her designee.

2.9 Limitations to Scope

Notwithstanding any provision to the contrary contained herein, the exclusive Franchise,

right and privilege to provide Solid Waste Handling Services at Premises within City granted to Franchisee by this Agreement specifically excludes the following services, which services may be provided by Persons other than Franchisee and which may be the subject of other permits, licenses, franchises or agreements issued or entered by City:

- a) Recyclable and Organic Materials. Other Persons shall maintain the right to: (1) accept Source Separated Recyclable Materials and Source Separated Organic Waste donated from the service recipient, or (2) to pay the service recipient for Source Separated Recyclable Materials and Source Separated Organic Waste provided that there is no net payment made by the service recipient to such other Person.
- b) Donated or Sold Materials. Any items which are Source Separated at any Premises by the Generator and sold or donated to other Persons, including youth, civic, or charitable organizations.
- c) Solid Waste, including Recyclable Materials and/or Organic Waste, which is removed from any Premises by the Waste Generator, and which is Transported personally by such Generator (or by his or her full-time employees, but not a Subcontractor) to a Solid Waste Facility in a manner consistent with all Applicable Laws and regulations;
- d) Yard Waste removed from a Premises by a gardening, landscaping, or tree trimming company, utilizing its own equipment, as an incidental part of a total service offered by that company rather than as a hauling service;
- e) The Collection, Transfer, Transport, Recycling, Processing, and Disposal of animal remains from slaughterhouse or butcher shops for use as tallow;
- f) The Collection, Transfer, Transport, Recycling, Processing, and Disposal of by-products of sewage treatment, including sludge, sludge ash, grit and screenings;
- g) The Collection, Transfer, Transport, Recycling, Processing, and Disposal of Hazardous Material, Household Hazardous Waste and radioactive waste regardless of its source;
- h) Construction and Demolition Debris which is removed by an Owner-Builder or their duly-licensed construction or demolition company or as part of a total service offered by said licensed company or by the City, where the licensed company utilizes its own equipment;

- i) The Collection, Transfer, Transport, Recycling, Processing and Disposal of automobiles and automobile parts by vehicle dismantlers or Owners of vehicle salvage yards;
- j) The Collection, Transfer and Transport of clean dirt;
- k) Containers delivered for Recycling under the California Beverage Container Recycling Litter Reduction Act, Section 14500, et. seq. California Public Resources Code;
- l) The Collection, Transfer, Transport, Recycling, Processing, and Disposal of Solid Waste by City through City officers or employees in the normal course of their City employment;
- m) Solid Waste Handling Services for governmental agencies other than City, which may have facilities in City, but over which City has no jurisdiction in connection with the regulation of Solid Waste; and,
- n) Food Waste or other Organic Waste Diverted from Disposal removed from a Premises and delivered to hog farms or to other Premises for use as animal feed; and,
- o) Edible food removed from a Premises and recovered for human consumption.
- o) Other Services; Niche Recycling Services. City reserves the right to enter into agreements with other entities for other Solid Waste and Recycling services not provided for in this Agreement, including, but not limited to Disposal of Green Waste produced by City's landscape maintenance operations and "niche" Recycling services which Franchisee fails to provide. In the event another solid waste enterprise proposes to provide niche Recycling services, e.g., Collection of used water heaters, Franchisee shall have the right to submit a proposal to provide the niche Recycling services at a price equal to or lower than the price proposed by the solid waste enterprise.

Franchisee acknowledges and agrees that City may permit other Persons besides Franchisee to Collect any or all types of the Solid Waste listed in this Section 2.9 as exempt from Franchisee's Franchise, including Recyclable Materials, without seeking or obtaining approval of Franchisee under this Agreement.

This grant to Franchisee of a Franchise, right and privilege to Collect, Transport, or Process and Dispose of Solid Waste shall be interpreted to be consistent with all Applicable Laws, now and during the term of the Franchise, and the scope of this

Franchise shall be limited by current and developing Applicable Laws with regard to Solid Waste Handling, Franchise, control of Recyclable Materials, Organic Waste, Solid Waste flow control, and related doctrines. In the event that future interpretations of current law, enactment or developing legal trends limit the ability of City to lawfully provide for the scope of Franchise services as specifically set forth herein, Franchisee agrees that the scope of the Franchise will be limited to those services and materials which may be lawfully provided for under this Agreement, and that City shall not be responsible for any lost profits claimed by Franchisee to arise out of further limitations of the scope of the Agreement set forth herein. In such an event, it shall be the responsibility of Franchisee to minimize the financial impact to other services being provided as much as possible.

2.10 City's Right to Direct Changes

2.10.1 General

City may direct Franchisee to perform additional services (including new Diversion programs, etc.) or modify the manner in which it performs existing services or bills for services. Pilot programs and innovative services which may entail new Collection methods, and different kinds of services and/or new requirements for Generators are included among the kinds of changes which City may direct. Franchisee acknowledges that State law may increase the Diversion requirement during the term of this Agreement and Franchisee agrees to propose services to meet such Diversion requirements. Franchisee shall be entitled to an adjustment in its Franchisee's compensation for providing such additional or modified services, if Franchisee demonstrates that its cost of service would increase. Any adjustment will be subject to meeting the provisions of Proposition 218. City may utilize cost components included in the Franchisee's Proposal in calculating equitable rate adjustments. If Franchisee cannot receive agreed to compensation due to Proposition 218 restrictions, Franchisee will not be required to implement additional services.

2.10.2 Diversion Programs

Franchisee shall present, within thirty (30) days of a request to do so by City, a proposal to provide additional or expanded Diversion services. The proposal shall contain a complete description of the following:

- Collection methodology to be employed (equipment, manpower, etc.).
- Transfer and Processing methods to be used in compliance SB 1383.

- Facilities utilized.
- Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- Labor requirements (number of employees by classification).
- Type(s) of Containers to be utilized.
- Type(s) of material to be Collected.
- Provision for program publicity/education/marketing.
- Projection of annual financial results of the program's operations in an operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.

2.10.3 City's Right to Acquire Services

Franchisee acknowledges and agrees that City may permit other Persons besides Franchisee to provide additional Solid Waste services whether or not otherwise contemplated under this Agreement. The City may solicit proposals from Franchisee and/or other persons to provide such additional Solid Waste services not contemplated under this Agreement. If pursuant to this Section 2.10.3, Franchisee and City cannot agree on terms and conditions of such services within ninety (90) days from the date when City first accepts a proposal from Franchisee to perform such services, or compensation cannot be provided due to Proposition 218 restrictions Franchisee acknowledges and agrees that City may permit Persons other than Franchisee to provide such services.

2.10.4 Flow Control Option

City has the option to provide written direction to the Franchisee specifying a Facility for handling, Processing, and Disposal of Solid Waste, Recyclable Materials, Organic Waste, and other Discarded Materials. If City directs Franchisee to a Facility other than an Approved Facility listed in this Agreement, or otherwise requested by Franchisee, and in doing so it adversely affects the ability of the Franchisee to meet either or both of the requirements of Section 9.3 and Section 4.5, then in this event the City and Franchisee shall meet and confer and mutually agree on revised obligations for Sections 9.3 and 4.5. The foregoing notwithstanding, in the event City directs Franchisee to a Facility other than an Approved Facility listed in this Agreement or otherwise requested by Franchisee, then a rate adjustment may be implemented based upon any demonstrable increase or decrease in costs associated with handling, Processing, Disposal and Transportation, subject to

Proposition 218.

In the event City so notifies Franchisee of its desire to cease exercising its flow control option, Franchisee shall submit for approval by the City, following the requirements of Exhibit 8, Section 8.1.F, any Disposal Facility, C&D Processing Facility, High Diversion Organic Waste Processing Facility, Organic Waste Processing Facility, Source Separated Recyclable Materials Processing Facility, or Transfer Facility, provided the use of such Facility by Franchisee enables it to meet all other requirements of this Agreement and State law. The Facilities will then become the Approved Facilities.

2.11 Ownership of Solid Waste

Unless otherwise provided by law, once Solid Waste is placed in Containers and properly placed at the designated Collection location, ownership and the right to possession shall Transfer directly from the Generator to Franchisee by operation of this Agreement. Subject to Franchisee's objective to meet the source reduction and Recycling goals which apply to City and City's right to direct Franchisee to Process and dispose of Solid Waste at a particular licensed Solid Waste Facility or to dispose of Solid Waste at a particular licensed Disposal Site, if and only if City exercises such right by providing specific written direction to Franchisee, Franchisee is hereby granted the right to retain, Recycle, Process, Dispose of, and otherwise use such Solid Waste, or any part thereof, in any lawful fashion or for any lawful purpose desired by Franchisee; this does not impact Franchisee's right to retain Recyclable Materials revenue under Section 4.6. Subject to the provisions of this Agreement, Franchisee shall have the right to retain any benefit resulting from its right to retain, Recycle, Process, Dispose of, or reuse the Solid Waste, Organic Waste, and Recyclable Materials which it Collects. Solid Waste, Organic Waste, and Recyclable Materials, or any part thereof, which is disposed of at a Disposal Site or sites (whether landfill, Transformation Facility, Transfer Station, Organic Waste Processing Facility or Material Recovery Facility) shall become the property of the Owner or operator of the Disposal Site(s) once deposited there by Franchisee. City may obtain ownership or possession of Solid Waste placed for Collection upon written notice of its intent to do so, however, nothing in this Agreement shall be construed as giving rise to any inference that City has such ownership or possession unless such written notice has been given to Franchisee.

2.12 Franchisee Status

Franchisee represents and warrants that it is duly organized, validly existing and in good standing under Applicable Laws. It is qualified to transact business in the State of

California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

2.13 Franchisee Authorization

Franchisee represents and warrants that it has the authority to enter into and perform its obligations under this Agreement. The Board of Directors or partners of Franchisee (or the shareholders, if necessary) have taken all actions required by Applicable Law, its articles of incorporation, and its bylaws or otherwise, to authorize the execution of this Agreement. The Persons signing this Agreement on behalf of Franchisee have authority to do so. Franchisee shall authorize one of its employees as a single point of contact for the City for issues arising under this Agreement. City may accept that this employee's actions are taken on behalf of and with the full approval of the Franchisee.

2.14 Reserved.

2.15 Mandatory Service

At all times during the term of this Agreement, the City shall require the Owner of each occupied Premises where Solid Waste is produced to subscribe to the Collection service provided for in this Agreement and in Chapter 50 of the Santa Fe Springs Municipal Code.

2.16 Permits and Licenses

Franchisee shall acquire and maintain all necessary permits and licenses for the Collecting, Transporting, Processing, and storing of Solid Waste, Recyclable Materials and Organic Waste, disposing of Solid Waste, and the Recycling of Recyclable Materials as required under this Agreement. Franchisee currently holds a valid permit issued by the City pursuant to Santa Fe Springs Municipal Code Section 50.202. Failure to maintain all required permits shall be deemed a material breach of contract for which City may terminate this Agreement as provided in Article 11. Franchisee must follow requirements of the Santa Fe Springs Municipal Code, including, but not limited to, obtaining a City of Santa Fe Springs business license.

ARTICLE 3

FRANCHISE FEE, AB 939/SB 1383 FEE, & ADMINISTRATIVE FEE

In addition to any other consideration set forth herein, as part of its consideration for entering into this Agreement, and for the Franchise, right and privilege to provide Solid Waste Handling

Services as specified herein, Franchisee shall provide the following:

3.1 Contracting Fee

Franchisee shall pay to City a Contracting Fee in a one-time lump sum payment of Thirty Thousand Dollars (\$30,000) within seven (7) days of execution of this Agreement to reimburse the City for its staff time, including consultant and legal fees, and out-of-pocket costs of awarding the Franchise.

3.2 Franchise Fee

Franchisee shall pay to City a Franchise Fee in the amount of fifteen percent (15%) of gross Revenues (or another amount as provided in Sections 3.2.1 and 3.7). Concurrent with each Franchise Fee payment, Franchisee shall provide an accounting worksheet showing the amount, if any, of delinquent Customer accounts. The Franchise Fee was the product of extensive negotiation and represents the Parties' estimate of the reasonable value of the Franchise.

3.2.1 Adjustment to Franchise Fee

City may adjust the amount of the Franchise Fee annually, with fee increases permitted only to the extent such an increase can be included in the approved rates. Subject to meeting the provisions of Proposition 218, such adjustment shall be reflected in the rates that Franchisee is allowed to charge and collect from Customers in accordance with Article 6 of this Agreement.

3.3 AB 939/SB 1383 Regulatory Reimbursement

Franchisee shall pay to City an AB 939/SB 1383 Regulatory Reimbursement in the amount of one and three-quarter percent (1.75%) of Gross Revenues (or another amount as provided in Section 3.7). The City shall use the AB 939/SB 1383 Regulatory Reimbursement to offset expenses, including but not limited to, staffing costs related to City programs, pilot studies, education and outreach campaigns, technical assistance to Customers, reporting, compliance, enforcement, or other activities involved in compliance with AB 939/SB 1383 Regulations. The City shall retain the sole right to set priorities for the use of its AB 939/SB 1383 Regulatory Reimbursement.

3.4 Administrative Fee

In order to offset a portion of the City's costs to administer this Agreement, Franchisee shall pay to the City an Administrative Fee in the amount of Four-Thousand One

Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$4,166.67) per month as adjusted herein. The Administrative Fee shall be paid over the course of each Rate Year, beginning with the Rate Year starting July 1, 2029 due under the terms of Section 3.6.

3.5 Annual Adjustment to AB 939/SB 1383 Regulatory Reimbursement and Administrative Fee

The amount of the AB 939/SB 1383 Regulatory Reimbursement and Administrative Fee shall be adjusted automatically at the beginning of each Rate Year by a percentage equal to the annual percentage increase, if any, average annual change to CPI for the twelve (12) months ending December of the previous calendar year. If there is no increase in the CPI or if the CPI decreases, the AB 939/SB 1383 Regulatory Reimbursement and Administrative Fee shall remain unchanged from the previous Rate Year.

3.6 Time and Method of Franchise Fee, AB 939/SB 1383 Regulatory Reimbursement, and Administration Fee Payments to City

On or before 3 p.m. on the twenty-eighth (28th) day following the end of each calendar month, during the Term of this Agreement, Franchisee shall remit to City the Franchise Fee, AB 939/SB 1383 Regulatory Reimbursement, and Administrative Fee, as described in Sections 3.2, 3.3, and 3.4. The fee payments shall be submitted with an itemized statement identifying the amount of each fee. If the fees are not paid to the City on or before the twenty-eighth (28th) day following the end of the calendar month, interest shall accrue at the rate of 18% (eighteen percent) per annum.

Each monthly Franchise Fee remittance to City shall be accompanied by a statement detailing Gross Revenue from Customers direct-billed by Franchisee for the period covered from all operations conducted or permitted, pursuant to this Agreement. In addition, Franchisee shall maintain copies of all Billing and Collection records for five (5) years, following the date of Billing, for inspection and verification by City at any reasonable time upon request.

3.7 Other Fees

City shall reserve the right to set other fees, or further adjust the Franchise Fee, AB 939/SB 1383 Regulatory Reimbursement and Administrative Fee beyond the regular annual adjustments described above as it deems necessary, to the extent that such further adjustments are also included in the adjustments to the approved rates.

3.8 Discontinuance of Fees

In event one or more of the fees described in Sections 3.2, 3.3, or 3.4 are discontinued during the term of this Agreement including Agreement extensions granted by the City, Customer rates will be reduced based on the amount of the discontinued fee(s).

ARTICLE 4 DIRECT SERVICES

4.1 Services to be Provided by Franchisee - General

The work to be done by Franchisee pursuant to this Agreement shall include, but not be limited to, the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Franchisee of the duty to furnish all others, as may be required, whether enumerated elsewhere in the Agreement or not.

The work to be done by Franchisee pursuant to this Agreement shall be accomplished in a thorough and professional manner so that the residents within City are provided reliable, courteous, and high-quality Solid Waste Collection at all times. The enumeration of, and specification of requirements for, particular aspects of service quality shall not relieve Franchisee of the duty of accomplishing all other aspects in the manner provided in this section, whether such other aspects are enumerated elsewhere in the Agreement or not.

All Collection systems shall comply with CalRecycle requirements under SB 1383 as described in Exhibit 9 (attached).

4.2 Residential Services

4.2.1 Residential Cart Collection

Franchisee shall provide all Customers at Residential and Multi-Family Premises without Bin Service with 96-gallon Cart Service sufficient for each Customer's volume of Solid Waste. Customers may select 65-gallon Carts for convenience at the same rate as the 96-gallon service. See Section 4.7.4.1 for Cart selection procedures. For new Customers that are added after the initial Container roll-out, the 96-gallon Cart shall be the default size unless the Customer requests a smaller size. Collection frequency shall be not less than

once per week from Franchisee-provided Carts placed at a suitable location, which is typically on the curb, but may be in the street against the curb or in the alley. If there is a dispute between Customer and Franchisee as to whether Cart or Bin service shall be provided, or the proper location for Cart placement, City will make the final determination.

4.2.2 Additional Carts

Cart Customers that regularly require more than one Refuse, Recycling, or Organics Cart may request additional Carts for an additional charge per Cart per month in accordance with the approved rate schedule.

4.2.3 Residential Collection Services – See Exhibit 9

4.2.4 Holiday Tree Collection Program

Franchisee shall Collect all holiday trees discarded by Residential and Multi-Family Premises Customers on the regularly scheduled weekly Collection days for three (3) weeks following December 25 at no additional charge. After this period, trees will be Collected as Bulky Items under Section 4.2.6. Holiday trees must be removed from stands; cut into lengths no longer than six (6) feet; and, be free of ornaments, garlands, tinsel, flocking, or other decorations. The Franchisee shall not be required to Collect holiday trees that do not meet the aforementioned criteria. The Franchisee shall affix a non-Collection notice to any non-Collected tree informing the Customer of the reason(s) for non-Collection. Franchisee may charge City-approved Rates to return and Collect a previously non-Collected holiday tree that has been corrected and set out. Franchisee shall Process all holiday trees that are properly set out for Collection as Organic Waste in accordance with Exhibit 8.

4.2.5 Reserved.

4.2.5.1 Qualified Disabled Cart Customers

Franchisee shall provide disabled Cart Customers with backyard service at no additional charge. Franchisee will remove Refuse, Recyclable Materials and Organic Waste Carts and Yard Waste bundles from Customer's outdoor storage area, place the Carts out for Collection, and return Containers to Customer's outdoor storage area (which shall not be a public right-of-way or street) after Collection, ensuring that all doors or gates are closed securely. Franchisee shall not enter garages.

To be eligible for this service, the Cart Customer shall provide a letter to Franchisee from a licensed physician certifying that he or she is unable to move his/her Carts to the curb. For all forms of eligibility, Customer must certify that there is no other capable Person living in the Residential Premises. Franchisee may require each eligible Person to provide a new letter from a physician on an annual basis in order to maintain eligibility for backyard service.

Authorization for residents to participate in this optional program shall come from the Franchisee and information on this option shall be provided to Customers by the Franchisee upon request. Franchisee shall notify all residents of this optional program with the Cart selection notice required by Section 4.7.4.1.A, and annually thereafter. Franchisee shall submit, for approval, a draft notification to City prior to distribution to Customers. New Customers shall be notified of this option upon requesting service.

4.2.5.2 Non-Qualified Cart Customers

Non-qualified Cart Customers may request backyard service and shall pay the Non-qualified backyard service rates included in the approved rate schedule.

4.2.6 On-Call Bulky Item Pickup

Franchisee shall provide Bulky Item pickup service to all Residential and Multi-Family Premises Cart Customers. Each Residential Premises Cart Customer, shall be entitled to Five (5) Bulky Item pickups per calendar year at no additional charge. Multi-Family Premises with Bin service are entitled to the equivalent of one Bulky Item pickup per calendar year for each dwelling unit in the building, at no additional charge; either Owner, manager or individual dwelling units may request service. Multi-Family Premises Bulky Item pickups are a total count for the entire Multi Family complex; Multi-Family complexes may allocate the Bulky Item pickups as needed among individual tenants. Multi-Family Bulky Items Collection location shall be determined by hauler and property manager.

Customers may put out up to ten (10) Bulky Items at each pickup, or ten (10) bags of Yard Waste. Franchisee may instruct Customers to provide Franchisee with a minimum of one business day's (excluding Saturday, Sunday and holidays listed in Section 4.7.1) notice for the items which shall be Collected on the Customer's regular Collection day. Franchisee shall Collect all Bulky Items as defined in Section 1.23 including items referred to as Electronic Waste or "E-Waste" as defined in Section 1.47, and Universal Waste or "U-Waste" as defined in Section 1.115. The following provisions shall apply to this

program:

- No single item that cannot be handled by two workers will be accepted.
- The following items will not be picked up: Hazardous Materials, including waste oil or anti-freeze. For the purposes of this section, Universal Wastes such as fluorescent bulbs, household batteries, and televisions, monitors and other items referred to as "E-Waste" are not considered hazardous and will be Collected by and disposed of in accordance with this section as well as Sections 4.2.7 and 4.2.8 by Franchisee.

Residential Premises and Multi-Family Premises Customers that exceed the number of free pickups may be charged the Residential/Multi-Family Bulky Item fee included in the approved rate schedule.

Franchisee will notify all Residential Premises Customers annually, beginning within thirty (30) days of effectiveness of this Agreement, of this service. New Customers shall be notified of this service upon request of Collection services.

4.2.7 Bulky Item Diversion

Bulky Items Collected by Franchisee in accordance with Section 4.2.6, or otherwise Collected under this Agreement, may not be landfilled or disposed of until the following hierarchy of Diversion efforts has been followed by Franchisee:

- 1) Reuse as is
- 2) Disassemble for reuse or Recycling
- 3) Transport Bulky Items and reusable items to the appropriate Approved Facility for Reuse, Processing
- 4) Transport Yard Waste to the Approved Organic Waste Processing Facility for Processing
- 5) Transport paper products to the Approved Source Separated Recyclable Materials Processing Facility for Processing
- 6) Disposal

This hierarchy is intended to preclude the use of front or rear loading packer vehicles for

Bulky Items unless the compaction mechanism is not used to compact the Bulky Items, unless they have been designated for Disposal.

Franchisee shall ensure that Bulky Items containing freon, such as refrigerators, freezers and dehumidifiers, are safely dismantled, and hazardous/toxic materials are Disposed of in accordance with Applicable Law.

4.2.8 Diversion of Electronic, Universal and Other Special Wastes

Franchisee shall Divert waste requiring special handling, such as Electronic Waste, or “E-Waste,” and Universal Waste or “U-Waste,” Collected in accordance with Sections 4.2.6 and 4.2.7, or by other means under this Agreement, by taking these goods to a properly permitted Facility, and not by landfilling.

Franchisee may encourage Customers through public education materials to bring small items requiring special handling, such as fluorescent bulbs or batteries, to a local HHW drop-off center, but will properly Process such material received through the provision of services under this Agreement at no additional charge.

4.2.9 Sharps Collection Program

Franchisee shall provide Customers, at no additional charge, within one week of request, a pre-paid, postage-paid mail-back container to safely collect Sharps and send Sharps for proper Disposal. Franchisee shall also make Sharps containers available at pick-up location in the City as an alternative for the Customer. Residents are limited to four (4) containers at no additional charge per year. Each container shall be of adequate volume to accommodate the needs of a diabetic Person for a three month period.

4.2.10 Reserved.

4.3 Other Services

4.3.1 Roll-off Box Service

Franchisee shall provide exclusive temporary Roll-off Box Collection service upon request for Collection of Solid Waste. Franchisee must deliver a temporary Roll-off Box to a Customer within one business day (excluding Saturday, Sunday and holidays listed in Section 4.7.1) of request. Franchisee may not charge for any services not listed in the rate schedule without prior approval of the City.

Franchisee will provide standard 10-, 20-, 30- and 40-cubic-yard standard Roll-off Boxes.

The provision of Compactor Roll-off Boxes, which are enclosed Containers attached to a compaction devise, is not included in this Agreement. Providing service to such Compactor Roll-off Boxes is included.

4.3.2 Temporary Bin Service

Franchisee shall provide exclusive temporary Bin Service to Customers upon request for Collection of Solid Waste. Franchisee must deliver a temporary Bin to a Customer by the following business day (excluding Saturday, Sunday or holidays listed in Section 4.7.1), if requested by 12:00 noon; otherwise delivery shall be no later than the second day. Rates for temporary Bin Service are listed separately in the approved rate schedule.

4.3.3 Overflowing Containers

Customers that regularly produce more Solid Waste than their current level of service can accommodate may have their service level increased in accordance with the following procedure:

A. First Incident in Three Month Period. If more material is placed for Collection than fits in a Container or Cart, Franchisee shall photograph the overflowing Container, Collect the Solid Waste, and send to the Customer (at both the service and billing addresses) the picture and a letter instructing that the next instance of an overflowing Container may result in a charge, and possibly in an increase in the level of service. Franchisee may charge the Customer the Bin or Cart overage fee included in the approved rate schedule. If the Container overflowed sufficiently to require the driver to leave the Collection vehicle to clean around the Container, Franchisee may charge the Container overage cleanup fee in the approved rate schedule.

B. Second Incident in Three Month Period. Upon the second event of an overfilled Bin or Cart in a three-month period, Franchisee shall photograph the overflowing Container, Collect the Solid Waste, and send to the Customer the picture and a letter instructing that a third incident in that same three month period may result in an increase in the level of service. If the Container overflowed sufficiently to require the driver to leave the Collection vehicle to clean around the Container, Franchisee may charge the Container overage cleanup fee in the approved rate schedule. If Refuse was left beside the Cart for Collection Franchisee may charge the Bin or Cart overage fee in the approved rate schedule.

C. Third Incident in Three Month Period. Upon the third event of an overfilled Bin or

Cart in a three-month period, Franchisee shall photograph the overflowing Container, Collect the Solid Waste, and send to the Customer the picture and a letter notifying Customer of an increase in its service level. If the Container overflowed sufficiently to require the driver to leave the Collection vehicle to clean around the Container, Franchisee may charge the Bin or Cart overage cleanup fee in the approved rate schedule. If Solid Waste was left beside the Cart for Collection Franchisee may charge the Bin or Cart overage fee in the approved rate schedule.

In the event that this section gives rise to a dispute between Franchisee and a Customer, City shall settle the dispute in accordance with Section 5.2.3.

4.3.4 Holiday Tree Collection Program

Franchisee shall Collect all holiday trees discarded by Residential Customers on the regularly scheduled weekly Collection days for three (3) weeks following December 25, at no additional cost. After this period, trees will be Collected as Bulky Items under Section 4.2.6. Trees up to six (6) feet in length will be Collected and Diverted without requiring Customers to cut them. Franchisee may request that Customers with larger trees cut the trees to pieces no longer than six (6) feet and that tinsel, ornaments and stands be removed prior to placement at Collection point (curb, beside Bin or as otherwise determined by Customer and Franchisee). Trees larger than six (6) feet, which have not been cut by Customer in pieces six (6) feet or less, shall be Collected as Bulky Items under Section 4.2.6. Franchisee shall Process all holiday trees that are properly set out for Collection as Organic Waste in accordance with Exhibit 8. Holiday trees with flocking, tinsel, ornaments or stands attached may be landfilled.

4.3.5 Return Trip Fee

Franchisee shall Collect all holiday trees discarded by Residential Customers on the regularly scheduled weekly Collection days for three (3) weeks following December 25, at no additional cost. After this period, trees will be Collected as Bulky Items under Section 4.2.6. Trees up to six (6) feet in length will be Collected and Diverted without requiring Customers to cut them. Franchisee may request that Customers with larger trees cut the trees to pieces no longer than six (6) feet and that tinsel, ornaments and stands be removed prior to placement at Collection point (curb, beside Bin or as otherwise determined by Customer and Franchisee). Trees larger than six (6) feet, which have not been cut by Customer in pieces six (6) feet or less, shall be Collected as Bulky Items under Section 4.2.6. Franchisee shall Process all holiday trees that are properly set out for Collection as Organic Waste in accordance with Exhibit 8. Holiday trees with flocking,

tinsel, ornaments or stands attached may be landfilled.

4.4 City Services

4.4.1 Reserved

4.4.2 City Sponsored Events

Franchisee shall provide Solid Waste, Source Separated Recyclable Materials, and Source Separated Organic Waste Collection and Disposal/Processing service for City- sponsored events at no additional charge to City or ratepayers. This shall include providing Refuse Containers (Carts, Bins, Roll-off Boxes, and cardboard waste boxes with liners) to Collect and Dispose of, or Process, all Refuse. Franchisee shall provide Collection Containers for the Collection of Source Separated Recyclable Materials, and Source Separated Organic Waste. All events listed below are annual unless otherwise documented. City-sponsored events include, but are not limited to:

- Concerts in the Park
- 4th of July Celebration
- Fiestas Octubres
- Santa Fe Springs Art-fest
- Christmas Tree Lighting

4.4.3 Neighborhood Cleanups

Franchisee shall supply up to six (6) forty (40) yard Roll-off Containers and Containers in additional sizes per Rate Year for the Collection of Refuse, Recyclable Materials, and Organic Waste for four (4) City sponsored neighborhood cleanups annually, at no additional cost to City.

Dates and locations of events shall be determined by City. City staff shall inform Franchisee of the date and location for each neighborhood cleanup. If the City does not use its four (4) neighborhood clean ups in a given year, any unused cleanups shall roll over and be available for use in the following calendar year.

All material Collected must be Transferred, Processed, and/or Disposed in accordance with Exhibit 8.

4.4.4 Shredding Service Event

Franchisee shall provide an on-site mobile shredding service for use by City residents (a “Shredding Event”) one (1) time per calendar year at no additional charge to City or City residents. The Shredding Event shall be provided at a date, time, and location designated and approved by the City’s designee, the Director of Public Works, in his or her reasonable discretion, and should be for a minimum of three (3) hours in duration. In the event inclement weather prevents a Shredding Event from occurring, Franchisee shall reschedule the Shredding Event to a date, time and location designated and approved by the City’s designee. The Shredding Event shall be conducted at Franchisee’s sole cost and expense, utilizing equipment, personnel, and methods appropriate for such event, as approved by the City’s designee. Prior to each Shredding Event, Franchisee shall coordinate with City staff and/or public safety personnel to make arrangements for safe, convenient, and effective access to and participation by City residents in the Shredding Event, and shall procure all necessary insurance coverage. Each Shredding Event shall be designed to accommodate up to a maximum of five (5) “Bankers” boxes of paper or other media suitable for shredding from each Residential and Multi-Family Premises Customer within the City that is participating in the Shredding Event. Residents participating in the Shredding Event must be able to visually observe the materials they delivered to the Shredding Event as they are being shredded. Franchisee shall, at no cost to the City, publicize each Shredding Event using methods and materials approved by the City’s designee. Shredded paper from these events must be Recycled and not Disposed or used as ADC or Alternative Intermediate Cover.

4.4.5 Compost and Mulch Giveaway

Franchisee shall conduct at least two (2) Compost and Mulch giveaway events per calendar year at no additional charge. City residents will be allowed to fill up their containers on a first-come, first-serve basis. Franchisee shall provide at least twenty (20) cubic yards of Compost and twenty (20) cubic yards of Mulch delivered to a location designated by the City for each event. Any Compost and/or Mulch remaining after event shall be utilized by the City. The Compost and Mulch giveaway events will be coordinated with the City and may be held in conjunction with other City events.

4.4.6 Large Venue and Event Assistance, Event Recycling

Franchisee shall assist City planners of Large Venue events with reporting and planning needs to provide Recycling and Organics Materials Diversion as may be useful in meeting the requirements of Public Resources Code Section 42648 and SB 1383, and in lowering Disposal quantities generated at such events at no additional charge.

4.4.7 Collection of Former Franchisee's Containers

If any Solid Waste enterprise providing Solid Waste Handling Services to Customers prior to the Effective Date does not remove the Containers it had in use prior to the Effective Date, Franchisee shall Collect and Recycle all such Containers at no additional charge to City or Customers.

4.4.8 Battery Recycling Program

Franchisee shall provide as many battery Recycling containers as requested by City, for placement at City facilities for no additional cost. The program will include placing, maintaining and servicing drop boxes at locations to be designated by the City. This program does not include the Disposal of automobile batteries.

4.4.9 Community Development Department Reviews

Franchisee, upon City's request, but at no charge to City or applicants, shall assist City's Community Development Department in the review of applicants' plans for Commercial and Multi-Family projects to provide for effective and economical accumulation and Collection of Refuse, Recyclable Materials, and Organic Waste.

4.4.10 Provision of Recovered Organic Waste Products

Franchisee shall procure and provide to City sufficient quantities of Compost, Mulch, and/or Renewable Natural Gas that are recovered from Organic Waste and produced in California to meet the City's per capita annual Organic Waste product requirement contained in SB 1383 (14 CCR Section 18993.1). Franchisee may meet this obligation by one or a combination of the following options:

- Bulk Compost and/or Bulk Mulch - Franchisee shall make available to City bulk Compost and Mulch that meet requirements defined in SB 1383, and shall Transport such material to City upon request, for City use in City parks and facilities at no cost to the City.
- Compost Giveaway as described in Section 4.4.5.
- Use of Renewable Natural Gas in Collection vehicles.

Franchisee shall ensure sufficient capacity of recovered organics waste products to meet the mandatory procurement requirements for jurisdictions contained in SB 1383 (14 CCR

Section 18993.1) and to comply with specifications of these materials as defined in SB 1383, as may be amended, during the term of this Agreement including Agreement extensions granted by the City. Franchisee shall ensure that the use of Renewable Natural Gas in Collection vehicles meets all applicable conditions under 14 CCR Section 18993.1(h) to qualify toward the City's procurement target.

4.4.11 Franchisee Warranty of Recovered Organic Waste Products

Franchisee shall provide assurance through the execution of a liability waiver stating that all Organic Waste products provided by the Franchisee and used within the City are free from pathogens and inorganic waste material that may be harmful to the health and welfare of the City and meet or exceed the physical contamination, maximum metal concentration, and pathogen density standards for land application specified in 14 CCR Section 17852(a)(24.5)(A)(1) through (3). The Franchisee shall indemnify and hold harmless the City against any claims arising from contaminated recovered Organic Waste products provided by the Franchisee as set forth in Section 9.1.

4.4.12 Reserved.

4.4.13 Reserved.

4.4.14 Preparation of CalRecycle Electronic Annual Report

Franchisee shall prepare in its entirety, and submit to City for approval, the CalRecycle Electronic Annual Report (EAR). The EAR is due to CalRecycle on August 1st of each year. Franchisee shall provide a draft of the EAR for City approval by July 1st of each year. Franchisee shall assist the City in responding to questions from CalRecycle regarding the EAR.

4.4.15 Food Scraps Kitchen Pails

Franchisee shall provide each occupant of a Residential Premises and Multi-Family Premises with a kitchen Food Scraps pail to facilitate transfer of Food Scraps to the Green Container. Customers requesting additional or replacement kitchen Food Scraps pails may be charged the "Kitchen Food Scraps Pail Replacement" fee included in the approved rate schedule.

4.5 Minimum Diversion Requirements

Franchisee shall Divert from landfilling a minimum of 75% of all Solid Waste it Collects under this Agreement excluding Construction and Demolition Debris. Compliance will be measured on a calendar year basis, beginning with the period from July 1, 2025, through June 30, 2026, and continuing annually thereafter. Solid Waste Collected shall only be considered to have been Recycled or Diverted as required under this Agreement if it is deemed to be Diversion by CalRecycle in connection with efforts to meet City's Diversion goals. The Franchisee shall make reasonable efforts to assure that Recyclable Materials and Organic Waste are Transported, handled and Processed at a suitable Facility, so as to prevent or minimize the amount of such materials taken to a landfill and to maximize Diversion credits for the City. Franchisee shall provide documentation to the City within thirty (30) days of the end of each calendar year stating and supporting that calendar year's Diversion rate. Diversion from sources other than Franchisee's Collection and Diversion efforts (such as source reduction, reuse, or Recyclable Materials and Organic Waste Diverted by other solid waste enterprises, Collection of materials that are not the subject of this Agreement, or the efforts of Self-Haulers) is not to be counted as Diversion achieved by Franchisee. Transformation may be used as a method to achieve the minimum Recycling requirements to the extent that is allowable as Diversion as defined by CalRecycle. Franchisee shall Divert from landfilling the State-mandated Construction and Demolition Diversion percentage of all Construction and Demolition Debris loads Franchisee Collects under this Agreement.

Upon the request of either Party, not more often than once every two (2) years, the Parties agree to meet and confer regarding adjustments to the minimum Diversion rate, based on factors including waste composition data provided by Franchisee, trends in source reduction and reuse, trends in third party Diversion, extent of reverse logistics, the availability of permitted Facilities that are capable of Processing material to achieve the required levels of Diversion, emerging methods of Processing and Recycling/reusing new waste materials, the availability of markets, Transportation constraints, embargoes, and the impact of scavenging. City shall consider such information provided by Franchisee and other industry data and shall, at its sole discretion, determine if any adjustments to the minimum Diversion requirements shall be made, and such changes must be approved by the City Council before becoming effective.

If these Diversion requirements are not met, City may instruct Franchisee to initiate new programs at Franchisee's expense in order for this goal to be met on a consistent basis.

4.6 Marketing and Sale of Recyclable Materials

Franchisee agrees to market all Recyclable Materials Collected under this Agreement.

4.7 Operations

December 9, 2025

4.7.1 Schedules

To preserve peace and quiet, Solid Waste Collected from Residential Premises shall not occur before 6 a.m. or after 5 p.m. Monday-Friday, or before 7 a.m. or after 5 p.m. Saturday. Sunday Collection service is strictly prohibited for Residential Premises. Franchisee may not make exceptions to these Collection days and times without advanced written approval from the City Manager and/or the City Manager's designee. If the regularly scheduled Collection day falls on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, or Christmas Day, Collection days for the remainder of that week shall all be postponed one Collection day and Residential Collection is permitted on Saturday during the make-up week. Franchisee shall provide notices to Customers regarding Collection day delays due to holidays. The notices may be in the form of an automated or prerecorded voice message, emails, or mailers.

Franchisee shall be prepared to review its operations plan outlining the Collection routes, intervals of Collection and Collection times for all materials Collected under this Agreement with City once annually upon thirty (30) day written notice requesting said review. More frequent reviews may be required if operations are not satisfactory based on documented observations or reports or complaints. If the plan is determined to be inadequate by City, Franchisee shall revise plan incorporating any changes into a revised plan and review said revised plan with City within thirty (30) calendar days.

4.7.2 Missed Pickups

When notified of a missed pickup by 3:00 p.m., Franchisee shall Collect the Refuse, Recyclable Materials, and/or Organic Waste that was not Collected the same day by 5:00 p.m. If notified after 3:00 p.m., Collection must take place no later than noon of the next Collection day (excludes only Sundays and holidays listed in Section 4.7.1 and, for Residential Cart Customers, Saturday).

4.7.3 Vehicles

A. General. Franchisee shall provide Collection vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement. Franchisee shall have available on Collection days sufficient back-up vehicles for each type of Collection vehicle used to respond to complaints and emergencies.

B. Specifications. Vehicles shall be new (model year 2025 or later) upon initiation of Services under this Agreement. Furthermore, Franchisee shall operate no vehicles within the City over 8-years in age during the term of this Agreement should this Agreement be extended beyond the initial term and extended as described in Sections 2.4 and 2.5. All Collection vehicles used by Franchisee under this Agreement, excluding spares, Roll-off Box Collection vehicles, scout vehicles, supervisor vehicles, Container delivery and other specialty vehicles used on a sporadic basis, shall be powered by Compressed Natural Gas (CNG) Such vehicles must be registered with the California Department of Motor Vehicles and shall have water-tight bodies designed to prevent leakage, spillage or overflow. At all times during the term of this Agreement, Franchisee's Collection vehicles shall comply with South Coast Air Quality Management District Requirements and the California Air Resource Board requirements as they are currently in force and as they may be approved for Refuse removal vehicles, as well as other Federal, State and local laws and regulations that may be enacted during the term of this Agreement.

C. Vehicle Identification. Franchisee's name, local telephone number, and a unique vehicle identification number designed by Franchisee for each vehicle shall be prominently displayed on all vehicles, in letters and numbers no less than two and one-half (2 1/2) inches high. No advertising shall be permitted other than the name of the Franchisee except promotional advertisement of the Recyclable Materials and Organic Waste programs, other programs specific to the City, or information requested by City. All advertisement must be approved by the City. City may request changes to the vehicle advertising up to two (2) times per year. Franchisee shall not place City's name and/or any City logos on Franchisee vehicles.

D. Cleaning and Maintenance

- 1) Franchisee shall maintain all of its properties, vehicles, Facilities, and equipment used in providing service under this Agreement in a good, safe, neat, clean and operable condition at all times.
- 2) Vehicles used for Collection shall be painted, thoroughly washed, and thoroughly steam cleaned on a regular basis so as to present a clean appearance. City may inspect vehicles at any time to determine compliance with this Agreement. Franchisee shall also make vehicles available to the Los Angeles County Health Department for inspection at any frequency it requests. Franchisee agrees to replace or repair to the City's satisfaction any vehicle which City determines to be of unsightly appearance, leaking, or in unsatisfactory operating condition.

- 3) Franchisee shall repaint all vehicles used for Collection as needed to maintain a clean and neat appearance and, within thirty (30) days' notice from City, if City determines that their appearance warrants painting.
- 4) Franchisee shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles which are not operating properly shall be removed from service until repaired and operating properly. Franchisee shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Franchisee shall keep accurate records of all vehicle maintenance, recorded according to date and mileage and shall make such records available to City upon request.
- 5) Franchisee shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition. Franchisee shall maintain accurate records of repair, which shall include the date and mileage, nature of repair and the verification by signature of a maintenance supervisor that the repair has been properly performed.
- 6) Franchisee shall clean up any leaks or spills from its vehicles per the National Pollutant Discharge Elimination System (NPDES) permit in effect at the time. Franchisee shall notify City of any leaks or spills reported to Franchisee or observed by any employee of Franchisee. Franchisee shall ensure that leaks or spills are remediated within two (2) hours of notification or observation. Franchisee shall notify City immediately upon remediation of leaks or spills. No pollutant that leaks, spills, or otherwise escapes from any Franchisee vehicle may be washed into a storm drain or otherwise allowed to enter a storm drain at any time. Franchisee must take all measures necessary to prevent the discharge of any such pollutant into a storm drain. All NPDES dry-cleaning measures shall be complied with. All Collection Vehicles must be equipped with absorbent for such cleanup efforts. Franchisee shall provide photographic evidence to the City for each clean up. Payment of liquidated damages for failure to clean up leaks or spills within the required timeframe (Section 11.4.B.2.f), and/or for failure to follow the cleanup procedures (Section 11.4.B.2.g), does not excuse Franchisee from the cleanup requirements contained in this Section 4.7.3.D.6.
- 7) Upon request, Franchisee shall furnish City a written inventory of all equipment, including Collection vehicles, used in providing service. The inventory shall list all equipment by manufacturer, ID number, date of acquisition, type, and capacity.

E. Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Franchisee shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions on vehicles.

Franchisee equipment used for Collection services shall be registered with the California Department of Motor Vehicles. Equipment shall comply with US EPA noise emission regulations, currently codified at 40 CFR Part 205 and other applicable noise control regulations, and shall incorporate noise control features throughout the entire vehicle. Noise levels of equipment used for Collection shall comply with noise level restrictions contained in Santa Fe Springs Municipal Code Section 155.424 (Permitted Noise Levels), utilizing the City's noise measurement standards in Section 155.423 . Franchisee shall store all equipment in safe and secure locations in accordance with City's applicable zoning regulations.

Subject to Section 9.1, Franchisee shall be responsible for any damage resulting from or directly attributable to any of its operations, and which it causes to: City's driving surfaces, whether or not paved; associated curbs, gutters and traffic control devices; and other public improvements.

F. City Inspection Per Code. City may cause any vehicle used in performance of this Agreement to be inspected and tested at any commercially reasonable time and in such manner as may be appropriate to determine that the vehicle is being maintained in compliance with the provisions of the State Vehicle Code, including, but not limited to, California Vehicle Code Sections 27000(b), 23114, 23115, 42030, 42032, and all Vehicle Code Sections regarding smog equipment requirements. City may direct the removal of any vehicle from service if that vehicle is found to be in nonconformance with applicable codes. No vehicle directed to be removed from service shall be returned to service until it conforms with, and its return to service has been approved by the City.

G. Vehicle Inspections. Franchisee shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles that are not operating properly shall be taken out of service until they are repaired and operate properly. Franchisee shall repair, or arrange for the repair of all its vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition. City may inspect vehicles at any reasonable time, and within three (3) calendar days of such a request, to determine compliance with sanitation requirements.

H. Correction of Defects. Following any inspection, the City Manager, or the City Manager's designee, shall have the right to cause Franchisee, at its sole cost and expense, to recondition or replace any vehicle or equipment found to be unsafe, unsanitary or unsightly. The City Manager's determination may be appealed to the City Council, whose decision shall be final. City Manager's determination may not be appealed if the vehicle reconditioning or replacement is due to a safety finding by the CHP.

4.7.4 Franchisee-Provided Containers

4.7.4.1 Carts

A. Cart Selection, Distribution and Exchanges. All Carts shall be new within ninety (90) days of initiation of Solid Waste Handling services under this Agreement.

Franchisee shall provide Customers with Carts at no extra charge.

Prior to the start of service under this Agreement, Franchisee shall mail a notice of rates, and provide Customers the opportunity to request service changes. If no response is received by Customer by specified date, Customer will receive 96-gallon cart for trash, 96-gallon cart for organics, and a 65-gallon cart for recycling.

Customers may each request one free exchange in Cart sizes within six months after the initial Cart is delivered. One exchange includes all Cart size changes included in the same Customer request and may include changes made to any number of the Customer's Carts. If a second request is made, or if a request is made following the initial six-month period, Franchisee may charge for each request, regardless of the number of Carts exchanged, in accordance with the rate schedule. If the exchange request only includes the changes listed below, the exchange fee shall be waived:

- Increase in Recycling Cart size or number;
- Increase in number of Organic Waste Carts;
- Decrease in size or number of Refuse Carts; and/or,
- Removal of any Cart without replacement.

This procedure shall be described in the initial Cart mailing and in public education materials during the initial six-month window.

B. Cart Design Requirements. The Carts shall be manufactured by injection or rotational molding and meet the Cart design and performance requirements as specified below. All Carts selected shall be subject to City approval. The City will not permit Carts

in poor condition to be used in the City at any time during the term of this Agreement, and may require Franchisee to replace such Carts. Franchisee shall ensure that all Carts in service during the terms of this Agreement comply with CalRecycle requirements under SB 1383.

C. Capacity. References to Cart sizes of 65- or 96-gallons are approximate. Acknowledging the different sizes provided by the various Cart manufacturers, the Carts shall be uniform in appearance and must conform to the following ranges in size:

- 60 to 70 gallons, and
- 90 to 101 gallons.

D. Cart Handles. The Cart handles and handle mounts may be an integrally molded part of the Cart body or molded as part of the lid. The Cart handles will provide comfortable gripping area for pulling or pushing the Cart or lifting the lid. Pinch points are unacceptable.

E. Cart Lid. Each Container shall be provided with a lid that continuously overlaps and comes in contact with the Container body or otherwise causes an interface with the Container body that simultaneously:

- Prevents the intrusion of rainwater, rodents, birds, and flies;
- Prevents the emission of odors;
- Enables the free and complete flow of material from the Container during the dump cycle without interference with the material already deposited in the truck body or the truck body itself and its lifting mechanism;
- Permits users of the Container to conveniently and easily open and shut the lid throughout the serviceable life of the Container;
- The lid handle shall be an integrally molded part of the lid;
- The lid (and body) must be of such design and weight that would prevent an empty Container from tilting backward when flipping the lid open; and,
- The lid shall be hinged to the Cart body in such a manner so as to enable the lid to be fully opened, free of tension, to a position whereby it may rest against the backside of the Container body.

F. Cart Colors. The Refuse, Recyclable Materials and Organic Waste Carts or Cart lids will be differentiated by color. The colors shall be colorfast and resistant to fading as a result of weathering or ultraviolet degradation. Cart and Cart lid colors shall be consistent throughout the City, and shall comply with CalRecycle requirements under SB 1383 (14 CCR Section 18984.7).

G. Cart Labeling and Hot Stamping. Labels used on Carts shall be placed on the inside of the Cart lid, and hot stamps shall be on the top of the lid and/or on the body of the Cart. Each Cart shall be hot stamped with the material type (e.g., Refuse, Recyclable Materials, Organic Waste) in English and Spanish. Labels shall include graphic instruction on what materials should and should not be placed in each Cart. Design for both the labels and the hot stamps must be approved by City prior to ordering labels or Carts. City shall approve what information is included on the label and in the hot stamp, as well as approve design and quality. Labels shall be replaced when worn, and when information on the label is in need of updating, but no later than ninety (90) days of request from City. Additionally, all Carts shall be labeled in accordance with CalRecycle requirements under SB 1383 (14 CCR Section 18984.8) throughout the term of this Agreement.

H. Cart Performance Requirements. All Carts shall be designed and manufactured to meet the minimum performance requirements described below.

I. Cart Load Capacity. Depending on the capacity, the Carts shall have a minimum load capacity as noted below without Container distortion, damage, or reduction in maneuverability or any other functions as required herein.

Cart Size (Gallons)	Minimum Load Capacity (LBS)
90-101	200
60-70	130

J. Cart Durability. Carts shall remain durable, and at a minimum, shall meet the following durability requirements to satisfy its intended use and performance, for the term of this Agreement:

- Maintain its original shape and appearance;

- Be resistant to kicks and blows;
- Require no routine maintenance and essentially be maintenance free;
- Not warp, crack, rust, discolor, or otherwise deteriorate over time in a manner that will interfere with its intended use;
- Resist degradation from ultraviolet radiation;
- Be incapable of penetration by biting or clawing of household pets (i.e., dogs and cats);
- The bottoms of Cart bodies must remain impervious to any damage, that would interfere with the Cart's intended use after repeated contact with gravel, concrete, asphalt or any other rough and abrasive surface;
- All wheel and axle assemblies are to provide continuous maneuverability and mobility as originally designed and intended; and,
- Resist degradation by other airborne gases or particulate matter currently present in the ambient air of the City.

K. Chemical Resistant. Carts shall resist damage from common household or Residential products and chemicals. Carts, also, shall resist damage from human and animal urine and feces.

L. Stability and Maneuverability. The Carts shall be stable and self-balancing in the upright position, when either empty or loaded to its maximum design capacity with an evenly distributed load, and with the lid in either a closed or open position.

The Carts shall be capable of maintaining its upright position in sustained or gusting winds of up to twenty-five (25) miles per hour as applied from any direction.

The Carts shall be capable of being easily moved and maneuvered, with an evenly distributed load equal in weight to its maximum design capacity on a level, sloped or stepped surface.

M. Lid Performance. Cart lid assemblies shall meet the following minimum requirements:

- Prevent damage to the Cart body, the lid itself or any component parts through

repeated opening and closing of the lid by residents or in the dumping process as intended;

- Remain closed in winds up to twenty-five (25) miles per hour from any direction. All lid hinges must remain fully functional and continually hold the lid in the original designed and intended positions when either opened or closed; and
- Lid shall be designed and constructed such that it prevents physical injury to the user while opening and closing the Container.

4.7.4.2 Cart Reparability or Replacement

Franchisee shall be responsible for Cart repair and maintenance, and replacing lost, stolen or damaged Carts within two (2) business days of notification (excluding Saturday, Sunday and holidays listed in Section 4.7.1), and for graffiti removal within two business (2) days of notification, at no additional charge to the Customer or to City, unless Franchisee can demonstrate to the City Manager beyond a reasonable doubt that the damage or loss was due exclusively the Customer's intentional or negligent behavior. City Manager shall make the final determination. If City permits a repair or replacement charge to be assessed against a Customer, charge shall be no more than the actual cost of repair or Cart Replacement Due to Misuse rate included in the approved rate schedule, whichever is lower. All repairs must restore the Cart to its full functionality. Unsightly/worn-out Carts shall be replaced by Franchisee upon Customer request at no additional cost to Customer. Residential and Multi-Family Premises Cart Customers shall receive one (1) Cart replacement per Rate Year upon request. Franchisee may charge for additional Cart replacements at the rates included in the approved rate schedule.

All Carts in service for the duration of this Agreement shall comply with color and labeling requirements specified by CalRecycle under SB 1383.

4.7.4.3 Bins

A. Cleaning. Franchisee shall provide Customers with new Bins required during the term of this Agreement. The size of Franchisee-provided Bins shall be determined by mutual agreement of Customer and Franchisee, and shall be subject to City approval. Franchisee shall maintain Bins in a clean, sound condition free from putrescible residue. All Bins in use shall be constructed of heavy metal, or other suitable, durable material, and shall be watertight and well painted. Wheels, forklift slots, and other apparatuses, which were designed for movement, loading, or unloading of the Bin shall be maintained

in good repair.

Upon Customer or City request, or if required to maintain the Containers in a clean condition, Franchisee shall clean Customer Bins at the rates shown in the approved rate schedule. Franchisee shall perform cleaning, repainting, or replacement of Bins as necessary to prevent a nuisance caused by odors or vector harborage. When a Bin is removed for cleaning, Franchisee shall replace the Bin, either temporarily or as a change-out, with another Container. Franchisee shall remove graffiti from any Container within two (2) business days (excluding Saturday, Sunday and holidays listed in Section 4.7.1) of request by City or Customer. Franchisee is required to proactively look for graffiti when Collecting Bins, with all graffiti removed from Containers no later than two (2) business days (excluding Saturday, Sunday and holidays listed in Section 4.7.1) after any Collection without notification.

B. Bin Identification and Color. Each Bin placed in City by Franchisee shall have the name of Franchisee and phone number in letters not less than three (3) inches high on the exterior of the Bin so as to be visible when the Bin is placed for use. Bins shall be labeled to include trilingual (English and Spanish) and graphic instruction on what materials should and should not be placed in each Bin. Franchisee shall repaint Bins upon City's request if the City deems it necessary to maintain a neat appearance. All Refuse Bins shall be painted a uniform color, and all Recyclable Materials and Organic Waste Bins shall be painted a different, uniform color.

All Bins in service for the duration of this Agreement shall comply with color and labeling requirements specified by CalRecycle under SB 1383 (14 CCR Sections 18984.7 and 18984.8).

C. Bin Reparability or Replacement. Franchisee shall be responsible for Bin repair and maintenance, and replacing lost, stolen or damaged Bins at no additional charge to the Customer or to City, unless Franchisee can demonstrate to the City Manager or the City Manager's designee beyond a reasonable doubt that the damage or loss was due exclusively the Customer's intentional or negligent behavior. When a Bin is removed for repair or replacement, Franchisee shall replace the Bin, either temporarily or as a change-out, with another Bin. City Manager or the City Manager's designee shall make the final determination. If City permits a repair or replacement charge to be assessed against a Customer, charge shall be no more than the actual cost of repair or Bin Replacement Due to Misuse rate included in the approved rate schedule, whichever is lower. All repairs

must restore the Bin to its full functionality. Unsightly/worn-out Bins shall be replaced by Franchisee upon Customer request at no additional cost to Customer.

4.7.5 Litter Abatement

A. Minimization of Spills. Franchisee shall use due care to prevent Solid Waste or fluids from leaking, being spilled, and/or scattered during the Collection or Transportation Process. If any Solid Waste or fluids leak or are spilled during Collection, Franchisee shall promptly clean up all such materials. Each Collection vehicle shall carry a broom and shovel at all times for this purpose.

Franchisee shall not Transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure, accidental damage to a vehicle, or a pre-approved method of Solid Waste Transfer between vehicles, without prior written approval by City.

B. Clean Up. During the Collection or Transportation Process, Franchisee shall clean up litter in the immediate vicinity of any Solid Waste storage area whether or not Franchisee has caused the litter. Franchisee shall identify instances of repeated spillage not caused by it directly with the Waste Generator responsible and will report such instances to City. Franchisee may charge Customers the Bin overage fee in accordance with the approved rate schedule for the cleaning of Container enclosures or around the Container if it is littered due to overflowing Containers. Franchisee may address habitual offenders in accordance with Section 4.3.5.

C. Covering of Loads. Franchisee shall properly cover all open debris boxes during Transport to the Disposal Site.

4.7.6 Personnel

A. Qualified Drivers. Franchisee shall furnish such qualified drivers, mechanical, supervisory, clerical, management and other personnel as may be necessary to provide the services required by this Agreement in a satisfactory, safe, economical and efficient manner. All drivers shall be trained and qualified in the operation of vehicles they operate and must possess a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

B. Hazardous Material Employee Training. Franchisee also agrees to establish and vigorously enforce an educational program which will train Franchisee's employees in

the identification of Hazardous Material. Franchisee's employees shall not knowingly place such Hazardous Material in the Collection vehicles, nor knowingly dispose of such Hazardous Materials at the Processing Facility or Disposal Site.

C. Customer Courtesy. Franchisee shall train its employees in Customer courtesy, shall prohibit the use of loud or profane language, and shall instruct Collection crews to perform the work quietly. Franchisee shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner.

If any employee is found to be discourteous or not to be performing services in the manner required by this Agreement, Franchisee shall take all necessary corrective measures including, but not limited to, transfer, discipline or termination. If City has notified Franchisee of a complaint related to discourteous or improper behavior, Franchisee will consider reassigning the employee to duties not entailing contact with the public while Franchisee is pursuing its investigation and corrective action process.

D. Training. Franchisee shall provide operations, health and safety training for all of its employees who use or operate equipment or who are otherwise directly involved in Collection or other related operations.

E. Unauthorized Material Removal. Franchisee shall dismiss or discipline employees who remove documents or any other material from Containers, other than specifically for the purposes of Disposal and Diversion as described in this Agreement.

4.7.7 Reserved.

4.7.8 Identification Required

Franchisee shall provide its employees, companies and Subcontractors with identification for all individuals who may make personal contact with residents or businesses in City. All Franchisee employees shall wear clothing bearing the Franchisee name and/or logo at all times while in the City and providing services under this Agreement. City may require Franchisee to notify Customers yearly of the form of said identification. Franchisee shall provide a list of current employees, companies, and Subcontractors to City upon request.

The City reserves the right to perform a security and identification check through law enforcement agencies upon Franchisee and all its present and future employees, in accordance with accepted procedures established by the City, or for probable cause.

4.7.9 Fees and Gratuities

Franchisee shall not, and shall not permit any of its agents, employees, or Subcontractors to request, solicit, demand, or accept, either directly or indirectly, any compensation or gratuity for services authorized to be performed under this Agreement, except as expressly authorized by this Agreement and in accordance with Exhibit 2 as updated and approved by City throughout the Term of the Agreement.

4.7.10 Non-Discrimination

Franchisee shall not discriminate in the provision of service or the employment of Persons engaged in performance of this Agreement on the basis of race, color, religion, sex, gender, gender identity or expression, sexual orientation, age, national origin, ancestry, physical or mental disability, medical condition, marital status, military or veteran status, or any other characteristic protected under any applicable federal, State, or local law.

4.7.11 Coordination with Street Sweeping Services

Franchisee shall make reasonable efforts to coordinate route schedules with the City's street sweeping schedule. Franchisee shall provide all routes and route schedules to the City and work with City to resolve conflicts with street sweeping schedules.

4.7.12 Change in Collection Schedule

Franchisee shall notify City forty-five (45) days prior to, and Customers not later than thirty (30) days prior to, any change in Collection operations which results in a change in the day on which Collection occurs. Franchisee will not permit any Customer to go more than seven (7) days without service in connection with a Collection schedule change. City's approval of any change in Collection is required prior to such change, and such approval will not be withheld unreasonably.

Any changes in the route map or Collection schedule shall require the prior approval of the City. City may require reasonable changes in the route map or Collection schedule, to improve service, to resolve complaints or for other reasons. Prior to the change of a route schedule, Franchisee shall provide written notice of the change to affected Customers ninety (90) days in advance and shall publish the changes in a newspaper of general circulation.

4.7.13 Report of Accumulation of Solid Waste; Unauthorized Dumping

Franchisee shall direct its drivers to note (1) the addresses of any Premises at which they observe that Solid Waste is accumulating and is not being delivered for Collection; and

(2) the address, or other location description, at which Solid Waste has been dumped in an apparently unauthorized manner. Franchisee shall deliver the address or description to City within five (5) business days of such observation.

4.7.14 Anti-Scavenging Assistance

Franchisee shall document observed events of scavenging of Recyclable Materials including a description of the perpetrator(s), license plate numbers, and any other identifying information, and report such acts to the City's Code Enforcement Department.

4.8 Emergency Services

Franchisee will assist City with emergency services in the event of a major disaster. Franchisee will provide one (1) vehicle with a two (2) Person crew for emergency cleanup efforts in accordance with the approved rate schedule.

4.9 Transportation of Solid Waste

The Franchisee shall Transport all Solid Waste Collected to the Approved Facilities.

The Franchisee shall maintain accurate records of the quantities of Solid Waste Transported to permitted Solid Waste Facilities and will cooperate with the City in any audits or investigations of such quantities.

The Franchisee shall cooperate with the operator of any Approved Facility with regard to operations therein, including, for example, complying with directions from the operator to unload Collection vehicles in designated areas, accommodating to maintenance operations and construction of new Facilities, cooperating with its Hazardous Material exclusion program, and so forth.

4.10 Status of Disposal Site

Any Disposal Site utilized by Franchisee, shall be designed and constructed in accordance with Title 23 California Code of Regulations Section 2510 et seq. ("Subchapter 15"). Any such landfill has been issued all permits from federal, State, regional, county and City agencies necessary for it to operate as a Class III Sanitary landfill and is in full regulatory compliance with all such permits.

The Disposal Site is currently authorized to accept, under its existing permit, and has sufficient uncommitted capacity to accept, all Solid Waste delivered to it by, or on behalf

of, City for the term of this Agreement plus any extensions thereto.

4.11 Transfer, Processing, and Disposal

Franchisee shall Transport all Discarded Materials to the Approved Facility/Facilities specified in Exhibit 8 and shall Transfer, Process, and Dispose of Discarded Materials in accordance with this Section and Exhibit 8.

Franchisee shall enter into a subcontract agreement with the Owner or Facility operator of such Approved Facility/Facilities and the requirements of this Section 4.11 and Exhibit 8 shall pertain to the Subcontractor. In addition, Subcontractor requirements or obligations related to indemnification (Section 9.1) and insurance requirements (Section 9.5) shall apply, as well as any other Subcontractor requirements or obligations stated in other sections of this Agreement. The Approved Facilities shall comply with the following requirements.

Three-Container System (Blue, Green, and Gray/Black Containers)

1. Approved Source Separated Recyclable Materials Processing Facility (Blue Containers). Franchisee's Approved Recyclables Processing Facility shall be a Facility or operation that Processes Source Separated Recyclable Materials to recover materials designated for Collection from Residential and Multi-Family Premises in the Blue Container.
2. Approved Organic Waste Processing Facility (Green Containers). Franchisee's Approved Organic Waste Processing Facility shall be a Facility that Processes Source Separated Green Container Organic Waste from Residential and Multi-Family Premises to recover Organic Waste.
3. Approved Disposal Facility (Gray/Black Containers). Franchisee's Approved Disposal Facility shall be a Disposal Facility that accepts Gray/Black Container Waste Collected from Residential and Multi-Family Premises in accordance with this Agreement for Disposal.

4.11.1 Processing Facility Temporary Equipment or Operational Failure Waiver

1. **Notification to the City.** The Franchisee, or their Subcontractor (such as a Facility operator), shall notify the City of any unforeseen operational restrictions that have been imposed upon the Approved Facility by a regulatory agency or any unforeseen

equipment or operational failure that will temporarily prevent the Approved Facility from Processing and recovering Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, Organic Materials, or Mixed Waste.

The Franchisee or Subcontractor shall notify the City as soon as possible and no later than two (2) business days from the time of the incident. The notification shall include the following: (i) name of Approved Facility; (ii) the Recycling and Disposal Reporting System Number of the Approved Facility; (iii) date the Approved Facility became unable to Process Source Separated Recyclable Materials or Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, Organic Materials; (iv) description of the operational restrictions that have been imposed upon the Approved Facility by a regulatory agency or unforeseen equipment failure or operational restriction that occurred; (v) the period of time the Franchisee anticipates the temporary inability of the Approved Facility to Process Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, Organic Materials, or Mixed Waste; (vi) Franchisee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Section 8.1.H of Exhibit 8) or Franchisee's request for waiver to deliver Source Separated Recyclable Materials, Source Separated Green Container Organic Waste, or Mixed Waste to the Approved Disposal Facility.

2. **Use of Alternative Facility or Waiver for Disposal of Materials.** Upon notification by Franchisee or Subcontractor of the Approved Facility's inability to Process materials, City shall evaluate the notification and determine if City shall require Franchisee to use an Alternative Facility or allow the Franchisee to Transport the Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, Organic Materials, or Mixed Waste to the Approved Disposal Facility for Disposal on a temporary basis for a time period specified by the City. Upon City's decision, the City shall notify the Franchisee of its requirement to use an Alternative Facility for Processing or to use the Approved Disposal Facility for Disposal, and the period of time that the City will allow the Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, Organic Materials, or Mixed Waste to be redirected to the Alternative Facility or Approved Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved

Disposal period shall not exceed ninety

(90) days from the date the Approved Facility's Processing restriction or failure commenced. In such case, the Franchisee must receive written permission from the City prior to depositing any Discarded Material in a landfill.

3. **Record Keeping and Reporting.** Franchisee shall maintain a record of any Approved Facility incidents and report this information to the City in accordance with Article 8.

4.11.2 Transportation to Non-Approved Facilities Prohibited

If Franchisee Transports Discarded Materials to a Facility other than the Approved Facility(ies) or an Alternative Facility without prior City approval, Franchisee's failure to comply may result in assessment of liquidated damages as described in Section 11.4.

4.12 Commingling of Collection Routes

Franchisee shall not commingle City Collection routes for any types of Solid Waste with routes servicing other cities, counties, or entities.

4.13 Route Audit

Franchisee shall conduct an audit of its Collection routes in the City as follows: years one and two audited in year three, years three and four audited in year five, years five and six audited in year seven. City may use information from the audit to develop a request for proposals for a new service provider. City may instruct Franchisee when to conduct the audit in order for the results to be available for use in preparation of a request for proposals or for other City uses. City may also instruct Franchisee to conduct an audit at a time that would produce the most accurate Customer service information for a new service provider to use in establishing service with Customers. In setting these audit dates, City will establish due dates for Franchisee providing routing and account information, and later, the report, to City.

The route audit, at minimum, shall consist of an independent physical observation by Person(s) other than the route driver of each Customer in City. This Person(s) is to be approved in advance by City. The route audit information shall include, as a minimum, the following information for each account:

For Cart Customers:

- Route Number;
- Truck Number;
- Number and size of Carts by waste stream (Refuse, Recyclable Materials, and Organic Waste)
- Cart condition;

For Bin and Roll-off Customers:

- Route Number;
- Truck Number;
- Account Name;
- Account Number;
- Account Service Address;
- Account Type (Residential, Roll-off);
- Service level per Franchisee Billing system (Quantity, Size, Frequency, Waste Stream);
- Observed Containers (Quantity, Size, Frequency, Waste Stream).
- Container condition;
- Proper signage; and,
- Graffiti.

Within thirty (30) days after the completion of the route audit, Franchisee shall submit to City a report summarizing the results of the audit. This summary shall include:

- Identification of the routes;
- Route map;
- Truck numbers;
- Number of accounts, by route and in total (Residential and Roll-off);
- Confirmation that all routes are dedicated exclusively to City Customers;

- Number and type of exceptions observed;
- Name and addresses of Customers that do not have Source Separated Recyclable Materials Collection services and documentation of waivers if any for each account;
- Name and addresses of Customers that do not have SSGCOW Collection services and documentation of waivers if any for each account;
- Total monthly service charge (Residential and Roll-off Box), pre-audit for each Customer; and,
- Total monthly service charge (Residential and Roll-off), post- audit (subsequent to corrections of identified exceptions) for each Customer.

The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations.

The report shall also include a description of the changes and Franchisee's plans to resolve the exceptions. The results of the audit, and supporting back-up data, shall be available for review by City or its representative.

4.14 Service Exceptions; Hazardous Material Notifications

A. Failure to Collect. When Solid Waste is not Collected from any Solid Waste service recipient, Franchisee shall notify its service recipient in writing, at the time Collection is not made, through the use of a "tag" or otherwise, of the reasons why the Collection was not made. Franchisee shall comply with contamination monitoring requirements and protocols in Section 5.4.

B. Hazardous Material Inspection and Reporting. Franchisee reserves the right to reject Solid Waste observed to be contaminated with Hazardous Material and the right not to Collect Hazardous Material put out with Solid Waste. Franchisee shall notify all agencies with jurisdiction, if appropriate, including the California Department of Toxic Substances Control and Local Emergency Response Providers and the National Response Center of reportable quantities of Hazardous Material, found or observed in Solid Waste anywhere within the City. In addition to other required notifications, if Franchisee observes any substances which it or its employees reasonably believe or suspect to contain Hazardous Materials unlawfully Disposed of or released on any City property, including storm drains, streets or other public rights of way, Franchisee will immediately notify the

City Manager or the City Manager's designee. Franchisee shall implement and maintain a training program that will assist its employees in identifying and properly disposing of any Hazardous Material that may come into their possession.

C. Hazardous Material Diversion Records. Franchisee shall maintain records showing the types and quantities, if any, of Hazardous Material found in Solid Waste and which was inadvertently Collected from service recipients within the City, but Diverted from landfilling.

4.15 Franchisee/City Meetings

Franchisee and City will meet quarterly, or as otherwise requested by City staff for the term of this Agreement, to discuss concerns and comments. City reserves the right to increase or reduce the number of Franchisee/City Meetings at any time during the term of this Agreement.

ARTICLE 5 OTHER SERVICES

5.1 Services and Customer Billing

5.1.1 Service Description

Franchisee shall periodically, at least 30 days prior to the effective date of a rate change, prepare and distribute, subject to the direction of City, a notice to each Owner or occupant of property entitled or mandated to receive service under this Agreement a listing of Franchisee's Collection rates, annual holiday schedule, and a general summary of services required to be provided hereunder and optional service which may be furnished by Franchisee.

5.1.2 Residential Cart Billing

The City shall bill residential customers receiving cart service through the Los Angeles County property tax roll. Charges for residential customers shall be placed on property tax bills and collected by the County on behalf of the City. The City shall remit payments to the Franchisee on a quarterly basis, based on the total amount of the residential service charges collected through the tax roll, less any applicable administrative processing deductions or fees per the terms of this Agreement.

5.1.3 Roll-off and Temporary Services Billing

Franchisee shall bill for Roll-off Box and temporary services and other special charges as permitted in Exhibit 2. Franchisee shall bill monthly, no sooner than the first day of service and require payment no earlier than thirty (30) days from the date of the billing.

For Residential Premises Customers or Customers without an account with Franchisee who request temporary Roll-off Box or temporary Bin service, Franchisee will accept major credit cards for payment. Individually serviced Customers who do not use credit cards may be required by the Franchisee to post a security deposit or to pay on a “Cash on Delivery” (C.O.D.) basis. Any unused portion of a security deposit will be refunded to the Customer within five business days (excluding Saturday, Sunday and holidays listed in Section 4.7.1) of the termination of service.

Customers sharing a Bin may request to be Billed separately for their share of service, based upon the number of businesses sharing the Bin, or as otherwise divided and agreed to among such Customers.

Bills must be itemized by Container size, frequency of service, and period billed for.

5.1.4 Suspension of Service Due to Non-Payment

5.1.4.1 Residential and Multi-Family Premises Cart Customers

Franchisee may discontinue service as set forth in this section. Customers who have not remitted required payments within 45 days after the date of billing shall be notified in writing by Franchisee. The notification shall contain a statement that services may be discontinued 15 days from the date of notice if payment is not made before that time. Upon receipt of the delinquent payment, Franchisee shall resume collection on the next regularly scheduled collection day.

5.1.4.2 Roll-off and Temporary Services Customers

Franchisee may discontinue service as set forth in this Section. Customers who have not remitted required payments within 30 days after the date of billing shall be notified in writing (or by electronic mail if the service recipient agrees) by Franchisee. The notification shall contain a statement that services may be discontinued 15 days from the date of notice if payment is not made before that time. Upon receipt of the delinquent payment Franchisee shall resume Collection on the next regularly scheduled Collection day.

5.1.5 Refunds

Franchisee shall refund to each Customer billed by Franchisee, on a pro rata basis, any advance service payments made by such Customer for service not provided when service is discontinued by the Customer.

5.2 Customer Service

5.2.1 Customer Service Office

Office hours shall be, at a minimum, from 8:00 A.M. to 5:00 P.M., Monday through Friday, and Saturday from 7:00 A.M. to 5:00 P.M., exclusive of holidays. A responsible and qualified representative of Franchisee shall be available during office hours for communication with the public. Normal office hour telephone numbers shall be a toll-free call. Franchisee's telephone system shall be adequate to handle the volume of calls typically experienced on the busiest days. Franchisee shall also maintain a toll-free telephone number for use during other than normal business hours. Per Santa Fe Springs Municipal Code 50.25 (A)(3) Each permittee shall have a local or toll-free number and a customer service call center within the Southern California region. Franchisee shall have a representative, answering or message providing/receiving (voicemail) service available at said after-hours telephone number. After-hour calls shall be responded to on the next business day (excluding Saturday, Sunday and holidays listed in Section 4.7.1).

Franchisee will maintain an emergency telephone number for use outside normal business hours. Franchisee shall have a representative, or an answering service to contact such representative, available at said emergency telephone number during all hours other than normal office hours. Franchisee shall be able to respond to inquiries in English, Spanish, and other languages as directed by the City. Franchisee must also provide a Telecommunications Device for the Deaf (TDD) service for use by persons with hearing or speech difficulties.

5.2.2 Complaint Documentation

Daily logs of complaints shall be retained for a minimum of twenty-four (24) months and shall be available to City at all times upon request.

Franchisee shall log all complaints received by telephone, and or email, and said log shall include the date and time the complaint was received, name, address and telephone number of caller, description of complaint, employee recording complaint and the action taken by Franchisee to respond to and remedy complaint. Missed pickups shall be

included in this log.

All Customer complaints and inquiries shall be date-stamped when received and shall be initially responded to within one (1) business day (excluding Saturday, Sunday and holidays listed in Section 4.7.1) of receipt. Franchisee shall log action taken by Franchisee to respond to and remedy the complaint.

All Customer service records and logs kept by Franchisee shall be available to City upon request and at no cost to City. City shall, at any time during regular Franchisee business hours, have access to Franchisee's City Liaison for purposes that may include monitoring the quality of Customer service or researching Customer complaints.

5.2.3 Resolution of Customer Complaints

Disputes between Franchisee and its Customers regarding the services provided in accordance with this Agreement may be resolved by the City, including Franchisee reimbursement to Customers for damages to personal property. The City's decision shall be final and binding. Franchisee shall reimburse the City's legal and consultant costs for each City intervention in a dispute between Franchisee and a Customer if the City reasonably deems intervention is required and the Customer's dispute is valid.

Should Franchisee and Customers not be able to establish a mutually acceptable fee to be charged for special hauling services, the matter shall also be determined by the City, and the City's decision shall be final.

Intervention by the City is not a condition precedent to any rights or remedies third parties might otherwise have in any dispute with Franchisee. Nothing in this section is intended to affect the remedies of third parties against Franchisee. To the extent that remedies are warranted through this Agreement, this section shall apply.

5.2.4 City Liaison

The Franchisee shall designate a Person to serve as agent and liaison between the Franchisee and the City and shall maintain a telephone and a means, including but not limited to email, for contact at all times including during periods of strike or other emergencies. Franchisee shall not change this designation without prior approval of the City, excluding cases of termination of the employee. City may request that Franchisee change City Liaison, and shall have the right to approve the City Liaison. The Franchisee's

City Liaison shall meet with the City as necessary to effectuate the purposes of the Agreement.

5.2.5 Route Supervisor

Franchisee shall designate in writing a route supervisor that shall be assigned exclusively to the City, and who shall be responsible for working with City's designee to resolve Customer service related complaints. Route supervisor shall be accessible via cell phone, email, or radio in the field at all times. City shall be notified in advance of any change in Route Supervisor and shall have the right of approval. City may request that Franchisee change Route Supervisor.

5.2.6 Customer Service Representative for Transition

If requested by City, Franchisee shall station a Customer service representative at City Hall for a three-month period beginning one week prior to the roll-out of new services under this Agreement. City shall supply a desk and access to City telephone service.

Customer service representative shall remain an employee of Franchisee and Franchisee shall provide such employee with access from an office located at the City of Santa Fe Springs City Hall located at 17100 Telegraph Road, Santa Fe Springs, CA 90670 to Franchisee's Customer service system, and radio or mobile phone access to Franchisee's City Liaison and Route Supervisor (see Sections 5.2.4 and 5.2.5).

5.2.7 Reserved

5.2.8 Customer Satisfaction Survey

The City reserves the right to conduct a Customer satisfaction survey every Rate Period and such survey shall be paid for by the Franchisee, within thirty (30) calendar days of receipt of invoice from City or its agent, provided that the cost of such survey shall not exceed twenty thousand dollars (\$20,000) per Rate Period. The Contractor can recover the cost of each survey by including the costs in the Contractor's Compensation in the applicable Rate Period as an "other adjustment" pursuant to Exhibit E1, Section 2.F, mutually agreed between City and Contractor.

5.3 Education and Public Awareness

5.3.1 General

Franchisee acknowledges and agrees that education and public awareness are critical, key

and essential elements of any efforts to achieve AB 939, AB 341, AB 1826, SB 1383, and any future regulatory requirements. Accordingly, Franchisee agrees to take direction from City to exploit opportunities to expand public and Customer knowledge concerning needs and methods to reduce, reuse and Recycle Solid Waste and to cooperate fully with City in this regard.

Franchisee shall maintain its own program of providing information relevant to Billing and Solid Waste services. All public education materials shall be approved in advance by City.

City may request Franchisee to perform mailing services and if so able, provide not less than thirty (30) days' notice to Franchisee prior to the mailing date of any proposed mailing to permit Franchisee to make appropriate arrangements for inclusion of City's materials. City will provide Franchisee the mailers at least fifteen (15) days prior to the mailing date. Franchisee shall bear all costs incurred for copying and mailing of Proposition 218 notices per Section 6.4.1.1 of this Agreement

5.3.2 Material Distribution Methods

Franchisee shall use the following methods to provide education information to Customers. All materials are to be approved by the City prior to distribution.

- 1) **Printed materials.** Franchisee shall provide printed education materials as described in this Section. The Franchisee shall be responsible for the design, printing, and distribution of these materials. All Franchisee printed public education materials shall, at a minimum, use recycled paper and/or be made of recycled material. The Franchisee will use 100% post-consumer paper, and procure printed materials from local businesses. Franchisee shall provide electronic copies of all print materials, and printed copies, in amount requested by City, for distribution at City facilities.
- 2) **Electronic materials and website content.** Franchisee shall provide electronic and website content for education and outreach materials, which may include but is not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. The Franchisee shall be responsible for the design, posting, and electronic distribution of these materials.

5.3.3 Non-English Language Requirements

The Franchisee shall make all public education and outreach materials required by this

Section available in English and Spanish.

Upon City's request, Franchisee shall provide materials in additional languages beyond those specified in this Section in response to shifting demographics within the City; updates to State requirements or Applicable Law; or any other reason deemed appropriate by the City

5.3.4 Implementation Plan and On-going Education Requirements

5.3.4.1 Implementation Plan

a) *Basic Plan and Schedule.* No later than ninety (90) days prior to the initiation of services under this Agreement, Franchisee shall provide City a written implementation plan for the transition of services required by this Agreement from the former Solid Waste enterprise to Franchisee, which plan shall be in a form reasonably acceptable to City ("Implementation Plan"). The Implementation Plan shall detail the activities necessary for a smooth and seamless transition from City's current waste hauler to Franchisee. The Implementation Plan shall also set forth the schedule for each of the activities listed in the Implementation Plan ("Implementation Schedule"). At a minimum, the Implementation Plan shall include all of the tasks listed in the Implementation Schedule that was included in Franchisee's Proposal. In addition, the Implementation Plan shall include any other task that City reasonably requests. A copy of the Implementation Schedule that was included in Franchisee's Proposal is attached to this Agreement as Exhibit 1.

b) *Evolution of Implementation Plan.* The City and Franchisee anticipate that the Implementation Plan and Implementation Schedule may change prior to the service start date. As a result, the City and Franchisee shall meet on a regular basis to discuss the Implementation Plan, Implementation Schedule, cooperation of the predecessor City-Franchised waste haulers, and any other item reasonably requested by either the City or Franchisee.

c) *Shortfalls During Implementation Period, Remedial Action.* City shall use reasonable business efforts to cooperate with Franchisee in reaching the milestones set forth in the Implementation Plan. Notwithstanding the above, Franchisee shall be solely responsible for implementing and reaching the milestones set forth in the Implementation Plan and handling Customer complaints. Franchisee shall have sufficient Solid Waste handling resources (i.e., vehicles, personnel and Containers) prior

to the service start date, and shall use reasonable business efforts to ensure that the transition from the current waste haulers is efficient, clean and accordant with the service

standards set forth in this Agreement. In the event Franchisee is unable to meet these service standards during this transition, Franchisee shall at its sole cost have on stand-by another Solid Waste Collection contractor, which while operating as a Subcontractor to Franchisee, will assist Franchisee in resolving any service shortfalls.

Under no circumstances shall City be responsible for the resolution of Customer disputes relating to the Implementation Plan, except to the extent such disputes are directly attributable to City's active negligence or gross misconduct. Nothing herein waives or limits the City's rights and remedies to abate nuisance conditions or service shortfalls during the Implementation Plan period.

5.3.4.2 Ongoing Education Requirements

Franchisee will provide a minimum of the following public education items to be developed at Franchisee's expense and distributed as indicated below:

- **Initial Mailing** – Franchisee will prepare and mail an initial mailing to Customers explaining the transition from the existing program to the new program to the extent that there are new program changes, route changes, dates of program implementation that differs from existing services. The mailing will describe program changes, route changes, dates of program implementation, and other necessary information.
- **Workshops** – At the request of the City, Franchisee will conduct a minimum of two (2) public workshops describing program changes, route changes, dates of program implementation, and other necessary information to the extent that there are new program changes, route changes, dates of program implementation that differs from existing services. If necessary for purposes of compliance with this Agreement, Franchisee will display new Containers to be distributed.
- **Instructional Packet Accompanying Franchisee-Provided Containers** – An information packet shall be attached to each set of Carts distributed to a Customer. Packet should describe available services, including how to place Carts for Collection, which materials should be placed in each Cart, Collection holidays, and a Customer service phone number.
- **Cart Instruction Markings** – Franchisee will place stickers on, or hot stamp, Recyclable Materials and Organic Waste Carts to demonstrate to Customers which materials are and are not acceptable for placement in each Cart. Stickers shall be replaced when materials change or as labels become worn. Markings shall be

written in English, Spanish, and Mandarin. Additionally, all Carts shall be labeled in accordance with CalRecycle requirements under SB 1383 throughout the term of this Agreement.

- **How-To Brochure** – Franchisee will prepare and distribute a brochure packet to new Customers when they start service. Packet will contain updated information on how to use the Franchisee-provided Containers, when, where and how to place Solid Waste for Collection, and who to contact with service or Billing questions.
- **Annual Notice of SB 1383 Requirements** – Not less than once per year during each Rate Year, Franchisee shall prepare and distribute to each Generator in the City a mailing that includes information specified in SB 1383 (14 CCR Section 18985.1 (a)). Such mailer shall be distributed by Franchisee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units.
- **Annual Brochures/Mailings** – Not less than once per year during each Rate Year, Franchisee shall prepare and distribute to each Customer a mailing to update Customers regarding program basics, program changes, holiday schedules and other service related information. Brochures shall be developed for Residential Customers, reflecting the different services provided to each group. Mailings should promote and explain: all Solid Waste programs offered by City and Franchisee (such as Recyclable Materials, Organic Waste, Holiday Tree and Bulky Item Collections) describe in detail; the environmental, regulatory, and other benefits of participating in Recycling; how to properly dispose of Household Hazardous Material such as syringes, paint, etc.; Collection schedules, including holiday schedules; Customers service numbers; and the procedures to begin and terminate services. This brochure shall be at least two (2) pages, and printed in full color. Franchisee is responsible for all associated costs.
- **Corrective Action Notice** – For use in instances where the Customer sets out inappropriate materials.
- **Franchisee Representative** - Franchisee shall provide a representative able to visit civic groups, school assemblies (at the request of City), and homeowners' associations, to promote and explain the Recycling programs, and participate in demonstrations, and civic events.
- **Website Page** – Franchisee shall dedicate one page of a Franchisee web site to City services, including, at a minimum, listing contact names and numbers for Customer Service and information on Bulky Item Collection. The Franchisee shall assist the City in establishing a link to this web page from the City's web site.

- **Recycling Curriculum** – Franchisee will provide a Recycling education curriculum for use in classroom visits and workshops, developing materials such as posters, coloring books, puzzles and quizzes.

In addition to the public education and outreach materials described above, Franchisee shall provide the public education and outreach in the form described in Article 4, and other applicable Articles, of SB 1383.

All brochures, mailings, and other educational materials are to be approved by the City in advance of distribution and shall bear the City seal unless otherwise approved by the City.

The Franchisee may allow Customers to request mailings electronically in lieu of hardcopies. Franchisee shall be required to provide an annual report to the City of Customers that have requested to receive mailings electronically. Customers will be provided the option to request electronic mailings annually.

5.3.5 Community Events

At the direction of City, Franchisee shall participate in and promote Recycling and other Diversion techniques at a minimum of four (4) community events. Such participation would normally include providing, without cost, Collection and educational and publicity information promoting the goals of City's Solid Waste program. The City reserves the right to modify the required events and Franchisee's participation requirements.

5.3.6 News Media Relations

Franchisee shall notify the City's designee by email or telephone of all requests for news media interviews related to Collection Services hereunder within twenty-four (24) hours of Franchisee's receipt of the request. Before responding to any inquiries involving controversial issues or any issues likely to affect participation or Customer perception of services, Franchisee will discuss Franchisee's proposed response with the City's designee.

A. Copies of draft news releases or proposed trade journal articles shall be submitted to City for prior review and approval at least five (5) business days in advance of release, except where Franchisee is required by any law or regulation to submit materials to any regulatory agency in a shorter period of time, in which case Franchisee shall submit such materials to City as soon as practicable but in no event later than simultaneously with

Franchisee's submittal to such regulatory agency.

B. Copies of articles resulting from media interviews or news releases shall be provided to the City within five (5) days after publication.

5.4 Contamination Monitoring

5.4.1 Contamination Inspection Methods

Franchisee shall implement an inspection method in compliance with the requirements of SB 1383 (14 CCR Section 18984.5), as described below. Franchisee shall include the contamination inspection method that will be utilized in the "AB 341, AB 827, AB 1826, and SB 1383 Implementation Plan," in Exhibit 7.

A. Physical Container Inspections. When Franchisee's personnel dismounts from Collection vehicles to empty a Container, such personnel shall lift the Container lid and observe the contents. Upon finding Contaminants in a Container, Franchisee shall follow the contamination noticing procedures set forth in Section 5.4.2.2.

5.4.1.1 Actions upon Identification of Prohibited Container Contaminants

A. Record Keeping. The driver or other Franchisee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container (Blue, Green, or Gray or Black Container); and maintain photographic evidence, if required. Franchisee shall submit this record to the Franchisee's Customer service department, and Franchisee's Customer service department shall update the Customer's account record to note the event, if the documentation of the on-board computer system did not automatically update the Customer's account record.

B. Identification of Excluded Waste. If Franchisee's personnel observe Excluded Waste in an uncollected Container, the Franchisee's personnel shall record that observation in accordance with Section 5.4.1.3 and immediately inform their route supervisor. Franchisee shall follow protocols specified in Section 5.4.1.1.C. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

C. Courtesy Pick-Up Notices. Upon identification of Prohibited Container Contaminants in a Customer's Container, Franchisee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (i) inform the Customer of the

observed presence of Prohibited Container Contaminants; (ii) include the date and time the Prohibited Container Contaminants were observed; include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in the Blue Container, Green Container, and/or Gray/Black Container; (iv) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following three (3) instances of contaminated materials; Franchisee may assess contamination fees; and, (v) shall include photographic evidence. Franchisee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, subject to City's approval, may deliver the notice by mail, e-mail, or text message.

Franchisee shall Collect the contaminated Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, and Organic Materials and Transport the material to the appropriate Approved Facility for Processing; or, Franchisee may Collect the contaminated materials with Gray or Black Container Waste/Mixed Waste and Transport the contaminated materials to the appropriate Approved Facility for Disposal/ Processing.

D. Notice of Assessment of Contamination Fees. If the Franchisee observes Prohibited Container Contaminants in a Generator's Green Container or Blue Container on more than three (3) occasions and issued courtesy pick-up notices on each of those occasions, the Franchisee may impose a contamination fee. Franchisee shall notify the City in its monthly report of Customers for which contamination fees were assessed. Franchisee shall leave a contamination fee notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, subject to City's approval, may deliver the notice by mail, e-mail or text message. The contamination fee notice shall describe the specific material(s) of issue, explain how to correct future set outs, and indicate that the Customer will be charged a contamination fee on its next bill. The format of the contamination fee notice shall be approved by the City Manager.

Franchisee shall Collect the contaminated Source Separated Recyclable Materials. Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, and/or Organic Waste and Transport the material to the appropriate Approved Facility for Processing.

E. Communications with Customer. Whenever a Container is not Collected because of Prohibited Container Contaminants, a Customer service representative shall contact the Customer to discuss why the Container was not collected, and encourage the Customer to

adopt proper Discarded Materials preparation and separation procedures.

F. Disposal of Contaminated Materials. If the Franchisee observes visible Prohibited Container Contaminants in a Generator's Green Container or Blue Container, Franchisee may Dispose of the Container's contents provided Franchisee complies with the noticing requirements in Section 5.4.1.1.C above.

5.4.1.2 On-Going Contamination Monitoring by Route Personnel

Franchisee shall assist on an ongoing basis in minimizing contamination by helping to educate Customers on acceptable and non-acceptable materials through ongoing education and outreach efforts and through on-going monitoring of the contents of Collection Containers. The ongoing Container monitoring shall be performed by Franchisee using the method described in Section 5.4.1.

Franchisee may refuse Collection of Refuse, Recyclables, or Organic Waste from Customers under the following circumstances: (i) the material is not Source Separated from other Discarded Materials or Excluded Waste; (ii) access is blocked or inhibited by vehicles or other obstacles; or, (iii) the material is commingled with Prohibited Container Contaminants. In the event does not Collect the Refuse, Recyclable Materials, or Organic Waste from a Customer for any of these reasons, Franchisee shall leave a non-collection notice for the Customer recording at a minimum the date, Customer location, and an explanation as to why the materials were not Collected. Franchisee is required to retain photographic evidence of all instances of non-collection.

5.4.1.3 Prescribed Contamination Monitoring

A. Methodology and Frequency

Commencing on July 1, 2026 the Franchisee shall, at its sole expense, conduct hauler route reviews for Prohibited Container Contaminants in Containers in a manner that is deemed safe by the Franchisee; is approved by the City; and is conducted in a manner that results in all hauler routes being reviewed annually or more frequently.

The Franchisee shall conduct hauler route reviews that include inspection of the contents of Blue, Green, and Gray/Black Containers for Prohibited Container Contaminants in a manner that a minimum of ten percent (10%) of Containers on each and every hauler route are randomly inspected annually.

Franchisee shall develop a hauler route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Franchisee shall submit its proposed hauler route review methodology for the coming year to the City no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each hauler route's annual review. Franchisee's proposed hauler route review methodology shall include not only its plan for Container inspections, and shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. City and/or CalRecycle will review and approve the proposed methodology. Franchisee may commence with the proposed methodology upon approval.

If the City and/or CalRecycle notifies the Franchisee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Franchisee shall, at its sole expense, revise the methodology and, after obtaining City or CalRecycle approval, conduct additional hauler route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Franchisee's proposed methodology meets the requirements of 14 CCR Section 18984.5(b), but has been deemed inadequate by the City, the Franchisee shall, at the expense of the City, revise the methodology and implement the necessary changes using the revised procedure.

The City Manager may request, and Franchisee shall accept, modifications to the schedule to permit observation of the hauler route reviews by the City. In addition, Franchisee shall provide an email notice to the City's Contract Manager no less than ten (10) business days prior to each scheduled hauler route review that includes the specific time(s), which shall be within the City's normal business hours, and location(s).

B. Noticing of Generators with Contamination, and Disposal of Materials.

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.4.1.1.C.

C. Monthly Reporting Requirements.

Franchisee shall maintain records and report to the City monthly on contamination monitoring activities and actions taken, in accordance with Article 8.

5.4.1.4 Contamination Response.

If the sampled weight of Prohibited Container Contaminants exceeds twenty-five percent (25%) of the measured sample for any material stream, the Franchisee shall notify the City within fifteen (15) Business Days of the waste evaluation. Franchisee shall include the contamination response method that will be utilized in the “AB 341, AB 827, AB 1826, and SB 1383 Implementation Plan,” in Exhibit 7.

Within fifteen (15) business days of the waste evaluation, notify all Generators on the sampled hauler route of their requirement to properly separate materials into the appropriate Containers. The Franchisee may provide this information by placing a written notice on the Generators’ Containers or the gate or door of the Premises; and/or by mailing, emailing, or texting the notice to the Generators. The format of the warning notice shall be approved by the City.

5.4.1.5 Noticing of Generators with Contamination, and Disposal of Materials

Upon finding Prohibited Container Contaminants in a Container, Franchisee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 5.4.1.1.C.

5.4.1.6 Monthly Reporting Requirements

In accordance with Article 8, Franchisee shall maintain records and report to the City on a monthly basis on contamination monitoring activities and actions taken.

5.5 Inspection and Enforcement

A. Annual Compliance Reviews

1. **General.** Franchisee shall perform compliance reviews described in this Section commencing July 1, 2026, and at least annually thereafter, unless otherwise noted.
2. **Annual Hauler Route Review.** Beginning April 1, 2026 and annually thereafter, the Franchisee shall conduct annual hauler route reviews of Multi- Family and Residential Premises Generators for compliance with the City’s Discarded Materials Collection program and Container contamination monitoring. These hauler route reviews may be performed concurrently with the contamination monitoring hauler route reviews, provided that Franchisee documents a reasonable sampling of Generators for which compliance with the City’s Discarded

Materials Collection program during the hauler route review was assessed.

B. Compliance Review Process

1. **Number of Reviews.** The Franchisee shall conduct a sufficient number of compliance reviews, hauler route reviews, and inspections of entities described in this Section 5.5, to adequately determine the entities' overall compliance with SB 1383, AB 1826, and AB 341. The City reserves the right to require additional inspections, if the City determines that the amount of inspections conducted by the Franchisee is insufficient. City may require the Franchisee to prioritize inspections of entities that the City determines are more likely to be out of compliance.
2. **Non-Compliant Entities.** From July 1, 2026 through December 31, 2026, when compliance reviews are performed by Franchisee pursuant to Section 5.5.A, Franchisee shall provide educational materials in response to violations. Franchisee shall provide these educational materials to the non-compliant Customers and Generators within five (5) working days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or hauler route review. Franchisee shall document the non-compliant Customers and Generators and the date and type of education materials provided and report such information to the City in accordance with Article 8. As of January 1, 2024, the Franchisee shall document non-compliant Customers and Generators determined through Franchisee's compliance reviews pursuant to Section 5.5.A, and shall report all Customers and Generators with SB 1383 violations to the City in accordance with Article 8. The City shall be responsible for subsequent enforcement action against the Generators.
3. **Documentation of Inspection Actions.** The Franchisee shall generate a written and/or electronic record and maintain documentation for each inspection, hauler route review, and compliance review conducted, including the information described in Article 8.

5.6 Service Complaints

A. Documentation of Complaints

1. **General.** The Franchisee agrees to maintain a computer database log of all oral and written complaints received by Franchisee from Customers or other Persons. Franchisee shall be responsible for the prompt and courteous

attention to, and prompt and reasonable resolution of, all Customer complaints. Franchisee agrees to document and maintain for a period of at least five (5) years on a form or log all Complaints registered by Customers and Persons, in accordance with this Section and Article 8.

Franchisee shall record complaints received related to SB 1383 non-compliance in its log in a manner further described in subsection A.2 below.

2. **SB 1383-Noncompliance Complaints.** For complaints received in which the Person alleges that an entity is in violation of SB 1383 requirements, Franchisee shall document the information listed in Article 8. Franchisee shall provide this information in a monthly summary report in accordance with Article 8.

B. Investigation of SB1383-Noncompliance Complaints

1. **Investigation.** Franchisee shall commence an investigation, within ninety (90) days of receiving a complaint in the following circumstances: (i) upon Franchisee receipt of a complaint that an entity may not be compliant with SB 1383 and if City determines that the allegations against the entity, if true, would constitute a violation of SB 1383; and, (ii) upon City request to investigate a complaint received by City, in which City determines that the allegations against the entity, if true, would constitute a violation of SB 1383. Franchisee is required to investigate complaints against Customers and Generators, and not against Food Recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383.

Franchisee shall investigate the complaint using one or more of the methods:

- a. Reviewing the service level of the Customer that may not be compliant with SB 1383 regulations;
- b. Reviewing the waiver list to determine if the entity has a valid de minimis, or space constraint;
- c. Reviewing the Self-Haul registration list to determine if the entity has registered and reviewing the entity's reported Self-Haul information;
- d. Inspecting Premises of the entity identified by the complainant, if warranted; and/or,

e. Contacting the entity to gather more information, if warranted.

2. **Reporting.** Within ten (10) days of completing an investigation of an SB 1383-noncompliance complaint, Franchisee shall submit an investigation complaint report that documents the investigation performed and recommends to City on whether or not the entity investigated is in violation of SB 1383 based on the Franchisee's investigation. The City shall make a final determination of the allegations against the entity.

5.7 Technical Assistance Program

Franchisee will include an outreach and technical assistance plan in the AB 341, AB 827, AB 1826, and SB 1383 Implementation Plan required by Section 5.3.4.

5.7.1 Workshops and Meetings

Franchisee shall, at its sole expense, participate in and/or plan, organize, and conduct direct Generator outreach, including, but not limited to: workshops, community events, and meetings to support Generator compliance with the Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, and Organic Materials separation and program participation requirements under this Agreement and other local and State regulations, including, but not limited to, AB 341, AB 1826, and SB 1383.

Franchisee shall host at least two (2) technical assistance workshops per calendar year for Residential Premises Customers. The workshops shall be open to all residents in the City, and the Franchisee shall publish the time and location of the workshop no later than thirty (30) days prior to the workshop through insert publication method(s), such as publication on the Franchisee's website, email newsletter, printed flyers delivered on hauler routes, etc. The structure and content of these workshops shall be designed by the Franchisee, and submitted at least thirty (30) days prior to the date of the workshop for City approval. Workshops shall be focused on the regulatory requirements of SB 1383, and AB 1826 and any local program or service changes as a result of the regulations.

By request of a Generator or the City, Franchisee shall schedule and conduct an in- person or phone meeting with the Generator to discuss and assess their service needs and compliance with existing and/or upcoming programs and Applicable Law. The Franchisee shall provide additional technical assistance as needed, which may include, but is not limited to site visits and waste assessments. The Franchisee shall follow up

with the Generator in person or by phone no later than ten (10) working days after the initial meeting to assess the Generator's compliance with existing and upcoming programs under this Agreement and Applicable Law.

5.7.2 Record Keeping and Reporting Requirements.

Franchisee shall maintain records of all technical assistance activities and educational materials conducted pursuant to this Section and submit reports to the City in accordance with Article 8.

5.8 Universal Enrollment Monitoring

Franchisee shall assist the City in ensuring that the enrollment of Generators occurs in a timely and efficient manner. City and Franchisee shall cooperatively develop and agree to a process no later than ninety (90) days prior to the initiation of services. In accordance with Section 8.3, Franchisee shall maintain records and provide reports necessary for the City to verify the enrollment of Generators.

At least one (1) time per year, Franchisee shall reconcile and confirm universal enrollment of Generators by comparing its Customer list to parcel information and calculating the percentage of total Generators enrolled in City's Collection program. As part of this analysis, Franchisee shall provide the City with a summary of any discrepancies found between the Customer list and parcel information, including the names and addresses of all Generators that were found to be the subject of a discrepancy. Franchisee shall also provide a list of Generators that are not enrolled in the City's Collection program due to the provision and approval of a waiver pursuant to Section 5.2.7, including the name, address, and type of waiver for each Generator. In accordance with Article 8.3, Reports, Franchisee shall maintain records and provide reports on the Generators' service level and list of non-enrolled Generators, and other information necessary for the City to verify the universal enrollment of Generators.

ARTICLE 6 COMPANY COMPENSATION AND RATES

6.1 General

Franchisee will perform the responsibilities and duties described in this Agreement in consideration of the right to receive compensation for services. Franchisee Compensation provided for in this Article shall be the full, entire, and complete compensation due to

Franchisee pursuant to this Agreement for all labor, equipment, materials and supplies, taxes, insurance, bonds, overhead, Disposal, Recycling, Processing, Transfer, profit and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed.

6.2 Initial Rates

The rates for the Rate Year ending June 30, 2026 shall not exceed those set forth in Exhibit 2 hereto, unless amended by a written amendment to this Agreement entered into by and between the City and the Franchisee. Franchisee has reviewed these maximum rates and agrees they are reasonably expected to generate sufficient revenues to provide adequate Franchisee Compensation. Unless and until the maximum rates set forth on Exhibit 2 are adjusted, Franchisee will provide the services required by this Agreement, charging no more than the maximum rates authorized by Exhibit 2, except as provided herein in this Article 6.

6.3 Schedule of Future Adjustments

Subject to the limitations set forth in Proposition 218 and Government Code Section 53756, beginning with Rate Year two (2) (July 1, 2026 to June 30, 2027) and for all subsequent Rate Years, Franchisee or City may request an annual adjustment (increase or decrease) to the maximum rates shown in Exhibit 2. For all inflationary adjustments extending beyond those set forth in Section 6.4.2, the Franchisee shall submit its request in writing, to be received by City in person or via certified mail, by March 1 of the same year based on the method of adjustment described in Section 6.4. Failure to submit a written request by March 1, shall result in Franchisee waiving the right to request such an increase for the subsequent year. Notwithstanding the above, no rate adjustment pursuant to this Section 6.4 shall exceed a total of five percent (5%). If an adjustment results in a rate decrease, then the City shall maintain the current rates and rollover the rate decrease to the next rate adjustment; the intent is to ensure subsequent rate increases shall be offset with any decrease not previously implemented.

6.4 Method of Adjustments

6.4.1 General

Pursuant to Section 6.3, Franchisee may request an annual CPI adjustment to the Total Rate according to the formula and example shown in Exhibit 3, subject to review and approval of the City and the terms and conditions of Proposition 218 and Government

Code Section 53756.

6.4.1.1 Compliance with Proposition 218

To the extent applicable, adjustments and/or increases to the maximum rates, including annual requests under Section 6.3, extraordinary request under Section 6.5 and any other request for rate increases, are strictly subject to the assent of the City and compliance with Proposition 218 and Government Code Section 53756. The City intends to comply with all Applicable Laws, (including without limitation Proposition 218 to the extent the City maintains the position that Proposition 218 is applicable to the services provided under this Agreement), concerning the setting of adjustments to the maximum rates under this Agreement.

In the event of a rate adjustment, Franchisee is required to mail Proposition 218 notices to all Customers. Franchisee is responsible for all costs incurred for copying and mailing of Proposition 218 notices.

6.4.1.2 Indemnification

To the maximum extent allowed by law, Franchisee shall indemnify, defend and hold harmless the City, their officers, employees, agents and volunteers, (collectively, Indemnitees) from and against all claims, damages, injuries, losses, costs, including demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses (including attorneys' and expert witness fees, expenditures for investigations, and administration) and costs or losses of any kind whatsoever paid, imposed upon, endured or suffered by or assessed against Franchisee or any of the Indemnitees resulting in any form from the City's establishing maximum rates for service under this Agreement or in connection with the application of California Constitution Articles XIII C and Article XIII D to the imposition, payment or collection of rates and fees for services provided by Franchisee under this Agreement. Notwithstanding the foregoing, this indemnity shall not extend to any portion of the rates that is not associated with Franchisee's costs in providing service, such as governmental fees, Franchise Fees or charges, nor shall it apply to any loss arising directly from the negligence of City, its officers and employees. Nothing herein is intended to imply that California Constitution Articles XIII C or XIII D apply to the setting of rates for the services provided under this Agreement; rather, this Section is provided merely to allocate risk of loss between the Parties.

6.4.1.3 No Waiver of City Council Discretion at Hearings

With respect to all matters submitted to the City Council or other administrative decision-making body for hearing, this Agreement does not waive or limit the City's police powers (which police powers the Parties acknowledge cannot be contractually waived) nor does anything in this Agreement waive or limit the exercise of discretion inherent to the City Council or other administrative decision-making body. However, the City will warrant that requests for rate adjustments will be heard and considered in the exercise of good faith on the part of the City. The City's decision on matters submitted to a public hearing will be made at or after the public hearing, not beforehand. While Franchisee's failure to comply with the terms hereof could be a default leading to termination of this Agreement, in no case will City's failure to approve any items submitted to it for hearing (per Section 6.3 or otherwise) be a default hereunder, and, subject to the requirements of due process, City bears no liability to Franchisee for any damages suffered by Franchisee as a result of a hearing outcome.

6.4.1.4 Proposition 218 Protest Contract Remedy

If an annual rate adjustment requested in accordance with Section 6.3 is verified for accuracy by the City and not implemented solely as a result of a fifty percent (50%) plus one protest in accordance with Proposition 218, Franchisee may either: 1) accept that the rate will remain at the rates in effect prior to the requested rate increase, or 2) submit in writing to the City its intent to terminate the Agreement. A request to terminate the Agreement under this section would require a one-year advance written notice and must be submitted within ninety (90) days of the denial of the rate increase request as a result of the fifty percent (50%) protest. This right to terminate does not apply to rate adjustments requested under Section 6.5 or any other section of this Agreement, or for any other reason other than requests under Section 6.3.

6.4.2 Rate Adjustment Calculation

Subject to the conditions and limitation of Proposition 218 and Government Code Section 53756.

6.4.2.1 Cost Component and Rate Adjustment Indexes

To ensure that compensation is aligned with inflationary trends, the City may authorize annual adjustments to the approved rates based on changes in the Consumer Price Index for all urban consumers (CPI-U), Los Angeles-Long Beach Anaheim, CA, Published by the U.S. Bureau of Labor Statistic. Annual rate adjustments will be based upon the average

percentage changes in CPI for the twelve-month period ending April, as shown in the example in Exhibit 3, prior to the July rate will take effect.

6.4.2.2 Rate Adjustment Steps

Subject to the conditions and limitation of Proposition 218 and Government Code Section 53756, maximum rates shall be adjusted according to the following procedures:

Step One – **Data Collection:** Obtain CPI data for each of the twelve months ending in April of the current year.

Step Two – **Percentage Change Calculation:** For each of the twelve months, calculate the percentage change in CPI compared to the same month in the preceding year.

Step Three – **Average Annual Change:** Compute the average of the twelve-monthly percentage changes to determine the average annual CPI adjustment factor.

Step Four – **Application to Rates:** Apply the resulting CPI adjustment factor to the current approved rates.

6.5 Extraordinary Adjustments

Subject to the conditions and limitations in Proposition 218 and Government Code Section 53756, Franchisee or City may request an adjustment to maximum rates at reasonable times other than that allowed under Section 6.3 in the event of extraordinary changes in the cost of providing service under this Agreement. Such changes shall not include changes in Recyclable Materials or Organic Waste Processing costs or, changes in the market value of Recyclable Materials from the values assumed by the Franchisee (except as noted below), inaccurate estimates by the Franchisee of its proposed cost of operations, unionization of Franchisee's work force, or change in wage rates or employee benefits. Franchisee may request an extraordinary rate increase for a change recyclable commodity value if the combined total value sold of all recyclable commodities (excluding C&D and Organics), including CRV, is less than zero for a calendar year. Franchisee may request an extraordinary adjustment based on changes in a direct per ton fee assessed at the Disposal Site by federal, State, or local regulatory agencies after the Effective Date. Extraordinary rate adjustments shall only be effective after approval by City Council, may not be applied retroactively, and shall undergo a majority protest process under Proposition 218 if such adjustments increase rates above those currently in effect.

For each request for an adjustment to the maximum rates that Franchisee may charge

Customers brought pursuant to this section Franchisee shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to City with support for assumptions made by Franchisee in preparing the estimate. Franchisee shall also submit a schedule showing how its total costs and total revenues have changed over the past three years for the services provided under this Agreement.

Franchisee shall provide to City a report of its annual revenues and expenses for the services provided in the City prepared by a Certified Public Accountant or a licensed public accountant, which shall have been prepared in compliance with Rule 58 of the "Rules and Regulations of the State Board of Accountancy," as established by the California Code of Regulations, Title 16, Chapter I. Such Certified Public Accountant or licensed public accountant shall be entirely independent of the Franchisee and shall have no financial interest whatsoever in the business of the Franchisee. City shall have right to audit this information in connection with the City's review of Franchisee's rate adjustment request. City shall review the Franchisee's request and, in City's sole judgment and absolute, unfettered discretion, make the final determination as to whether an adjustment to the maximum rates will be made, and, if an adjustment is permitted, the appropriate amount of the adjustment. The City's approval of an extraordinary rate adjustment request made in response to a change in the City of Santa Fe Springs Municipal Code shall not be unreasonably withheld. City may consider increases or decreases in the Franchisee's total revenues and total cost of services when reviewing an extraordinary rate adjustment request. A rate adjustment request made in response to a new service requested by City will be determined in accordance with Section 2.10.

6.6 Additional Customer Rate Increase Procedures

City intends to comply with all Applicable Laws concerning Solid Waste Handling Services rates provided for under this Agreement. Franchisee shall timely prepare and publish as required, at no cost to City, all information, reports, notices and materials necessary for the City to comply with Proposition 218 and its implementing legislation and corresponding court decisions.

In the event a rate increase does not receive approval under applicable Proposition 218 procedures, the City shall not be liable to Franchisee for the failure to implement any such increases, nor shall City be required to compensate Franchisee for any requested rate increases or "pass through" rates. Franchisee agrees to hold harmless and release the Indemnitees from and against any and all Claims Franchisee may have against the City in

connection with the application of California Constitution Article XIII C and Article XIII D to the imposition, payment or collection of the rates under this Agreement. This Section will survive the expiration or termination of this Agreement for Claims arising prior to the expiration or termination of this Agreement.

ARTICLE 7

REVIEW OF SERVICES AND PERFORMANCE

7.1 Performance Hearing

City may hold a public hearing, or other meeting, on or about the two-year anniversary of the start of this Agreement, and each 12 months thereafter, at which time Franchisee shall be present and shall participate, to review the Solid Waste Collection, source reduction, Processing and other Diversion services and overall performance. The purpose of the hearing is to provide for a discussion and review of technological, economic, and regulatory changes in Collection, source reduction, Recycling, Processing and Disposal to achieve a continuing, advanced Solid Waste Collection, source reduction and Recycling and Disposal system; and to ensure services are being provided with adequate quality, effectiveness and economy.

Forty-five (45) days after receiving notice from City of a Solid Waste Services and Performance Review Hearing, Franchisee shall, at a minimum, submit a report to City indicating the following:

- a) Changes recommended and/or new services to improve City's ability to meet the goals of AB 939, AB 341, AB 1826, SB 1383, and any current or future regulations, and to contain costs and minimize impacts on rates. A specific plan for regulatory compliance shall be included.
- b) Any specific plans and proposed costs for provision of changed or new services by Franchisee.
- c) Results of the most recent route audit as described in Section 4.13.

The reports required by this Agreement regarding Customer complaints shall be used as one basis for review. Franchisee may submit other relevant performance information and reports for consideration. City may request Franchisee to submit specific information for the hearing. In addition, any Customer may submit comments or complaints during or before the hearing, either orally or in writing, and these shall be considered.

Topics for discussion and review at the Solid Waste Services and Performance Review Hearing shall include, but shall not be limited to, services provided, route audit results feasibility of providing new services, application of new technologies, Customer complaints, amendments to this Agreement, developments in the law, new initiatives for

meeting or exceeding AB 939's goals, regulatory constraints and Franchisee performance. City and Franchisee may each select additional topics for discussion at any Solid Waste Services and Performance Review Hearing.

Not later than sixty (60) days after the conclusion of each Solid Waste Services and Performance Review Hearing, City may issue a report. As a result of the review, City may require Franchisee to provide expanded or new services within a reasonable time and for reasonable rates and compensation and City may direct or take corrective actions for any performance inadequacies.

7.2 Performance Satisfaction Survey

Franchisee will conduct a survey at Franchisee's expense at request of City or in preparation for this hearing. The purpose of the survey is to determine Customer satisfaction with current Collection services and Customer service provided by the Franchisee. Survey will be distributed to a minimum of 10% of Residential Premises Customers, selected at random. Franchisee will prepare the Residential Customer surveys and will seek City approval of survey content and format prior to distribution and will incorporate City content, if City requests. Survey results must be made available to the City 30 days prior to hearing.

ARTICLE 8

RECORDS, REPORTS AND INFORMATION REQUIREMENTS

8.1 General

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the financial statements and other reports required by this Agreement. Also, Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with Applicable Laws and regulation and to meet the reporting and Solid Waste program management needs of City. To this extent, such requirements set out in this and other Articles of this Agreement shall not be considered limiting or necessarily complete. In particular, this Article is intended to only highlight the general nature of records and reports and is not meant to define exactly what the records and reports are to be and their content. Further, with the written direction or approval of City, the records and reports to be maintained and provided by Franchisee in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

8.2 Records

8.2.1 General

Franchisee shall maintain records required to conduct its operations, to support requests it may make to City, and to respond to requests from City in the conduct of City business. Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated such as a fire, theft and earthquake.

Electronically maintained data/records shall be protected and backed up. All records shall be maintained for five (5) years, and shall continue to be available for five (5) years after the expiration of this Agreement. After minimum holding periods are met, Franchisee will notify City ninety (90) days before destroying records.

Franchisee shall maintain adequate records, and corresponding documentation, of information required by this Agreement, such that the Franchisee is able to produce accurate monthly, quarterly and annual reports, and is able to provide records to verify such reports. Franchisee will make these records available and provide to the City any record or documentation necessary for the City to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 901, SB 1383, and other current or future federal, State, or local regulations, as amended. Upon request by the City, Franchisee shall provide access to Franchisee's requested records in a timely manner, not to exceed ten (10) Business Days from the time of City's request to Franchisee. The City shall have the right, upon reasonable notice, to inspect, audit, and copy all records relating to the Solid Waste collection permits granted to Franchisee.

Franchisee agrees that the records of any and all companies conducting operations addressed in the Agreement shall be provided or made available to City and its official representatives during normal business hours. Account histories shall be accessible to the City by computer for a minimum of five (5) years. City may review or utilize any of the records described in this section for any purpose whatsoever.

8.2.2 Financial Records

Financial records shall be maintained and expense and revenue information for City shall be segregated from other areas served by Franchisee. Franchisee shall maintain financial records and books in a form and manner satisfactory to the Director of Finance and Administrative Services.

Where the allocation of expenses or revenues to various categories of Customers is required to develop equitable rates that reflect the cost of service, Franchisee shall segregate such expenses and revenues.

Franchisee shall maintain at least the following records:

- Audited financial statements for Franchisee or, if a guarantee was provided, for the parent company guarantor as a whole;
- Financial statements (compiled, reviewed or audited) of revenue and expense for this Agreement segregated from the other operations of Franchisee (including without limitation those operations of Franchisee in City and surrounding jurisdictions which are not covered by this Agreement), including a description of segregation methodology; and,
- Complete descriptions of related party transactions (corporate and/or regional management fees, inter-company profits from Transfer, Processing or Disposal operations).

8.2.3 Solid Waste Records

Franchisee will make records available and provide to the City any record or documentation necessary for the City to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. City reserves the right to add or delete items from the listing below.

Records shall be maintained by Franchisee for City relating to:

- Customer services and Billing;
- Tons Collected, Processed, Diverted and Disposed by waste stream (Refuse, Recyclable Materials, Organic Waste, and other Discarded Materials), by Customer type (Cart, Residential Bin and Roll- off Box) and Facilities (Transfer Station, MRF, Organic Material Processing Facility, Transformation Facility or landfill) where such material was taken (Residential Bin versus Commercial Bin tonnage may be estimated based upon Container distribution or other method approved by City);
- Quantity of Recyclable Materials recovered by material type;

- Bulky Item results including tons Disposed and Diverted;
- Neighborhood cleanup event results, including tons Disposed and Diverted;
- Routes;
- Facilities, equipment and personnel used;
- Facilities and equipment operations, maintenance and repair;
- Number of Refuse, Recycling and Organic Material Franchisee-owned Containers in service;
- Complaints; and,
- Missed pickups.

Franchisee shall maintain copies of said Billings and receipts, each in chronological order, for a period of five (5) years after the date of service for inspection by City upon request. Franchisee may, at its option, maintain those records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner, are sufficient to verify accuracy of Franchise Fees owed to the City, and may be produced in a form and manner sufficient to establish the existence of Customer obligations in a court of competent jurisdiction.

8.2.4 CERCLA Defense Records

City views the ability to defend against the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), State Hazardous Substance Law, and related litigation as a matter of great importance. For this reason, the City regards the ability to prove where Solid Waste Collected in the City was taken for Disposal, as well as where it was not taken, to be matters of concern. Franchisee shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the City was landfilled (and therefore establish where it was not landfilled) and provide a copy or summary of the reports required in Section 8.3 for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement, or to provide copies of such records to City. Franchisee agrees to notify City's Risk Manager and City Attorney before destroying such records and to offer records to the City. This provision shall survive the expiration of the period during which Collection services are to be provided under this Agreement.

8.2.5 Disposal Records

Franchisee shall maintain records of Disposal of all Solid Waste Collected in City for the period of this Agreement and all extensions to this Agreement or successor Agreements. In the event Franchisee discontinues providing Solid Waste services to City, Franchisee shall provide all records of Disposal or Processing of all Solid Waste Collected in City within thirty (30) days of discontinuing service. Records shall be in chronological and organized form and readily and easily interpreted.

8.2.6 Other Programs' Records

Records for other programs shall be tailored to specific needs. In general, they shall include:

- a) Plans, tasks, and milestones; and,
- b) Accomplishments in terms such as dates, activities conducted, quantities of products used, produced or distributed, and numbers of participants and responses.

8.2.7 Cost of Audit

- City will conduct an audit of Franchisee as follows: Year one and two audited in year three, years three and four audited in year five, years five and six audited in year eight. The scope of the audit, and auditing party, will be determined by City and the scope may include, but is not limited to:
 - Compliance with terms of this Agreement;
 - Customer service levels and Billing;
 - Fee payments;
 - Receipts;
 - Tonnage;
 - Complaint log;
 - Compliance with Mandatory Commercial Recycling, Mandatory Commercial Organics Recycling, and SB 1383; and,
 - Verification of Diversion rate.

The first audit, to be performed during 2028, will be based on the Franchisee's reports and records for Rate Year 2025/26, 2026/27. Audits will be performed as described above. Franchisee will reimburse to the City the cost of such audits up to fifty thousand dollars (\$50,000) for the first audit, and fifty thousand dollars (\$50,000) for each subsequent biennial audit in 2025 dollars. The fifty thousand dollars (\$50,000) amount in subsequent years shall be increased annually by the change in CPI as defined in Section 1.37.

Should an audit by the City disclose that Franchise or other fees payable by the Franchisee were underpaid by three percent (3%) or more, or that more than two percent (2%) of the Customers were inaccurately billed, for the period under review, Franchisee shall reimburse the City for the actual cost of the audit to the extent it exceeded fifty thousand dollars (\$50,000) and shall also pay for additional audit costs if City determines it is necessary to expand the scope of the audit.

8.2.8 Payments and Refunds

Should an audit by the City disclose that the Franchise Fees payable by the Franchisee were underpaid or that Customers were overcharged for the period under review, Franchisee shall pay to City any underpayment of Franchise Fees and/or refund to Franchisee's Customers any overcharges within thirty (30) days following the date of the audit. Should an audit disclose that Franchise Fees were overpaid, City shall refund to Franchisee the amount of the overpayment within the same time frame. Should the audit disclose that Customers were undercharged, Customers may be billed for up to, but not exceeding, ninety (90) days of services not previously billed by Franchisee or City.

8.2.9 Compilation of Information for State Law Purposes.

Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Franchisee will make these records available and provide to the City any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, SB 1383, and other current or future federal, State, or local regulations, as amended.

8.3.1 Report Formats and Schedule

Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed, at no additional charge. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

- a) Determine and set rates and evaluate the efficiency of operations;
- b) Evaluate past and expected progress towards significantly exceeding AB939 goals and objectives and complying with SB 1383 requirements;
- c) Determine needs for adjustment to programs; and
- d) Evaluate Customer service and complaints.

Franchisee may propose report formats that are responsive to the objectives and audiences for each report. The format of each report requires approval by City. The Franchisee agrees to submit all reports by electronic means in a format compatible with City's software/computers at no additional charge, if requested by City. Franchisee will provide a certification statement, under penalty of perjury, by an authorized Franchisee official, that the report being submitted is true and correct.

Monthly reports shall be submitted within twenty (20) calendar days after the end of each month. If requested, Franchisee's complaint summary, shall be sent to the City Manager, or designated representative, within five days of request. Annual reports shall be submitted before January 31 following the reporting year.

In the event the City receives any penalties from CalRecycle or another State agency directly related to late or incomplete reporting by Franchisee, as required in this Agreement, Franchisee shall pay the penalties assessed to the City in addition to liquidated damages includes in Section 11.4 of this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

All reports shall be submitted electronically to City, as directed, and to:

Director of Public Works
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, CA 90670
jamesenriquez@santafesprings.gov

8.3.2 Monthly Reports

The information listed shall be the minimum reported:

A. Tonnage Report

1. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section 8.4 of Exhibit 8. Tonnage shall be reported separately by:
 - a. Material type, which shall include, at a minimum, based on the SB 1383 compliant Collection system, separate reporting of Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, and Organic Materials, Mixed Waste, Gray/Black Container Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, used oil, mixed C&D, dirt, rock, metals, cardboard, wood waste, reusable items, salvageable materials, etc.);
 - b. Customer/sector type (Residential, Multi-family, Commercial Roll-off, C&D); and
 - c. Approved Facility and Facility type.
2. Report residue level and Tonnage for all Discarded Materials Processed, listed separately by material type Collected and Approved Facility/Facilities used.
3. Source Separated Recyclable Materials tonnage marketed, by commodity, and including average commodity value for each, and Processing residue tonnage

Disposed, listed separately by material type Collected and Approved Facility/Facilities used.

4. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.
5. Tonnage Collected by month separately for each C&D project site and other data as it relates to the C&D services described in this Agreement.

B. Collection and Subscription Report

1. Number of Containers at each Service Level by Customer Type and program, including:
 - a. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Roll-off Box and Compactor service by Customer Type.
 - b. Calculation of the average volume of service received per: Residential Dwelling Unit (separately identifying dwelling units in a duplex, triplex, or fourplex); and Multi-Family Dwelling Unit Premises Customer.
2. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Residential and Multi-Family and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
3. Documentation of the universal service enrollment process including a copy of the City-wide Generator enrollment level evaluation conducted pursuant to Section 5.8 of this Agreement.
4. List of all Multi-Family Premises Customers with a Gray/Black Container Waste or Mixed Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray/Black Container Waste, Mixed Waste, Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, and Organic Materials and Service Levels.
5. The total number of de minimis waivers, and physical space constraint waivers

granted in the month, including the Generator name and address for each waiver.

6. The number of waiver reverifications performed by the Franchisee pursuant to Section 5.2.7 of this Agreement in the month, if any, including a copy of documentation for each reverification inspection, which shall include, at a minimum: the Generator's name, address, and Generator type; the type of waiver being verified; any photographic or other evidence collected during the inspection; and the resulting recommended conclusion by the Franchisee regarding the validity of the waiver. The Franchisee shall provide a summary of recommendations to the City of all waivers which the Franchisee concludes to no longer be warranted.
7. Number of Bulky Item/reusable materials Collection events by Customer Type.

C. Contamination Monitoring Report

Hauler Route Reviews (Section 5.4.1.3)

The Franchisee shall submit the following information regarding contamination monitoring hauler route reviews conducted pursuant to Section 5.4.1.3 of this Agreement:

1. The number of hauler route reviews conducted pursuant to Section 5.4.1.3 of this Agreement;
2. Description of the Franchisee's process for determining the level of contamination;
3. Summary report of non-Collection notices and/or contamination processing fee assessment notices issued, which for each notice shall include the date of issuance, Customer name, and service address;
4. A record of each inspection and contamination incident, which shall include, at a minimum:
 - a. Name of the Customer
 - b. Address of the Customer
 - c. The date the contaminated Container was observed

- d. The staff who conducted the inspection
 - e. The total number of violations found and a description of what action was taken for each
 - f. Copies of all notices, and enforcement orders issued or taken against Generator with Prohibited Container Contaminants
 - g. Any photographic documentation or supporting evidence.
5. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;
 6. A list of all Customers assessed contamination processing fees reported separately by Residential and Multi-Family Premises Customers and including the Customer name, Customer address, and reason for the assessment of the contamination processing fee, and the total number of instances contamination processing fees were assessed in the month and the total amount of fees collected in the month.
 7. Any other information reasonably requested by the City or specified in contamination monitoring provisions of this Agreement.

D. Customer Service Report

1. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, rate information, etc.). For Complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 non-compliance complaints or other regulatory non-compliance complaints.
2. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) service opportunities in the City, presented in a graph format, which compares total missed Collections in the City during the current report period to total missed Collections in the City in past reporting periods.
3. Number of new service requests for each Customer type and requested service(s).
4. Franchisee shall maintain a record of all SB 1383 non-compliance complaints and responses pursuant to Section 5.6 of this Agreement and submit the following information:

- a. Total number of complaints received and total number of complaints investigated
- b. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
 - i. The complaint as received;
 - ii. The name and contact information of the complainant, if the complaint is not submitted anonymously;
 - ii. The identity of the alleged violator, if known;
 - iii. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
 - iv. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and
 - v. The identity of any witnesses, if known.
- c. Copies of all complaint reports submitted to the City, pursuant to Section 5.6.A of this Agreement.
- d. Copies of all investigation reports submitted to the City pursuant to Section 5.6.B of this Agreement, which shall include at a minimum:
 - i. The complaint as received;
 - ii. The date the Franchisee investigated the complaint;
 - iii. Documentation of the findings of the investigation;
 - iv. Any photographic or other evidence collected during the investigation; and
 - v. Franchisee's recommendation to the City on whether or not the entity investigated is in violation of SB 1383 based on the Franchisee's investigation.

E. Generator Waivers

Franchisee shall provide a report that documents each Generator waiver request reviewed by Franchisee, which are required by Section 5.2.7. Identify in the report the Generator name and service address, the type of waiver requested, the status of the waiver (accepted, denied, pending), and other information reasonably requested by the City.

F. Education Program Report

The monthly status of activities identified in the annual public education plan described in Section 5.3 of this Agreement.

G. Discarded Materials Evaluation Reports

In accordance with Section 8.6 of Exhibit 8, Franchisee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

8.3.3 Annual Report

In addition to the monthly reporting requirements in Section 8.3.2, the Franchisee shall provide an Annual Report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Exhibit. The Annual Report shall include the information in the following subsections.

A. Collection and Subscription Report

1. A summary of all data provided in the tonnage report section, including quarterly and annual totals and averages.
2. The type(s) of Collection service(s) provided, a list of all hauler routes serviced, and a record of the addresses served on each hauler route.
3. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Residential and Multi-Family Premises Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
4. A detailed list of Residential and Multi-Family Premises Customer information,

including Gray/Black Container Waste, Mixed Waste, Source Separated Recyclable Materials, Source Separated Blue Container, Organic Waste, Source Separated Green Container Organic Waste, and Organic Materials Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of June 30 (for the year in which the report is submitted).

5. The number of C&D Collection sites served and tonnage Collected, tonnage Diverted, and Diversion level for each C&D Collection site.

B. Processing Facility Report

1. High Diversion Organic Waste Processing Facility: In accordance with Section 8.2.G.3 of Exhibit 8, copies of quarterly and annual average Mixed Waste organic content recovery rates for each High Diversion Organic Waste Processing Facility used by the Franchisee to demonstrate that the Facility/Facilities meets or exceeds the Organic Waste content recovery requirements specified in 14 CCR Section 18984.3.
2. Temporary equipment or operations failure: If the Franchisee is granted a Processing Facility temporary equipment or operational failure waiver, in accordance with Section 4.11.1 of the Agreement, the Franchisee shall include the following documents and information:
 - a. The number of days the Processing Facility temporary equipment waiver or operation failure waiver was in effect;
 - b. Copies of any notifications sent to the City pursuant to Section 4.11.1.3 of the Agreement, and copies of City notices to Franchisee pursuant to Section 4.11.1.3 of the Agreement;
 - c. Documentation setting forth the date of issuance of the waiver, the timeframe for the waiver; and
 - d. A record of the tons of Organic Waste, Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, Organic Materials, Mixed Waste, and/or Gray/Black Container Waste redirected to an Alternative Facility or Disposed at an Approved Disposal Facility as a result of the waiver, recorded by Collection vehicle or Transfer vehicle number/load, date, and weight.

3. Quarantined Organic Waste: A record of all compliance agreements for quarantined Organic Waste that are Disposed of, including the name of Generator, date issued, location of final disposition, and the amount of quarantined Organic Waste that was required to be Disposed at a landfill.
4. Compostable Plastics in Green Containers: Written notification that the Approved Organic Waste Processing Facility(ies) has and will continue to have the capabilities to Process and recover the Compostable Plastics included with the Source Separated Green Container Organic Waste Transported to the Approved Organic Waste Processing Facility.
5. Plastic Bags in Food Waste or Green Containers: Written notification to the City that the Approved Organic Waste Processing Facility has and will continue to have the capabilities to Process and recover plastic bags when it recovers Source Separated Green Container Organic Waste.

C. Public Education and Outreach Report

1. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 5.3 of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
2. A record of the date and to whom the information was disseminated or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
3. The number of Organic Waste Generators and Commercial Edible Food Generators that received information and the type of education and outreach used.
4. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.
5. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.

6. Franchisee shall maintain a record of all technical assistance efforts conducted pursuant to Section 5.7 of the Agreement, including:
 - a. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.
 - b. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: site visits, waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.
 - c. A copy of any written or electronic educational materials distributed during the technical assistance process.
7. A copy of all special event reports submitted to the City in accordance with Section 4.4.6 of the Agreement.

D. Compliance Monitoring and Enforcement Report

1. A summary of the total number of SB 1383 non-compliance complaints that were received and investigated, and the number of notices of violation issued based on investigation of those complaints, in accordance with Section 5.2 and Section 8.3.2.D.4 of the Agreement.
2. The total number of hauler route reviews conducted pursuant to Section 5.4 of the Agreement.
3. A copy of written and/or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 5.5 of the Agreement.
4. The total number of notices of violation issues, categorized by type of Generator.
5. The number of enforcement actions that were resolved, categorized by type of Generator.
6. Copies of all written notices, violations, educational materials, or other enforcement mechanisms issued to noncompliant Generators.

E. Vehicle and Equipment Inventory

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage at June 30.
2. If applicable, the name, physical location, and contact information of each entity, operation, or Facility from whom the RNG was procured.
3. If applicable, the total amount of RNG procured by the Franchisee for use in Franchisee vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee vehicles in the calendar year, if these values are different.
4. Franchisee shall maintain records of the amount of RNG purchased and shall report this information to the City annually. Franchisee agrees to allow the City the right to report this RNG usage toward the City's fulfillment of its annual recovered Organic Waste product procurement target in accordance with 14 CCR Section 18993.1.

F. Customer Revenue and City Fee Payment Report

Provide a statement detailing Gross Revenue from all operations conducted or permitted pursuant to this Agreement and report of all City fees paid in accordance with Article 3 of this Agreement.

G. Additional Reports

1. Upon Incident Reporting. City reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the City. The Franchisee shall provide the requested reports, documents, or information within ten (10) business days upon receipt of the request or within a timeframe determined by the City, which shall not to exceed ten (10) days.
2. AB 901 Reporting. At City's option, City may require that Franchisee provide the City copies of Franchisee's AB 901 reports on a regular basis (such as monthly, quarterly, or annually) or within ten (10) business days of the request.

3. CALGreen Code Compliance. Franchisee shall maintain records of any information or documentation required to demonstrate compliance with the California Green Building Standards Code (CALGreen Code), as adopted by City of Santa Fe Springs Municipal Code Section 150.001. City may request that this information be included in the monthly or annual report(s), as it pertains to the services provided under this Agreement. City shall notify the Franchisee of this request within ten (10) business days prior to the submittal deadline of the monthly and/or annual report where the information is to be included.
4. Facility Capacity Planning Information. City may require Franchisee to provide City with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to City within 60 days of City's request for information regarding available new or expanded capacity, and, at City's option, may be required to submit reports on a more regular basis (such as monthly, quarterly, or annually). If Franchisee uses a subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any City-requested Facility capacity planning information from its subcontractor(s). The annual Facility capacity planning report shall comply with the following:
 - a. Include reports of current throughput and permitted capacity and available capacity for Source Separated Blue Container Organic Waste and Source Separated Green Container Organic Waste Processing for any Facility in the Jurisdiction that processes Source Separated Blue Container Organic Waste and/or Separated Green Container Organic Waste. Existing capacity may include identification of monthly tons of additional Source Separated Recyclable Materials, Separated Green Container Organic Waste, Source Separated Blue Container Organic Waste, and/or Mixed Waste capacity such Facility has the ability to receive within permitted limits.
 - b. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of Separated Green Container Organic Waste and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.
 - c. Be submitted using a form or format approved by the City.

H. Customized Reports. City reserves the right to request Franchisee to prepare and provide customized reports from records Franchisee is required to maintain.

8.3.4 Financial Report

The City may, at City's option, request the Franchisee's audited financial reports/statements (or parent company, if parent company submits corporate guaranty of performance), and Franchisee's internally prepared supplemental statement of income and expenses related specifically to City of Santa Fe Springs' operations, for the most recently completed fiscal year in connection with any extraordinary rate adjustment request, Billing audit, Franchise Fee audit, or verification of other information required under this Agreement. Such audit may request review or copying of financial statements maintained by Franchisee, which may include, without limitation, comparative balance sheets, comparative operating statements, statements of changes in investments in property and equipment, statements of source and application of funds, and a statement of any changes in Franchisee's equity, in which shall be set forth the names of principal officers and stockholders of the corporation, income statements for local hauling operations, profit/loss statements for local hauling operations, any other documents that may reasonably be requested by a certified public accountant.

The financial statements and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited, in accordance with Generally Accepted Auditing Standards (GAAS) by a certified public accountant (CPA) licensed (in good standing) to practice public accounting in the State of California as determined by the State of California Department of Consumer Affairs Board of Accountancy. The cost for preparation of the financial statements and audit shall be borne by Franchisee as a direct cost of service. In addition, Franchisee shall provide to City the supplemental schedule on a compiled basis showing Franchisee's results of operations, including the specific revenues and expenses in connection with the operations provided for in this Agreement, separated from others included in such financial statements.

At City's request, Franchisee shall provide City with copies of working papers or other documentation deemed relevant by City relating to information shown in the disclosure letter. The disclosure letter shall be provided to City.

8.4 Reporting Adverse Information

Franchisee shall provide City two copies (one to the City Manager, one to the City

Attorney) of all reports, pleadings, applications, notifications, notices of violation, communications or other material relating specifically to Franchisee's performance of services pursuant to this Agreement, submitted by Franchisee to, or received by Franchisee from, the United States or California Environmental Protection Agency, CalRecycle, the Securities and Exchange Commission or any other federal, State or local agency, including any federal or State court. Copies shall be submitted to City simultaneously with Franchisee's filing or submission of such matters with said agencies. Franchisee's routine correspondence to said agencies need not be routinely submitted to City, but shall be made available to City promptly upon City's written request.

8.5 Right to Inspect Records

City shall have the right to inspect or review the specific documents or records required expressly or by inference pursuant to this Agreement, or any other similar records or reports of Franchisee or its related party entities that City shall deem, in its sole discretion, necessary to evaluate annual reports, compensation applications provided for in this Agreement and Franchisee's performance provided for in this Agreement. Franchisee shall make all records and documents to be reviewed and inspected by the City as a part of any audit or other record review conducted by the City, available for the City's review, inspection and copying within five (5) business days (excluding Saturday, Sunday and holidays included in Section 4.7.1) of receiving written notice from the City requesting the same.

8.6 Failure to Report

The refusal or failure of Franchisee to file any required reports, or to provide required information to City, or the inclusion of any materially false or misleading statement or representation by Franchisee in such report shall be deemed a material breach of the Agreement as described in Section 11.1 and shall subject Franchisee to all remedies which are available to the City under the Agreement or otherwise.

8.7 Public Records

All reports made to the City pursuant to this Agreement shall be deemed public records for purposes of the City's use, any litigation, and public records requests made pursuant to the California Public Records Act (Statutes of 1968, Chapter 1473; currently codified as California Government Code § 6250 through § 6276.48).

ARTICLE 9

INDEMNIFICATION, INSURANCE AND BOND

9.1 Indemnification

Without regard to the limits of any insurance coverage, Franchisee agrees to indemnify, defend with counsel appointed by the City, protect and hold harmless the City, its representatives, officers, boards, agents, volunteers and employees (“Indemnitees”) against any and all fines, response costs, assessments, actions, suits (in law or equity), injunctive relief, claims, damages to Persons or property, losses, costs penalties, obligations, errors, omissions or liabilities of any and every kind and description (including, but not limited to, injury to and death of any Person and damage to property, or for contribution or indemnity claimed by third parties) (“claims or liabilities”) that may be asserted or claimed by any Person, firm or entity arising out of or in connection with (i) violations of the California or U.S. Constitution, AB 939 and related Solid Waste Handling laws, any laws related to Hazardous Materials, and any other federal, State or local statutes, laws or regulations, or municipal ordinances, which arise from or challenge any validity of, or relate to the award and implementation of, this Franchise Agreement; (ii) the negligent performance of, or failure to perform, the work or services of Franchisee, its agents, employees, Subcontractors, or invitees, provided for in this Agreement; (iii) the negligent acts or omissions of Franchisee hereunder, or arising from Franchisee's negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, whether or not there is concurrent passive or active negligence on the part of Indemnitees, and (iv) the acts of Franchisee, its officers, employees, agents, Companies and/or Subcontractors in performing services under this Agreement for which strict liability is imposed by law. The foregoing indemnity shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of the City’s negligence, but shall not extend to such claims or liabilities arising from the sole negligence or willful misconduct of the City, its representatives, officers, agents, volunteers or employees, who are directly responsible to the City, and in connection therewith:

- A. Franchisee will defend any action or actions filed in connection with any of said claim or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;
- B. Franchisee will promptly pay any judgment rendered against Indemnitees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work or services of Franchisee hereunder; and Franchisee agrees to save and hold Indemnitees harmless therefrom;

- C. In the event the City, its officers, agents, volunteers or employees is made a party

to any action or proceeding for claims or liabilities arising out of or in connection with the issues identified in this Section 9.1, Franchisee agrees to pay to the City, its officers, agents, volunteers or employees, any and all costs and expenses incurred by the City, its officers, agents, volunteers or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

Franchisee's obligations hereunder shall survive the termination or expiration of this Agreement.

THE PROVISIONS OF THIS SECTION SHALL NOT TERMINATE OR EXPIRE, SHALL BE GIVEN THE BROADEST POSSIBLE INTERPRETATION AND SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

9.2 Hazardous Material Indemnification

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

1. results in any demand, cause of action, claim, notice, order, or lawsuit, asserting that any Indemnitee is liable, responsible or in any way obligated to investigate, assess, monitor, study, test, treat, remove, remediate, or otherwise cleanup, any Hazardous Contaminant (as defined herein); or
2. relates to material Collected, Transported, Recycled, Processed, treated or Disposed of by Franchisee.

B. Franchisee's obligations pursuant to this section shall apply, without limitation, to:

1. any Claims brought pursuant to or based on the provisions of any Environmental Law;

2. any Claims based on or arising out of or alleged to be arising out of the ownership, use, lease, sale, design, construction, maintenance or operation of Franchisee of any Facility;
3. any Claims based on or arising out of or alleged to be arising out of the marketing, sale, distribution, storage, Transportation, Disposal, Processing or use of any materials recovered by Franchisee;
4. any Claims based on or arising out of or alleged to be arising out of any breach of any express or implied warranty, representation or covenant arising out of or in connection with this Agreement.

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

D. For purposes of this section, the term "Hazardous Contaminant" shall mean any Hazardous Material, any crude oil or refined or unrefined petroleum product, or any fraction or derivative thereof; and any asbestos or asbestos-containing material. The term "Hazardous Contaminant" shall also include any and all amendments to any referenced statutory or regulatory provisions made before or after the date of execution of this Agreement.

E. This indemnity is intended to operate as an agreement pursuant to § 107(e) of the CERCLA, 42 U.S.C. § 9607(e), and California Health and Safety Code § 25364, to defend, protect, hold harmless and indemnify City from all forms of liability under CERCLA, RCRA, other statutes or common law for any and all matters addressed in this section.

F. THE PROVISIONS OF THIS SECTION SHALL NOT TERMINATE OR EXPIRE, SHALL BE GIVEN THE BROADEST POSSIBLE INTERPRETATION AND SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

9.2.1 CERCLA Defense Records

City views the ability to defend against CERCLA and related litigation as a matter of great importance. For this reason, the City regards the ability to prove where Solid Waste Collected in the City was taken for Disposal, as well as where it was not taken, to be matters of concern. Franchisee shall maintain data retention and preservation systems which can establish where Solid Waste Collected in the City was landfilled (and therefore establish where it was not landfilled) and a copy or summary of the reports required by

Article 8 above, for five (5) years after the term during which Collection services are to be provided pursuant to this Agreement, or to provide copies of such records to City. Franchisee agrees to notify City Manager and the City Manager's designee, and City Attorney, and to provide copies of such records to City, if requested by City, before destroying such records. This provision shall survive the expiration of the period during which Collection services are to be provided under this Agreement.

9.3 CalRecycle Indemnification and Guarantee

Franchisee's duty to defend and indemnify herein includes all fines and/or penalties imposed by CalRecycle, if the requirements of AB 939, AB 341, AB 1826, and/or SB 1383 are not met by the Franchisee with respect to the Franchisees obligations under this Agreement, and such failure is: (i) due to the failure of Franchisee to meet its obligations under this Agreement; or, (ii) due to Franchisee's delay in providing information that prevents Franchisee or City from submitting reports required by AB 939, AB 341, AB 1826, and/or SB 1383 and corresponding regulations in a timely manner. The provisions of this Section shall survive the termination or expiration of this Agreement.

9.4 Electronic and Web-based Information Indemnity

Franchisee shall defend with counsel acceptable to City, indemnify, and hold City harmless against and from any and all related claims, including but not limited to, suits, losses, penalties, damages, responsibility for costs, regulatory fines, penalties, credit monitoring expenses, and liability for damages of every name, kind and description, including attorneys' fees and costs incurred, attributable to the negligence or willful misconduct of Franchisee and any Subcontractors used in performance of this Agreement in handling or protecting Customer information over which Franchisee has control, including but not limited to billing details, electronic payment(s), and Customer account information that is not readily available to the general public. Franchisee shall maintain electronic files and Franchisee's website in accordance with the industry best practices for maintaining such information as safely and securely as possible. Nothing in this Section 9.4 shall prevent or restrict Franchisee's obligation and responsibility to provide City with information required under this Agreement.

9.5 Insurance

City does not, and shall not, waive any rights against Franchisee which it may have by reason of the aforesaid defense and hold harmless agreements, because of acceptance by City or the deposit with City by Franchisee of the insurance policies described in this

provision.

A. Insurance Requirements. Franchisee shall provide and maintain insurance acceptable to the City Attorney in full force and effect throughout the term of this Agreement, against claims for injuries to Persons or damages to property which may arise from or in connection with the performance of the work hereunder by Franchisee, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII. Franchisee shall provide the following scope and limits of insurance:

a. Minimum Scope of Insurance. Coverage shall be issued by an insurer with a Best A.- VII-rated company which is California-admitted, and shall be at least as broad as;

- (1) Insurance Services Office form Commercial General Liability coverage (Occurrence Form CG 000 1);
- (2) Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, including code I "any auto" and endorsement CA 0025, or equivalent forms subject to the written approval of the CITY, and
- (3) Workers' Compensation insurance as required by the Labor Code of State of California and Employees Liability insurance and covering all Persons providing services on behalf of the Franchisee and all risks to such Persons under this Agreement.

b. Minimum Limits of Insurance. Franchisee shall maintain limits of insurance no less than:

- (1) General Liability: \$10,000,000 aggregate and \$5,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the activities related to this Agreement or the general aggregate limit shall be twice the required occurrence limit.
- (2) Automobile Liability: \$10,000,000 per accident for bodily injury and property damage.
- (3) Workers' Compensation and Employer's Liability: Workers'

Compensation as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident or disease.

- (4) Technology Professional Liability Errors and Omissions Insurance: (Cyber Liability) appropriate to the Franchisee's profession and industry practice, with limits not less than \$2,000,000 per occurrence. Coverage for cyber risks shall be sufficiently broad to respond to the duties and obligations as are undertaken by Franchisee under this Agreement and shall include, but not be limited to claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion, and network security. The policy shall provide coverage for breach response notification and remediation costs, regulatory fines and penalties, credit monitoring expenses, electronic funds transfer losses, electronic data restoration expenses, and business interruption costs with limits sufficient to respond to these obligations, in the sole discretion of the City's Risk Manager.
- (5) Pollution Liability – \$10,000,000 per loss and annual aggregate applicable to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically damaged or destroyed; clean-up costs, including first party cleanup of the City's property and third-party cleanup, and bodily injury costs if pollutants impact other properties; and defense, including costs, fees and expenses incurred in the investigation, defense, or resolution of claims. Coverage shall include completed operations and shall apply to sudden and non-sudden pollution conditions. Coverage shall apply to acts, errors or omissions arising out of, or in connection with, Franchisee's scope of work under this Agreement. Coverage shall also apply to non-owned deposit sites ("NODS") that shall protect against, for example, claims regarding bodily injury, property damage, and/or cleanup costs involving NODS. Coverage is preferred by the City to be occurrence based. However, if provided on a claims-made basis, Franchisee warrants that any retroactive date

applicable to coverage under the policy precedes the Effective Date of this Agreement, and that continuous coverage shall be maintained or an extended discovery period will be exercised through completion or termination of this agreement for a minimum of five (5) years. This provision does not limit or alter any rights or remedies to City allowable under this agreement and/or applicable law in perpetuity.

B. Other Insurance Provisions. Insurance policies required by this Agreement shall contain the following provisions:

a. All Policies. Each insurance policy shall be endorsed and state the coverage shall not be suspended, voided, cancelled by the insurer or either party to this Agreement, reduced in coverage or in limits except after 30 days' prior written notice by Certified mail, return receipt requested, has been given to the City.

b. General Liability and Automobile Liability Coverages.

(1) City, its officers, officials, and employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities Franchisee performs, products and completed operations of Franchisee; Premises owned, occupied or used by Franchisee, or automobiles owned, leased or hired or borrowed by Franchisee.

The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, officials, or employees.

(2) Franchisee's insurance coverage shall be primary insurance as respect to City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees or volunteers shall apply in excess of and not contribute with, Franchisee's insurance.

(3) Franchisee's insurance shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the insurer's liability.

(4) Any failure to comply with the reporting or other provisions of the policies including breaches of warranties shall not affect coverage

provided to the City, its officers, officials, employees or volunteers.

- c. **Workers' Compensation and Employer's Liability Coverage.** Unless the City Manager otherwise agrees in writing, the insurer shall agree to waive all rights of subrogation against City, its officers, officials, employees and agents for losses arising from work performed by Franchisee for City.
- C. **Other Insurance Requirements.** Franchisee agrees to deposit with City, at or before the Effective Date of this Agreement, certificates of insurance necessary to satisfy City that the insurance provisions of this contract have been complied with. The City Attorney may require that Franchisee furnish City with copies of original endorsements effecting coverage required by this Section. The certificates and endorsements are to be signed by a Person authorized by that insurer to bind coverage on its behalf. City reserves the right to inspect complete, certified copies of all required insurance policies, at any time.
 - a. Franchisee shall furnish certificates and endorsements from each Subcontractor which physically performs work in City identical to those Franchisee provides.
 - b. Any deductibles or self-insured retentions must be declared to and approved by City in its reasonable judgement. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Franchisee shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.
 - c. The procuring of such required policy or policies of insurance shall not be construed to limit Franchisee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement.
- D. **Self-Insurance.** To the extent provided by law, all or any part of any required insurance may be provided under a plan of self-insurance approved by the State of California and the City.
- E. **Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against the City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Franchisee or others providing insurance evidence in compliance

with these specifications to waive their right of recovery prior to a loss. Franchisee hereby waives its own right of recovery against the City, and shall require similar written express waivers and insurance clauses from each of its Subcontractors.

F. Acceptability of Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the Agency's Risk Manager.

G. Verification of Coverage. Simultaneously with the execution of this Agreement, Franchisee shall furnish City with certificates of insurance evidencing the full coverage required herein, in form and substance satisfactory to City. The certificates for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. No work under this Agreement shall commence until Franchisee has provided City with the Certificate(s) of Insurance or appropriate insurance binder(s) evidencing the required insurance coverage and said Certificate(s) of Insurance or binder(s) are approved by the City, which appraisal shall not be unreasonably withheld. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall have all required endorsements. If City requests, copies of each policy, together with all endorsements, shall also be promptly delivered to City throughout the term of the Agreement.

H. Companies and Subcontractors. Franchisee shall include all Companies and Subcontractors, which are involved in Solid Waste removal and hauling operations on behalf of the Franchisee, as insureds under its policies or shall furnish separate certificates and endorsements for each Franchisee and Subcontractor. All coverages for Companies and Subcontractors shall be subject to all of the requirements stated herein.

[REMAINDER OF THIS PAGE INTENTIONALLY BLANK]

I. Required Cancellation Notices:

1. The certificate of insurance for the Workers' Compensation policy shall contain an endorsement in the following form:

“Thirty (30) days prior written notice shall be given to the City of Santa Fe Springs in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

Risk Management
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, CA 90670”

2. The certificate of insurance for the Liability policies shall contain endorsements in the following form:

- a) “Thirty (30) days prior written notice shall be given to the City of Santa Fe Springs in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

Risk Management
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, CA 90670”

- b) “City, its officers, elective and appointive boards, commissions, employees, and agents are additional insureds on this policy.”
- c) “This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by City, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only.”
- d) “Inclusion of City as an insured shall not affect City’s rights as respects any claim, demand, suit or judgment brought or recovered against Franchisee. This policy shall protect Franchisee and City in the same manner as though a separate policy had been issued to each, but this shall not operate to increase Franchisee’s liability as set forth in the policy beyond the amount shown or to which Franchisee

would have been liable if only one party had been named as an insured.”

Renewal certificates will be furnished at time of policy renewal to City to as required throughout the Term of this Agreement.

J. Other Insurance Requirements

1. In the event any services are delegated to a Franchisee or Subcontractor, Franchisee shall require such Franchisee or Subcontractor to provide statutory workers' compensation insurance and employer's liability insurance for all of the Franchisee's or Subcontractor's employees engaged in the work in accordance with this Section 9.5. The liability insurance required by this Section 9.5 shall cover all Franchisee or Subcontractors or the Franchisee or Subcontractor must furnish evidence of insurance provided by it meeting all of the requirements of this Section 9.5.
2. Franchisee shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Franchisee from any obligation under this Agreement. If any claim exceeding the amount of any deductibles or self-insured reserves is made by any third Person against Franchisee or any Franchisee or Subcontractor on account of any occurrence related to this Agreement, Franchisee shall promptly report the facts in writing to the insurance carrier and to City.

If Franchisee fails to procure and maintain any insurance required by this Agreement, City may take out and maintain, at Franchisee's expense, such insurance as it may deem proper and deduct the cost thereof from any moneys due Franchisee.

9.6 Faithful Performance Bond

Within fifteen (15) days of the execution of this Agreement, Franchisee shall deliver to City a performance bond in the sum of the amount of Three Hundred Thousand Dollars (\$300,000), similar to the form provided in Exhibit 5, which secures the faithful performance of this Agreement, including, without limitation, payment of any penalty and the funding of any work to cure a breach of this Agreement, unless such requirement is waived by the City Manager. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current

copy of his power of attorney. The bond shall be unconditional and remain in force (through annual renewals) until released in accordance with Section 9.10.

9.7 Faithful Performance Letter of Credit

In addition to a faithful performance bond as noted in Section 9.5 above, Franchisee shall furnish an irrevocable letter of credit in the amount of Three Hundred Thousand Dollars (\$300,000), from a financial institution acceptable to the City and in a form acceptable to the City Attorney as security for the performance of this Agreement (the "LOC"). The LOC shall be the sole responsibility of Franchisee and shall remain in force until released in accordance with Section 9.10. Alternatively, Franchisee may furnish an irrevocable letter of credit in the amount of Six Hundred Thousand Dollars (\$600,000) in lieu of the separate letter of credit of Three Hundred Thousand Dollars (\$300,000) and separate performance bond of Three Hundred Thousand Dollars (\$300,000) described in Section 9.6.

9.8 Forfeiture of Performance Bond

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

9.9 Forfeiture of Letter Of Credit

Thirty (30) days following City providing Franchisee with written notice of its failure to pay City any amount owing under this Agreement, City may draw upon the LOC for purposes including, but not limited to:

- a. Payment of sums due under the terms of this Agreement which Franchisee has failed to timely pay to City
- b. Reimbursement of costs borne by City to correct violations of this Agreement not corrected by Franchisee, including but not limited to the liquidated damages described in Section 11.4.

City may draw upon the entire LOC and convert it to a cash deposit if Franchisee fails to

cause the LOC to be extended or replaced with another satisfactory letter of credit no later than 60 days prior to its expiration during the term hereof.

9.10 Performance Security Beyond Service Term

Some Agreement requirements extend beyond the Term of this Agreement and will not be substantiated until after the final service date. Therefore, the Franchisee shall not terminate the performance bond or letter of credit, and will renew them to ensure continuous availability to the City, until receiving a written release from the City. City will provide such a release when City, in its reasonable judgment, is fully satisfied that all requirements have been met. However, permission from the City to discontinue holding these performance securities does not relieve Franchisee of payments to the City that may

ARTICLE 10 CITY'S RIGHT TO PERFORM SERVICE

10.1 General

In the event that Franchisee, for any reason whatsoever, fails, refuses, or is unable to Collect, Recycle, Process, Transport, or Dispose of any or all Solid Waste which it is required by this Agreement, at the time and in the manner provided in this Agreement, for a period of more than two business days, excluding Saturday, Sunday and holidays listed in Section 4.7.1, and if, as a result thereof, Solid Waste should accumulate in City to such an extent, in such a manner, or for such a time that such accumulation endangers or menaces the public health, safety or welfare, then City shall have the right, but not the obligation, upon twenty-four (24) hour prior written notice to Franchisee during the period of such emergency as determined by City to perform, or cause to be performed, such services itself with its own or other personnel without liability to Franchisee.

Notice of Franchisee's failure, refusal or neglect to Collect, Transport and properly dispose of or Process Solid Waste may be given orally by telephone to Franchisee at its principal office and shall be effective immediately. Written confirmation of such oral notification shall be sent to Franchisee within one business day, excluding Saturday, Sunday and holidays listed in Section 4.7.1 of the oral notification.

10.2 Reserved.

10.3 Billing and Compensation to City During City's Possession

During such time that City is providing Solid Waste services, as above provided, Franchisee shall bill and Collect payment from all users of the above-mentioned services as described in Section 5.1. Franchisee further agrees that, in such event, it shall reimburse City for any and all costs and expenses incurred by City beyond that billed and received by City in taking over possession of the above-mentioned equipment and property for Solid Waste service in such manner and to an extent as would otherwise be required of Franchisee under the Terms of this Agreement. Such reimbursement shall be made from time to time after submission by City to Franchisee of each statement listing such costs and expenses, but in no event later than five (5) business days from and after each such submission.

10.4 City's Right to Relinquish Possession

It is further mutually agreed that City may at any time at its discretion relinquish possession of any or all of the above-mentioned property to Franchisee and thereupon demand that Franchisee resume the Solid Waste services as provided in this Agreement, whereupon Franchisee shall be bound to resume the same.

10.5 Reserved.

10.6 Reserved.

10.7 Disaster Preparedness Plan

Within twelve (12) months of the Effective Date, Franchisee shall, with City assistance, prepare a written plan detailing how Solid Waste services will be delivered in a time of emergency or natural disaster. For the plan, City shall provide Franchisee with a written list of critical Facilities being those Facilities that the City deems in need of special consideration in a time of emergency because they are critical to City's emergency response, of priority to the need of the community and/or represent a public health risk to the community. Franchisee's written plan shall contain a protocol for contacting Franchisee management in the event of an emergency, an overview of Franchisee's resources available for emergency response, a plan for Collection, Disposal, and Recycling of Solid Waste generated by critical Facilities until the time of emergency passes and a plan for resuming normal operations following an emergency.

In the event of a disaster, the City may grant Franchisee a waiver of some or all Collection requirements under this Agreement and 14 CCR, Division 7, Chapter 12, Article 3 in the

disaster-affected areas for the duration of the waiver. Any resulting changes in Collection requirements shall be addressed as a change in scope in accordance with Section 2.10.

ARTICLE 11

DEFAULT, REMEDIES AND LIQUIDATED DAMAGES

11.1 Events of Default

Franchisee's breach of each and any provision of the Franchise or this Agreement may constitute a default hereunder to the extent Franchisee's performance, services or obligations under this Agreement are materially and adversely impacted. Events of default by the Franchisee include, but are not limited to, the following:

A. Fraud or Deceit or Misrepresentation. If the Franchisee engages in, or attempts to practice, any fraud or deceit upon City or makes a misrepresentation regarding material information to City.

B. Insolvency or Bankruptcy. If Franchisee becomes insolvent, unable, or unwilling to pay its debts, files a bankruptcy petition or takes steps to liquidate its assets.

C. Failure to Maintain Coverage. If Franchisee fails to provide or maintain in full force and effect the Workers' Compensation, liability, or indemnification coverage as required by this Agreement.

D. Violations of Regulation. If Franchisee violates any orders or filings of any regulatory body having jurisdiction over Franchisee relative to this Agreement, provided that Franchisee may contest any such orders or filings by appropriate proceedings conducted in good faith, in which case no breach of the Franchise and this Agreement shall be deemed to have occurred until a final decision adverse to the Franchisee is entered.

E. Suspension or Termination of Service. If Franchisee ceases to provide all or a portion of the Collection, Processing or Recycling services, or any other Solid Waste Handling Services as required under this Agreement, if not excused pursuant to Section 11.5, for a period of two (2) consecutive days or more, for any reason within the control of Franchisee.

F. Failure to Pay. If Franchisee fails to make any payments required under this

Agreement and/or refuses to provide City, within ten (10) days of the demand, with required information, reports, and/or records in a timely manner as provided for in the Agreement.

G. Failure to Cooperate with Audits. Failure to complete, perform or cooperate with any audit as described by this Agreement.

H. Failure to Submit Reports or Documentation. Failure to complete or to provide required reports or documents to City as required by this Agreement.

I. Acts or Omissions.

1. Any act or omission by Franchisee relative to the services provided under this Agreement which violates 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 (AB 939), or any law, statute, ordinance, order, directive, rule, or regulation issued pursuant to AB 939 shall constitute a default by the Franchisee. Any failure to correct or remedy any such violation within the time set in the written notice of the violation or, if Franchisee cannot reasonably correct or remedy the breach within the time set forth in such notice, if Franchisee 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 shall constitute a default by Franchisee.
2. Any situation in which Franchisee or any of its officers, directors or employees are found guilty of any crime related to the performance of this Agreement, or of any crime related to anti-trust activities, illegal Transport or Disposal of hazardous or toxic materials, or bribery of public officials shall constitute a default by Franchisee. The term "found guilty" shall be deemed to include any judicial determination that Franchisee or any of Franchisee's officers, directors or employees is guilty as well as any admission of guilt by Franchisee or any of Franchisee's officers, directors or employees including, but not limited to, the plea of "guilty", "nolo contendere", "no contest", and "guilty to a lesser charge."

J. False or Misleading Statements. Any representation or disclosure made to City by Franchisee in connection with or as an inducement to entering into this Agreement, or any future amendment to this Agreement, which proves to be false or misleading in any

material respect as of the time such representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement.

K. Attachment. The seizure of, attachment of, or levy on, the operating equipment of Franchisee, including, without limits, its equipment, maintenance or office facilities, or any part thereof.

L. Failure to Provide Assurance of Performance. If Franchisee fails to provide reasonable assurances of performance as required under Section 11.7.

M. Commingling of Recyclable Materials With Refuse/Landfilling of Recyclable Materials. If Franchisee negligently or willfully empties Containers of properly set out Recyclable Materials or Organic Waste into a Refuse load, or Transports a load of Recyclable Materials or Organic Waste to a landfill or other location at which the material will not be Diverted from landfilling.

N. Diversion Requirement. If Franchisee does not reach Diversion requirement of 75% of all tonnage Collected by Franchisee under this Agreement for one calendar year or fails to make reasonable efforts to assure that Recyclable Materials are Transported, handled and Processed at a suitable Facility, so as to maximize Diversion credits for the City.

O. Failure to Implement Collection Program. Franchisee fails to implement Collection programs that comply with the requirements of Section 4.1 and Exhibit 9, which is essential for the City to achieve SB 1383 compliance.

P. Failure to Provide Processing Capacity. Franchisee fails to provide adequate Processing capacity in accordance with Exhibit 8, which is essential for the City to achieve SB 1383 compliance.

Q. Failure to Achieve Processing Standards. Franchisee fails to achieve the Processing standards specified in Exhibit 8 including achievement of minimum Organic Waste recovery rates, which are essential for the City to achieve SB 1383 compliance.

R. Failure to Comply with Other Requirements of SB 1383. Franchisee fails to comply with other requirements of the Agreement including public education, reporting, contamination monitoring, recordkeeping, or other obligations of this Agreement that delegate City's responsibility and/or authority under SB 1383 to Franchisee.

Franchisee shall have two business days, excluding Saturdays, Sundays and holidays included in Section 4.7.1, from the time it is given notification by City to cure any default

arising under subsections E, F, G, H, K, L, and M provided, however, that City shall not be obligated to provide Franchisee with a notice and cure opportunity if the Franchisee has committed the same or similar breach within a twenty-four (24) month period. It is expressly understood that Franchisee is not entitled to receive notice of default, or to cure such default, with respect to those matters listed in subsections A, B, C, D, I, J, N, P, Q and R above.

For other actions not listed above, or included in Section 11.2, City will provide Franchisee with a written notice setting forth the nature of the breach or failure and the actions, if any, required by Franchisee to cure such a breach or failure. Franchisee shall be deemed in default where breach or failure can be cured but Franchisee fails to cure within thirty (30) days.

11.2 Criminal Activity of Franchisee

Should the Franchisee or any of its officers, directors or employees be found guilty of felonious conduct related to the performance of this Agreement, or of felonious conduct related to anti-trust activities, illegal Transport or Disposal of hazardous or toxic materials, or bribery of public officials, the City reserves the right to unilaterally terminate this Agreement or impose other such sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it shall deem proper. Such action shall be taken after Franchisee has been given notice and opportunity to present evidence in mitigation. The term “found guilty” shall be deemed to include any judicial determination that Franchisee or any of Franchisee’s officers, directors or employees is guilty and any admission of guilt by Franchisee or any of Franchisee’s officers, directors or employees including, but not limited to, the plea of “guilty”, “nolo contendere”, “no contest”, and “guilty to a lesser charge” entered as part of any plea bargain. If the Agreement is terminated pursuant to the above, such termination shall not occur if, within six months after City determines to terminate, the Franchisee completes a transfer of its contract rights and obligations to an individual or entity acceptable to the City pursuant to this Agreement.

11.3 Notice, Hearing and Appeal of Franchisee Breach.

Upon a default by Franchisee, City may, at its discretion, provide Franchisee with a written notice of intent to terminate this Agreement that includes the following:

- a. A description of the evidence upon which the decision to terminate is based

- b. That Franchisee has a right to a hearing prior to the City's termination of the Agreement

This hearing is to be scheduled as an open public hearing item at a regularly-scheduled City Council meeting within thirty (30) days of the Termination Notice, subject to any legal requirements including but not limited to the Ralph M. Brown Act, Government Code Sections 54950-54963. At this hearing Franchisee shall have the right to present evidence to demonstrate that it is not in default and to rebut any evidence presented in favor of termination. Based upon substantial evidence presented at this hearing, the Council may, by adopted resolution, act as follows:

1. Decide to terminate this Agreement; or
2. Determine that Franchisee is innocent of a default and, accordingly, dismiss the Termination Notice of any charges of default; or
3. Impose conditions on a finding of default and a time for cure, such that Franchisee's fulfillment of said conditions will waive or cure any default.

This right of termination is in addition to any other rights of City upon a failure of Franchisee to perform its obligations under this Agreement.

City's right to terminate this Agreement and to take possession of Franchisee's Facility are not exclusive, and City's termination of this Agreement shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which City may have, including without limitation the provision for Liquidated Damages in Section 11.4 below.

By virtue of the nature of this Agreement, the urgency of timely continuous and high-quality service, the time required to effect alternative service, and the rights granted by City to Franchisee, the remedy of damages for a breach hereof by Franchisee is inadequate and City shall be entitled to injunctive relief.

11.4 Liquidated Damages

A. General. City finds, and Franchisee agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by City as a result of a breach by Franchisee of certain specific obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage

results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) that the services that are the subject of this Agreement might be available at substantially lower costs than alternative services and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such specific breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

B. Service Performance Standards; Liquidated Damages for Failure to Meet Standards. The Parties further acknowledge that consistent, reliable Solid Waste Handling Service is of utmost importance to City and that City has considered and relied on Franchisee's representations as to its quality of service commitment in entering this Agreement. The Parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Franchisee fails to achieve the performance standards, or fails to submit required documents in a timely manner, City and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which City will suffer. Therefore, without prejudice to City's right to treat such breaches as an event of default under this Article 11, the Parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to City that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Agreement was made.

Franchisee
Initial Here _____

City
Initial Here _____

Franchisee agrees to pay (as liquidated damages and not as a penalty) the amounts set forth below:

1. Collection Reliability

- a) For each failure to commence service to a new Customer account within seven (7) days after order: \$100.00 per occurrence
- b) For each failure to Collect Solid Waste, which has been properly set out for Collection: \$100.00 per occurrence
- c) For each failure to correct and Collect a missed service within the timeframe set forth in Section 4.7.2: \$100.00 per occurrence; each additional twenty-four (24) hour period: \$50.00 per occurrence.

2. Collection Quality

- a) For failure to properly return empty Containers to avoid pedestrian or vehicular traffic impediments or to place Containers upright which exceeds ten (10) Containers annually: \$50.00 per Container
- b) For each occurrence of excessive noise or discourteous behavior: \$100.00 per occurrence
- c) For each occurrence of Collecting Solid Waste during unauthorized hours: \$100.00 per occurrence
- d) For each occurrence of damage to private property which exceeds five (5) such occurrences annually: \$100.00 per occurrence
- e) For each failure to clean up Solid Waste spilled from Collection Containers within ninety (90) minutes: \$100.00 per occurrence
- f) For each failure to clean up vehicle leaks or spills within the timeframe required by Section 4.7.3.D.6: \$500 per occurrence
- g) For each failure follow the cleanup procedures included in Section 4.7.3.D.6: \$500 per square foot of affected area

3. Customer Responsiveness

- a) For each failure to initially respond to a Customer complaint within one (1) business day (excluding Saturday, Sunday and holidays listed in Section 4.7.1), and for each additional day in which the complaint is not addressed, which exceed five (5) annually: \$50.00 per day
- b) For each failure to process Customer complaints as required by Article 5, which exceed five (5) annually: \$50.00 per occurrence
- c) For each failure to record a response to a Customer complaint or request within twenty-four (24) hours of resolution: \$100.00 per occurrence;
For each additional twenty-four (24) hour period: \$50.00 per occurrence
- d) For each failure to remove graffiti from Containers, or to replace with Containers bearing no graffiti, within two (2) business days (excluding Saturday, Sunday and holidays listed in Section 4.7.1) of request from City or Customer: \$ 50.00 per day
For each additional day problem not resolved: \$25.00 per day.
- e) For each failure to repair or replace a damaged or missing Container within two (2) business days (excluding Saturday, Sunday and holidays listed in Section 4.7.1) of request from City or Customer: \$ 50.00 per day
- f) For each failure to process a claim for damages within thirty (30) days from the date submitted to Franchisee: \$100.00 per occurrence
- g) For each failure to issue a warning notice to a Container or materials not Collected due to improper set out which exceeds ten (10) such occurrences annually: \$100 per day per occurrence

4. Failure to Submit Reports or Allow Access to Records

For each failure to submit any individual report or provide access to records in compliance with and in the timeframe specified in this Agreement. Incomplete and/or inaccurate reports shall be considered a failure to submit until such time as all information in the report has been provided in a complete and accurate form.

In the event City determines a report to be errant or incomplete more than ten (10) business days after submittal by Franchisee, Franchisee shall be given ten (10) business days to complete and correct and any pending Liquidated Damages shall be tolled during that period.

- a) Monthly Reports: \$50 per day
- b) Quarterly Reports: \$50 per day
- c) Annual Reports: \$100 per day

5. Accuracy of Billing

- a) Each Customer invoice that is not prepared in accordance with the City's approved rate schedule, in excess of ten (10) annually:

\$25 per invoice not to exceed \$2,500 per Billing run

- b) For each instance or invoice in which Franchisee imposes a special service fee not in accordance with the approved rate schedule and not approved in advance in writing by City, or not requested by the service recipient which exceeds ten (10) such occurrences annually:

\$50 per occurrence

- c) Failure to provide a Customer with a response, including an explanation and/or correction, to a Billing complaint within seven (7) business days from the complaint:

\$100.00 per occurrence;

Each additional day response not provided: \$50.00

6. Public Education and Outreach

- a) **Failure to Perform Public Education and Outreach.** For each failure to perform any individual education and outreach activity as required and in the timeframe specified by this Agreement.

1st violation - \$50 per occurrence

2nd violation - \$100 per occurrence

3rd and subsequent violations - \$250 per occurrence

7. Cooperation with Service Provider Transition

- a) For each day routing information requested by City in accordance with Section 12.9 is received after City-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service: \$1,000/day
- b) For each day delivery of keys, access codes, remote controls, or other means of access to Solid Waste Containers is delayed beyond one (1) day prior to new service provider servicing Customers with access issues, as described in Section 12.9: \$1,000/day
- c) For delay in not meeting the requirements contained in Section 12.9 in a timely manner, in addition to the daily liquidated damages for breach under 8(a) and 8(b) above, liquidated damages of: \$20,000

8. Diversion Efforts

For each Rate Year (July 1, 2025 to June 30, 2026 considered the first Rate Year) in which Franchisee fails to provide support to the City within thirty (30) days of year-end, documenting that it Diverted at least 75% of the Solid Waste Franchisee Collected under this Agreement per Section 4.5:

\$25 for each ton below tonnage level necessary to meet 75% Diversion goal

9. SB 1383 Requirements

- a) **Use of Unauthorized Facilities.** For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility/Facilities for each Discarded Material type under this Agreement.

1st violation - \$50 per ton per offense

2nd violation - \$100 per ton per offense

3rd and subsequent violations - \$250 per ton per offense

- b) **Failure to Implement three- /three-plus Container System.** For each occurrence of failing to provide Customers with the three- /three-plus Container system required by and compliant with Exhibit 9 excluding

Generators and Customers granted waivers pursuant to this Agreement, and excluding Generators and Customers that demonstrate compliance with Recycling and Organic Waste Self-Hauling requirements pursuant to Chapter 50 of the Santa Fe Springs Municipal Code and 14 CCR Division 7, Article 12, Article 7. Minor, moderate and major violations have the same meaning as defined in 14 CCR Section 18997.3.

Damages are per Generator or Customer per occurrence:

\$500 - Minor violation

\$4,000 – Moderate violation

\$7,500 – Major violation

- c) **Failure of the Approved High Diversion Organic Waste Processing Facility to Achieve Recovery Requirements.** For each Ton of Mixed Waste received at the Facility in a quarterly reporting period when the quarterly average Mixed Waste organic content recovery rate is lower than required by 14 CCR Section 18982(a)(33). Liquidated damages are assessed in the quarterly reporting period when the failure occurred.

1st violation - \$50 per ton per offense

2nd violation - \$100 per ton per offense

3rd and subsequent violations - \$250 per ton per offense

- d) **Failure of Approved Facility/Facilities to Meet Limits on Incompatible Materials (if Applicable).** For each Ton of Mixed Waste, Source Separated Recyclable Materials Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, or Organic Materials received at the Facility/Facilities in a quarterly reporting period when Organic Waste recovered after Processing exceeds Incompatible Material thresholds defined in Exhibit 8 Section 8.2.F.4 if limits on Organic Waste in materials sent to Disposal apply. Liquidated damages are assessed in the quarterly reporting period when the failure occurred.

1st violation - \$50 per ton per offense

2nd violation - \$100 per ton per offense

3rd and subsequent violations - \$250 per ton per offense

- e) **Failure of Approved Facility/Facilities to Meet Limits on Organic Waste in**

Materials Sent to Disposal. For each Ton of Mixed Waste, Source Separate Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, or Organic Materials received at the Facility/Facilities in a quarterly reporting period when Organic Waste in the materials sent to Disposal exceeds the thresholds defined in Exhibit 8 Section 8.2.F.2 if limits on Organic Waste in materials sent to Disposal apply. Liquidated damages are assessed in the quarterly reporting period when the failure occurred.

1st violation - \$50 per ton per offense

2nd violation - \$100 per ton per offense

3rd and subsequent violations - \$250 per ton per offense

- f) **Failure to Perform Contamination Monitoring Requirements.** For each failure to conduct contamination monitoring in accordance with Section 5.4 of this Agreement.

1st violation - \$50 per route per occurrence or per waste evaluation per occurrence

2nd violation - \$100 per route per occurrence or per waste evaluation per occurrence

3rd and subsequent violations - \$250 per route per occurrence or per waste evaluation per occurrence

- g) **Failure to Comply with Container Labeling and Colors.** For each occurrence of Franchisee's failure to comply with Container labeling and color requirements pursuant to Section 4.7.4.1 of this Agreement.

1st violation - \$50 per Container occurrence

2nd violation - \$100 per Container occurrence

3rd and subsequent violations - \$250 per Container occurrence

- h) **Failure to Conduct Compliance Tasks.** For each failure to conduct any compliance review, Discarded Materials evaluations pursuant to Section 8.6 of Exhibit 8, and/or other inspection required by this Agreement.

1st violation - \$50 per occurrence

2nd violation - \$100 per occurrence

3rd and subsequent violations - \$250 per occurrence

- i) **Failure to Issue Contamination Notices.** For each failure of Franchisee Collection personnel to issue contamination notices and contaminating processing fee notices and maintain documentation of issuance as required by Section 5.4 of this Agreement.

1st violation - \$50 per route per day

2nd violation - \$100 per route per day

3rd and subsequent violations - \$250 per route per day

- j) **Failure to Conduct Follow-Up Inspections.** For each failure to conduct a follow-up inspection as required by Section 5.5 of this Agreement.

1st violation - \$50 per occurrence

2nd violation - \$100 per occurrence

3rd and subsequent violations - \$250 per occurrence

10. General Contract Adherence

For each day that Franchisee fails to provide services required under the Agreement, or comply with terms of the Agreement, five (5) business days after receipt of written notification from City that such services are not being provided or terms are not being met:

\$100.00 per day

City may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representative or investigation of Customer complaints.

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

performance prior to authorizing the assessment of liquidated damages. The decision of the City Manager or designee shall be final.

- C. **Amount.** City may assess liquidated damages for each calendar day or event, as appropriate, that Franchisee is determined to be liable in accordance with this Agreement.
- D. **Timing of Payment.** Franchisee shall pay any liquidated damages assessed by City within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, City may proceed against the performance bond required by the Agreement or find Franchisee in default and terminate this Agreement pursuant to Section 11.1, or both.

11.5 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, earthquakes, other natural disasters, war, civil insurrection, riots, acts of any government (including judicial action), 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, sick- out, picketing, or other concerted job action conducted by Franchisee's employees or directed at Franchisee is excused from performance only to the extent that the following requirements are met:

- Franchisee provides a contingency plan to the City prior to the execution of this Agreement demonstrating how services will be provided during the period of labor unrest. The contingency plan is subject to City approval and Franchisee shall amend the plan until it meets City requirements, including reasonably demonstrating how City's basic Collection and sanitary needs will be met to the City's satisfaction.
- Franchisee shall meet all requirements of this plan or City may revoke this excuse from performance offered under this Agreement and may choose to use enforcement provisions under this Agreement, including Sections 11.1, 11.2, and 11.3, in which case Franchisee is not excused from performance and Franchisee shall be obligated to continue to provide service notwithstanding the occurrence of any or all of such events.

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 section.

The interruption or discontinuance of Franchisee's services caused by one or more of the events excused shall not constitute a default by Franchisee under this Agreement. Notwithstanding the foregoing, however, if Franchisee is excused from performing its full obligations under this Agreement for any of the causes listed in this section for a period of forty five (45) days or more, City shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) days' notice, in which case the provisions relative to taking possession of Franchisee's land, equipment and other property and engaging Franchisee's personnel in Article 10 and this Article 11 will apply.

11.6 Notice, Hearing and Appeal of City Breach

Should Franchisee contend that City is in breach of this Agreement, it shall file with the City Manager a written request with City for an administrative hearing. Said request shall be made within ninety (90) days of the event or incident which allegedly gave rise to the breach. City shall notify Franchisee of the time and date said hearing shall be held within thirty (30) days of receipt of Franchisee's request. Franchisee shall present its position and all relevant facts after City staff has made its presentation. Franchisee shall be notified of City's ruling in writing within fourteen (14) days of the administrative hearing.

If Franchisee is not in agreement with the ruling issued by City at the administrative hearing, it shall have the right to appeal this ruling to the City Council. This appeal shall be made in writing to City no later than fourteen (14) days after receipt of the administrative hearing ruling. City shall notify Franchisee of the time and date the City Council will review Franchisee's allegation. Franchisee shall present its position and all relevant facts after staff has made its presentation. Franchisee shall be notified in writing within sixty (60) days of the City Council's ruling. Franchisee understands and agrees that if it fails to timely and properly exhaust the administrative remedies set forth in this Section, it has no right of action or other claim against the City for breach of this Agreement or otherwise.

11.7 Assurance of Performance

City may, at its option and in addition to all other remedies it may have, demand from Franchisee reasonable assurances of timely and proper performance of this Agreement, in such form and substance as City may require. If Franchisee fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by City, such failure or refusal shall be an event of default.

ARTICLE 12

OTHER AGREEMENTS OF THE PARTIES

12.1 Relationship of Parties

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

12.2 Compliance with Law

In providing the services required under this Agreement, Franchisee shall at all times, at its sole cost, comply with all Applicable Laws.

12.3 Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

12.4 Venue

Except for those matters where Federal Courts have exclusive jurisdiction, any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits.

With respect to venue, the Parties agree that this Agreement is made in and will be performed in Los Angeles County.

12.5 Assignment

Except as may be provided for in Article 10 (City's Right to Perform Service), neither party shall assign its rights, nor delegate, subcontract or otherwise transfer its obligations under

this Agreement to any other Person without the express prior written consent of the other Party. Any such assignment made without the consent of the other party shall be void and the attempted assignment shall constitute a material breach of this Agreement.

For purposes of this section when used in reference to Franchisee, "assignment" shall include, but not be limited to (i) a sale, exchange or other transfer of substantially all of Franchisee's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of outstanding common stock of Franchisee to a third party provided said sale, exchange or transfer may result in a change of control of Franchisee; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction to which results in a change of ownership or control of Franchisee; (iv) any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Franchisee's property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of ownership, or change of control of Franchisee.

Franchisee acknowledges that this Agreement involved rendering a vital service to City's residents and businesses, and that City has selected Franchisee to perform the services specified herein based on (1) Franchisee'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 Environmental Laws, regulations and best Solid Waste management practices, and (2) Franchisee's financial resources to maintain the required equipment and to support its indemnity obligations to City under this Agreement. City has relied on each of these factors, among others, in choosing Franchisee to perform the services to be rendered by Franchisee under this Agreement.

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

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

- b) Franchisee shall pay the City a transfer fee equal to 1% of the Gross Revenues times the number of years (pro-rated for partial years) remaining under this Agreement (based on actual rate revenues for the prior 12-months);
- c) Franchisee shall furnish City with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years;
- d) A proforma financial statement (income statement and balance sheet) for the proposed assignee with the projected results of operations assuming that the assignment is completed. Such proforma financial statement shall reflect any debt to be incurred by the assignee as part of the acquisition of Franchisee's operations; and
- e) Franchisee shall furnish City with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of Solid Waste management experience on a scale equal to or exceeding the sale of operations conducted by Franchisee under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any significant citations or other censure from any federal, State or local agency having jurisdiction over its Solid Waste management operations due to any significant failure to comply with State, Federal or local Environmental Laws and that the assignee has provided City with a complete list of such citations and censures; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed assignee conducts its Solid Waste management practices in accordance with sound Solid Waste management practices in full compliance with all federal, State and local laws regulating the Collection and Disposal of Solid Waste including Hazardous Material; and, (v) of any other information required by City to ensure the proposed assignee can fulfill the Terms of this Agreement in a timely, safe and effective manner.

Under no circumstances shall City be obliged to consider any proposed assignment by City if Franchisee is in default at any time during the period of consideration.

12.6 Affiliated Companies

Franchisee's accounting records shall be maintained on a basis showing the results of Franchisee's operations under this Agreement separately from operations in other locations, as if Franchisee were an independent entity providing service only to City. The costs and revenues associated with providing service to City shall not be combined,

consolidated or in any other way incorporated with those of other operations conducted by Franchisee in other locations, or with those of an Affiliate.

If Franchisee enters into any financial transactions with a Related Party Entity for the provision of labor, equipment, supplies, services, capital, etc., related to the furnishing of service under this Agreement, that relationship shall be disclosed to City, and in the financial reports submitted to City. In such event, City's rights to inspect records, and obtain financial data shall extend to such Related Party Entity or entities.

12.7 Contracting or Subcontracting

This Agreement, or any portion thereof, shall not be subcontracted except with the prior written consent of the City. No such consent shall be construed as making the City a party to such subcontract, or subject the City to liability of any kind to any Subcontractor. Franchisee shall submit all subcontracts for review and approval by the City and any permitted subcontract shall terminate on or before the termination of this Agreement. All Subcontractors shall be licensed as required under State, Federal and local laws and regulations to perform their subcontracted work and obtain and maintain a City business license if required.

Franchisee shall remain otherwise liable for the full and complete performance of its obligations hereunder.

12.8 Binding on Assigns

The provisions of this Agreement shall inure to the benefit to and be binding on the permitted assigns (if any) of the Parties.

12.9 Transition to Next Franchisee

Prior to, and at, the end of the Term or in the event this Agreement is terminated for cause prior to the end of the Term, Franchisee shall cooperate fully with City and any subsequent Solid Waste enterprise it designates to assure a smooth transition of Solid Waste Handling Services. Franchisee's cooperation shall include, but not be limited to, providing both the City and subsequent Solid Waste enterprise with route lists, Billing information, lists of gate or other access codes and information needed for entry to service areas, Container placement areas by address, levels of service including any special needs or services required by each location, and other operating records needed to service all Premises covered by this Agreement. In recognition of the difficulty inherent in

Customer's difficulty or inability to store two sets of Containers, Franchisee shall remove its Containers in coordination with the distribution of Containers by the incoming service provider. Franchisee shall cooperate with the City and incoming service provider in agreeing to the timing of Container removal; if Parties cannot agree on a phase-out schedule and Franchisee does not remove Containers in a timely manner that requires Customers to store two Containers, City, incoming service provider, or another entity may remove Franchisee's Containers and seek cost reimbursement from Franchisee through its performance bond, letter of credit or other means. The failure to cooperate with City following termination shall be conclusively presumed to be grounds for specific performance of this covenant and/or other equitable relief necessary to enforce this covenant.

Franchisee shall, to the maximum extent feasible provide a new service provider with all keys, security codes and remote controls used to access garages and Bin enclosures. Franchisee shall be responsible for coordinating transfer immediately after Franchisee's final pickups, so as not to disrupt service. Franchisee shall provide City with detailed route sheets containing service names and addresses, Billing names and addresses, monthly rate and service levels (quantity, material type, and size of Containers and pickup days) at least 90 days prior to the transition date, and provide an updated list two weeks before the transition and a final list of changes the day before the transition. Franchisee shall provide means of access to the new service provider at least one full calendar day (excluding Saturday, Sunday and holidays listed in Section 4.7.1) prior to the first day of Collection by another party, and always within sufficient time so as not to impede in any way the new service provider from easily servicing all Containers.

Franchisee to provide documentation of any Customer declining request to provide keys, security codes, and/or remote controls used to access garages and Bin enclosures.

12.10 Parties in Interest

Nothing in this Agreement, whether express or implied, is intended to confer any rights on any Persons other than the Parties to it and their representatives, successors and permitted assigns.

12.11 Waiver

The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision or of

any subsequent breach of violation of the same or any other provision. The subsequent acceptance by either party of any moneys which become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other party of any provision of this Agreement.

12.12 Franchisee's Investigation

Franchisee has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed by it.

12.13 Reserved.

12.14 Notice

Unless otherwise specified herein, all notices, demands, requests, proposals, approvals, consents and other communications which this Agreement requires, authorizes or contemplates shall be in writing and shall either be personally delivered to a representative of the Parties at the address below or be deposited in the United States mail, first class postage prepaid, addressed as follows:

If to City: Director of Public Works
 City of Santa Fe Springs
 11710 Telegraph Road
 Santa Fe Springs, CA 90670

If to Franchisee:

The address to which communications may be delivered may be changed from time to time by a written notice given in accordance with this section.

Notice shall be deemed given on the day it is personally delivered or, if mailed, three days from the date it is deposited in the mail.

12.15 Representatives of the Parties

References in this Agreement to the "City" shall mean the City Council and all actions to be taken by City shall be taken by the City Council except as otherwise provided herein. The City Council may delegate, in writing, authority to the City Manager, and/or to other City employees and may permit such employees, in turn, to delegate in writing some or all of such authority to subordinate employees. Franchisee may rely upon actions taken by such delegates if they are within the scope of the authority properly delegated to them.

Franchisee shall, by the Effective Date, designate in writing a responsible officer who shall serve as the representative of Franchisee in all matters related to the Agreement and shall inform City in writing of such designation and of any limitations upon his or her authority to bind Franchisee. City may rely upon action taken by such designated representative as actions of Franchisee unless they are outside the scope of the authority delegated to him/her by Franchisee as communicated to City.

12.16 City Free to Negotiate with Third Parties

City may investigate all options for the Collection, Transporting, Recycling, Processing and Disposal of Solid Waste for periods commencing after the expiration of the initial Term. Without limiting the generality of the foregoing, City may solicit proposals from Franchisee and from third parties for the provision of Collection services, Refuse services, Recyclable Materials services, Organic Waste services and Processing, and any combination thereof, and may negotiate and execute agreements for such services which will take effect upon the expiration or earlier termination under Section 11.1 of this Agreement.

12.17 Compliance with Municipal Code

Franchisee shall comply with those provisions of the municipal code of the City of Santa Fe Springs which are applicable, and with any and all amendments to such applicable provisions during the term of this Agreement.

12.18 Privacy

Franchisee shall strictly observe and protect the rights of privacy of Customers. Information identifying individual Customers or the composition or contents of a Customer's waste stream shall not be revealed to any Person, governmental unit, private agency, or company, unless upon the authority of a court of law, by statute, or upon valid authorization of the Customer. This provision shall not be construed to preclude

Franchisee from preparing, participating in, or assisting in the preparation of waste composition studies or waste stream analyses which may be required by AB 939. This provision shall not apply to reports or records provided to City pursuant to this Agreement so long as City maintains reports or records with Customer identification or confidential information in accordance with this section, in which case this section shall apply to City in the same manner to which it applies to Franchisee.

12.19 Cooperation Following Termination

At the end of the Term or in the event this Agreement is terminated prior to the end of the Term, Franchisee shall cooperate fully with City and any subsequent Franchisee to assure a smooth transition of Solid Waste management services. Franchisee's cooperation shall include, but not be limited to, providing operating records needed to service all properties covered by this Agreement. The failure to cooperate with City following termination shall be conclusively presumed to be grounds for specific performance of this covenant and/or other equitable relief necessary to enforce this covenant.

12.20 Compliance with Immigration Laws.

Franchisee shall be knowledgeable of and comply with all local, State and federal laws which may apply to the performance of this Agreement. Franchisee warrants and represents that all of its employees, including any and all prospective employees hired to perform services for the City under this Agreement and the employees of any Subcontractor retained by the Franchisee to perform a portion of the services under this Agreement, are and will be authorized to perform the services contemplated by this Agreement in full compliance with all applicable State and federal laws, rules and regulations, including, but not limited to, the Immigration Nationality Act of 1952 (commencing with Section 1101 of Title 8 of the United States Code), and the Immigration Nationality and the Immigration Reform and Control Act of 1986 (commencing with Section 1324a of Title 8 of the United States Code), as amended. Franchisee agrees to verify the legal status of all of its employees and provide documentation of such verification whenever requested by the City. If Franchisee discovers that any employee it has retained is not in compliance with Immigration Laws, Franchisee agrees to terminate such employee.

12.21 Guarantee of Franchisee" Performance

Pursuant to a guarantee in substantially the form attached as Exhibit 4, Universal Waste Systems, Inc. a corporation which owns all of the issued and outstanding common stock

of Franchisee, has agreed to guarantee Franchisee's performance of this Agreement. The Guarantee is being provided no later than ten (10) days subsequent to the execution of this Agreement.

ARTICLE 13

MISCELLANEOUS AGREEMENTS

13.1 Entire Agreement

This Agreement, including the Exhibits, represents the full and entire Agreement between the Parties with respect to the matters covered herein. No verbal agreement or conversation with any office, agent, or employee of the City, either before, during, or after the execution of this contract, shall affect or modify any of the terms or obligations herein contained nor such verbal agreement or conversation entitle the Franchisee to any additional payment whatsoever under the terms of this contract.

13.2 Section Headings

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

13.3 References to Laws and Other Agreements

All references in this Agreement to laws shall be understood to include such laws as they may be subsequently amended or recodified, unless otherwise specifically provided. This Agreement supersedes any and all agreements heretofore entered into by the Parties and City.

13.4 Interpretation

This Agreement, including the Exhibits attached hereto, shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

13.5 Agreement

This Agreement may not be modified or amended in any respect except by a writing signed by the Parties.

13.6 Severability

If any non-material provision of this Agreement is for any reason deemed to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

13.7 Exhibits

Each of the Exhibits identified as Exhibit "1" through "9" is attached hereto and incorporated herein and made a part hereof by this reference.

13.8 Non-Waiver Provision

Failure of either party to exercise any of the remedies set forth herein within the time periods provided for shall not constitute a waiver of any rights of that party with regard to that failure to perform or subsequent failures to perform whether determined to be a breach, excused performance or unexcused defaults by the other party.

13.9 Attorneys' Fees

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal and, in addition, a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

13.10 Authority

The individuals executing this Agreement and the instruments referenced herein on behalf of Franchisee each represent and warrant that they have the legal power, right and actual authority to bind Franchisee to the terms and conditions hereof and thereof.

13.11 Counterparts

This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

13.12 Electronic Signatures

The parties acknowledge and agree that execution of this Agreement by electronic signature or electronic transmittal of signatures shall have the same effect as handwritten signatures for the purposes of validity, enforceability, and admissibility.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first written above.

CITY OF SANTA FE SPRINGS

UNIVERSAL WASTE SERVICES, INC.

René Bobadilla, P.E.
City Manager

[Name]
[Title]

ATTEST:

Date

Fernando Muñoz
City Clerk

Date

[Name]
[Title]

APPROVED AS TO FORM:

Date

Rick Olivarez
City Attorney

EXHIBIT 1

[RESERVED.]

EXHIBIT 2

INITIAL MAXIMUM CUSTOMER RATES

Following are the rates for July 1, 2025 through June 30, 2026:

[SEE NEXT PAGE]



11710 Telegraph Road • CA • 90670-3679 • (562) 868-0511 • Fax (562) 868-7112 • www.santafesprings.org

"A great place to live, work, and play"

Current Waste Collection Rates

As of, JANUARY 1, 2024

SCHEDULE OF SOLID WASTE COLLECTION RATES

Commercial / Industrail

(2.4% CPI)

	96 GAL CART		1 CU. YD. BIN		2 CU. YD. BIN		3 CU. YD. BIN		4 CU. YD. BIN		6 CU. YD. BIN	
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX
1 X WEEK	\$99.30	\$123.51	\$ 198.05	\$ 247.55	\$ 250.66	\$ 313.29	\$ 303.35	\$ 379.22	\$ 356.04	\$ 445.10	\$ 460.80	\$ 576.00
2 X WEEK			\$ 329.78	\$ 412.27	\$ 409.00	\$ 511.24	\$ 488.11	\$ 610.16	\$ 566.79	\$ 709.04	\$ 706.84	\$ 883.58
3 X WEEK			\$ 445.16	\$ 577.27	\$ 567.30	\$ 709.22	\$ 372.84	\$ 841.03	\$ 778.41	\$ 972.94	\$ 952.92	\$ 1,190.98
4 X WEEK			\$ 593.01	\$ 714.39	\$ 725.47	\$ 906.92	\$ 857.60	\$ 1,071.99	\$ 989.68	\$ 1,238.17	\$ 1,198.95	\$ 1,499.39
5 X WEEK			\$ 725.54	\$ 906.92	\$ 884.10	\$ 1,105.06	\$ 1,042.39	\$ 1,302.97	\$ 1,200.71	\$ 1,500.92	\$ 1,444.95	\$ 1,806.19
6 X WEEK			\$ 857.61	\$ 1,071.98	\$ 1,042.39	\$ 1,302.97	\$ 1,227.07	\$ 1,533.78	\$ 1,411.76	\$ 1,764.59	\$ 1,691.08	\$ 2,113.81

RATES WILL VARY BASED ON INDIVIDUAL NEGOTIATIONS WITH SPECIFIC HAULER BUT MAY NOT FALL BELOW MINIMUM OR EXCEED MAXIMUM

Temporary Bin Service (3 CU. YD. BIN) \$ 255.46

ROLL OFF BOXES

	<u>MIN</u>	<u>MAX</u>
10 CUBIC YARD	\$ 1,168.04	\$ 1,459.91
20 CUBIC YARD	\$ 1,168.04	\$ 1,459.91
30 CUBIC YARD	\$ 1,168.04	\$ 1,459.91
40 CUBIC YARD	\$ 1,168.04	\$ 1,459.91

COMMERCIAL ORGANICS

	<u>MIN</u>	<u>MAX</u>
64 GAL CART (1 X WEEK)	\$108.98	\$127.14
1 CU YD BIN (1 X WEEK)	\$197.98	\$247.55
2 CU YD BIN (1 X WEEK)	\$250.75	\$313.29

COMPACTORS

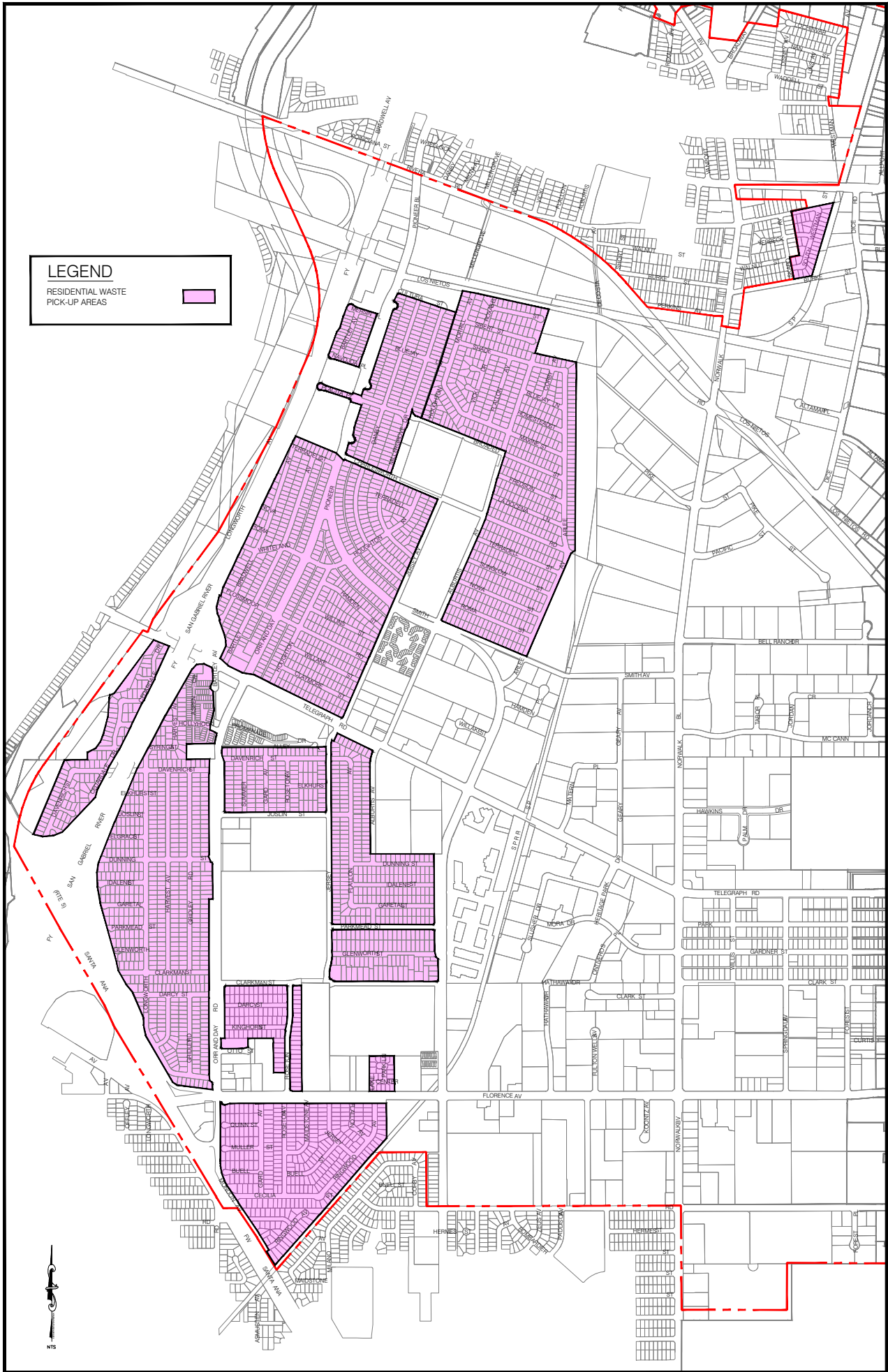
	<u>MIN</u>	<u>MAX</u>
40 CUBIC YARD	\$ 1,512.94	\$ 1,642.38

MAXIMUM WEIGHT LIMITS

ROLL OFF BOXES	6 TONS**
COMPACTORS	9 TONS**

** A \$100/TON CHARGE WILL BE LEVIED ON TONNAGE OVER THESE MAXIMUMS

Proposed Residential Rate
\$28.50 per month, \$342 per year per parcel



LEGEND

RESIDENTIAL WASTE
PICK-UP AREAS



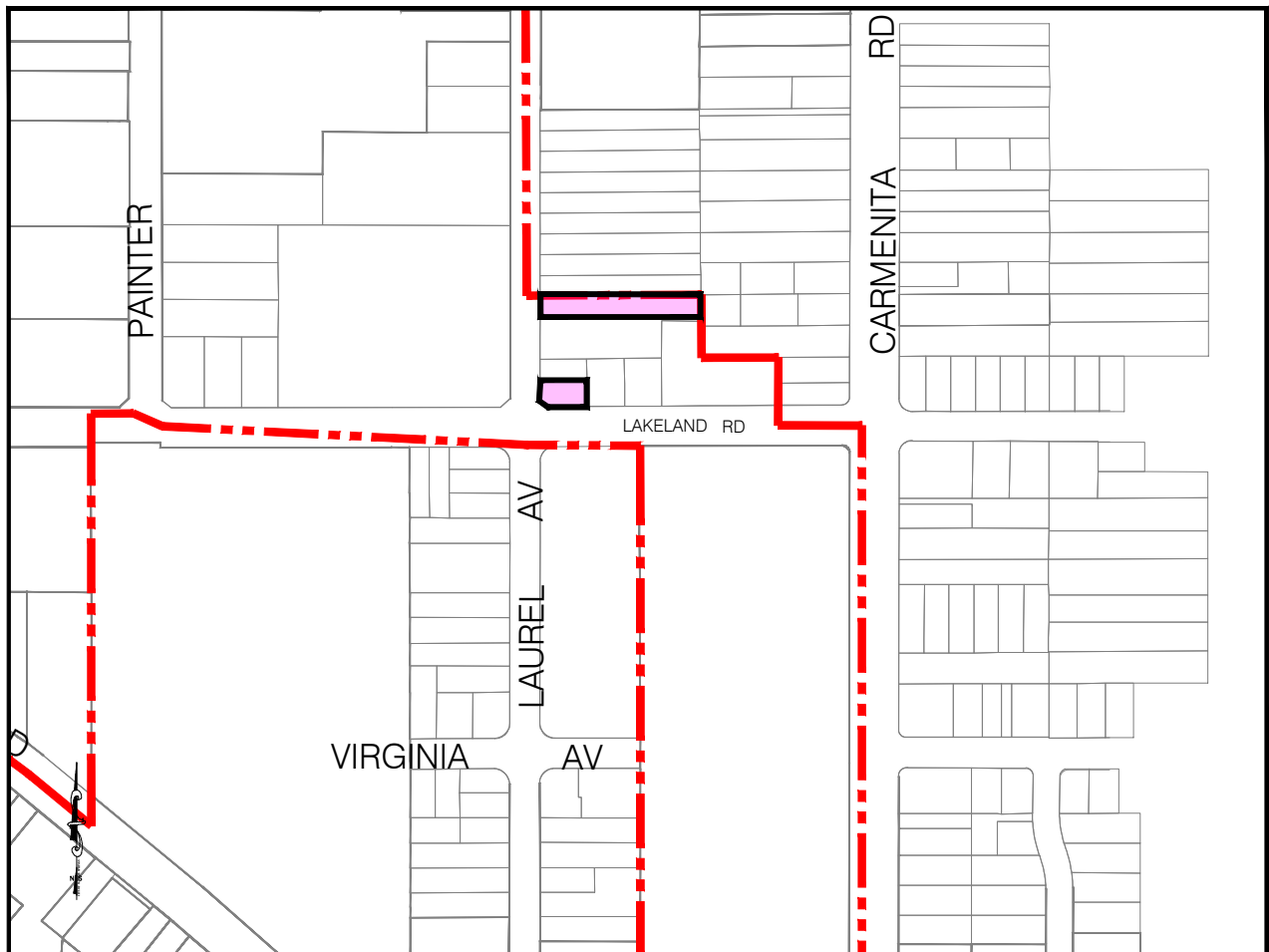
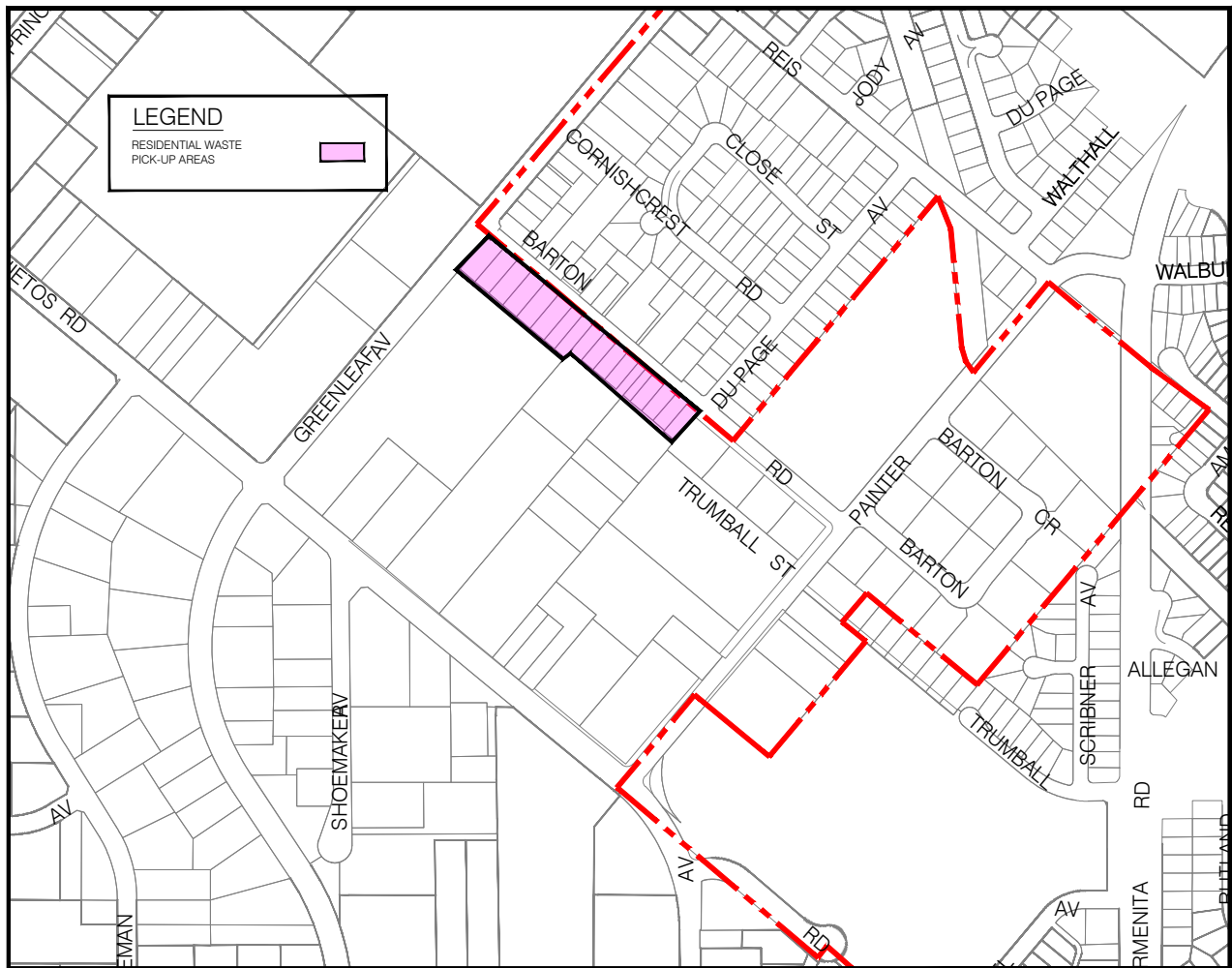


EXHIBIT 3

EXAMPLE RATE ADJUSTMENT FORMULA - RESIDENTIAL AND MULTI-FAMILY RATES

CPI-Based Annual Rate Adjustment Methodology and Historical Data

Pursuant to Section [insert section number] of this Agreement, the City shall authorize annual adjustments to the Contractor's approved service rates based on the average percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), Los Angeles-Long Beach-Anaheim, CA. The average shall be calculated using the twelve monthly year-over-year percentage changes for the period ending April prior to the July 1 effective date.

Month	May 2022–April 2023 (CPI Change %)	May 2023–April 2024 (CPI Change %)
May	3.2%	3.9%
June	2.5%	3.2%
July	2.7%	3.4%
August	3.3%	2.9%
September	3.2%	2.8%
October	2.4%	3.0%
November	2.8%	3.2%
December	3.5%	3.4%
January	2.5%	3.3%
February	3.4%	3.1%
March	4.0%	3.0%
April	3.9%	3.9%
12-Month Average	3.1%	3.3%

Rate Adjustment Application:

- Effective July 1, 2023, rates were adjusted by 3.1% based on the average CPI change from May 2022 to April 2023.
- Effective July 1, 2024, rates shall be adjusted by 3.3% based on the average CPI change from May 2023 to April 2024.

Future Adjustments:

The CPI adjustment for each subsequent year shall follow this same methodology, with the applicable twelve-month period ending in April of the same year and the new rates taking effect on July 1.

EXHIBIT 4

CORPORATE GUARANTY

THIS GUARANTY (the "Guaranty") is given as of the [] day of [], 2025.

THIS GUARANTY is made with reference to the following facts and circumstances:

- A. [] Franchisee Name and Relationship as Guarantor
- B. Franchisee and the City have negotiated an Agreement for Collection, Processing, and Disposal of Solid Waste dated as of [], (hereinafter "Agreement"). A copy of this Agreement is attached hereto.
- C. It is a requirement of the Agreement, and a condition to the City entering into the Agreement, that Guarantor guaranty Franchisee's performance of the Agreement.
- D. Guarantor is providing this Guaranty to induce the City to enter into the Agreement.

NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

1. **Guaranty of the Agreement.** Guarantor hereby irrevocably and unconditionally guarantees to the City the complete and timely performance, satisfaction and observation by Franchisee of each and every term and condition of the Agreement which Franchisee is required to perform, satisfy or observe. In the event that Franchisee fails to perform, satisfy or observe any of the terms and conditions of the Agreement, Guarantor will promptly and fully perform, satisfy or observe them in the place of the Franchisee or cause them to be performed, satisfied or observed. Guarantor hereby guarantees payment to the City of any damages, costs or expenses which might become recoverable by the City from Franchisee due to its breach of the Agreement.
2. **Guarantor's Obligations Are Absolute.** The obligations of the Guarantor hereunder are direct, immediate, absolute, continuing, unconditional and unlimited, and with respect to any payment obligation of Franchisee under the Agreement, shall constitute a guarantee of payment and not of collection, and are not conditional upon the genuineness, validity, regularity or enforceability of the Agreement. In any action brought against the Guarantor to enforce, or for damages for breach of, its obligations hereunder, the Guarantor shall be entitled to all defenses, if any, that would be available to the

Franchisee in an action to enforce, or for damages for breach of, the Agreement (other than discharge of, or stay of proceedings to enforce, obligations under the Agreement under bankruptcy law).

3. **Waivers.** Except as provided herein the Guarantor shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from its obligations under it for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of the Franchisee; (2) the actual or purported rejection by a trustee in bankruptcy of the Agreement, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (3) any waiver with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of the City's rights or remedies against the Franchisee; or (4) any merger or consolidation of the Franchisee with any other corporation, or any sale, lease or transfer of any or all the assets of the Franchisee. Without limiting the generality of the foregoing, Guarantor hereby waives the rights and benefits under California Civil Code Section 2819.

The Guarantor hereby waives any and all benefits and defenses under California Civil Code Section 2846, 2849, and 2850, including without limitation, the right to require the City to (a) proceed against Franchisee, (b) proceed against or exhaust any security or collateral the City may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agrees that the City may proceed against Guarantor for the obligations guaranteed herein without taking any action against Franchisee or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral the City may hold now or hereafter hold. City may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against Franchisee or any other guarantor or pledgor without impairing the City's rights and remedies in enforcing this Guaranty.

The Guarantor hereby waives and agrees to waive at any future time at the request of the City to the extent now or then permitted by applicable law, any and all rights which the Guarantor may have or which at any time hereafter may be conferred upon it, by statute, regulation or otherwise, to avoid any of its obligations under, or to terminate, cancel, quit or surrender this Guaranty. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of the Guarantor hereunder: (a) at any time or from time to time, without notice the Guarantor, performance or compliance herewith is waived; (b) any other of any provision of its Agreement indemnification with respect to Franchisee's obligations under the Agreement

or any security therefore is released or exchanged in whole or in part or otherwise dealt with; or (c) any assignment of the Agreement is effected which does not require the City's approval.

The Guarantor hereby expressly waives diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantor's obligations hereunder shall continue and remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from the City as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of revocation given by Guarantor or Franchisee prior to such avoidance or recovery, and (b) payment in full of any obligations then outstanding.

4. **Term.** This Guaranty is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed or otherwise discharged and Guarantor shall remain fully responsible under this Guaranty without regard to the acceptance by the City of any performance bond or other collateral to assure the performance of Franchisee's obligations under the Agreement. Guarantor shall not be released of its obligations hereunder so long as there is any claim by the City against Franchisee arising out of the Agreement based on Franchisee's failure to perform which has not been settled or discharged.

5. **No Waivers.** No delay on the part of the City in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of the City to take other or further action without notice or demand. No modification or waiver of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by the City and by Guarantor, nor shall any waiver be effective except in the specific instance or matter for which it is given.

6. **Attorney's Fees.** In addition to the amounts guaranteed under this Guaranty, Guarantor agrees in the event of Guaranty's breach of its obligations to pay reasonable attorney's fees and all other reasonable costs and expenses incurred by the City in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the Parties hereunder.

7. **Governing Law: Jurisdiction.** This Guaranty is and shall be deemed to be a contract entered into in and pursuant to the laws of the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws, rules for all purposes including, but not limited to, matters of construction, validity and performance. Guarantor agrees that any action brought by the City to enforce this Guaranty may be brought in any court of the State of California and Guarantor consents to personal jurisdiction over it by such courts. Guarantor appoints the following Person as its agents for service of process in California:

With a copy by certified mail to:

8. **Severability.** If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity will have not have an effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.

9. **Binding On Successors.** This Guaranty shall inure to the benefit of the City and its successors and shall be binding upon Guarantor and its successors, including transferee(s) of substantially all of its assets and its shareholder(s) in the event of its dissolution or insolvency.

10. **Authority.** Guarantor represents and warrants that it has the corporate power and authority to give this Guaranty, that its execution of this Guaranty has been authorized by all necessary action under its Articles of Incorporation and By-Laws, and that the

person signing this Guaranty on its behalf has the authority to do so.

11. Notices. Notice shall be given in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To the City: City Manager
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, CA
90670

with a copy to the City Attorney at the same address.

To the Guarantor: _____

By: _____
(title)

By: _____
(title)

EXHIBIT 5

FRANCHISEE'S FAITHFUL PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

That Universal Waste Systems, Inc., a California corporation, as PRINCIPAL, and _____, a Corporation organized and doing business by virtue of the laws of the State of California, and duly licensed for the purpose of making, guaranteeing, or becoming sole surety upon bonds or undertakings required or authorized by the laws of the State of California, as SURETY, are held and firmly bound to the City of Santa Fe Springs ("City"), hereinafter called OBLIGEE, in the penal sum of six hundred and fifty thousand dollars (\$650,000) lawful money of the United States, for the payment of which, well and truly to be made, we and each of us hereby bind ourselves, and our and each of our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the above bounden PRINCIPAL has entered into a contract, entitled "INTEGRATED SOLID WASTE MANAGEMENT SERVICES" with City, to do and perform the following work, to wit: Collect, Process and Dispose of Solid Waste generated within City, in accordance with the contract.

NOW, THEREFORE, if the above bounden PRINCIPAL shall well and truly perform, or cause to be performed each and all of the requirements and obligations of said contract to be performed by said PRINCIPAL, as in said contract set forth, then this BOND shall be null and void after receipt of written release from the City as described in Section 9.10 of this Agreement; otherwise it will remain in full force and effect.

And the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any wise affect its obligations on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

In the event suit is brought by OBLIGEE to enforce the provisions of this bond, said Surety will pay to OBLIGEE reasonable attorneys' fees, plus costs of suit, in an amount to be fixed by the court.

IN WITNESS WHEREOF, said PRINCIPAL and said SURETY have caused these presents to be duly signed and sealed this _____ DAY OF _____, 20 .

Universal Waste Systems, Inc., a California Corporation

SURETY

By: _____

(PRINCIPAL)

(SEAL)

By: _____

(ATTORNEY IN FACT)

(SEAL)

EXHIBIT 6

NOTARY CERTIFICATION

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES) ss:

On _____, _____, before me, the undersigned, a Notary Public in and for the State of California, personally appeared _____, known to me to be the _____ of Franchisee that executed the within instrument on behalf of the Franchisee therein named, and acknowledged to me that such Franchisee executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of _____ this _____ day of _____, _____.

Notary Public

My Commission Expires:

EXHIBIT 7

AB 341, AB 827, AB 1826, AND SB 1383 IMPLEMENTATION PLAN

[TO BE INCLUDED FOLLOWING DEVELOPMENT BY FRANCHISEE]

EXHIBIT 8

PROCESSING, TRANSFER, AND DISPOSAL SERVICES AND FACILITY STANDARDS

[EXHIBIT WILL BE AMENDED TO REFLECT THE TYPES OF DISCARDED MATERIALS COLLECTED AND FACILITIES DESIGNATED AS APPROVED FACILITIES]

Franchisee has selected and arranged for Discarded Materials to be Transported to Approved Facilities for Transfer, Source Separated Recyclable Materials Processing, Source Separated Blue Container Organic Material Processing, Source Separated Green Container Organic Material Processing, Organic Waste Processing, High Diversion Organic Waste Processing, C&D Processing, and Disposal. The Approved Facilities shall comply with the standards specified in this Exhibit. Pursuant to Section 4.11 of the Agreement, if the Franchisee does not own or operate one or more of the Approved Facilities, Franchisee shall enter into a subcontract agreement with the owner or Facility operator of such Approved Facility(ies) and the requirements of Section 4.11 of the Agreement and this Exhibit shall pertain to the Subcontractor(s).

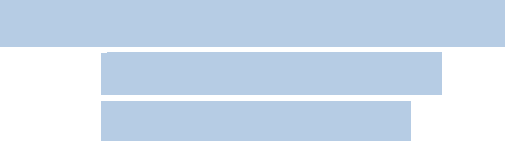


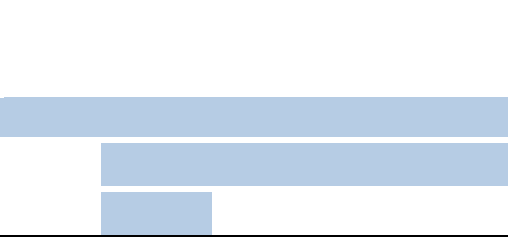
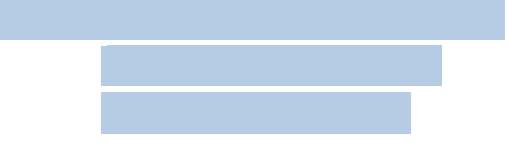
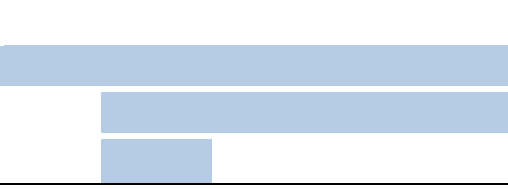

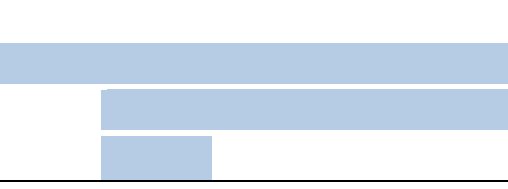
Note that Franchisee, by definition in Article 1 of the Agreement, includes Affiliates, DBAs, and Subcontractors. As a result, requirements of Section 4.11 of the Agreement and this Exhibit shall pertain to Affiliate(s) and Subcontractors providing Facility- related services.

8.1 General Requirements

- A. Overview. Franchisee agrees to Transport and deliver Discarded Materials it Collects in the City to an appropriate Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the commencement date of this Agreement, the Approved Facilities, which were selected by Franchisee and reviewed and approved by the City, are listed in the table on the following page and in the definitions in Article 1 of this Agreement. Franchisee will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement.

Approved Facilities

Material Type	Approved Transfer Facility (if applicable)	Approved Facility (Processing or Disposal Facility)	Description of Processing Methodology (Material recovery Facility, Composting Facility, anaerobic digestion, etc.)
Source Separated Recyclable Materials	[Redacted]	UWS SWIS Number19-AA-1140 [Redacted]	Norwalk Blvd. Properties LLC. UWS, INC 9016 Norwalk Blvd. Sana
Yard Waste	[Redacted]	[Redacted]	
Food Waste	[Redacted]	[Redacted]	

Source Separated Green Container Waste			
Mixed Waste			
Gray/Black Container Waste			
C&D			

B. Facility Capacity Guarantee. Franchisee shall guarantee sufficient capacity over the Term of this Agreement to Transfer (if applicable), Transport, and Process all Source Separated Recyclable Materials, Yard Waste, Food Waste, Source Separated Green Container Organic Materials, Mixed Waste, and C&D Collected under this Agreement and to Transfer (if applicable), Transport, and Dispose all Gray/Black Container Waste Collected under this Agreement. Franchisee shall cause the Approved Facility(ies) to Recycle or Process the Discarded Materials as appropriate; market the Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, Organic Materials, Mixed Waste, and C&D recovered from such operations; and Dispose of residue. Franchisee shall provide the City, upon request, with documentation demonstrating the availability of such Transfer (if applicable), Transport, Processing, and Disposal capacity as described below.

1. Franchisee or Affiliate is Owner of Approved Facilities: City may request that Franchisee report aggregate Facility capacity committed to other entities through Franchisee's contracts. City, or its agent, will have the right to seek verification of Franchisee's reported aggregate capacity through inspection of pertinent sections of Franchisee's contracts with such entities to determine the duration of Franchisee's commitment to accept materials from such entities and the type and volume of materials Franchisee is obligated to accept through the contracts. In addition, City, or its agent, will have the right to review Tonnage reports documenting the past three (3) years of Tonnage accepted at the Approved Facility(ies) by such entities. To the extent allowed by law, City, or its agent(s), agree to maintain the confidentiality of the information reviewed related to the individual contracts with other contracting entities and agree to review all related material at the Franchisee's office and will not retain any copies of reviewed material. Franchisee will fully cooperate with the City's request and provide City and its agent(s) access to Franchisee's records.
2. Franchisee's Subcontractor is the Owner and/or Operator of Approved Facilities: Upon request, Franchisee shall demonstrate that such capacity is available and allocated to the City by provision of its agreement with the Approved Facility(ies) owner(s)/operator(s) (Subcontractor(s)) documenting the Subcontractor's guarantee to accept the Discarded Materials Franchisee deliver over the Term of this Agreement and any extensions to the Agreement.

C. Equipment and Supplies. Franchisee shall equip and operate the Approved Facilities in a

manner to fulfill Franchisee's obligations under this Agreement, including achieving all applicable standards for landfill Disposal reduction, Recycling, Diversion, residue volume and content, and final product quality standards. Franchisee is solely responsible for the adequacy, safety, and suitability of the Approved Facilities. Franchisee shall modify, enhance, and/or improve the Approved Facilities as needed to fulfill service obligations under this Agreement at no additional compensation from the City or rates charged to Customers.

Franchisee shall provide all rolling stock, stationary equipment, material storage Containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumables as appropriate and necessary to operate the Approved Facilities and provide all services required by this Agreement. Franchisee shall place the equipment in the charge of competent equipment operators. Franchisee shall repair and maintain all equipment at its own cost and expense.

- D. Facility Permits. Franchisee or Facility operator shall keep all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Franchisee, or Facility operator, shall, upon request, provide copies of permits and/or permit violation notices to the City.
- E. Transfer Facility. At Franchisee's option, Franchisee may rely on a Transfer Facility and, in such case, shall Transport and deliver some or all Discarded Materials to the Approved Transfer Facility for pre-Processing (if applicable) and Transfer. At the Transfer Facility, Discarded Materials shall be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Facility(ies) for Processing or Disposal, in a timely manner and in accordance with Applicable Law.

If Franchisee delivers some or all Discarded Materials to a Transfer Facility, it shall receive assurances from Facility operator that Facility operator will Transport or arrange for Transport of the Discarded Materials to appropriate Approved Facility(ies) for Processing or Disposal, as applicable for each type of Discarded Material. In such case, Franchisee shall receive written documentation from the Facility operator(s) of the Facilities used for Processing and Disposal of Discarded Materials. Franchisee shall pay all costs associated with Transport, Transfer, Processing, and/or Disposal of all Discarded Materials Collected in accordance with this Agreement, including marketing of recovered materials and Disposal of all residue.

Franchisee shall comply with separate handling requirements Section 8.2 in this Exhibit

8.

- F. Franchisee-Initiated Change in Facility(ies). Franchisee may change its selection of one or more of the Approved Facility(ies) following the City's written approval, which may be conditioned on various factors including, but not limited to: the performance of the current versus proposed Facility, the permitting status of and LEA inspection records related to the proposed Facility, the distance of the Facility from the City, and any other factor that may reasonably degrade the value received by the City. If Franchisee elects to use a Facility(ies) that is(are) not listed on the then-current list of Approved Facility(ies) in this Exhibit, it shall submit a written request for approval to the City thirty (30) business days prior to the desired date to use the Facility and shall obtain the City's written approval prior to use of the Facility. Franchisee's compensation and rates shall not be adjusted for a Franchisee-initiated change in Facilities.
- G. Notification of Emergency Conditions. Each Approved Facility shall notify the City of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent the Facility from Processing the Discarded Materials Collected under this Agreement. Franchisee shall notify the City in accordance with Section 4.11 of the Agreement.
- H. Approved Facility Unavailable/Use of Alternative Facility. If Franchisee is unable to use the Approved Facility due to a sudden unforeseen closure of the Facility or other emergency condition described Section 8.1.G in this Exhibit 8, Franchisee may use an Alternative Facility provided that the Franchisee provides verbal and written notice to the City and receives written approval from the City at least twenty-four (24) hours prior to the use of an Alternative Facility to the extent reasonably practical given the nature of the emergency or sudden closure. The Franchisee's written notice shall include a description of the reasons the Approved Facility is not feasible and the period of time Franchisee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or used for an activity specified by pursuant to 14 CCR Section 18983.1(b) and not subsequently sent to landfill Disposal; (ii) a High Diversion Organic Waste Processing Facility (for three-Container systems in which Organics Waste, such as Food Waste, is allowed for Collection in the Gray/Black Containers); (iii) a "Approved Source Separated Organic Waste Processing Facility" pursuant to 14 CCR Section 18982(a)(14.5) for Source Separated Recyclable Materials Source Separated Blue Container

Organic Waste, Source Separated Green Container Organic Waste, and Organic Materials; (iv) a Transfer Facility; or, (v) a Disposal Facility. If Franchisee is interested in using a Facility for Source Separated Green Container Organic Waste or Mixed Waste technology that is not listed above and not currently approved by CalRecycle, Franchisee shall be responsible for securing the approvals necessary from CalRecycle prior to the City's final approval of such Facility or activity, and shall do so in accordance with the procedures specified in 14 CCR Section 18983.2.

If any Approved Facility specified in this Exhibit becomes unavailable for use by Franchisee for Discarded Materials Collected in the City for a period of more than two (2) days, City may designate an Alternative Facility. The Parties agree that the Approved Facility shall only be deemed to be "unavailable" if one or more of the following has occurred: (i) a Force Majeure event as described in Section 11.5 of this Agreement has occurred; (ii) a Facility has lost one or more permits to operate; (iii) a Facility has exhibited a pattern of violation through the receipt of repeated notices of violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be "unavailable" if the lack of availability of the Facility is not due to Franchisee's negligence, illegal activity, neglect, or willful misconduct. At City's request, Franchisee shall research and propose Alternate Facility(ies) for the impacted Discarded Material(s), and shall submit a written analysis and recommendation to the City within thirty (30) days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). City and Franchisee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and City will designate the approved Alternative Facility(ies). The decision of the City shall be final. The change in Facility shall be treated as City-directed change in scope.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Franchisee, Franchisee shall bear all additional costs for use of an Alternative Facility including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

The table listing Approved Facilities in this Exhibit shall be modified accordingly to reflect the new City-Approved Facility(ies).

If Franchisee is not the owner of the new Approved Facility, Franchisee shall enter into a Subcontract agreement with the Facility operator of the Alternative Facility to require compliance with the requirements of Section 4.11 of this Agreement and this Exhibit unless City waives one or more requirements.

- I. Discarded Materials Monitoring/Waste Evaluation Requirements. Franchisee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described Section 8.6 in this Exhibit 8 to meet or exceed SB 1383 requirements.
- J. Compliance with Applicable Law. Franchisee (including its Affiliates and Subcontractors) warrants throughout the Term of this Agreement and any extensions that the Approved Facilities are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.
- K. Records and Investigations. Franchisee shall maintain accurate records of the quantities of Discarded Materials Transported to and Accepted at the Approved Facility(ies) and shall cooperate with City and any regulatory authority in any audits or investigations of such quantities.
- L. Inspection and Investigations. An authorized City employee or agent shall be allowed to enter each Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and records pertaining to the Facility in order to determine compliance with Applicable Law, including SB 1383, to understand protocols and results, and conduct investigations, if needed. Franchisee shall permit City or its agent to review or copy, or both, any paper, electronic, or other records required by City.

8.2 Processing Standards

- A. Recovery Required. Franchisee agrees to Transport and deliver all Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, and Organic Waste, Mixed Waste, and C&D Collected under this Agreement to an Approved Facility for Processing as applicable for each material type. Franchisee shall conduct Processing activities for all Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, Organic Waste, Mixed Waste, and C&D to recover Recyclable Materials and Organic Waste to reduce Disposal. The Processing shall be performed in a manner that minimizes Disposal to the greatest extent practicable and complies with Applicable Law, including SB 1383. Franchisee may Dispose of Organic Waste from homeless encampments and illegal Disposal Sites and quarantined Organic Waste, which meet the requirements described in 14 CCR Section 18984.13(d), rather than Process such materials.

B. Separate Handling Requirements

1. Franchisee shall keep Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, Organic Waste, Mixed Waste, and C&D separate from each other and separate from other Solid Waste streams and shall Process the materials separately from each other and separately from other Solid Waste streams.
2. Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Waste separated from the Gray/Black Container Waste for recovery can be combined with Organic Waste removed from the Source Separated Green Container Organic Waste for recovery once the material from the Source Separated Green Container Organic Waste has gone through the Organic Waste recovered measurement protocol described in 14 CCR Section 17409.5.4.
3. Pursuant to 14 CCR Section 17409.5.6(b), Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, and Organic Waste removed from Mixed Waste for recovery shall be:
 - a. Stored away from other activity areas in specified, clearly identifiable areas as described in the Facility Plan or Transfer/Processing Report (which are defined in 14 CCR); and
 - b. Removed from the Facility consistent with 14 CCR Section 17410.1 and either:
 - i. Transported only to another Facility or operation for additional Processing, Composting, in-vessel digestion, or other recovery as specified in Section 8.2.E of this Exhibit 8; or
 - ii. Used in a manner approved by local, State, and federal agencies having appropriate jurisdiction.

C. Residue Disposal. Franchisee shall be responsible for Disposal of residue from Processing activities at its own expense and may select the Disposal Facility(ies) to be used for such purpose.

D. Processing Facility Residue Guarantees. Upon request of the City, Franchisee shall provide a certified statement from the Facility operator documenting its residue level. The

residue level shall be calculated separately for each material type and for each Approved Facility used for Recycling and Processing. The residue level calculation method shall be reviewed and approved by the City.

E. Source Separated Recyclable Materials Processing Standards

1. Franchisee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that landfill Disposal includes final deposition of Organic Waste at a landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC).

F. Source Separated Green Container Organic Waste Processing Standards

1. Franchisee shall arrange for Processing of all Source Separated Green Container Organic Waste at a Facility that recovers Organic Waste and in a manner deemed not to constitute landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that landfill Disposal includes final deposition of Organic Waste at a landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC).
2. Franchisee shall arrange for Source Separated Green Container Organic Waste Processing at the Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the Source Separated Green Container Organic Waste:
 - a. A “Compostable Material Handling Operation or Facility” as defined in 14 CCR Section 17852(a)(12); small Composting Facilities that are otherwise excluded from that definition; or Community Composting as defined within 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(16), demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:
 - i. On and after January 1, 2022, less than 20 percent (20%); and
 - ii. On and after January 1, 2024, less than 10 percent (10%).
 - b. An “In-vessel Digestion Operation or Facility” as defined in 14 CCR 17896.5.

The in-vessel digestion Facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:

- i. On and after January 1, 2022, less than 20 percent (20%); and,
 - ii. On and after January 1, 2024, less than 10 percent (10%).
- c. A “Biomass Conversion Operation” as defined in Section 40106 of the California Public Resources Code.
 - d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a landfill, that is defined as a reduction in landfill Disposal in accordance with 14 CCR Section 18983.1(b).
 - e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).
 - f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.
 - g. Other operations or Facilities with Processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Franchisee is interested in using an operation, Facility, or activity not expressly identified above for Source Separated Green Container Organic Waste Processing, Franchisee shall be responsible for securing the approvals necessary from CalRecycle prior to the City’s final approval of such operation, Facility, or activity, and shall do so in accordance with the procedures specified in 14 CCR Section 18983.2.

- 3. Preparation of Materials for Processing. The Franchisee shall be responsible for preparing materials for Processing at the Approved Organic Waste Processing Facility, which shall include, but is not limited to, removal of visible physical contaminants such as plastic, glass, metal, and chemicals prior to size reduction.
- 4. Limits on Incompatible Materials in Recovered Organic Waste

- a. Limits. Except as described in Section 8.2.F.4.c. of this Exhibit 8, Franchisee's Transfer/Processing Facility or operation shall only send offsite that Organic Waste recovered after Processing the Source Separated Green Container Organic Waste that meets the following requirements or as otherwise specified in 14 CCR Section 17409.5.8(a):
 - i. On and after January 1, 2022 with no more than 20 percent (20%) of Incompatible Material by weight; and,
 - ii. On and after January 1, 2024 with no more than 10 percent (10%) of Incompatible Material by weight.
- b. Measurement. Franchisee shall measure the actual levels of Incompatible Materials in accordance with procedures described in 14 CCR Section 17409.5.8(b).
- c. Exceptions. The limits in Section 8.2.F.4.a. of this Exhibit 8, shall not apply to the recovered Organic Waste sent offsite from the Transfer/Processing Facility or operation, if the Franchisee sends the recovered Organic Waste from the Transfer/Processing Facility or operation to one or more of the following types of Facilities that will further Process the Organic Waste, or as otherwise specified in 14 CCR Section 17409.5.8(c):
 - i. A Transfer/Processing Facility or operation that complies with Section 8.2.F.4.a. of this Exhibit 8;
 - ii. A compostable materials handling Facility or operation that, pursuant to 14 CCR Section 17867(a)(16), demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and
 - (B) On and after January 1, 2024, less than 10 percent (10%).
 - iii. An in-vessel digestion Facility or operation that, pursuant to 14 CCR Section 17896.44.1, demonstrates that the percentage of Organic Waste in the materials sent to Disposal is:
 - (A) On and after January 1, 2022, less than 20 percent (20%); and

(B) On and after January 1, 2024, less than 10 percent (10%).

iv. An activity that meets the definition of a Recycling center as described in 14 CCR Section 17402.5(d).

G. High Diversion Organic Waste Processing Facility Requirements (Three-Container Systems in which Organics Waste, such as Food Waste, is allowed for Collection in the Gray/Black Containers)

1. Franchisee guarantees that the Approved High Diversion Organic Waste Processing Facility shall meet or exceed an annual average Mixed Waste organic content recovery rate of fifty (50) percent between January 1, 2022 and December 31, 2024, and seventy-five (75) percent after January 1, 2025, or as otherwise defined in 14 CCR Section 18982(a)(33), as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the Mixed Waste.
2. Franchisee guarantees that it will comply with the limits on Incompatible Materials in the recovered Organic Waste, which are described in Section 8.2.F.4 of this Exhibit.
3. Franchisee shall conduct measurements on a quarterly basis to determine the Mixed Waste organic content recovery efficiency in accordance with 14 CCR Section 17049.5.1(b). Franchisee shall report the Organic Waste recovery efficiency measurement results to the City in accordance with Article 8 of the Agreement, and shall notify the City within two (2) business days of conducting the quarterly measurement if the results are not in compliance with the Mixed Waste organic content recovery rate standards. If the quarterly average Mixed Waste organic content recovery rate is not in compliance with the standards, the City may assess Liquidated Damages in accordance with Section 11.4 of this Agreement.
4. If the Approved High Diversion Organic Waste Processing Facility has an annual average Mixed Waste organic content recovery rate that is lower than required in 14 CCR Section 18982(a)(33) for two (2) consecutive quarterly reporting periods or three (3) quarterly reporting periods within three (3) years, the Facility shall not qualify as a High Diversion Organic Waste Processing Facility pursuant to 14 CCR Section 18984.3(b). Franchisee shall be required to submit a corrective action plan to the City within five (5) business days of determining such non-compliance identifying the steps to improve the Mixed Waste organic content recovery rate

and the duration of time anticipated for the Facility to achieve compliance. Franchisee shall immediately commence with corrective actions subject to approval by the City and CalRecycle.

5. If City is not satisfied that the Franchisee can achieve and sustain the minimum required annual average Mixed Waste organic content recovery rate, or if the Franchisee has implemented its corrective action plan and failed to achieve the minimum required annual average Mixed Waste organic content recovery rate, the City shall have the right to direct use of an Alternative Facility, and Franchisee shall incur all costs associated with use of the Alternative Facility including Transportation, Transfer, Processing, and Disposal. The City may assess Liquidated Damages in accordance with Section 11.4 of this Agreement and/or may deem this failure an event of default under Section 11.1 of this Agreement. If an Alternative Facility is not available within a commercially reasonable distance, Franchisee shall be required to implement, at no cost to the City and with no increase to rates, an Organic Waste Collection system that will provide programmatic compliance with 14 CCR Division 7, Chapter 12, Article 3.

H. C&D Program Standards

1. Franchisee shall comply with the CALGreen Construction and Demolition materials Recycling requirements.
2. Franchisee shall deliver mixed C&D loads to the Approved C&D Processing Facility for Recycling.
3. Franchisee shall deliver Source Separated C&D such as, but not limited to, dirt, concrete, wood waste, cardboard, or other recyclable C&D Materials to the Approved C&D Processing Facility or other Facility authorized for Recycling C&D, and shall deliver Salvageable Materials to a party for Reuse or salvage.
4. Franchisee shall arrange for Processing of Organic Waste in the C&D at a Facility that recovers Organic Waste from C&D and in a manner deemed not to constitute landfill Disposal pursuant to 14 CCR Section 18983.1(a), which states that landfill Disposal includes final deposition of Organic Waste at a landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC).

- I. Plastic Bags. Franchisee shall annually submit to City written notice from the Approved Organic Waste Processing Facility confirming said Facility can remove plastic bags when

Processing Source Separated Green Container Organic Waste.

- J. Compostable Plastics. Franchisee may accept Compostable Plastics at the Approved Organic Waste Processing Facility. Pursuant to Article 5 of this Agreement, Franchisee shall annually submit to City written notice from the Approved Organic Waste Processing Facility confirming said Facility can Process and recover these Compostable Plastics.
- K. Marketing. Franchisee operating the Approved Facility(ies), shall be responsible for marketing materials recovered from Discarded Materials Collected under this Agreement. Franchisee's marketing methods for materials shall be performed in a manner that supports achievement of Disposal reductions and in such a manner that complies with State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations. Franchisee shall retain revenues resulting from the sale and marketing of said materials with the exception of the curbside supplemental payments and City/County payments under the California Beverage Container Recycling and Litter Reduction Act, which shall be retained by the City.

Upon request, Franchisee shall provide proof to the City that all Source Separated Recyclable Materials, Source Separated Green Container Organic Waste, Mixed Waste, and C&D Collected by Franchisee were Processed and recovered materials were marketed for recovery, salvage, or Reuse or as organics products in such a manner that materials are not deemed Landfill Disposal pursuant to 14 CCR Section 18983.1(a) and in a manner that materials are deemed Diversion pursuant to AB 939. All Residue from the Recycling and Processing activities that is not marketed shall be reported to the City as Residue and accounted for as Disposal Tonnage at the Approved Disposal Facility. No Source Separated Recyclable Materials, Source Separated Green Container Organic Waste, Mixed Waste, or C&D shall be Transported to a domestic or foreign location if Landfill Disposal, as defined in 14 CCR Section 18983.1(a) of such material is its intended use. If Franchisee becomes aware that a broker or buyer has illegally handled, Disposed of, or used material generated in the City that is not consistent with Applicable Law, Franchisee shall immediately inform the City and terminate its contract or working relationship with such party. In such case, Franchisee shall find an alternative market for the material(s) recovered from the Source Separated Recyclable Materials, Source Separated Green Container Organic Waste, and/or C&D that is compliant with Applicable Law.

The performance of commodity markets for materials recovered from Source Separated Recyclable Materials shall not be considered a reason for deeming a Facility "unavailable" in this Exhibit 8, Section 8.1.H, nor shall it be considered an acceptable basis for the need

to use an Alternative Facility, nor shall it serve as the basis for any adjustment in Franchisee's compensation under this Agreement, other than as specifically contemplated in Article 10 of this Agreement.

- L. Disposal of Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, Organic Materials, Mixed Waste, and C&D is Prohibited. With the exception of Processing residue, which shall not exceed the limits established under Applicable Law, Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, Organic Materials Mixed Waste, and C&D Collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the expressed written approval of the City.

If for reasons beyond its reasonable control, Franchisee believes that it cannot avoid Disposal of the Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, Organic Materials, Mixed Waste, or C&D Collected in the City, then it shall prepare a written request for City approval to Dispose of such material. Such request shall contain the basis for Franchisee's belief (including, but not limited to, supporting documentation), describe the Franchisee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Franchisee's request.

In addition, the request shall describe the Franchisee's proposed interim plans for implementation while the City is evaluating its request. If the City objects to the interim plans, the City shall provide written notice to the Franchisee and request an alternative arrangement. The City shall consider the Franchisee's request and inform Franchisee in writing of its decision within thirty (30) business days. Depending on the nature of the Franchisee's request, City may extend the thirty (30) business day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Franchisee.

8.3 Gray/Black Container waste Disposal Standards (Three- and Three-plus Container Systems that do not allow Organic Waste, such as Food Waste in Gray/Black Containers)

- A. Disposal of Gray/Black Container Waste Collected. Franchisee shall Transport all Gray/Black Container Waste Collected under this Agreement to the Approved Disposal Facility.
- B. Disposal at Approved Facility. Franchisee shall not Dispose of Gray/Black Container

Waste or residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

- C. Disposal Services. Franchisee shall provide Disposal services at the Approved Disposal Facility that include, but are not limited to:
1. Operating, managing, and maintaining the Solid Waste fill areas, including the placement, burying, and compaction of Solid Waste in the Refuse fill areas; stockpiling, placement, and compaction (if necessary) of Alternative Intermediate Cover, and final cover; management of fill operations with regard to fill sequencing, side slopes configuration, and working face location and configuration;
 2. Providing, operating, and maintaining all equipment, rolling stock, and supplies necessary for operations, closure, post-closure, and environmental monitoring; and
 3. Operating, maintaining, and managing leachate and landfill gas management systems, groundwater monitoring and management systems, storm water drainage and control systems, treatment Facilities, buildings, on-site roadways, utilities, and any other required Facility elements.

8.4 Weighing of Discarded Materials

- A. Maintenance and Operation. This Section 8.4 of this Exhibit 8 applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Franchisee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) days of City's request during the Term. Licensed weigh master(s) shall operate those scales to weigh all inbound and outbound Collection vehicles Transporting Discarded Materials and all Transfer vehicles Transporting materials to another site. Franchisee shall arrange for Facility operator to provide City with access to weighing information at all times and copies thereof within three (3) Business Days following the City's request. Exceptions to weighing requirements are specified in Section 8.4.G. of this Exhibit 8.
- B. Vehicle Tare Weights for Approved Facility(ies). Within thirty (30) days prior to the Commencement Date, Franchisee shall coordinate with the Facility operator(s) to ensure that all Collection vehicles used by Franchisee to Transport Discarded Materials to

Approved Facilities are weighed to determine unloaded (“tare”) weights. Franchisee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Franchisee’s, and provide a distinct vehicle identification number for each vehicle. Franchisee shall provide the City with a report listing the vehicle tare weight information upon request. Franchisee shall promptly coordinate with Facility operator to weigh additional or replacement Collection vehicles prior to Franchisee placing them into service. Franchisee shall check tare weights at least annually, or within fourteen (14) days of a City request, and shall re-tare vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.

- C. Substitute Scales. If any scale at the Approved Facility is inoperable, being tested, or otherwise unavailable, Facility operator shall use reasonable business efforts to weigh vehicles on the remaining operating scale(s). To the extent that all the scales are inoperable, being tested, or otherwise unavailable, Facility operator shall substitute portable scales until the permanent scales are replaced or repaired. Facility operator shall arrange for any inoperable scale to be repaired as soon as possible.
- D. Estimates. Pending substitution of portable scales or during power outages, Facility operator shall estimate the Tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities by utilizing the arithmetic average of each vehicle's recorded Tons of Discarded Materials delivered on its preceding three (3) deliveries.

During any period of time the scales are out of service, Facility operator shall continue to record all information required by this Section 8.4 for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

- E. Weighing Standards and Procedures. At the Approved Facilities, Facility operator shall weigh and record inbound weights of all vehicles delivering Discarded Materials when the vehicles arrive at the Facility. In addition, Facility operator shall weigh and record outbound weights of vehicles for which Facility operator does not maintain tare weight information. Furthermore, Facility operator shall weigh and record outbound weights of all Transfer vehicles Transporting Discarded Materials from a Transfer Facility to another Approved Facility(ies) for Processing or Disposal.
- F. Records. Facility operator shall maintain scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights (or tare weights) of vehicles, vehicle identification number, jurisdiction of origin of materials

delivered, type of material, company/hauler identification, and classification, type, weight, and final destination of Discarded Material if the Discarded Materials are Transferred to another Approved Facility(ies).

- G. Exceptions to Weighing Requirements. If the Approved Facility does not have motor vehicle scales to weigh Franchisee's vehicles and Discarded Materials delivered to the Facility, Franchisee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Franchisee or Facility operator shall estimate the Tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the City.
- H. Upon-Request Reporting. If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Franchisee shall make those videos available for City review during the Approved Facilities' operating hours, upon request of the City, and shall provide the name of the driver of any particular load if available.

8.5 Rejection of Excluded Waste

- A. Inspection. Franchisee will use standard industry practices to detect and reject Excluded Waste in a uniform and non-discriminatory manner and will not knowingly accept Excluded Waste at the Approved Facility(ies). Franchisee will comply with the inspection procedure contained in its permit requirements. Franchisee will promptly modify that procedure to reflect any changes in permits or Applicable Law.
- B. Excluded Waste Handling and Costs. Franchisee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal Facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Approved Facility(ies). Franchisee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Franchisee from the responsibility of handling Excluded Wastes that Franchisee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

8.6 Discarded Materials Evaluations at Approved Facilities

- A. General. Franchisee shall conduct the following "evaluations" at Approved Facilities:
 - 1. Gray/Black Container Waste Evaluations. Waste evaluations of

Gray/Black Container Waste at the Approved Transfer Facility (if applicable) in accordance with 14 CCR Sections 18998.1(a)(3)(A) and 17409.5.7.

2. Organic Waste Recovery Efficiency Evaluations. Waste evaluations at Approved Transfer Facility (if applicable) or Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5.
 3. Evaluation of Organic Waste in Residuals. Compliance evaluations of Organic Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3, 17409.5.5, 17867 (Compost operations and Facilities), and 17896.44.1 (In-vessel digestion operations and Facilities).
- B. Record Keeping and Reporting. For the evaluations described above, Franchisee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3, as applicable. Franchisee shall report this information to the City on a monthly basis in accordance with Article 8.
- C. Scheduling of Evaluations. Franchisee shall schedule evaluations during normal working hours. Franchisee shall provide City notice of its intent to conduct evaluations at the Approved Facility(ies) at least ten (10) working days in advance of the evaluations.
- D. Observance of Study by City and/or CalRecycle. Franchisee acknowledges that, upon request, a representative of the City and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in Section 8.6.A of this Exhibit 8 conducted at the Approved Facility(ies).

EXHIBIT 9

COLLECTION SYSTEM OPTIONS

Three- or Four-Container System (Blue, Green and/or Green and Brown, and Gray/Black Containers)

- 1A. General.** Upon initiation of services under this Agreement, Franchisee shall provide a three-Container Collection program for the separate Collection of Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, Source Separated Green Container Organic Waste, Organic Materials, and Gray/Black Container Waste as specified in this Section, using Containers that comply with the requirements of Section 4.7.4.1.
- 1B. Source Separated Recyclable Materials Collection (Blue Container).** Franchisee shall provide Blue Containers to Customers for Collection of Source Separated Recyclable Materials. Franchisee shall Transport the Source Separated Recyclable Materials to (i) the Approved Source Separated Recyclable Materials Processing Facility, or (ii) the Approved Transfer Facility for Transfer and Transport to the Approved Source Separated Recyclable Materials Processing Facility, as specified in Exhibit 8.

Source Separated Recyclable Materials that are to be accepted for Collection in the Source Separated Recyclable Materials Collection program include the following: [to be provided by successful bidder; such materials shall include Paper Products and Printing and Writing Papers as defined by SB 1383, 14 CCR Section 18982(a)]. The Parties agree that the list of accepted types of Source Separated Recyclable Materials may be added to or removed from this list from time to time at the sole discretion of the City provided that in all cases Source Separated Blue Container Organic Waste (including Paper Products and Printing and Writing Papers as defined by SB 1383, 14 CCR Section 18982(a)) is included for Collection. Franchisee shall not add or remove materials to or from this list without written approval from the City or signed amendment to the Agreement, and such approval shall not be unreasonably withheld. Prohibited Container Contaminants shall not be Collected in the Blue Containers.

- 1C. Source Separated Green Container Organic Waste Collection (Green Container) Option**
1C.1: Collection Program for Source Separated Green Container Organic Waste (including Yard Waste and Food Waste) (Green Container)

Upon initiation of services under this Agreement, Franchisee shall provide Green

Containers to Customers for Source Separated Green Container Organic Waste Collection. Franchisee shall Transport the Source Separated Green Container Organic Waste to (i) the Approved Organic Waste Processing Facility, or (ii) the Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Exhibit 8.

Source Separated Green Container Organic Waste that are to be accepted for Collection in the Source Separated Green Container Organic Waste Collection program include the following: Food Scraps, Food-Soiled Paper, Compostable Plastics, and Source Separated Green Container Organic Waste. The Parties agree that types of Source Separated Green Container Organic Waste may be added to or removed from this list from time to time by mutual consent or at the sole discretion of the City. Franchisee shall not add or remove materials to or from this list without written approval from the City or signed amendment to the Agreement, and such approval shall not be unreasonably withheld. Carpets, Non-Compostable Paper, textiles, and Prohibited Container Contaminants shall not be Collected in the Green Containers.

Yard Waste that are to be accepted for Collection in the Source Separated Green Container Organic Waste Collection program include the following: [to be provided by successful bidder]. The Parties agree that accepted types of Yard Waste may be added to or removed from this list from time to time by mutual consent or at the sole discretion of the City. Franchisee shall not add or remove materials to or from this list without written approval from the City or signed amendment to the Agreement, and such approval shall not be unreasonably withheld. Carpets, Non-Compostable Paper, textiles, and Prohibited Container Contaminants shall not be Collected in the Green Containers.

Franchisee may Collect Compostable Plastics in the Green Containers for Processing at the Approved Organic Waste Processing Facility. At least three (3) months prior to the commencement of the Collection of Compostable Plastics in the Source Separated Green Container Organic Waste program, Franchisee shall provide written notification to the City that the Facility can Process and recover these Compostable Plastics. Franchisee shall provide written notification to the City annually that the Facility has and will continue to have the capabilities to Process and recover the Compostable Plastics. Franchisee shall notify the City within five (5) business days of the Facility's inability to accept Compostable Plastics. The notification shall include: a description of the reasons the Facility is no longer able to Process and recover Compostable Plastics; the period of time the Facility will not Process and recover Compostable Plastics; and, the Franchisee's proposed plan to assist in education and outreach of Customers in the event that

Compostable Plastics are no longer accepted for Collection. Such changes shall be handled as a change in scope pursuant to Section 2.10.

Option 1C.2: Yard Waste Collection Program; Plan for Food Waste to be Separately Collected (Green Container and Brown Container)

Upon initiation of services under this Agreement, Franchisee shall provide Green Containers for Customers for Collection of Yard Waste. Franchisee shall Transport the Yard Waste to (i) the Approved Organic Waste Processing Facility, or (ii) the Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Exhibit 8.

Yard Waste that are to be accepted for Collection in the Source Separated Green Container Organic Waste Collection program include the following: [to be provided by successful bidder]. The Parties agree that accepted types of Yard Waste may be added to or removed from this list from time to time by mutual consent or at the sole discretion of the City. Franchisee shall not add or remove materials to or from this list without written approval from the City or signed amendment to the Agreement, and such approval shall not be unreasonably withheld. Carpets, Non-Compostable Paper, textiles, and Prohibited Container Contaminants shall not be Collected in the Green Containers.

Upon initiation of services under this Agreement, Franchisee shall implement a Food Waste Collection program for all Customers. Franchisee shall provide Brown Containers to Customers for Collection of Source Separated Food Waste. Franchisee shall Transport the Food Waste to (i) the Approved Organic Waste Processing Facility, or (ii) Approved Transfer Facility for Transfer and Transport to the Approved Organic Waste Processing Facility, as specified in Exhibit 8.

Franchisee may Collect Compostable Plastics in the Brown Containers for Processing at the Approved Organic Waste Processing Facility. At least three (3) months prior to the commencement of the Collection of Compostable Plastics in the Source Separated Green Container Organic Waste program, Franchisee shall provide written notification to the City that the Facility can Process and recover these Compostable Plastics.

Franchisee shall provide written notification to the City annually that the Facility has and will continue to have the capabilities to Process and recover the Compostable Plastics. Franchisee shall notify the City within five (5) business days of the Facility's inability to accept Compostable Plastics. The notification shall include: a description of the reasons

~~the Facility is no longer able to Process and recover Compostable Plastics; the period of~~

time the Facility will not Process and recover Compostable Plastics; and, the Franchisee's proposed plan to assist in education and outreach of Customers in the event that Compostable Plastics are no longer accepted for Collection. Such changes shall be handled as a change in scope pursuant to Section 2.10.

1D. Gray/Black Container Waste Collection (Gray/Black Container).

Franchisee shall provide Gray/Black Containers to Customers for Collection of Gray/Black Container Waste. Franchisee shall Transport the Gray/Black Container Waste to (i) the Approved Disposal Facility, or (ii) the Approved Transfer Facility for Transfer and Transport to the Approved Disposal Facility, as specified in Exhibit 8. Franchisee may allow carpets and textiles to be placed in the Gray/Black Containers. Prohibited Container Contaminants shall not be Collected in the Gray/Black Containers.

2. USE OF PLASTIC BAGS FOR SOURCE SEPARATED GREEN CONTAINER ORGANIC WASTE COLLECTION (APPLICABLE TO OPTION 1 OR 2 ABOVE)

2A. Option 1: Food Waste in Plastic Bags in the Green Containers

Franchisee shall allow Customers and Generators to place Food Waste in plastic bags and put the bagged Food Waste in the Green Container. At least three (3) months prior to the commencement of the use of plastic bags for the Food Waste program, Franchisee shall provide written notification to the City that allowing the use of bags does not inhibit the ability of the City to comply with SB 1383, and that the Approved Organic Waste Processing Facility can Process and remove plastic bags when it recovers Source Separated Green Container Organic Waste. Annually, in accordance with Article 8, Franchisee shall provide written notification to the City that the Facility has and will continue to have the capabilities to Process and remove plastic bags when it recovers Source Separated Green Container Organic Waste. If, at any time during the Term of the Agreement, the Approved Organic Waste Processing Facility can no longer accept plastic bags, City may assess Liquidated Damages or deem such failure an event of default under Section 11.1. Franchisee shall notify the City within five (5) business days of the Facility's inability to accept plastic bags.

The notification shall include: a description of the reasons the Facility is no longer able to Process and recover plastic bags; the period of time the Approved Facility will not Process and recover plastic bags; and, the Franchisee's proposed plan to assist in education and outreach of Customers in the event that plastic bags are no longer accepted for Collection.

Such changes shall be handled as a change in scope pursuant to Section 2.10.

2B. Option 2: Source Separated Green Container Organic Waste in Plastic Bags in the Green Containers

Franchisee shall allow Customers and Generators to place Source Separated Green Container Organic Waste in plastic bags and put the bagged Source Separated Green Container Organic Waste in the Green Container. At least three (3) months prior to the commencement of the use of plastic bags for the Source Separated Green Container Organic Waste program, Franchisee shall provide written notification to the City that allowing the use of bags does not inhibit the ability of the City to comply with SB 1383, and that the Approved Organic Waste Processing Facility can Process and remove plastic bags when it recovers Source Separated Green Container Organic Waste. Annually, in accordance with Article 8, Franchisee shall provide written notification to the City that the Facility has and will continue to have the capabilities to Process and remove the plastic bags when it recovers Source Separated Green Container Organic Waste. If, at any time during the Term of the Agreement, the Approved Organic Waste Processing Facility can no longer accept plastic bags, City may assess Liquidated Damages or deem such failure an event of default under Section 11.1. Franchisee shall notify the City within five (5) business days of the Facility's inability to accept plastic bags. The notification shall include: a description of the reasons the Facility is no longer able to Process and recover plastic bags; the period of time the Approved Facility will not Process and recover plastic bags; and, the Franchisee's proposed plan to assist in education and outreach of Customers in the event that plastic bags are no longer accepted for Collection. Such changes shall be handled as a change in scope pursuant to Section 2.10.

3. C&D Collection

Franchisee shall Collect C&D Materials from all Customers that subscribe to its C&D Collection services and Transport the C&D to (i) the Approved C&D Processing Facility, or (ii) the Approved Transfer Facility for Transfer and Transport to an Approved C&D Processing Facility. Franchisee shall provide C&D Collection and Processing services in accordance with this Agreement. Franchisee shall charge Customers for C&D Collection services at City-approved Rates.

RESOLUTION NO. 9991

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS GRANTING A COMMERCIAL PERMIT TO UNIVERSAL WASTE SYSTEMS, INC. FOR COLLECTING AND DISPOSING OF COMMERCIAL SOLID WASTE.

WHEREAS, the Legislature of the State of California, through enactment of the California Integrated Waste Management Act of 1989 (Public Resources Code Section 40000 et seq.), authorized and required all local agencies to make adequate provisions for solid waste handling and services; and

WHEREAS, Public Resources Code Section 40059 authorizes cities to award permits for the collection of solid waste, and to determine the procedure by which such permits will be awarded; and

WHEREAS, California Public Resources Code Sections 40059 and 49300 authorize cities to award such permits by resolution; and

WHEREAS, the City of Santa Fe Springs ("City") requires commercial solid waste hauling services; and

WHEREAS, the City has adopted certain comprehensive provisions regarding the collection and disposal of solid waste and recyclables within the CITY, which are contained in Chapter 50 (Collection of Solid Waste and Recyclables) of the Santa Fe Springs Municipal Code ("SFSMC" or "Municipal Code"); and

WHEREAS, Chapter 50 of the SFSMC provides the means by which the City may grant a "Commercial Permit" for the collection of "Commercial Solid Waste" as defined by Section 50.001; and

WHEREAS, Section 50.021 of the SFSMC authorizes the City Council to consider and grant permits for solid waste collection; and

WHEREAS, the City is allowed to issue up to four permits for the collection of solid waste pursuant to Section 50.025(A) of the SFSMC; and

WHEREAS, the City Manager and Public Works staff have determined Universal Waste Hauling, Inc. ("UWS") is qualified to comply with the requirements of Chapter 50 of the SFSMC and capable of meeting public health, safety and welfare standards; and

WHEREAS, the City Council has determined that issuing a Commercial Permit to UWS will allow the City to comply with its obligations under state and local laws; and

WHEREAS, the City Council further desires to issue a Commercial Permit to UWS for an *initial* term of 5 years.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES HEREBY FIND, DETERMINE, DECLARE, AND RESOLVE AS FOLLOWS:

SECTION 1. The recitals set forth above are true and correct and are incorporated herein in full.

SECTION 2. The City hereby grants UWS a Commercial Permit, authorizing UWS to provide commercial solid waste collection within the City.

SECTION 3. The Commercial Solid Waste Collection Franchise Agreement (“Agreement”) attached to this resolution as **Exhibit “1”** and incorporated by this reference, is hereby approved and the City Manager is hereby authorized to execute the Agreement on behalf of the City.

SECTION 4. The adoption of this resolution is exempt from the California Environmental Quality Act (“CEQA”) (Pub. Res. Code § 21000 *et seq.*) pursuant to CEQA Guidelines Section 15060(c)(2) and 15061(b)(3) (Common Sense Exemption), which indicates that CEQA only applies to projects that have a “significant effect on the environment” as defined by Public Resources Code Section 21068 and CEQA Guidelines Section 15382. Therefore, no further action is required under CEQA.

SECTION 5. If any section, subsection, clause, or phrase of this Resolution is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this title; it being hereby expressly declared that this title, and each section, subsection, sentence, clause, and phrase hereof, would have been prepared, proposed, adopted, approved, and ratified irrespective of the fact that any single section subsection, sentence, clause, or phrases be declared invalid or unconstitutional.

SECTION 6. The City Clerk shall certify the passage and adoption of this Resolution and cause the same to be published or posed in the manner required by law.

SECTION 7. This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall attest to and certify the vote adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 9th day of December, 2025 by the City Council of Santa Fe Springs.

William K. Rounds, Mayor

APPROVED AS TO FORM:

ATTEST:

Rick Olivarez, City Attorney

Fernando N. Muñoz, City Clerk

I, Fernando N. Muñoz, City Clerk of the City of Santa Fe Springs, hereby CERTIFY that Resolution No. 9991 was adopted by the City Council of Santa Fe Springs at a regular meeting held on 9th of December, 2025 and was passed, approved and adopted by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Fernando N. Muñoz, City Clerk

2026
 COMMERCIAL SOLID WASTE COLLECTION FRANCHISE AGREEMENT
 (FRANCHISEE: Universal Waste Systems, Inc.)
 (Nature of Engagement: Commercial Waste Hauling)

THIS COMMERCIAL SOLID WASTE COLLECTION FRANCHISE AGREEMENT (hereinafter, "Agreement") is granted this _____ day of _____ 2026 (hereinafter, the "Effective Date"), by the CITY OF SANTA FE SPRINGS, a municipal corporation (hereinafter, "CITY") to UNIVERSAL WASTE SYSTEMS, INC. (hereinafter, "FRANCHISEE"). For the purposes of this Agreement, CITY and FRANCHISEE may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to CITY or FRANCHISEE interchangeably.

RECITALS

WHEREAS, CITY is a municipal corporation organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose; and

WHEREAS, CITY has adopted certain comprehensive provisions regarding the collection and disposal of solid waste and recyclables within the CITY, which are contained in Chapter 50 (Collection of Solid Waste and Recyclables) of the Santa Fe Springs Municipal Code ("SFSMC" or "Municipal Code"); and

WHEREAS, Chapter 50 of the Municipal Code provides the means by which the CITY may grant a "Commercial Franchise" for the collection of "Commercial Solid Waste" as defined by Section 50.001; and

WHEREAS, CITY staff has determined that FRANCHISEE possess the skills, experience, and expertise required to competently provide the services and tasks contemplated under this Agreement; and

WHEREAS, CITY desires to issue a Commercial Franchise to FRANCHISEE for a term of five (5) years while the Parties evaluate long-term commercial solid waste service needs; and

WHEREAS, the execution of this Agreement was approved by the Santa Fe Springs City Council at its Special Meeting of December 9, 2025.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, CITY and FRANCHISEE agree as follows:

SECTION 1. RECITALS

A. The Recitals above are true and correct and are incorporated in full, herein.

SECTION 2. SCOPE OF WORK.

A. The provisions of Chapter 50 of the SFSMC, as amended from time to time, are hereby incorporated into this Agreement by reference. FRANCHISEE shall comply

fully with all requirements of Chapter 50 and all other applicable provisions of the Municipal Code. In the event of any conflict between this Agreement and any requirement of Chapter 50, the terms and requirements of Chapter 50 shall control.

- B. For purposes of this Agreement, the duties and obligations applicable to Commercial Solid Waste collection under Chapter 50 of the Municipal Code shall be collectively referred to as the "Work."
- C. FRANCHISEE is hereby authorized under this Agreement to collect Commercial Solid Waste from Commercial Property located within the CITY in the area shown in the map in **Exhibit "A"** and shall invoice customers directly and be solely responsible for collections. FRANCHISEE shall be solely responsible for soliciting customers in competition with other permitted commercial haulers and the CITY makes no guarantees relating to any minimum number of customers.
- D. FRANCHISEE shall provide all labor, materials, tools, supplies, equipment, services, tasks, and incidental and customary work necessary to competently perform and timely complete the Work. FRANCHISEE shall perform the Work in accordance with the terms and conditions of this Agreement and in accordance with such other written or verbal directives as may be issued by CITY.
- E. By executing this Agreement, FRANCHISEE warrants that FRANCHISEE: (i) has thoroughly investigated and considered the nature of the work, services and tasks to be performed under this Agreement; (ii) has carefully considered how the Work should be performed; and (iii) fully understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement. FRANCHISEE warrants that it will inspect any location where the Work is to be performed and acquaint itself with the conditions of the location prior to commencing any of the Work requested by CITY. Should the FRANCHISEE discover any latent or unknown conditions which will materially affect the performance of the services hereunder, FRANCHISEE shall immediately inform the CITY of such fact and shall not proceed, except at FRANCHISEE's risk until written instructions are received from the City Representative as defined herein.
- F. In the event FRANCHISEE fails to perform the Work agreed to under this Agreement or Chapter 50 of the Municipal Code, the CITY may suspend FRANCHISEE's right to collect pursuant to Section 50.036 of the Municipal Code. Upon suspension, FRANCHISEE shall immediately cease all collection activities within the CITY. FRANCHISEE shall be entitled to appeal any suspension to the City Council in accordance with Section 50.037. If the City Council permanently revokes this Agreement, FRANCHISEE shall discontinue all services within the timeframes established by SFSMC Section 50.037, or within six months or until the end of the term of this Agreement, whichever is sooner.
- G. City Facilities Collection
 - 1. FRANCHISEE shall provide Solid Waste, Source Separated Recyclable Materials, Source Separated Blue Container Organic Waste, and Source Separated Green Container Organic Waste Collection, and Disposal/Processing service for materials generated at premises owned

and/or operated by CITY, now and in the future, at no additional charge to CITY or ratepayers. FRANCHISEE shall make Collections from Containers Monday through Friday or on Saturdays following non-working holidays. Collections shall be scheduled at a time mutually agreed upon by the Parties.

2. FRANCHISEE shall provide, at CITY's direction, Solid Waste Collection, Transport, Disposal, Processing, and consulting services entailing:
 - i. Collection of Solid Waste from all CITY facilities and parks at least once per week or more frequently if required or requested by CITY staff;
 - ii. Collection of Source Separated Organic Waste and Source Separated Recyclable Materials from CITY facilities and parks;
 - iii. Roll-off Box or Container services to CITY for material Collected by the CITY such as CITY litter Containers and Organics;
 - iv. Provide and Collect two (2) 40-yard Roll-off Box at the CITY Yard for the Collection of Refuse, as needed. Provide at CITY's Request a Low Boy Roll-off Box for CITY generated Construction and Demolition Debris (C&D) waste. Collection of Roll-off Boxes at least once per week or more frequently if required or requested by CITY staff.

SECTION 3. TERM.

- A. This Agreement shall have a term commencing from the Effective Date through December 31, 2030 (hereinafter, the "Term"). The Term shall not be extended for any reason, and no renewal or continuation rights are granted or implied.
- B. Upon the conclusion of the Term, this Agreement shall expire, and either the Parties will have entered into a new, separately approved franchise agreement, or FRANCHISEE's commercial services within the CITY shall cease.
- C. Nothing in this Section shall operate to prohibit or otherwise restrict the CITY's ability to suspend or revoke this Agreement at any time for cause or in accordance with Section 50 of the Municipal Code.
- D. FRANCHISEE shall perform the Work continuously and with due diligence. FRANCHISEE shall cooperate with CITY and in no manner interfere with the Work of CITY, its employees or other consultants, subcontractors, or agents.
- E. FRANCHISEE shall not claim or be entitled to receive any compensation or damage because of the failure of FRANCHISEE, or its subcontractors, to have related services or tasks completed in a timely manner.
- F. FRANCHISEE shall at all times enforce strict discipline and good order among FRANCHISEE's employees.
- G. FRANCHISEE, at its sole expense, shall pay all sales, consumer, use or other similar taxes required by law.

SECTION 4. PROSECUTION OF WORK.

- A. FRANCHISEE shall perform the Work contemplated under this Agreement and the Municipal Code on a continuous, scheduled, and an as needed basis. Nothing in this Agreement shall be construed to grant FRANCHISEE the exclusive right to perform any of the types of services or tasks contemplated under this Agreement.
- B. FRANCHISEE shall perform the Work required under this Agreement by providing continuous commercial solid waste collection services.

SECTION 5. FEES.

- A. FRANCHISE FEE
FRANCHISEE shall pay to CITY a Franchise Fee, as defined by and in accordance with Chapter 50 of the SFSMC. FRANCHISEE shall pay to CITY the existing Franchise Fee in the amount of twelve percent (12%) of gross receipts derived from Franchisee's commercial solid waste collection services within the CITY. Franchisee shall submit such payment on a quarterly basis concurrent with Franchisee's required tonnage report, together with an accounting worksheet identifying the amount, if any, of delinquent customer accounts. The Franchise Fee reflects the Parties' negotiation and represents the Parties' estimate of reasonable value of the commercial franchise rights granted herein pursuant to Chapter 50 of the SFSMC. FRANCHISEE shall perform all the Work in accordance with the Fee rates set forth in the rate schedule, attached hereto as **Exhibit "B."** CITY may adjust the amount of the Franchise Fee annually, with fee increases permitted only to the extent such an increase can be included in the previously approved rates. Subject to meeting the provisions of Proposition 218, such adjustment shall be reflected in the rates that FRANCHISEE is allowed to charge and collect from commercial customers.
- B. AB 939 COMPLIANCE FEES
FRANCHISEE shall pay to CITY an Assembly Bill ("AB") 939 fee equal to twelve percent (12%) of gross receipts derived from Franchisee's commercial solid waste collection services within the CITY. The AB 939 Fee shall be paid on a quarterly basis at the same time FRANCHISEE submits its quarterly tonnage report and Franchise Fee payment.

SECTION 6. STANDARD OF CARE.

- A. FRANCHISEE represents, acknowledges, and agrees as follows:
 - 1. FRANCHISEE shall perform all work skillfully, competently, and to the highest standards applicable to the FRANCHISEE's field;
 - 2. FRANCHISEE represents all personnel assigned to perform the Work for CITY under this Agreement shall possess the skill, training, and experience necessary to competently perform the Work and shall at all times possess and maintain all licenses, certifications, and/or qualifications necessary to perform the Work;

3. FRANCHISEE shall perform all work in a manner reasonably satisfactory to the CITY;
 4. FRANCHISEE shall comply with all applicable federal, state, and local laws and regulations, including but not limited to, the conflict of interest provisions of Government Code Section 1090, the Political Reform Act (Government Code § 81000 *et seq.*), and Senate Bill ("SB") 1383. FRANCHISEE's compliance with applicable laws will include, without limitation, compliance with all applicable Cal/OSHA requirements;
 5. FRANCHISEE understands the nature and scope of the Work to be performed under this Agreement as well as any and all schedules of performance;
 6. In the performance of this Agreement, FRANCHISEE shall supply and deploy personnel, equipment, tools, and materials necessary, in the reasonable opinion of CITY, to perform all Work in compliance with the standard of care set forth in this Section and to timely complete all Work as specified by this Agreement or Chapter 50 of the Municipal Code, or other written order;
 7. All of FRANCHISEE's employees and agents (including but not limited to FRANCHISEE's subcontractors and subconsultants) possess all licenses, permits, certificates, qualifications and approvals of whatever nature that are legally required to perform the tasks and services contemplated under this Agreement and all such licenses, permits, certificates, qualifications and approvals shall be maintained throughout the term of this Agreement; and
 8. FRANCHISEE shall perform, at FRANCHISEE's sole cost and expense, any tasks necessary to correct any errors or omissions caused by FRANCHISEE's failure to comply with the standard of care set forth in this Section or by any like failure on the part of FRANCHISEE's employees, agents, contractors, subcontractors and subconsultants. Such effort by FRANCHISEE to correct any errors or omissions shall be commenced immediately upon their discovery by either Party and shall be completed in the corresponding timeframe contemplated under Chapter 50 of the Municipal Code.
- B. The Parties acknowledge and agree that FRANCHISEE shall perform, at FRANCHISEE's own cost and expense and without any reimbursement from CITY, any services or tasks necessary to correct any errors or omissions caused by FRANCHISEE's failure to comply with the standard of care set forth under this Section or by any like failure on the part of FRANCHISEE's employees, agents, FRANCHISEEs, subcontractors and subconsultants. Such effort by FRANCHISEE to correct any errors or omissions shall be commenced immediately upon their discovery by either Party and shall be completed in the corresponding timeframe contemplated under Chapter 50 of the Municipal Code from the date of discovery. The Parties acknowledge and agree that FRANCHISEE's acceptance

of any work performed by FRANCHISEE or on FRANCHISEE's behalf shall not constitute a release of any deficiency or delay in performance. The Parties further acknowledge, understand and agree that FRANCHISEE has relied upon the foregoing representations of FRANCHISEE, including but not limited to the representation that FRANCHISEE possesses the skills, training, knowledge and experience necessary to perform the Work in a skillful and competent manner equivalent to, the standard of performance generally recognized as being employed by professionals performing the same type of work and services in the State of California.

SECTION 7. REPRESENTATIVES.

- A. City Representative. For the purposes of this Agreement, the contract administrator and CITY's representative shall be James Enriquez, Director of Public Works (hereinafter, the "City Representative"). It shall be FRANCHISEE's responsibility to assure that the City Representative is kept informed of the progress of the performance of the services, and FRANCHISEE shall refer any decisions which must be made by CITY to the City Representative. Unless otherwise specified herein, any approval of CITY required hereunder shall mean the approval of the City Representative.
- B. FRANCHISEE Representative. For the purposes of this Agreement, Matt Blackburn, is hereby designated as the principal and representative of FRANCHISEE authorized to act on its behalf with respect to FRANCHISEE's performance under this Agreement and to make all decisions in connection therewith (hereinafter, the "FRANCHISEE Representative"). Notice to the FRANCHISEE Representative whether written or verbal shall constitute notice to FRANCHISEE. The FRANCHISEE's Representative shall supervise and direct the Work, using their best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

SECTION 8. FRANCHISEE'S PERSONNEL.

- A. FRANCHISEE represents that it has, or will secure at its own expense, all personnel required to perform the Work and all other services and tasks necessary for FRANCHISEE to competently and timely complete the improvements contemplated under this Agreement. All Work, services and tasks will be performed under FRANCHISEE's supervision, and FRANCHISEE's personnel engaged in the performance of the work, services and tasks contemplated under this Agreement shall possess the qualifications, permits and licenses required by applicable law to perform such work, services, and tasks.
- B. FRANCHISEE shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the Work. FRANCHISEE shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the FRANCHISEE's performance of the Work, and shall indemnify, defend and hold harmless CITY against any such fees, assessments, taxes, penalties, or interest levied, assessed, or imposed against

CITY hereunder.

- C. FRANCHISEE shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the Work.
- D. In the event that CITY, in its sole reasonable discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by FRANCHISEE to perform services pursuant to this Agreement, FRANCHISEE shall remove any such person immediately upon receiving notice from CITY of the desire of CITY for the removal of such person or persons.
- E. FRANCHISEE shall be responsible for payment of all employees' and subconsultants' wages and benefits and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security.
- F. FRANCHISEE shall obtain and maintain during the Agreement Term all necessary licenses, permits, and certificates required by law for the performance of the Work contemplated under this Agreement.

SECTION 9. SUBSTITUTION OF KEY PERSONNEL. FRANCHISEE has represented to CITY that certain key personnel will perform and coordinate the Work under this Agreement. Should one or more of such personnel become unavailable, FRANCHISEE may substitute other personnel of at least equal competence upon written approval of CITY. In the event that CITY and FRANCHISEE cannot agree as to the substitution of key personnel, CITY shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Work in a manner acceptable to the CITY, or who are determined by the CITY to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the FRANCHISEE at the request of the CITY.

SECTION 10. PROHIBITED INTERESTS. FRANCHISEE warrants, represents, and maintains that it has not employed nor retained any company or person, other than a *bona fide* employee working solely for FRANCHISEE, to solicit or secure this Agreement. Further, FRANCHISEE warrants and represents that it has not paid nor has it agreed to pay any company or person, other than a *bona fide* employee working solely for FRANCHISEE, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, CITY shall have the absolute and unfettered right to rescind this Agreement without liability or penalty. For the term of this Agreement, no member, officer, or employee of CITY, during the term of his or her service with CITY, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

SECTION 11. INDEPENDENT CONTRACTOR.

- A. All acts of FRANCHISEE, its agents, officers, subcontractors, employees, and all others acting on behalf of FRANCHISEE relating to the performance of this Agreement, shall be performed as independent FRANCHISEEs and not as agents,

officers, or employees of CITY. FRANCHISEE, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of CITY. FRANCHISEE has no authority or responsibility to exercise any rights or power vested in CITY. No agent, officer, or employee of CITY is to be considered an employee of FRANCHISEE. It is understood by both FRANCHISEE and CITY that this Agreement shall not, under any circumstances, be construed or considered to create an employer-employee relationship or a joint venture.

- B. FRANCHISEE, its agents, officers, subcontractors, and employees are and, at all times during the Term of this Agreement, shall represent and conduct themselves as independent contractors and not as employees of CITY.
- C. FRANCHISEE shall determine the method, details and means of performing the Work. FRANCHISEE shall be responsible to CITY only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to CITY's control with respect to the physical action or activities of the FRANCHISEE in fulfillment of this Agreement. FRANCHISEE has control over the manner and means of performing the services under this Agreement. FRANCHISEE is permitted to provide services to others during the same period as it provides services to CITY under this Agreement. If necessary, FRANCHISEE has the responsibility for employing other persons or firms to assist FRANCHISEE in fulfilling the terms and obligations under this Agreement.
- D. If in the performance of this Agreement any third persons are employed by FRANCHISEE, such persons shall be entirely and exclusively under the direction, supervision, and control of FRANCHISEE. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the FRANCHISEE.
- E. It is understood and agreed that as an independent FRANCHISEE and not an employee of CITY neither the FRANCHISEE nor FRANCHISEE'S assigned personnel shall have any entitlement as a CITY employee, right to act on behalf of CITY in any capacity whatsoever as an agent, or to bind CITY to any obligation whatsoever.
- F. As an independent contractor, FRANCHISEE hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

SECTION 12. CONFLICTS OF INTEREST. FRANCHISEE hereby warrants for itself, its employees, and subcontractors that those persons presently have no interest and shall not obtain any interest, direct or indirect, which would conflict in any manner with the performance of the services contemplated by this Agreement. No person having such conflicting interest shall be employed by or associated with FRANCHISEE in connection with this project. FRANCHISEE hereby warrants for itself, its employees, and subcontractors that no such person shall engage in any conduct which would constitute a conflict of interest under any CITY ordinance, state law, or federal statute.

FRANCHISEE agrees that a clause substantially similar to this Section shall be incorporated into any sub-contract that FRANCHISEE executes in connection with the performance of this Agreement.

SECTION 13. NON-DISCRIMINATION. During the performance of this Agreement, FRANCHISEE and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, reproductive health decision making or military and veteran status. FRANCHISEE and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. FRANCHISEE and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code Section 12900 *et seq.*). The applicable regulations of the Fair Employment and Housing Act, set forth in Part 2.8, Division 3, of Title 2 of the Government Code are incorporated into this Contract by reference and made a part hereof as if set forth in full. FRANCHISEE and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. This FRANCHISEE shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform the Work under this Agreement.

SECTION 14. INDEMNIFICATION.

- A. To the fullest extent permitted by law, FRANCHISEE hereby agrees, at its sole cost and expense, to defend, protect, indemnify, and hold harmless CITY and CITY's elected and appointed officials, officers, attorneys, agents, employees, volunteers, successors, and assigns (collectively "Indemnitees") from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith (collectively "Liabilities"), arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of FRANCHISEE or any of FRANCHISEE's officers, agents, servants, employees, subcontractors, materialmen, suppliers or their officers, agents, servants or employees, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to this Agreement and the performance or failure to perform any term, provision, covenant, or condition of the Agreement, including this indemnity provision. This indemnity provision is effective regardless of any prior, concurrent, or subsequent active or passive negligence by FRANCHISEE and shall operate to fully indemnify Indemnitees against any such negligence. This indemnity provision shall survive the termination of the Agreement and is in addition to any other rights or remedies which Indemnitees may have under the law or elsewhere under this Agreement. Payment is not required as a condition precedent to an Indemnitee's right to recover under this indemnity provision, and an entry of judgment against any one or more of the Indemnitees shall be conclusive in favor of the Indemnitees' right to recover under this indemnity provision. FRANCHISEE shall pay Indemnitees for any attorney's fees and costs incurred in enforcing this indemnification provision. Notwithstanding the foregoing, nothing in this instrument

shall be construed to encompass (a) Indemnitees' sole negligence or willful misconduct to the limited extent that the underlying Agreement is subject to Civil Code Section 2782(a), or (b) the contracting public agency's active negligence to the limited extent that the underlying Agreement is subject to Civil Code Section 2782(b). This indemnity is effective without reference to the existence or applicability of any insurance coverage(s) which may have been required under the Agreement or any additional insured endorsements which may extend to Indemnitees. Accountants, attorneys, or other professionals employed by Indemnitor to defend Indemnitees shall be selected by Indemnitees. FRANCHISEE, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees, while acting within the scope of their duties, from all claims, losses and liabilities arising out of or incident to activities or operations performed by or on behalf of the Indemnitor regardless of any prior, concurrent, or subsequent active or passive negligence by the Indemnitees.

- B. FRANCHISEE's obligations under this or any other provision of this Agreement will not be limited by the provisions of any workers compensation act or similar act. FRANCHISEE expressly waives its statutory immunity under such statutes or laws as to the Indemnities.
- C. FRANCHISEE agrees to obtain executed indemnity agreements with provisions identical to those in this Section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of FRANCHISEE in the performance of this Agreement. In the event FRANCHISEE fails to obtain such indemnity obligations for the benefit of CITY, FRANCHISEE agrees to be fully responsible and indemnify, hold harmless and defend CITY, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged, intentional, reckless, negligent or otherwise wrongful acts, errors or omissions of FRANCHISEE or any of its officers, employees, servants, agents, subcontractors, volunteers or any other person or entity involved by, for, with or on behalf of FRANCHISEE in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY's choice.
- D. CITY does not and shall not; waive any rights that it may possess against FRANCHISEE because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost, or expense. FRANCHISEE agrees that FRANCHISEE's covenant under this Section shall survive the termination of this Agreement.
- E. FRANCHISEE shall fully comply with the workers' compensation laws regarding FRANCHISEE and FRANCHISEE's employees. FRANCHISEE further agrees to indemnify and hold CITY harmless from any failure of FRANCHISEE to comply with applicable workers' compensation laws. CITY shall have the right to offset against the amount of any fees due to FRANCHISEE under this Agreement any

amount due to CITY from FRANCHISEE as a result of FRANCHISEE's failure to promptly pay to CITY any reimbursement or indemnification arising under this Section.

SECTION 15. INSURANCE.

A. FRANCHISEE at all times during the Term of this Agreement, shall carry, maintain, and keep in full force and effect, insurance as follows:

1. General Liability Insurance. FRANCHISEE shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than Two Million Dollars (\$2,000,000) per occurrence, Four Million Dollars (\$4,000,000) general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.
2. Automobile Liability Insurance. FRANCHISEE shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the FRANCHISEE arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned, or rented vehicles, in an amount not less than Five Million Dollars (\$5,000,000) combined single limit for each accident.
3. Worker's Compensation Insurance. A policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California and which will indemnify, insure and provide legal defense for both FRANCHISEE and CITY against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by FRANCHISEE in the course of carrying out the Work contemplated in this Agreement, but in no event shall FRANCHISEE carry coverage with limits less than One Million Dollars (\$1,000,000).
4. Umbrella or Excess Liability Insurance. FRANCHISEE shall obtain and maintain an umbrella liability insurance policy with limits that will provide bodily injury, personal injury, and property damage liability coverage, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:
 - a. A drop-down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason, other than bankruptcy or insolvency of said primary insurer;
 - b. "Pay on behalf of" wording as opposed to "reimbursement"; and
 - c. Concurrency of effective dates with primary policies.

Should FRANCHISEE obtain and maintain an excess liability policy, such policy shall be excess over commercial general liability, automobile liability, and employer's liability policies. Such policy or policies shall include wording that

the excess liability policy follows the terms and conditions of the underlying policies.

- B. FRANCHISEE shall require each of its sub-consultants or sub-contractors to maintain insurance coverage that meets all of the requirements of this Agreement.
- C. The policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.
- D. FRANCHISEE agrees that if it does not keep the insurance required in this Agreement in full force and effect, CITY may either immediately suspend this Agreement using the procedures provided in Chapter 50 of the SFSMC, subject to revocation, or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at FRANCHISEE'S expense, the premium thereon.
- E. Prior to commencement of Work under this Agreement, FRANCHISEE shall file with CITY's Risk Manager a certificate or certificates of insurance showing that the insurance policies are in effect and satisfy the required amounts and specifications required pursuant to this Agreement.
- F. FRANCHISEE shall provide proof that policies of insurance expiring during the Term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.
- G. The general liability and automobile policies of insurance shall contain an endorsement naming CITY, its elected officials, officers, agents, employees, attorneys, servants, volunteers, successors and assigns as additional insureds. All of the policies shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days' prior written notice to CITY. FRANCHISEE agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.
- H. All policies of Commercial General Liability and Automobile Liability insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the CITY, its officials, officers, employees, agents, or volunteers shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.
- I. All insurance coverage provided pursuant to this Agreement shall not prohibit FRANCHISEE, and FRANCHISEE's employees, agents, subcontractors, or volunteers from waiving the right of subrogation prior to a loss. FRANCHISEE hereby waives all rights of subrogation against CITY, its officials, officers, employees, agents, and volunteers. FRANCHISEE shall submit to CITY a Waiver of Subrogation endorsement in favor of CITY, its officers, agents, employees, and volunteers.

- J. Any deductibles or self-insured retentions must be approved by CITY. At the option of CITY, FRANCHISEE shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or FRANCHISEE shall procure a bond guaranteeing payment of losses and expenses.
- K. If FRANCHISEE is a Limited Liability Company, general liability coverage must be amended so that the Limited Liability Company and its managers, affiliates, employees, agents, and other persons necessary or incidental to its operation are insureds.
- L. Procurement of insurance by FRANCHISEE shall not be construed as a limitation of FRANCHISEE's liability or as full performance of FRANCHISEE's duties to indemnify, hold harmless and defend under Section 14 of this Agreement.
- M. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced immediately so as to avoid a lapse in the required coverage, CITY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CITY will be promptly reimbursed by FRANCHISEE or CITY will withhold amounts sufficient to pay premium from FRANCHISEE payments. In the alternative, CITY may cancel this Agreement effective upon notice.
- N. CITY reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

SECTION 16. RECORDS AND INSPECTION. FRANCHISEE shall keep, and require subcontractors to keep, such books and records as shall be necessary to document the performance of the Work and enable the CITY to evaluate the performance of the Work. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of CITY, including the right to inspect, copy, audit, and make records and transcripts from such records. Such records shall be maintained for a period of four (4) years following completion of the services hereunder, and the CITY shall have access to such records in the event any audit is required.

SECTION 17. TERMINATION.

- A. Termination for Cause. The unexcused failure or refusal of FRANCHISEE to perform any material term, covenant, obligation, or condition contained in this Agreement or SFSMC, shall give rise to the right, in favor of CITY, for earlier termination of this Agreement for cause in accordance with the procedures in Chapter 50 of the SFSMC.
 - 1. FRANCHISEE's failure to comply with any requirement of this Agreement or Chapter 50 of the Santa Fe Springs Municipal Code shall constitute grounds for suspension or revocation. Suspension and revocation shall be governed by SFSMC Sections 50.036 and 50.037.
 - 2. Upon suspension under SFSMC Section 50.036, FRANCHISEE shall

immediately cease all collection activities unless and until reinstated. FRANCHISEE may appeal any suspension or proposed revocation of the Agreement to the City Council, in accordance with SFSMC Section 50.038.

- B. Termination for Convenience. FRANCHISEE may terminate this Agreement for convenience, without cause and without penalty or liability at any time upon the issuance of written notice signed a minimum of 6 months prior to the termination date. Such termination for convenience shall be made in writing signed by both parties.
- C. FRANCHISEE shall have no entitlement to any continuation, wind-down period, cure period, damages, or remedies upon early termination, other than those expressly provided in Chapter 50 of the SFSMC. If the City Council permanently revokes this Agreement pursuant to Section 50.037, FRANCHISEE shall cease operations within the timeframes set forth in Section 50.037: six (6) months to cease permanent commercial services, or until the end of the Term, whichever is sooner. The decision of the City Council shall be final.
- D. Waiver. No waiver of any default or breach under this Agreement shall constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

SECTION 18. FORCE MAJEURE. FRANCHISEE's obligations to timely perform Work as contemplated under this Agreement and pursuant to Chapter 50 of the SFSMC shall be extended in the event of any delays due to unforeseeable causes beyond the control of FRANCHISEE and without the fault or negligence of FRANCHISEE, including but not limited to severe weather, fires, earthquakes, floods, epidemics, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the CITY, if the FRANCHISEE shall within three (3) calendar days of the commencement of such delay notify the City Representative in writing of the causes of the delay. The City Representative shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the City Representative such delay is justified. The City Representative's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall FRANCHISEE be entitled to recover damages against the CITY for any delay in the performance of this Agreement, however caused, FRANCHISEE'S sole remedy being extension of the Agreement pursuant to this Section.

SECTION 19. NOTICES. Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (a) the day of delivery if delivered by hand or overnight courier service during FRANCHISEE's and CITY's regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid, to the addresses heretofore below, or to such other addresses as the parties may, from time to time, designate in writing.

TO CITY:

TO FRANCHISEE:

City of Santa Fe Springs
11710 E. Telegraph Road
Santa Fe Springs, CA 90670
Attn: Public Works
Phone: 562-868-0511

Universal Waste Systems, Inc.
9016 Norwalk Boulevard
Santa Fe Springs, CA 90670
Attn: Matt Blackburn
Phone: (909) 859-5731

Courtesy Copy to:
Olivarez Madruga Law Organization,
LLP
Attn: Paloma McEvoy
500. S Grand Ave., 12th Floor
Los Angeles, CA 90071
Phone: (213) 744-0099

SECTION 20. PROHIBITION. Pursuant to Section 50.035 of the SFSMC, FRANCHISEE shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part. Any attempt to do so shall be void and of no effect. CITY shall not be obligated or liable under this Agreement to any party other than FRANCHISEE.

SECTION 21. ATTORNEY FEES. In the event that CITY or FRANCHISEE commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover its costs of suit, including reasonable attorney's fees.

SECTION 22. INTEGRATION. All documents referenced as exhibits in this Agreement and the SFSMC, inclusive of the provisions of Chapter 50, are hereby incorporated in this Agreement. Except as expressly provided in this Agreement, its Exhibits, or SFSMC, in the event of any conflict or inconsistency between the express provisions of this Agreement and provisions of any document incorporated by reference, the most restrictive provisions shall prevail and control. This instrument contains the entire Agreement between CITY and FRANCHISEE with respect to the subject matter herein. No other prior oral or written agreements are binding on the parties. Any modification of this Agreement will be effective only if it is in writing and executed by both CITY and FRANCHISEE.

SECTION 23. GOVERNING LAW; JURISDICTION. This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, shall be in the Los Angeles County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, shall be in the Central District of California located in the City of Los Angeles, California.

SECTION 24. SEVERABILITY. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.

SECTION 25. CAPTIONS. The captions used in this Agreement are solely for reference and the convenience of the Parties. The captions are not a part of the Agreement, in no

way bind, limit, or describe the scope or intent of any provision, and shall have no effect upon the construction or interpretation of any provision herein.

SECTION 26. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

SECTION 27. AUTHORITY. The individuals executing this Agreement and the instruments referenced herein on behalf of FRANCHISEE each represent and warrant that they have the legal power, right and actual authority to bind FRANCHISEE to the terms and conditions hereof and thereof.

SECTION 28. ELECTRONIC SIGNATURES. The parties acknowledge and agree that execution of this Agreement by electronic signature or electronic transmittal of signatures shall have the same effect as handwritten signatures for the purposes of validity, enforceability, and admissibility.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

**CITY OF SANTA FE SPRINGS, a
municipal corporation**

Universal Waste Systems, Inc.

By: _____
Rene Bobadilla
City Manager

By: _____
Name: Matt Blackburn

Date: _____

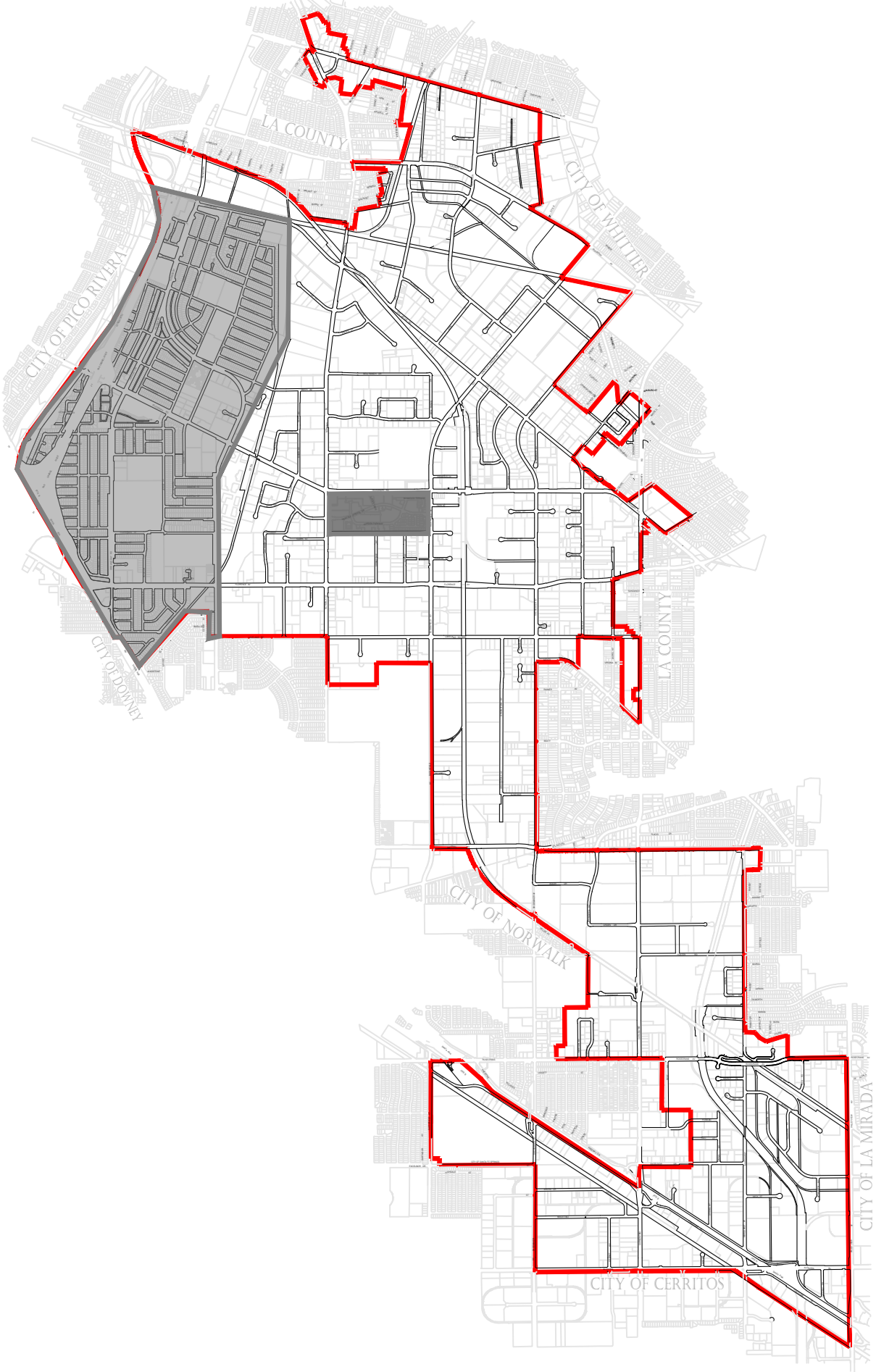
Title: _____
Date: _____

APPROVED AS TO FORM:

By: _____
Rick Olivarez
City Attorney

Date: _____

**EXHIBIT “A”
SERVICE AREA MAP**



EXCLUDED AREA

**EXHIBIT “B”
RATE SCHEDULE**



11710 Telegraph Road • CA • 90670-3679 • (562) 868-0511 • Fax (562) 868-7112 • www.santafesprings.org

"A great place to live, work, and play"

Current Waste Collection Rates

As of, JANUARY 1, 2024

SCHEDULE OF SOLID WASTE COLLECTION RATES

Commercial / Industrail

(2.4% CPI)

	96 GAL CART		1 CU. YD. BIN		2 CU. YD. BIN		3 CU. YD. BIN		4 CU. YD. BIN		6 CU. YD. BIN	
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX
1 X WEEK	\$99.30	\$123.51	\$ 198.05	\$ 247.55	\$ 250.66	\$ 313.29	\$ 303.35	\$ 379.22	\$ 356.04	\$ 445.10	\$ 460.80	\$ 576.00
2 X WEEK			\$ 329.78	\$ 412.27	\$ 409.00	\$ 511.24	\$ 488.11	\$ 610.16	\$ 566.79	\$ 709.04	\$ 706.84	\$ 883.58
3 X WEEK			\$ 445.16	\$ 577.27	\$ 567.30	\$ 709.22	\$ 372.84	\$ 841.03	\$ 778.41	\$ 972.94	\$ 952.92	\$ 1,190.98
4 X WEEK			\$ 593.01	\$ 714.39	\$ 725.47	\$ 906.92	\$ 857.60	\$ 1,071.99	\$ 989.68	\$ 1,238.17	\$ 1,198.95	\$ 1,499.39
5 X WEEK			\$ 725.54	\$ 906.92	\$ 884.10	\$ 1,105.06	\$ 1,042.39	\$ 1,302.97	\$ 1,200.71	\$ 1,500.92	\$ 1,444.95	\$ 1,806.19
6 X WEEK			\$ 857.61	\$ 1,071.98	\$ 1,042.39	\$ 1,302.97	\$ 1,227.07	\$ 1,533.78	\$ 1,411.76	\$ 1,764.59	\$ 1,691.08	\$ 2,113.81

RATES WILL VARY BASED ON INDIVIDUAL NEGOTIATIONS WITH SPECIFIC HAULER BUT MAY NOT FALL BELOW MINIMUM OR EXCEED MAXIMUM

Temporary Bin Service (3 CU. YD. BIN) \$ 255.46

ROLL OFF BOXES

	<u>MIN</u>	<u>MAX</u>
10 CUBIC YARD	\$ 1,168.04	\$ 1,459.91
20 CUBIC YARD	\$ 1,168.04	\$ 1,459.91
30 CUBIC YARD	\$ 1,168.04	\$ 1,459.91
40 CUBIC YARD	\$ 1,168.04	\$ 1,459.91

COMMERCIAL ORGANICS

	<u>MIN</u>	<u>MAX</u>
64 GAL CART (1 X WEEK)	\$108.98	\$127.14
1 CU YD BIN (1 X WEEK)	\$197.98	\$247.55
2 CU YD BIN (1 X WEEK)	\$250.75	\$313.29

COMPACTORS

	<u>MIN</u>	<u>MAX</u>
40 CUBIC YARD	\$ 1,512.94	\$ 1,642.38

MAXIMUM WEIGHT LIMITS

ROLL OFF BOXES	6 TONS**
COMPACTORS	9 TONS**

** A \$100/TON CHARGE WILL BE LEVIED ON TONNAGE OVER THESE MAXIMUMS



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: James Enriquez, P.E., Director of Public Works / City Engineer

SUBJECT: **APPROVAL OF TRACT MAP NO. 83297 TO CONSOLIDATE THREE PARCELS LOCATED AT 10934-10954 LAUREL AVENUE AND 13309-13321 LAKELAND ROAD INTO ONE PARCEL**

DATE: December 9, 2025

RECOMMENDATION:

It is recommended that the City Council:

- 1) Determine that the final map approval of Tract Map No. 83297 has been previously determined to be categorically exempt from the requirements of the California Environmental Quality Act ("CEQA") (Pub. Res. Code § 21000 *et seq.*), and that no further action is required under CEQA; and
- 2) Adopt the attached resolution approving the merger of the three parcels in Tract Map No. 83297, into one parcel, and associated conditions; and
- 3) Authorize the City Engineer and City Clerk to sign Tract Map No. 83297; and
- 4) Take such additional, related action that may be desirable.

FISCAL IMPACT

Approval of the subject tract map will not have an impact on the City's General Fund.

BACKGROUND

The Housing Successor was previously the owner of three (3) parcels of land located at the northeast corner of Laurel Avenue and Lakeland Road (APN: 8011-011-906, 8011-011-907, 8011-011-912) (collectively, the "Property"), in the City of Santa Fe Springs

CITY COUNCIL AGENDA REPORT – MEETING OF DECEMBER 9, 2025
**APPROVAL OF TRACT MAP NO. 83297 – 10934-10954 LAUREL AVENUE AND
13309-13321 LAKELAND ROAD**

Page 2 of 3

(“City”). The three (3) parcels have a combined area of ±0.75 acres. The Property is comprised of unimproved land with perimeter fencing.

In 2022, the Housing Successor and Habitat for Humanity of Greater Los Angeles (the “Applicant”) entered into a purchase and sale agreement to develop the Property into 18 residential condominiums, which was always the intent of future redevelopment of the Property. To accomplish this, the Property was rezoned to R-3-PD, Multiple-Family Residential-Planned Development in 2013.

The City’s General Plan Housing Element specifically identifies the development of affordable housing on the sites, and the potential project is described as a program in the Housing Element starting on page 5-14 of the 2014-2021 Housing Element.

To develop the Property, Habitat for Humanity obtained the following entitlements from the Planning Commission on May 8, 2023 (Attachment B):

- Development Plan Approval Case No. 977
- Conditional Use Permit Case No. 813
- Tentative Tract Map No. 83297

The Applicant has proposed to develop 18 residential townhome units within a three-unit building, a six-unit building, and a nine-unit building. A full-sized copy of the tract map is available for review in the office of the City Clerk.

ANALYSIS

The request is for the City Council to approve the merger of the three parcels into one parcel, with the condition that the Applicant subsequently submit a final map for an 18-unit condominium development.

ENVIRONMENTAL

In 2023, the City found the approval of the proposal tract map to be categorically exempt from the California Environmental Quality Act (“CEQA”) (Pub. Res. Code § 21000 *et seq.*), pursuant to CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 *et seq.*) Section 15315 (Class 15) because it is a subdivision resulting in four or less parcels. Because the Project is categorically exempt, no further action is required under CEQA.

DISCUSSION

N/A

SUMMARY/NEXT STEPS

Upon City Council approval of the recommended actions, City staff will coordinate the signatures and transmittal of the Tract Map, and other necessary documents for final recordation.

ATTACHMENTS:

- A. Resolution No. 9995
- B. Final Map – Tract No. 83297
- C. Planning Commission Report for Tentative Tract Map No. 83297, May 8, 2023
(Planning Commission Report attachments are available in the office of the Planning Department)

ITEM STATUS:

APPROVED: ☐

DENIED: ☐

TABLED: ☐

DIRECTION GIVEN: ☐

RESOLUTION NO. 9995

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS APPROVING THE MERGER OF PROPERTIES LOCATED AT 10934 – 10954 LAUREL AVENUE AND 13309 – 13321 LAKELAND ROAD SANTA FE SPRINGS, CALIFORNIA, INTO A SINGLE LOT, CONDITIONED UPON THE SUBSEQUENT SUBMISSION AND APPORVAL OF A FINAL TRACT MAP FOR THE DEVELOPMENT OF 18 RESIDENTIAL CONDOMINIUMS

WHEREAS, Habitat for Humanity of Greater Los Angeles (the “Applicant”) submitted an application for a tentative tract map (“Tentative Tract Map No. 83297”) for three parcels located at 10934-10954 Laurel Avenue and 13309-13321 Lakeland Road (APNs 8011-011-906, -907, and -912) (the “Property”) for the purpose of consolidating the Property into one approximately 0.75 acre parcel and subdivide the air space of the newly created parcel into 18 residential condominium units; and

WHEREAS, the Applicant intends to develop the Property into 18 affordable for sale owner-occupied single-family homes (the “Project”); and

WHEREAS, on May 8, 2023, the City Planning Commission held a noticed public hearing and considered and approved Tentative Tract Map No. 83297, subject to conditions of approval as set forth in Resolution No. 233-2023; and

WHEREAS, the City Planning Commission also determined that the approval to Tentative Tract Map No. 83297 is categorically exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 *et seq.*) Section 15315 (Class 15); and

WHEREAS, the tract map presented for final approval includes a merger of the three parcels only and does not include a final map for an air space vacation for 18 condominiums, and is needed in order to proceed with the implementation of the Project; and

WHEREAS, the Applicant has otherwise substantially complied with the conditions of approval as set forth in Resolution No. 233-2023, herein attached as **Exhibit “A”**, to consolidate the three parcels into the one Property; and

WHEREAS, the Applicant has not complied with Condition No. 4 of Resolution No. 233-2023, which requires the Applicant to prepare a declaration of Covenants, Conditions and Restrictions (“CC&R’s”) which are subject to the approval of the Community Development Department and the City Attorney and recorded against title prior to the issuance of occupancy permits for the Project; and

WHEREAS, the Applicant has not complied with Condition No. 5 of Resolution No. 233-2023, which requires the final map to substantially conform to the tentative tract map that was submitted and on file with the City because it excludes the condominium subdivision; and

WHEREAS, the development of the Property into 18 for-sale homes townhomes for low income households has been accounted for in the City's Housing Element in order to help the City achieve its housing needs pursuant to the most recent Regional Housing Needs Allocation; and

WHEREAS, the Applicant acknowledges and agrees that the approval of this merger is conditioned upon the subsequent submission and approval of a Final Tract Map for the proposed 18-unit condominium development as set forth in Resolution No. 233-2023.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS HEREBY FINDS, DETERMINES, AND RESOLVES AS FOLLOWS:

SECTION 1. RECITALS. The Recitals set forth above are true and correct and are incorporated by reference as if fully set forth herein.

SECTION 2. CEQA. Pursuant to CEQA and CEQA Guidelines, no additional environmental analysis is required. The approval of the tract map was determined to be categorically exempt pursuant to CEQA Guidelines Section 15315 on May 8, 2023 by the City Planning Commission. There have been no substantial changes or new information requiring the preparation of a negative declaration or environmental impact report pursuant to Public Resources Code Section 21166 nor CEQA Guidelines Section 15162(a), therefore no additional environmental analysis is required.

SECTION 3. CONDITIONS OF APPROVAL SATISFIED FOR LOT MERGER. The City Council finds that the Applicant satisfactorily completed and met all conditions of approval required for the merger of the Properties into a single lot as set forth in Resolution 233-2023, conditioned upon the Applicant's agreement to subsequently submit and obtain approval of a Final Tract Map for the proposed 18-unit condominium development.

SECTION 4. WAIVER. The City Council finds that the Applicant has substantially complied with the requirements of the California Subdivision Map Act (Gov. Code § 66410 *et seq.*) and the requirements set forth in Chapter 154 of the Santa Fe Springs Municipal Code ("SFSMC"). Pursuant to the Subdivision Map Act and the SFSMC, the City Council grants a waiver to the timing requirements to receive a final map approval.

SECTION 5. SURFACE MAP ACT AND SANTA FE SPRINGS MUNICIPAL CODE. The City Council otherwise finds that the Tract Map No. 83297 conforms with requirements of the Subdivision Map Act and the Santa Fe Springs Municipal Code for the purposes of merging three parcels.

SECTION 6. CONDITIONAL APPROVAL. The City Council hereby approves Tract Map No. 83297 to merge three parcels into one, subject to the condition of approval set forth in **Exhibit "B"**.

SECTION 7. SEVERABILITY. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Resolution which can be given effect without the invalid provision or

application, and to this end the provisions of this Resolution are severable. The City Council hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 8. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Santa Fe Springs at its special meeting on this 9th day of December 2025.

William K. Rounds
Mayor

ATTEST:

Fernando N. Muñoz, CMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SANTA FE SPRINGS)

I, Fernando N. Muñoz, CMC, City Clerk of the City of Santa Fe Springs, do hereby certify that the above and foregoing Resolution No. [] was passed, approved, and adopted by the City Council of the City of Santa Fe Springs, signed by the Mayor and attested by the City Clerk at a meeting of said City Council of the City of Santa Fe Springs held on this 9th day of December 2025, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Fernando N. Muñoz, CMC
City Clerk

EXHIBIT “A”

RESOLUTION NO. 233-2023

[Attached Behind This Page]

CITY OF SANTA FE SPRINGS
RESOLUTION NO. 233-2023

**A RESOLUTION OF THE PLANNING COMMISSION OF
THE CITY OF SANTA FE SPRINGS REGARDING
TENTATIVE TRACT MAP NO. 83297**

WHEREAS, the Housing Successor is the owner of four parcels of land located at the northeast and northwest corner of Laurel Avenue and Lakeland Road, in the City of Santa Fe Springs City); and

WHEREAS, the largest of the parcels (APN: 8011-012-902), at the northwest corner of Laurel Avenue and Lakeland Road, consist of ±3.95 acres; and

WHEREAS, the other three (3) parcels (APN Nos. 8011-011-912, 8011-011-906 and 8011-011-907) are generally located at the northeast corner of Laurel Avenue and Lakeland Road, consist of 0.75 acres; and

WHEREAS, it was always the intent of the City and Agency to develop all four parcels with affordable housing and to accomplish this, all four parcels were rezoned to R-3-PD, Multiple-Family Residential-Planned Development in 2013; and

WHEREAS, those parcels are also listed as potential locations for the development of 139 units, within the Vacant Residential Site Inventory of the City's approved Housing Element; and

WHEREAS, the City's General Plan Housing Element specifically identifies the development of affordable housing on the sites, and the potential project is described as a program in the Housing Element starting on page 5-14 of the 2014-2021 Housing Element; and

WHEREAS, the Housing Successor entered into an Exclusive Negotiating Agreement on March 28, 2019 with a team of three entities, The Whole Child, the Richman Group of California Development Company, LLC., and Habitat for Humanity of Greater Los Angeles (Habitat), to develop transitional housing and support services, an affordable rental apartment building, and affordable for sale owner-occupied single-family homes, respectively in that order, on the subject properties; and;

WHEREAS, the Housing Successor entered into a Predevelopment Loan and Disbursement Agreement on January 28, 2021 with the same three entities; and

WHEREAS, the Housing Successor entered into a Purchase and Sale Agreement on March 21, 2022, with two of the three entities; and

WHEREAS, the Housing Successor entered into a Purchase and Sales Agreement and Grant Funding agreement with Habitat on October 5, 2021, to develop the 3 parcels (APN No. 8011-011-912, 8011-011-906 and 8011-011-907), of approximately 0.75 acres, generally located at the northeast corner of Laurel Avenue and Lakeland Road, with 18 units of affordable for-sale housing; and

WHEREAS, under the terms of the Purchase and Sale Agreement and Grant Funding agreement, the property has to be a separate legal conveyable parcel compliant with the California Subdivision Map Act, requiring the processing of a Tentative and Final map; and

WHEREAS, Habitat For Humanity has filed for Tentative Tract Map No. xxxxxx, a request for approval to consolidate the 3 existing parcels (APN. 8011-011-912, 8011-011-906 and 8011-011-907) into a single parcel measuring ±0.75 acre, and to subdivide the air space of the newly created parcel into 18 residential condominium units; and

WHEREAS, the proposed tentative tract map is an exempt activity (Subdivision of certain properties in urban areas into four or fewer parcels) pursuant to Section 15315-Class 15 of the California Environmental Quality Act (CEQA) and is therefore, listed as a categorically exempt project; and

WHEREAS, the City of Santa Fe Springs Planning and Development Department on April 27, 2023, published a legal notice in the *Whitter Daily News*, a local paper of general circulation, indicating the date and time of the public hearing, and also mailed said public hearing notice on April 27, 2023, to each property owner within a 500-foot radius of the project site in accordance with state law; and

WHEREAS, the City of Santa Fe Springs Planning Commission conducted a duly noticed public hearing on May 8, 2023, at which time it received public testimony concerning Tentative Tract Map No. 83297; and

WHEREAS, the City of Santa Fe Springs Planning Commission has considered the application, the written and oral staff report, the General Plan and zoning of the subject property, the testimony, written comments, and other materials presented at the public hearing; and

NOW, THEREFORE, be it RESOLVED that the PLANNING COMMISSION of the CITY OF SANTA FE SPRINGS does hereby RESOLVE, DETERMINE and ORDER AS FOLLOWS:

SECTION I. ENVIRONMENTAL FINDINGS AND DETERMINATION

Tentative Tract Map No. 83297 is an exempt activity (Subdivision of certain properties in urban areas into four or fewer parcels) pursuant to Section 15315-Class 15 of the California Environmental Quality Act (CEQA) and is therefore, listed as a categorically exempt project.

SECTION II. TENTATIVE TRACTMAP FINDINGS

Pursuant to the State's Subdivision Map Act, the Planning Commission has made the following findings:

- (A) Section 66473.5 and Sections 66474(a) and (b) of the Subdivision Map Act require tentative maps to be consistent with the general plan and specific plans. The proposed Tentative Tract Map, subject to the attached conditions, is in accordance with the Subdivision Map Act in that:

The City's General Plan Housing Element specifically identifies the development of affordable housing on the site, and the potential project is described as a program in the Housing Element as follows starting on page 5-14 of the 2014-2021 Housing Element:

8. Affordable Housing Development Assistance

The City can play an important role in facilitating the development of quality, affordable housing through provision of land write-downs and regulatory incentives, and as available, financial assistance. Santa Fe Springs' Housing Successor Agency owns the three parcels that were originally purchased with Low/Mod Housing Funds and was rezoned R-3-PD with minimum 20 unit/acre densities. Designating these sites with a Planned Development (PD) Overlay eliminates any upper density limit and allows flexible development standards, providing an effective regulatory mechanism to facilitate affordable housing development.

The proposed tract map, subject to the attached conditions, is compatible with the goals and objectives of the City of Santa Fe Spring's General Plan, and therefore, is in compliance with Government Code Sections 66473.5, and 66474(a) and (b).

- (B) Sections 66474(c) and (d) of the Subdivision Map Act require the site to be physically suitable for the type of development and proposed density of development.

As proposed, the new development will meet or exceed all requirements of the City's Zoning Ordinance and as a result will not require any variances, other than those allow per State law. The subject site is physically suitable for the proposed development.

- (C) Sections 66474(e) and (f) of the Subdivision Map Act require that the design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat or is likely to cause serious public health concerns.

The proposed consolidation is located in an urbanized area that does not contain habitats or would otherwise injure fish and wildlife. Additionally, as required by the California Environmental Quality Act (CEQA), an Initial Study/Mitigated Negative Declaration (MND) was prepared for the proposed industrial project. According to the Initial Study/MND, the project is not expected to have any impacts on biological

resources or cause serious public health problems.

- (D) Section 66474(g) of the Subdivision Map Act requires that the design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.

As part of the review and processing of the Tentative tract Map, and in accordance with the Subdivision Map Act, the local school district, utility companies and easement holders associated with the subject property were notified of the subject request. As of the writing of this report, staff has not received any correspondence for or against the proposed project. Nevertheless, any new easements for utility or roadways, if necessary, will be provided prior to final map approval. Moreover, no public easements are anticipated within the proposed subdivision, other than an easement for sidewalks.

- (E) In accordance with Government Code Section 66474.6, it has been determined that the discharge of waste from the proposed subdivision, subject to the attached conditions, into the existing sewer system will not result in a violation of the requirements prescribed by the Regional Water Quality Control Board in that the developer is required to comply with the IS/MND Mitigation Monitoring and Reporting Program, submit an erosion control plan and comply with the NPDES Best Management Practices during the grading and construction phases of the project.

The project is conditioned to meet all federal, state, and local ordinances and requirements including, but not limited to, the California Regional Water Quality Control Board.

- (F) That the proposed subdivision shall be in accordance with Government Code Section 66473.1, entitled "Design of Subdivisions to provide for Future Passive or Natural Heating and Cooling Opportunities."


Future passive or natural heating and cooling opportunities will be incorporated with the proposed development. To the extent feasible, staff will review the proposed development to ensure that energy-saving devices or materials, including, but not limited to, insulation, double-pane windows, and high efficiency central heating and cooling systems will be incorporated.

SECTION III. PLANNING COMMISSION ACTION

The Planning Commission hereby adopts Resolution No. 233-2023 to approve Tentative Tract Map 83297, and to make a finding that Tentative Tract Map No. 83297 is an exempt activity (Subdivision of certain properties in urban areas into four or fewer parcels) pursuant to Section 15315-Class 15 of the California Environmental Quality Act (CEQA) and is therefore, listed as a categorically exempt project, subject to Conditions

of Approval attached hereto as Exhibit A.

ADOPTED and APPROVED this 8th day of May 2023 BY THE PLANNING COMMISSION
OF THE CITY OF SANTA FE SPRINGS.



Francis Carbajal, Chairperson

ATTEST:



Teresa Cavallo, Planning Secretary

EXHIBIT A

CONDITIONS OF APPROVAL

TENTATIVE TRACT MAP NO. 83297

APN: 8011-011-912, 8011-011-906 and 8011-011-907

1. Currently, the County of Los Angeles Department of Public Works is utilizing a computerized system to update and digitize the countywide land use base. If the tract map is prepared using a computerized drafting system, the applicant's engineer shall submit a map in digital graphic format with the final Mylar map to the County of Los Angeles Department of Public Works for recordation and to the City of Santa Fe Springs Department of Public Works for incorporation into its GIS land use map. The City of Santa Fe Springs GIS Coordinate System shall be used for the digital file.
2. Applicant understands and agrees that Tentative Tract Map No. 83297 shall expire 24 months after Planning Commission approval, on May 8, 2023, except as provided under the provisions of California Government Code Section 66452.6. During this time period the final map shall be presented to the City of Santa Fe Springs Public Works Department for approval. The subdivision proposed by Tentative Tract Map No. 83297 shall not be effective until such time that a final map is recorded.
3. The "Subdivider," Habitat For Humanity of Greater Los Angeles agrees to defend, indemnify and hold harmless the City of Santa Fe Springs, its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul an approval of the City or any of its councils, commissions, committees or boards concerning the subdivision when action is brought within the time period provided for in Government Code, Section 66499.37. Should the City, its agents, officers or employees receive notice of any such claim, action or proceeding the City shall promptly notify Subdivider of such claim, action or proceeding and shall cooperate fully in the defense thereof.
4. **Covenants, Conditions and Restrictions (CC&R's).** The approval of this project and all of its conditions shall be appurtenant to and run with the entire parcel or unit of development for which it is issued. A declaration of Covenants, Conditions and Restrictions ("CC&R's") shall be prepared by the property owner, at his sole cost and expense, and shall be submitted to the City for the review and approval of the Department of Planning and Development and the City Attorney. The CC&R's shall be signed and acknowledged by all parties having any record title interest in the property(ies) to be developed, shall make the City a party thereto and shall be enforceable by the City. Prior to, or at the time building plans are submitted for plan check, a draft of the CC&R's shall be submitted to and approved by the above mentioned officials. Prior to issuance of grading and building permits, said CC&R's shall be approved and executed by the above mentioned officials. Prior to the issuance of occupancy permits,

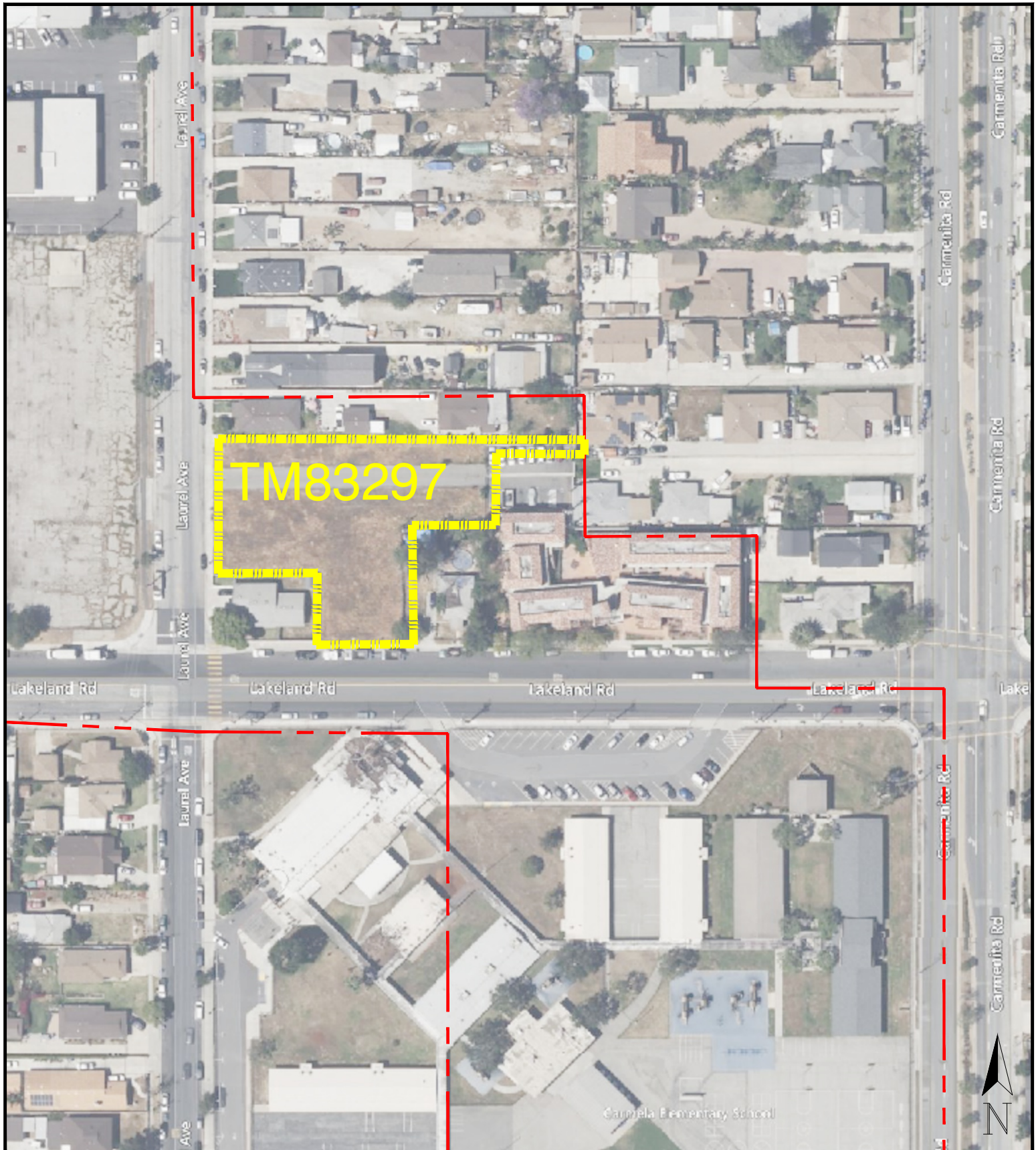
said CC&R's shall be recorded in the Office of the Los Angeles County Recorder. The CC&R's shall contain the following provisions:

- a. The CC&R's shall provide for the effective establishment, operation, management, use, repair and maintenance of all common areas and facilities;
 - b. The CC&Rs shall provide language to prohibit all outdoor storage activities, including the storage or parking of any boat, recreational vehicle, trailer, trailer coach or house car as defined in the State of California Vehicle Code anywhere on the project area except within garages; as well as any public area within the project as outlined in CC&R's;
 - c. The CC&R's shall provide that the property(ies) shall be developed, operated and maintained so as not to create a public nuisance;
 - d. The CC&R's shall provide that if the property(ies) is/are not maintained in the condition required by the CC&R's, then the City, after making due demand and giving reasonable notice, may enter the property(ies) and perform, at the owner's sole expense, any maintenance required thereon by the CC&R's or the City's ordinances. The property(ies) shall be subject to a lien in favor of the City to secure any such expense not promptly reimbursed. Upon the formation of the Association, the owner shall provide the name, phone number, and building address of each member comprising the Association.
5. The final map to be recorded with the Los Angeles County Recorder shall substantially conform to the Tentative Tract Map submitted by the applicant and on file with the case.

EXHIBIT “B”

CONDITIONS OF APPROVAL

- 1. Condominium Map.** The approval of this map and all of its conditions shall be appurtenant to and run with the entire parcel. The Applicant shall submit a tentative map to subdivide the airspace on the Property into a minimum of 18 condominiums. The final map for the condominium subdivision shall be approved and recorded in the Office of the Los Angeles County recorder prior to the issuance of any building permit, inclusive of demolition or grading permits for DPA .



LOCATION MAP

TRACT MAP NO. 83297
13311 Lakeland Road
(Habitat for Humanity)

TRACT NO. 83297

IN THE CITY OF SANTA FE SPRINGS,
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

BEING A SUBDIVISION OF PARCELS 2 AND 3 OF PARCEL MAP NO. 24115, AS PER MAP FILED IN BOOK 266, PAGES 94 AND 95 OF PARCEL MAPS AND PARCEL 1 OF PARCEL MAP NO. 25238, AS PER MAP FILED IN BOOK 288, PAGES 65 AND 66 OF PARCEL MAPS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

FOR CONDOMINIUM PURPOSES

OWNERS' STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF AND HAVE RECORD TITLE INTEREST IN THE REAL PROPERTY INCLUDED WITHIN THE SUBDIVISION SHOWN ON THIS MAP WITHIN THE DISTINCTIVE BORDER LINES, AND WE CONSENT TO THE PREPARATION AND FILING OF SAID MAP AND SUBDIVISION.

WE ALSO DEDICATE TO THE CITY OF SANTA FE SPRINGS FOR THE PUBLIC USE: THE SIDEWALK EASEMENT, AS SHOWN HEREON.

HABITAT FOR HUMANITY OF GREATER LOS ANGELES, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION - OWNER.

Erin Rank 9/12/2025
BY: ERIN RANK, EXECUTIVE DIRECTOR DATE

ENGINEER'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A TRUE AND COMPLETE FIELD SURVEY BY ME OR UNDER MY DIRECTION IN SEPTEMBER, 2022, IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF ROBERT DWELLE ON SEPTEMBER 15, 2022. I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP; THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED (OR THAT THEY WILL BE SET IN THOSE POSITIONS WITHIN 24 MONTHS FROM THE FILING DATE OF THIS MAP); AND THAT THE MONUMENTS ARE (OR WILL) BE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED; AND THAT THE NOTES FOR ALL CENTERLINE MONUMENTS WILL BE ON FILE IN THE OFFICE OF THE CITY ENGINEER WITHIN 24 MONTHS FROM THE FILING DATE SHOWN HEREON.

Ralph E. Dartt 9-09-2025
RALPH E. DARTT R.C.E. 29094 DATE



NOTARY ACKNOWLEDGMENTS

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA } S.S.
COUNTY OF LOS ANGELES }
ON SEPT 12, 2025 BEFORE ME, Katherine Hernandez Garcia, Notary Public
(insert name and title of the officer)

PERSONALLY APPEARED Erin Rank
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

SIGNATURE: Katherine Hernandez Garcia

NAME PRINTED Katherine Hernandez Garcia

MY COMMISSION EXPIRES: September 21, 2028 Commission # 2500276

MY PRINCIPAL PLACE OF BUSINESS Los Angeles COUNTY.

SIGNATURE OMISSIONS

THE SIGNATURES OF LOFTUS LAND CO., HOLDER OF RIGHTS TO OIL, GAS, MINERALS OR HYDROCARBON SUBSTANCES BY INSTRUMENT NO. 969, RECORDED SEPTEMBER 24, 1948; INSTRUMENT NO. 149, RECORDED NOVEMBER 13, 1952; INSTRUMENT NO. 1575, RECORDED SEPTEMBER 21, 1954; INSTRUMENT NO. 607, RECORDED OCTOBER 21, 1955; INSTRUMENT NO. 1431, RECORDED DECEMBER 2 1957, ALL OF OFFICIAL RECORDS, HAVE BEEN OMITTED PURSUANT TO THE PROVISIONS OF SECTION 66436 (a)(3)(C) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO FEE TITLE AND AS SAID SIGNATURES ARE NOT REQUIRED BY THE LOCAL AGENCY.

THE SIGNATURE OF GENERAL TELEPHONE COMPANY OF CALIFORNIA, A CORPORATION, HOLDER OF AN EASEMENT FOR POLES, WIRES AND INCIDENTALS THERE TO RECORDED SEPTEMBER 12, 1956 AS INSTRUMENT NO. 5476 OF OFFICIAL RECORDS, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION (a)(3)(A) (i-viii) OF THE SUBDIVISION MAP ACT, AS THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURES IS ARE NOT REQUIRED BY THE LOCAL AGENCY.

THE SIGNATURE OF VERIZON CALIFORNIA INC., A CORPORATION, HOLDER OF AN EASEMENT FOR TRANSMISSION OF ELECTRICAL ENERGY RECORDED FEBRUARY 8, 2001 AS INSTRUMENT NO. 01-0213551 OF OFFICIAL RECORDS, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION (a)(3)(A) (i-viii) OF THE SUBDIVISION MAP ACT, AS THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURES IS ARE NOT REQUIRED BY THE LOCAL AGENCY. SAID EASEMENT IS INDETERMINATE.

THE SIGNATURE OF SOUTHERN CALIFORNIA EDISON COMPANY, A CORPORATION, HOLDER OF AN EASEMENT FOR OVERHEAD AND UNDERGROUND ELECTRICAL SUPPLY SYSTEMS AND COMMUNICATION SYSTEMS RECORDED MAY 30, 2001 AS INSTRUMENT NO. 01-0933653, OF OFFICIAL RECORDS, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION (a)(3)(A) (i-viii) OF THE SUBDIVISION MAP ACT, AS THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURES ARE NOT REQUIRED BY THE LOCAL AGENCY.

CONTRACTED CITY SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I HAVE EXAMINED THIS MAP, AND THAT IT CONFORMS WITH THE MAPPING PROVISIONS OF THE SUBDIVISION MAP ACT, AND I AM SATISFIED THAT THE MAP IS TECHNICALLY CORRECT.

RUEL del CASTILLO PLS 4212 DATE

CITY ENGINEER'S CERTIFICATE

I HEREBY CERTIFY THAT I HAVE EXAMINED THIS MAP, AND THAT IT SUBSTANTIALLY CONFORMS TO THE TENTATIVE MAP, AND ALL APPROVED ALTERATIONS THEREOF; THAT ALL PROVISIONS OF STATE LAW AND LOCAL ORDINANCES OF THE CITY OF SANTA FE SPRINGS APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH; AND I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT WITH RESPECT TO CITY RECORDS.

JAMES ENRIQUEZ DATE
CITY ENGINEER R.C.E. NO. 55520
CITY OF SANTA FE SPRINGS

CITY TREASURER'S CERTIFICATE:

I HEREBY CERTIFY THAT ALL SPECIAL ASSESSMENTS LEVIED UNDER THE JURISDICTION OF THE CITY OF SANTA FE SPRINGS, TO WHICH THE LAND INCLUDED IN THE WITHIN SUBDIVISION OR ANY PART THEREOF IS SUBJECT, AND WHICH MAY BE PAID IN FULL, HAVE BEEN PAID IN FULL.

JULIO F. MORALES, CITY TREASURER DATE
CITY OF SANTA FE SPRINGS

CITY CLERK'S CERTIFICATE:

I HEREBY CERTIFY THAT THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS BY MOTION PASSED ON _____ APPROVED THE ATTACHED MAP, AND ACCEPTED THE EASEMENT FOR SIDEWALK PURPOSES.

FERNANDO MUNOZ, DEPUTY CITY CLERK DATE
CITY OF SANTA FE SPRINGS

TAX CLEARANCES

I HEREBY CERTIFY THAT SECURITY IN THE AMOUNT OF \$ _____ HAS BEEN FILED WITH THE EXECUTIVE OFFICER, BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AS SECURITY FOR THE PAYMENT OF TAXES AND SPECIAL ASSESSMENTS COLLECTED AS TAXES ON THE LAND SHOWN ON THE MAP OF TRACT NO. 83297 AS REQUIRED BY LAW.

EXECUTIVE OFFICER, BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.
BY _____ DATE _____

TAX CERTIFICATES

I HEREBY CERTIFY THAT ALL CERTIFICATES HAVE BEEN FILED AND DEPOSITS HAVE BEEN MADE THAT ARE REQUIRED UNDER THE PROVISIONS OF SECTIONS 66492 AND 66493 OF THE SUBDIVISION MAP ACT. EXECUTIVE OFFICER, BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES STATE OF CALIFORNIA.

BY _____ DEPUTY DATE _____

IN THE CITY OF SANTA FE SPRINGS,
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

—•—•—•— INDICATES THE BOUNDARY OF
THE LAND BEING SUBDIVIDED
BY THIS MAP.

----- INDICATES THE BOUNDARY OF
THE CITY OF SANTA FE SPRINGS.

L.A.C.R.D. — LOS ANGELES COUNTY
ROAD DEPARTMENT
INSTR. — INSTRUMENT
M.B. — MAP BOOK
O.R. — OFFICIAL RECORDS
O/S — OFFSET
R.D.F.B. — ROAD DEPARTMENT FIELD BOOK
S.F.N. — SEARCHED FOR MONUMENTS ON
BOUNDARY CORNERS, NOT FOUND

● — FOUND MONUMENT AS NOTED
○ — SET MONUMENT AS NOTED

C----- CENTERLINE
 - - - - LOT LINES
 N'LY----- NORTHERLY
 S'LY----- SOUTHERLY
 E'LY----- EASTERLY
 W'LY----- WESTERLY

(R1) — RECORD OR CALCULATED
FROM RECORD PER TRACT
NO. 7868, M.B. 113/18-21.

(R2) — RECORD PER PARCEL MAP NO.
NO. 25238, P.M.B. 288/65-66.

(R3) — RECORD PER PARCEL MAP NO.
NO. 24115, P.M.B. 266/94-95.

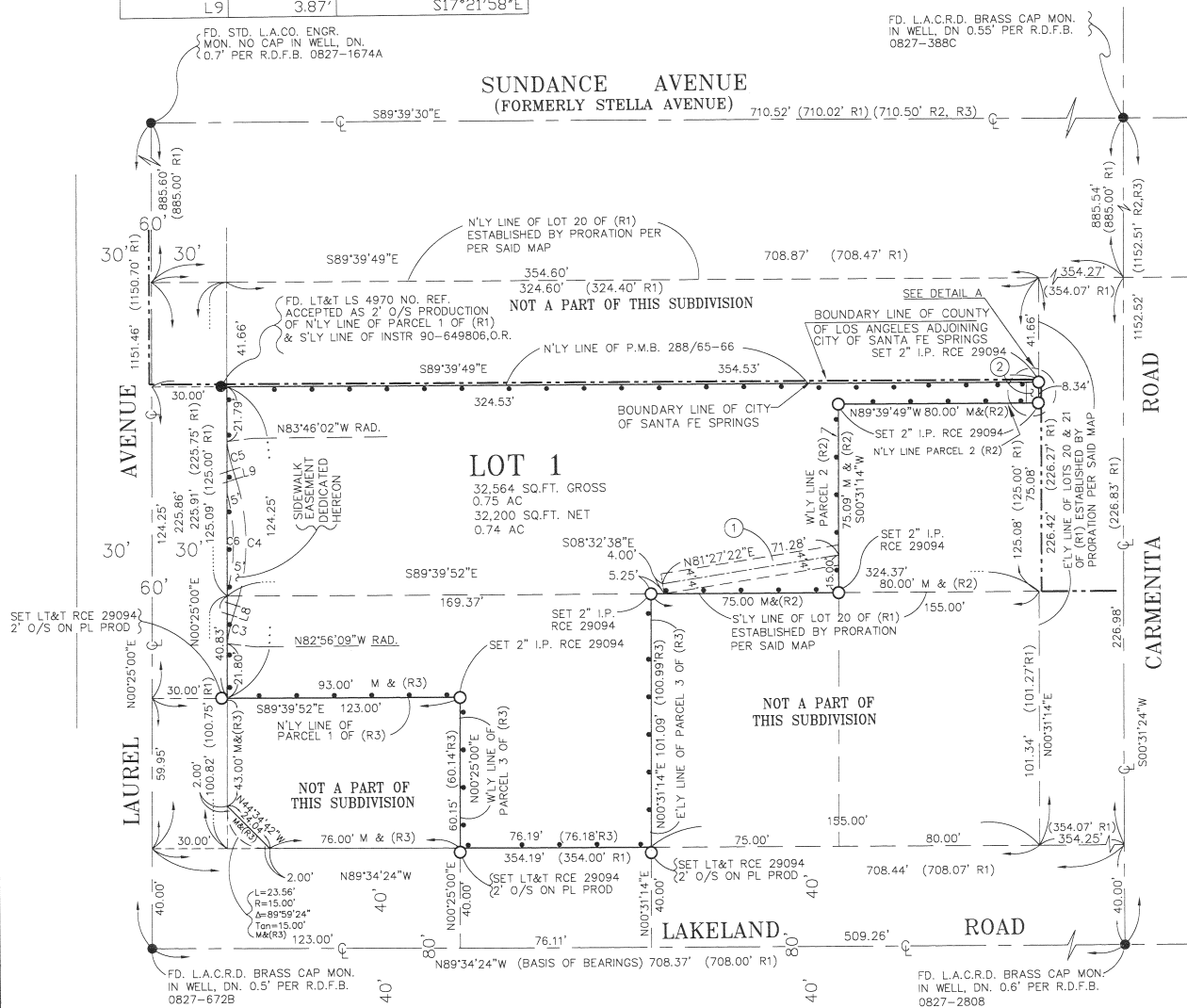
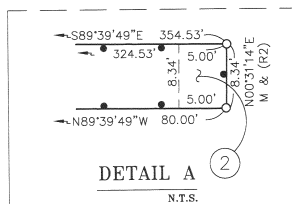
- ①—EASEMENT IN FAVOR OF SO. CAL. EDISON CO.
FOR PUBLIC UTILITY PURPOSES PER INSTR.
NO. 01-0933653 O.R., RECORDED 5-30-2001.
- ②—EASEMENT IN FAVOR OF GENERAL TELEPHONE CO.
FOR PUBLIC UTILITY PURPOSES PER INSTR.
NO. 5476 O.R., RECORDED 9-12-1956.

BOUNDARY FITS IMPROVEMENTS
(NO ENCROACHMENTS TO OR FROM PROPERTY)
FRONT & REAR CORNERS IN BLOCK (SFN)

THE BEARINGS SHOWN HEREON ARE BASED ON THE BEARING OF N 89°34'24" W BEING THE CENTERLINE OF LAKELAND ROAD AS SHOWN ON RECORD OF SURVEY, RS BOOK 132 PAGE 14, RECORDS OF LOS ANGELES COUNTY.

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C3	11.40'	59.50'	10°58'55"
C4	51.30'	83.00'	35°24'44"
C5	11.56'	59.50'	11°08'00"
C6	40.31'	78.00'	29°36'40"

LINE TABLE		
LINE	LENGTH	BEARING
L8	4.28'	S18°02'46"W
L9	3.87'	S17°21'58"E





City of Santa Fe Springs

Planning Commission Meeting

May 8, 2023

PUBLIC HEARING

Environmental Document - Mitigated Negative Declaration

Development Plan Approval Case No. 977

Conditional Use Permits Case No. 813

DPA Case No. 977: A request for development plan approval to allow the construction of 18 units of affordable for-sale housing; and

CUP Case No. 813: A request for approval to allow the establishment of 18 units of affordable for-sale housing, within the PD-Planned Development, Zone.

The project site is generally located at the northeast corner of Laurel Avenue and Lakeland Road, 10934 – 10954 Laurel Avenue and 13309 – 13321 Lakeland Road (APN Nos. 8011-011-912, 8011-011-906 and 8011-011-907), within the R-3-PD, Multiple-Family Residential-Planned Development, Zone.
(Habitat For Humanity of Greater Los Angeles)

RECOMMENDATIONS:

- Open the Public Hearing and receive the staff report and any comments from the public regarding Development Plan Approval Case No. 977, Conditional Use Permit Case No. 813, and thereafter, close the Public Hearing; and
- Find and determine that the proposed project will not be detrimental to persons or properties in the surrounding area or to the City in general, and will be in conformance with the overall purpose and objective of the Zoning Ordinance and consistent with the goals, policies and program of the City's General Plan; and
- Find that the applicant's request meets the criteria set forth in Section 155.739 of the City's Zoning Ordinance, for the granting of Development Plan Approval; and
- Find that the applicant's request meets the criteria set forth in Section 155.330 of the City's Zoning Ordinance for the granting of a Conditional Use Permit within the PD-Planned Development, Zone; and;
- Find that the environmental impacts of the proposed 18-units of affordable housing were analyzed within the previously-approved Initial Study/Mitigated Negative Declaration (IS/MND), Mitigation Monitoring and Reporting Program, State Clearing House No. 2021100075, for The Richman Group Lakeland Road Housing Development, and that no new significant effects could occur and/or no new mitigation measures or additional environmental documents are required, and;

RECOMMENDATIONS (cont.):

- Approve Development Plan Approval Case No. 977 and Conditional Use Permit Case No. 813, subject to the conditions of approval as contained within the attached Resolution 231-2023; and
- Adopt Resolution No. 231-2023, which incorporate the Planning Commission's findings and action regarding this matter.

GENERAL INFORMATION

A.	Applicants:	Habitat For Humanity of Greater Los Angeles 8739 Artesia Boulevard Bellflower, CA 90706 www.habitatla.org/
B.	Property Owner:	Housing Successor Agency 11710 Telegraph Road Santa Fe Springs, CA 90670
D.	Existing Zone:	R-3-PD, Multiple-Family Residential-Planned Development, Zone
E.	General Plan:	Residential
F.	CEQA Status:	Previously-prepared Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program
G.	Staff Contact:	Wayne M. Morrell, Director of Planning waynemorrell@santafesprings.org

BACKGROUND

The Housing Successor is the owner of four parcels of land located at the northeast and northwest corner of Laurel Avenue and Lakeland Road, in the City of Santa Fe Springs. The largest of the parcels (APN: 8011-012-902), at the northwest corner of Laurel Avenue and Lakeland Road, consist of ±3.95-acre and has an address of 13231 Lakeland Road. The adjacent three (3) parcels, (APN: 8011-011-906, 8011-011-907, 8011-011-912), have a combined area of ±36,342 sq. ft., and are located at the northeast corner of Laurel Avenue and Lakeland Road. All four parcels are unimproved land with perimeter fencing.

It was always the intent of the City and Agency to develop all four parcels with affordable housing. To accomplish this, all four parcels were rezoned to R-3-PD,

Multiple-Family Residential-Planned Development in 2013. Those parcels are also listed as potential locations for the development of 139 units, within the Vacant Residential Site Inventory of the City's approved Housing Element.

The City's General Plan Housing Element specifically identifies the development of affordable housing on the sites, and the potential project is described as a program in the Housing Element starting on page 5-14 of the 2014-2021 Housing Element:

Prior Action by City Council:

Exclusive Negotiating Agreement:

The Housing Successor entered into an Exclusive Negotiating Agreement on March 28, 2019 with a team of three entities, The Whole Child, the Richman Group of California Development Company, LLC., and **Habitat for Humanity of Greater Los Angeles** to develop transitional housing and support services, an affordable rental apartment buildings, and affordable for sale owner-occupied townhomes, respectively in that order.

Development Plan Approval Case No. 974: (The Whole Child) A request for development plan approval to allow the construction of 19 units of transitional/supportive housing and appurtenant improvements; and

Conditional Use Permit Case No. 811: (The Whole Child) A request for approval to allow the establishment of a 19-unit transitional/supportive housing use, within the PD, Planned Development Zone; and

Development Plan Approval Case No. 991: (The Richman Group) A request for development plan approval to allow the construction of a 22-unit apartment use, a 30-unit apartment use and a clubhouse use, within R-3-PD, Multiple-Family Residential-Planned Development, Zone; and

Conditional Use Permit Case No. 827: (The Richman Group) A request for approval to allow the establishment of a 22-unit apartment use, a 30 unit apartment use and a clubhouse use, within the PD, Planned Development Zone; and

Development Plan Approval Case No. 975: (The Richman Group) A request for development plan approval to allow the construction of 50 units of affordable senior apartments; and

Conditional Use Permit Case No. 812: (The Richman Group) A request for approval to allow the establishment of a 50-unit senior apartment use within the PD, Planned Development Zone;

Tentative Parcel Map No. 83238*

A request for approval to subdivide one parcel (APN: 8011-012-902) of ±3.95 acres into three parcels (Parcel 1 of 0.81 acres, Parcel 2 of 2.19 acres and Parcel 3 of 0.95 acres). The following tables, Table I and Table II, illustrate the condition of the site before and after the proposed subdivision.

Table I
Existing Condition

APN:	Address	No. of Bldgs.	No. of APN's/Lot#	Size of Lot
8011-012-902	13321 Lakeland Road	0	1	±3.95 acres

Table II
Condition after Proposed Subdivision

APN:	Address	No. of Bldgs.	No. of Parcels/Lot #	Size of Lot	Proposal
New APN	New Address	1	1/#1	0.81acres	Senior Apartment
New APN	New Address	3	1/#2	2.19 acres	Lakeland Apartment #1 & 2
New APN	New Address	1	1/#3	0.95 acres	The Whole Child
Total # 3	Multiple	5	3	3.95 acres	

Predevelopment Loan Agreement:

The Housing Successor entered into a Predevelopment Loan and Disbursement Agreement on January 28, 2021 with the same three entities. The summary of the loan terms is as follows:

- The loan amount is for \$200,000, paid out on a reimbursement basis, not a lump sum. The anticipated disbursement budget and schedule are attached to the Loan Agreement as Exhibit A.
- The security for the loan is the Assignment of Work Product document which transfers all of the work product generated by the Richman Group for the project to the City, should they default on constructing the project.
- The term of the loan is set forth in subsection 1.2.1 of the Agreement, with an outside maturity date of January 15, 2025, though there are other events which will cause the loan to mature sooner as set forth in the Agreement.
- Upon the Maturity Date, the Loan Term shall expire, the Loan shall mature, and the entire outstanding principal amount of the Loan, shall become immediately due and

payable.

- This is an interest free loan, so there will be no accrued interest on the amount due.
- Providing this loan interest free furthers the public purpose of increasing the supply of affordable housing in the City and does not constitute a gift of public funds.

Purchase and Sales Agreement:

The Housing Successor also entered into a Purchase and Sales Agreement on March 21, 2022, with two (The Richman Group and The Whole Child) of the three entities. The terms of the Agreement are as follows:

Primary Terms Consistent in Both Agreements

The land is being sold to both parties at a nominal cost, meaning the Agency is contributing the land to the project. For that reason, there are a number of requirements that must happen before the sale of the land closes escrow.

- The Property shall be a separate legal conveyable parcel compliant with the California Subdivision Map Act, which will require the processing of a Tentative and Final map.
- Approval by the City of all necessary project entitlements and CEQA analysis and documentation has been completed, and those approvals are final.
- Approval of funding agreements for the Agency contributions of funds must be completed.
- Approval by the Agency and Buyer of an Affordable Housing, Veterans Preference and Regulatory Plan Agreement setting forth the obligations of Buyer to make the units affordable and setting forth in detail how Buyer will comply with the legal requirements for use of Agency housing funds.
- To the fullest extent allowed by federal and state law, Buyers will take all feasible actions to implement a preference for veterans and immediate family members of veterans living in the same household.
- The property is being sold “AS-IS” and the current known hazardous clean up that is required shall be done by the buyers, and buyers release all claims against the City.
- There is an outside land closing date which gives the buyers time to secure financing, but does give the Agency a firm date to close or terminate the agreements.
- Buyers cannot assign the purchase agreement without Agency’s written consent.

Additional Terms Specific to the Richman Group Agreement.

- The land closing will happen concurrently with the construction funding package, and the issuance of the building permit. At that point the Agency knows the project will be constructed, barring some highly unlikely catastrophe.
- The outside closing date will be 4 years from the date of execution of the PSA.

- The document states that the Agency will provide \$6M in funding by way of a residual receipts loan.
- If Richman defaults on the purchase agreement, the Agency will recover \$25,000 in liquidated damages.

Terms Specific to TWC Housing LLC (The Whole Child) Agreement

- The land closing will happen concurrently with the construction funding package.
- The outside closing date will be June 30, 2025.
- The document states that the Agency will provide \$1.1M in funding by way of a grant which will be documented by a Grant Funding Agreement to be executed prior to close of escrow.
- If TWC defaults on the purchase agreement, the Agency will recover \$100 in liquidated damages.
- City will have the right to repurchase the property for \$1.00 if the land closing has occurred, but TWC has failed to develop and construct the Project and obtain a Certificate of Occupancy from the City within three years from the anniversary date of the Land Closing date. (the "Repurchase Release Date")
- Repurchase Option shall be released when the project is built and upon the issuance of a Certificate of Occupancy.

Purchase and Sales Agreement and Grant Funding Agreement:

The Housing Successor also entered into a Purchase and Sales Agreement and Grant Funding agreement with Habitat For Humanity of Greater Los Angeles on October 5, 2021. The terms of the Agreement are as follows:

The Habitat site is approximately .9 acre in size and is at the northeast corner of Lakeland and Laurel Avenue. This land is being held by the Agency for development of affordable housing, and is proposed to be sold at a nominal cost, meaning the Agency is contributing the land to the project. For that reason, there are a number of requirements that must happen before the sale of the land closes escrow.

- The Property shall be a separate legal conveyable parcel compliant with the California Subdivision Map Act, which will require the processing of a Tentative and Final map.
- Approval by the City of all necessary project entitlements and CEQA analysis and documentation has been completed, and those approvals are final.
- Approval of a grant funding agreement for the Agency contribution of \$1,300,000 of Agency affordable housing funds.
- Approval by the Agency and Buyer of an Affordable Housing Regulatory Agreement and Declaration of Restrictions setting forth the obligations of

Habitat to make the units affordable and setting forth in detail how they will comply with the legal requirements for use of Agency housing funds.

- Habitat will take all feasible actions to implement a preference for veterans and immediate family members of veterans living in the same household.
- The property is being sold “AS-IS” and Habitat releases all claims against the City.
- There is an outside land closing date which gives Habitat time to secure financing, but does give the Agency a firm date to close or terminate the agreements.
- Habitat cannot assign the purchase agreement without Agency’s written consent.

With the above comprehensive list of requirements, which must be met before the closing of the agreements may occur, including approval of project design entitlements and CEQA review, the Agency is under no obligation to close on the sale of land at this time. It is anticipated that Habitat will work diligently towards completing the necessary tasks required to close the land sale over a period of six months to two years depending on availability of grant funds.

Affordable housing projects, especially those serving the needs of very low and extremely low income require significant financial assistance to be successfully constructed and operated. For that reason, the Agency will contribute the land to the project to achieve the Agency and City’s affordable housing goals and obligations. The Agency acquired the land specifically for development of affordable housing by private entities, so a land sale at open market prices is not consistent with the City’s General Plan or the goals of the Housing Successor Agency.

PROJECT DESCRIPTION:

Development Plan Approval Case No. 977: A request for development plan approval to allow the construction of 18 units of affordable for-sale housing; and pursuant to §155.329(A) of the Zoning Ordinance, a conditional use permit shall be required for the establishment of any use, structure or improvement or the change of any use in a Planned Development Zone. As a result, the applicant is concurrently applying for.

Conditional Use Permit Case No. 813: A request for approval to allow the establishment of 18 units of affordable for-sale housing, within the PD-Planned Development, Zone.

Tentative Tract Map No. 83297*: A request for approval to consolidate three (3) existing parcels (APN Nos. 8011-011-912, 8011-011-906 and 8011-011-907) into a single parcel measuring ± 0.75 acre, and to subdivide the air space of the newly created parcel into 18 residential condominium units.

NOTE: The tract map will be done under a separate staff report and resolution.

Development Plan Approval (DPA) Case No. 977

Sheet A-100, Site Plan: The site plans show that the development consist of eighteen (18) units: a three-unit building, a six-unit building, and a nine-unit building. The nine-unit building is located ± 18 feet from the Laurel Avenue street frontage and the distance of the building from the north, property line varies from 7.5 feet at the narrowest point to 15 feet at the broadest distance. The six-unit building is also located ± 18 feet from the Laurel Avenue street frontage. The three-unit building is located ± 18 feet from the Lakeland Road street frontage. The main entry to the site is via a new 26-foot wide driveway from Laurel Avenue. A common space is shown at the rear of the 9-unit building, between Unit 9 and the nearest easterly property line.

Middle Townhome Unit Types-Dimensioned Floor Plan (Three-Unit Building):

The plan indicates that the building consists of three stories: ground floor, second floor, and third floor. The ground floors consist of several two-car garages, patios, entries and stairways. The second story consists of a family room, dining room, kitchen area, bathroom, stairway, an area for a washer and dryer, and a balcony. The third floor contains a primary bedroom and two other bedrooms, stairway, hallway and two bathrooms.

End Townhome Unit Types-Dimensioned Floor Plan: Per the floor plan, the End Townhomes units are specific to the nine-unit building and the six-unit building. Each ground-floor unit contains a patio at each end of the building. Adjacent to each of the patios are tandem garages to accommodate two car each, and separated by a demising wall. The second floor consists of a dining room, family room, kitchen, bath room and stairway. This same configuration is replicated at the other end of a demising wall that separates the units. The third floor contains three bedrooms: a primary and two secondary bedrooms and bathrooms.

Driveway(s)

Driveway Access: A modified 26-foot wide driveway on Lakeland Road provides access to all three buildings. Said driveway is also the sole ingress and egress for the 44-unit apartment (Lakeland Manor) building to the east.

Parking: Thirty-six parking spaces are required per Code and 36 parking spaces are provide: two-car garages per unit with the end units for the six and nine unit-buildings

being tandem parking.

Trash Enclosure: A trash enclosure measuring of 223 sq. ft. is depicted adjacent to the driveway along the southerly property line that is shared with the adjacent property at 13331 Lakeland Road.

Wall/Fences-Sheet A-100 Site Plan: Although the site plan shows a new six-foot high wooden fence along the perimeter of the property, said wooden fence shall be replaced with a six-foot high block wall, except within the front yard setback area, the height of the wall shall be limited to 3.5 feet.

Façade Materials: The materials used are plaster, fiber cement (vertical and horizontal siding and wood-grain finish) and metal roofing. With regard to paint finish, Bog Fog, Lucy Blue, Silver Dust, Ultra White, Muted Ebony, and Providence are proposed.

Perspective View- Laurel Avenue: The Laurel perspective shows the view standing on the west side of Laurel Avenue, looking east. All three buildings are depicted, but the perspective of the 9-unit building is more complete. The single-family dwelling at the northeast corner of Laurel Avenue and Lakeland Road is shown.

Perspective View-Lakeland Road: The Lakeland Road perspectives is the view seen standing south on Lakeland Road looking north. The single-family dwelling on the corner and the three-unit and six-unit buildings are visible.

Lakeland and Laurel Conceptual Planting Plan: The development is extensively landscaped, with the areas between the front property line and the exterior walls of the nine unit, six unit and 3-unit buildings extensively landscaped. Landscaping is also distributed throughout the property. Two common spaces, (as identified on the site plan): one located east of the rear unit of the nine-unit building and the other east of the trash enclosure are extensively landscaped with a combination of trees, grass, turf and grasses. The Planting Palette further identifies, by pictures, the trees, grasses, shrub, vine, ground cover, proposed for the development.

Density Bonus Ordinance: Pursuant to §55.625.1 **Residential Density Bonus/Affordable Housing Incentives:**it is the intent of the city to encourage the development of affordable housing to meet a variety of economic needs within the city and to implement the goals, objectives, and policies of the city's housing element of the General Plan. It also...provides incentives for the production of housing for very low, lower and moderate-income households and senior citizen housing in accordance with Cal. Government Code §§ 65915 through 65917. The regulatory concessions and incentives as specified in Cal. Government Code § 65915(k) to include, but not be limited to, the reduction of site development standards or zoning code requirements, direct financial assistance, approval of mixed-use zoning in conjunction with the

housing development, and any other regulatory incentive which would result in identifiable cost avoidance or reductions that are offered in addition to a density bonus.

The developer has applied and has been granted several incentives as mandated by State law, including, but not limited to:

Building Height/Yard Setbacks/Distance between Buildings:

The building height in the R-3 Zone shall not be greater than 25 feet provided, that they comply with the front, side, and rear yard requirements, as well as, the distance between buildings. As proposed, the maximum building height for the proposed buildings is 35'-6" to top of ridge. Since the proposed maximum height is 10'-6" over the allowable height, the applicant is requesting to decrease the required front setback area along Laurel Avenue from 25 ft. to 15 ft., and along Lakeland Road from 25 feet to 12'-5" and to decrease certain portions of the required side yard setback area from 15 ft. to 7'-5".

Population Density

The population density in the R-3 Zone shall be controlled by the requirement of 2,000 square feet of lot area for each dwelling unit. The area of the three parcels is 0.75 acres or 32,670 sq. ft. Since the maximum number of dwelling units is limited to 16.3. the applicant is requesting a density bonus to increase the maximum number of dwelling units from 16.3 to 18.

Conditional Use Permit (CUP) Case No. 813:

Conditional Use Permit Requirement in PD, Planned Development Zone:

Pursuant to §155.329(A), a conditional use permit shall be required for the establishment of any use, structure or improvement or the change of any use in a Planned Development Zone. As a result, concurrent with Development Plan Approval Case No. 975 is **Conditional Use Permit Case No. 813:** A request for approval to allow the establishment of 18 units of affordable for-sale housing, within the PD-Planned Development, Zone.

ZONING AND LAND USE

The subject property is zoned R-3-PD, Multiple-Family Residential-Planned Development, zone. The zoning, General Plan and land use of the surrounding properties are as follows:

Direction	Zoning District	General Plan	Land Use
North	A-1, Agricultural	Low Density Residential	10932 Laurel Avenue – Single-Family Dwelling
South	A1 (County) Light Agricultural	Public and Semi Public	13021 Meyer Road – Carmela Elementary School
East	R-3, Multiple-Family	Medium Density	Apartments (Lakeland Manor)

	Residential	Residential	
West	R-3, Multiple-Family Residential	Medium Density Residential	Vacant, unimproved land; future housing development for The Whole Child and The Richman Group

LEGAL NOTICE OF PUBLIC HEARING

This matter was set for Public Hearing in accordance with the requirements of Sections 65090 and 65091 of the State Planning, Zoning and Development Laws and the requirements of Sections 155.860 through 155.864 of the City's Municipal Code.

Legal notice of the Public Hearing for the proposed project was sent by first class mail to all property owners whose names and addresses appear on the latest County Assessor's Roll within 500 feet of the exterior boundaries of the subject property on April 27, 2023. The legal notice was also posted in Santa Fe Springs City Hall, the City Library and the City's Town Center kiosk April 27, 2023, and published in a newspaper of general circulation (Whittier Daily News) April 27, 2023, as required by the State Zoning and Development Laws and by the City's Zoning Regulations.

As of the date of this report, staff has not received any comments and/or inquiries regarding the proposed project.

ENVIRONMENTAL DOCUMENTS (SCH2021100076)**Initial Study/Mitigated Negative Declaration:**

In accordance with CEQA Guidelines §15073 and §15105, an Initial Study/Mitigated Negative Declaration (IS/MND) was prepared for all three housing projects. The IS/MND was released for a 30-day public review period on October 1, 2022, and ended on October 31, 2022. A Notice of Intent (NOI) was provided to the Los Angeles County Clerk, responsible agencies, the City's local CEQA distribution list, and other interested parties requesting a copy of the IS/MND for review and comment. The draft IS/MND was uploaded to the State Clearinghouse, the City's website and available for public review on the City's Environmental Documents webpage

(https://www.santafesprings.org/cityhall/planning/planning/environmental_documents.asp).

A hard copy version of the IS/MND was made available for public review at the City's Planning Department. Additionally, the project site is not listed on the Hazardous Waste and Substance Site List (Cortese List) as set forth in Government Code Section 65962.5.

Because the environmental impacts of the proposed 18-unit affordable development were already analyzed within the previously-prepared IS/MND for the overall 139-unit housing development, it has been determined that no new significant effects could occur and/or no new mitigation measures or environmental document is required.

AUTHORITY OF PLANNING COMMISSION**Development Plan Approval**

Pursuant to §155.735, the Planning Commission shall have the authority, subject to the procedures set forth in this subchapter, to grant development plan approval when it has been found that said approval is consistent with the requirements, intent and purpose of this chapter. The Commission may grant, conditionally grant or deny approval of a proposed development plan based on the evidence submitted and upon its own study and knowledge of the circumstances involved, or it may require the submission of a revised development plan.

Conditional Use Permit (Within the Planned Development Zone)

Pursuant to §155.329 (B), the Planning Commission shall have the authority to grant, conditionally grant or deny said conditional use permit or request for development plan approval, based on its evaluation of the plans and evidence submitted and its own study and knowledge of the circumstances and the applicable provisions of this chapter. A public hearing need not be held unless the proposed development includes uses other than the principal permitted, accessory or conditional uses of the underlying zone. Before granting approval, the Planning Commission shall satisfy itself that the proposed development will meet the purposes and intent of the Planned Development Zone.

CRITERIA FOR GRANTING A DEVELOPMENT PLAN APPROVAL

The Commission should note that in accordance with Section 155.739 of the City's Zoning Ordinance, before granting a Development Plan Approval, the Commission shall give consideration to the following:

- A) *That the proposed development is in conformance with the overall objectives of this chapter.*
- B) *That the architectural design of the proposed structures is such that it will enhance the general appearance of the area and be in harmony with the intent of this chapter.*
- C) *That the proposed structures be considered on the basis of their suitability for their intended purpose and on the appropriate use of materials and on the principles of proportion and harmony of the various elements of the buildings or structures.*
- D) *That consideration be given to landscaping, fencing and other elements of the proposed development to ensure that the entire development is in harmony with the objectives of this chapter.*
- E) *That it is not the intent of this subchapter to require any particular style or type of architecture other than that necessary to harmonize with the general area.*

- F) *That it is not the intent of this subchapter to interfere with architectural design except to the extent necessary to achieve the overall objectives of this chapter.*
- G) *As a means of encouraging residential development projects to incorporate units affordable to extremely low income households and consistent with the city's housing element, the city will waive Planning Department entitlement fees for projects with a minimum of 10% extremely low income units. For purposes of this section, extremely low income households are households whose income does not exceed the extremely low-income limits applicable to Los Angeles County, as published and periodically updated by the state's Department of Housing and Community Development pursuant Cal. Health and Safety Code § 50106.*

CRITERIA FOR GRANTING A CONDITIONAL USE PERMIT: PD ZONE

Pursuant to §155.330 of the City's Zoning Ordinance, in considering an application for a Conditional Use Permit in the PD Zone, the Commission, in addition to all other applicable provisions of this chapter pertaining to conditional use permits, shall consider probable future development of adjoining properties and surrounding areas and shall take into consideration the following criteria:

- A) *The location, siting and arrangement of uses, buildings, structures and facilities shall be coordinated in such a manner as to provide for efficiency, convenience, safety and a high standard of design in the proposed development as well as to provide for compatibility with adjoining properties and surrounding areas.*
- B) *The location, size and quality of design of landscaping, architectural walls, signs and other design features shall provide compatibility and to be harmonious with other uses, buildings, structures and facilities within the proposed development as well as with adjoining properties and surrounding areas.*
- C) *Where different zone districts meet, the interface shall be made as harmonious and compatible as possible through consideration of the criteria set forth in this section.*
- D) *The proposed development shall be in conformance with the overall purposes and objectives of this chapter and consistent with the goals, policies and programs of the general plan.*

STAFF REMARKS

Based on the findings set forth in attached Resolution 231-2023, staff finds that

Development Plan Approval Case No. 977, and Conditional Use Permit Case No. 813 are consistent with the policies and goals set forth in the General Plan and California Environmental Quality Act (CEQA) requirement. Staff also finds that the applicant's request meets the criteria set forth in §155.739 of the City's Zoning Regulations for the granting of Development Plan Approval, and §155.330 for the granting of a Conditional Use Permit within the PD-Planned Development, Zone. Staff, therefore, recommends that the Planning Commission adopt Resolution 231-2023, which incorporates said findings as well as the conditions of approval related the subject proposals.

CONDITIONS OF APPROVAL

Conditions of approval for DPA 977 and CUP 813 are attached to Resolution 231-2023 as Exhibit A.

Wayne M. Morrell
Director of Planning

Attachments:

1. Aerial Photograph
2. Proposed Full Set of Plan
3. Public Hearing Notice
4. Radius Map for Public Hearing Notice
5. Resolution 231-2023
 - a. Exhibit A - Previously prepared Initial Study/Mitigate Negative Declaration
 - b. Exhibit B - Conditions of Approval