

**SECOND AMENDMENT TO THE FRANCHISE AGREEMENT BETWEEN THE CITY OF
PERRIS AND CR&R INCORPORATED, FOR THE COLLECTION, TRANSPORTATION,
RECYCLING, COMPOSTING AND DISPOSAL OF SOLID WASTE AND CONSTRUCTION
DEBRIS AND FOR PROVIDING TEMPORARY BIN/ROLLOFF SERVICES**

This Second Amendment to the Franchise Agreement ("Amendment No. 2") is entered into as of May 30, 2017 by and between the City of Perris, a Municipal Corporation ("City") and CR&R Incorporated, a California Corporation ("Grantee"). The parties are individually referred to as "Party" and collectively referred to as "Parties."

RECITALS

- A. Pursuant to Section 40059(a)(1) of the California Public Resources Code, the City Council for the City of Perris has determined that the public health, safety and well being will be served by an exclusive franchise awarded to a qualified enterprise for the collection, transportation, recycling, composting, and disposal of solid waste and construction debris and for providing temporary bin/roll-off services in residential, commercial, constructions, and industrial areas of the City.
- B. On October 25, 1993 the City and Grantee entered into that certain agreement entitled "Agreement between the City of Perris and CR&R Incorporated for the Collection, Transportation, Recycling, Composting, and Disposal of Solid Waste and Construction Debris and for Providing Temporary Bin/Rolloff Services" ("Franchise Agreement").
- C. On May 30, 1995, the City and Grantee amended the Franchise Agreement to reflect the termination of the solid waste transfer and recycling facility ("MRF") referenced in the Franchise Agreement ("Amendment No. 1").

OPERATIVE PROVISIONS

NOW, THEREFORE, the Parties hereby agree to amend the Franchise Agreement for the second time as follows:

1. **Amendment to SECTION 2 of the Franchise Agreement.** "Organic Waste" and "Green Waste" are hereby defined by adding the following two items to **SECTION 2 ("DEFINITIONS")**:

"G. Organic Waste.

"Organic Waste" shall mean food waste, green waste, landscape and pruning waste, compostables, nonhazardous wood waste and soiled paper waste that is mixed in with food waste. Organic Waste does not include "Special Wastes" as defined herein.

H. Green Waste.

"Green Waste" shall mean grass clippings, leaves, twigs, tree trimmings, weeds, lumber, manure, food scraps and food waste."

2. **Amendment to SECTION 5 of the Franchise Agreement.**

2.1. Subsection "B" ("Single Family Residential") of **SECTION 5** ("SERVICES PROVIDED BY GRANTEE") is hereby amended by adding paragraphs (3) through (6), inclusive, as follows:

"(3). Residential Organic Waste. Effective July 1, 2017 Grantee shall direct all Residential Organic Waste generated within the City Limits to its Anaerobic Digester Processing Facility ("AD Facility") located in the City. All Organic Waste processed in the AD Facility shall be diverted from the landfill and receive full diversionary credit. Costs for this service shall be as outlined in Rate Resolution 5116. Grantee shall also make available a FREE 1.9 gallon kitchen food waste pail ("Pail") to all City residents. The Pail shall be specially designed to store food waste in the kitchen before the material goes into the green waste cart for collection at the curb. Grantee shall coordinate and make personnel available to distribute the Pails to residents at two (2) events at a specific designated location. After the two (2) distribution events are held, Pails shall be made available for pick up at Grantee's office and at City Hall. Additional Pails, above and beyond the first Pail, shall be at a charge as outlined in the Rate Resolution 5116.

(4). Additional Clean-Up Event. In addition to the two (2) citywide clean-up events described in this Section 5, Grantee shall open the transfer station located at 1706 Goetz Road ("Transfer Station") to City residents for delivery of bulky items, yard waste and various other non-hazardous household items. This free disposal service shall occur in conjunction with the two (2) citywide clean-up events. The Transfer Station shall be open to City residents the week prior to the events in order to accept these items for disposal. There shall be a limit of two (2) deliveries by residents to the Transfer Station per clean-up week and proof of residency will be required. These events are intended for residential customers only within the City limits and not for businesses or industrial customers.

(5). Compost Give-Away Event. Grantee shall conduct a bi-annual compost give-away in conjunction with the City's two (2) citywide clean-up events. Grantee shall provide residential customers with up to one pick-up bed full of compost free of charge. Compost give-away locations may be located either at Grantee's yard or at some other location designated by the City.

(6). Residential Sharps Program. Grantee shall make a needles collection program available to residential customers in a safe, confidential and regulatory-compliant manner. The program shall include but shall not be limited to in-home collection service, safe transport via United States Postal Service, a primary collection container with a prepaid return shipping box, instructions and serialized package tracking."

2.2. Subsection "C" ("Commercial, Industrial and Multi-Family") of **SECTION 5** ("SERVICES PROVIDED BY GRANTEE") is hereby amended by adding paragraph "(4)" as follows:

"(4). Commercial, Industrial and Multi-Family Organic Waste. Effective July 1, 2017, Multi-Family, Commercial and Industrial customers shall have the option of diverting their Organic Waste through a Grantee provided Organics Recycling Program. Grantee shall provide a separate bin or cart for these purposes depending upon the individual customer's Organic Waste generation rates. All Organic Waste shall be collected in separate Organic Waste collection vehicles. Organic Waste shall be processed at Grantee's AD Facility located in the City. Organic Waste shall be diverted from the landfill and receive full diversionary credit. These new services shall meet all State of California Organics Recycling requirements pursuant to Assembly Bill 1826. The costs for these services and the contamination allowances shall be charged as outlined in Rate Resolution 5116."

2.3. Subsection "I" ("Additional Services") of SECTION 5 ("SERVICES PROVIDED BY GRANTEE") is hereby amended by adding paragraph "(10)" as follows:

"(10). Renewable Natural Gas. Grantee shall make renewable natural gas ("RNG") available to the City's natural gas fleet at no charge to the City, at the fast fill station located at 1706 Goetz Road in the City of Perris, for up to an initial fleet size of 30 vehicles. Fleet size may be increased by one (1) vehicle every subsequent year to this Amendment No. 2, for up to a maximum fleet size of 40 vehicles. Any RNG volume needed to accommodate the initial fleet size and any additional fleet vehicles shall continue to be at no charge to the City and with no volume limitations. The City shall have two (2) designated fast fill hoses for City fleet vehicles. Any fast fill hose dispensing method or modification needed (such as nozzle size) to make the fast fill hoses usable by the City shall be provided at Grantee's sole expense."

3. Amendment to SECTION 6 of the Franchise Agreement. SECTION 6 ("FRANCHISE FEE") is hereby amended to add the following paragraph:

"The Franchise Fee paid by Grantee for the collection of Residential Organic Waste described in Section 5.B(3) shall be paid out of the approved rate charged to residential customers."

4. Amendment to SECTION 24 of the Franchise Agreement. Subsection D ("AB 939 Indemnification") of SECTION 24 ("INDEMNIFICATION AND INSURANCE") is hereby deleted and replaced with the following language:


"D. AB 939 Indemnification.

Grantee agrees to protect, defend, with counsel approved by City, and indemnify City against all fines or penalties imposed by CalRecycle in the event the source reduction and recycling goals of AB 939, the disposal reduction goals of SB 1016, the commercial recycling goals of AB 341 or the organic diversion goals of AB 1826 are not met by the City with respect to the waste stream collected under this Franchise Agreement. City shall use its best efforts to assist and support Grantee in the implementation of existing or new recycling and organics diversion programs which are imposed by CalRecycle."

5. **Residential and Commercial Rate Adjustment.** The Grantee's rates and charges for collection services under the Franchise Agreement and all amendments thereto are hereby amended by deleting Rate Resolution 3643 adopted on May 31, 2006, and entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS AMENDING RUBBISH COLLECTION CHARGES AS PERMITTED IN SECTION 7.16.050 (D) OF THE PERRIS MUNICIPAL CODE AND RESCINDING RESOLUTION NUMBER 3408", and in its place substituting a new Rate Resolution 5116 attached hereto and incorporated herein by this reference as though set forth in full.
6. **Continuation of Franchise Agreement Terms.** Except as specifically stated in this Amendment No. 2, all the terms and provisions of the Franchise Agreement and of Amendment No. 1 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 as of the date first above written.

CITY OF PERRIS



By: Michael M. Vargas, Mayor

ATTEST:



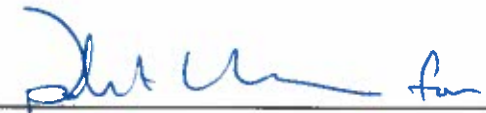
By: Nancy Salazar, City Clerk

CR&R INCORPORATED


By: CHERRITO RENTERIA
Chairman


By: DAVID E. FAHRION
Division President

APPROVED AS TO FORM:



Eric Dunn, City Attorney