

RESOLUTION NO. 2022-56

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY TO (1) CONSIDER AND APPROVE A RESIDENTIAL AND COMMERCIAL WASTE MANAGEMENT SERVICES RATE ADJUSTMENT FOLLOWING PROPOSITION 218 NOTICED MAJORITY PROTEST HEARING AND (2) APPROVING AN INTERIM MEMORANDUM OF UNDERSTANDING IN RE FRANCHISE AGREEMENT WITH REPUBLIC SERVICES FOR SOLID WASTE AND RECYCLING SERVICES**

**WHEREAS**, effective June 25, 1991 the City of Suisun City ("City") elected to exclusively negotiate a Franchise Agreement for Integrated Residential and Commercial Waste Management Services ("Agreement") between the City and Republic Services dba Solano Garbage, ("Republic"); and

**WHEREAS**, under the Agreement, Republic is the exclusively franchised refuse hauler for the City, and collects, transports, processes, and disposes of all solid waste and recyclables which are generated or accumulated within the City; and

**WHEREAS**, the State of California recently adopted a number of bills mandating a comprehensive update to waste management and recycling systems, particularly with respect to the diversion of organic materials and food waste away from landfills. AB 341 mandates that commercial waste generators arrange for recycling services. AB 1826 mandates that commercial waste generators recycle their organic waste. AB 1594 will end the practice of excluding organic material used as Alternative Daily Cover ("ADC") from the calculation of a jurisdiction's total per capita amount of waste disposed; and

**WHEREAS**, most significantly, SB 1383 directs public agencies to reduce organic waste disposal by 75% and increase edible food recovery by 20% by 2025. SB 1383 is the most significant waste reduction mandate adopted in California in the last 30 years. SB 1383's regulations apply to all persons and entities that generate organic materials, such as food scraps and plant trimmings. All waste generators are required to divert their organic materials from the garbage. SB 1383 allows the Department of Resources Recycling and Recovery ("CalRecycle") to implement new regulations on local jurisdictions if significant progress has not been made in the law's waste reduction goals; and

**WHEREAS**, SB 1383 requires Republic and other waste haulers to comply with mandatory processing of food waste to be collected in residential green waste carts and implement new measures to reduce contamination, educate waste generators, procure recycled products with organic content, track and report recycling participation, and assist local jurisdictions with enforcement of new recycling requirements. Republic will need to implement modifications to their service routes, purchase additional disposal containers and container labels, and otherwise provide customers with additional refuse and recycling services; and

**WHEREAS**, the above-referenced changes in law and State mandates present

1 substantial additional operational and programmatic changes in local waste hauling services to  
2 meet new waste reduction goals, which requires Republic to implement several  
3 comprehensive changes to their refuse and recycling services in order to comply with State  
4 regulations. To this end, Republic can only continue to provide its residential refuse and  
recycling services as mandated; by the State if it can secure a rate adjustment for waste  
services and new Agreement terms; and

5 **WHEREAS**, In order to accommodate new Agreement terms, the City and Republic  
6 propose to enter an "Interim Memorandum of Understanding in re Exclusive Negotiations for  
7 Amendments to Exclusive Solid Waste Handling, Recycling and Household Hazardous Waste  
8 Program Agreements" (the "Interim Memorandum" at Exhibit "A" hereto). The Interim  
9 Memorandum contemplates that the City and Republic will negotiate in good faith towards  
the end of comprehensively restating and amending the Agreement and other service  
arrangements attendant to Republic's services in the City; and

10 **WHEREAS**, Republic has requested a rate increase to meet the State of California's  
11 new solid waste and recycling requirements to be implemented in conjunction with the  
12 Interim Memorandum. In January 2022, Republic provided the City a comprehensive  
13 schedule of customer rates for non-hazardous solid waste handling services for all property  
14 owners in the City, including a proposed rate adjustment for residential and commercial solid  
waste collection services, with SB 1383 being the main driver behind the increase in rates (*see*  
Exhibit "B" hereto); and

15 **WHEREAS**, Article XIII D of the California Constitution ("Proposition 218")  
16 establishes required procedures for increasing property related fees, including (i) mailing a  
17 written notice of the proposed fee increase ("Notice") to each parcel on which the fee will be  
18 imposed ("Identified Parcels"), and (ii) conducting a public hearing on the proposed fee  
increase not less than forty-five (45) days after mailing the Notice (the "Protest Hearing");  
and

19 **WHEREAS**, Proposition 218 requires the City Council to consider all protests against  
20 the proposed rate increase, and establishes that if written protests against the proposed rate  
21 increase are presented by a majority of owners of the Identified Parcels, the City Council shall  
22 not approve the rate increase. Proposition 218 and Government Code section 53756 allow the  
City Council to adopt a schedule of rate adjustments, including a formula for adjusting the  
rates, for a period not to exceed five years; and

23 **WHEREAS**, the rates proposed by Republic in January 2022 (Exhibit "B") were  
24 reviewed, analyzed and negotiated between Republic and the City (through a City  
25 subcommittee consisting of two Councilmembers). At the conclusion of such analyses, the  
26 City and Republic agreed to process the proposed rate structure attendant to this resolution  
27 and present such rate structure to the City's citizenry. Under the proposed rate adjustment,  
commencing April 5, 2022, residential and commercial charges would increase by an increase  
of approximately 19.69%; and

28 **WHEREAS**, on February 10, 2022, a "Notice of Public Hearing" was mailed to all

1 residential and commercial property owners within Suisun City boundaries served by  
2 Republic, as required by Proposition 218; and

3 **WHEREAS**, the Notice of Public Hearing instructed residential and commercial  
4 property owners on how to file a protest on the proposed refuse rates, in accordance with  
5 Proposition 218; and

6 **WHEREAS**, the City Council of the City of Suisun City held a fair and noticed public  
7 majority protest hearing as described in the Notice of Public Hearing on April 5, 2022, to  
8 consider the proposed residential and commercial solid waste collection services rate structure  
9 to be applied to commercial rate increases pursuant to the requirements under Proposition  
10 218; and

11 **WHEREAS**, at said public hearing, all interested residential and commercial property  
12 owners were afforded the opportunity to protest the residential component of the proposed  
13 new refuse rate schedule. A majority protest against the residential and commercial  
14 component of the comprehensive refuse rate structure was not received by the City Council

15 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUISUN CITY,**  
16 **DOES HEREBY RESOLVE AS FOLLOWS:**

17 Section 1. The foregoing Recitals are hereby found to be true and correct and  
18 incorporated herein by this reference.

19 Section 2. The Council hereby ratifies the Proposition 218 process and adopts the  
20 refuse rates proposed by Republic as set forth in Exhibit "B" hereto and the Notice of Public  
21 Hearing mailed to all residential and commercial property owners on February 10, 2022, and  
22 pursuant to Proposition 218 finds as follows:

23 a) *Fee for Service Provided Only:* Revenues derived from the rates  
24 may not be used for any purpose other than that for which the rate  
25 was imposed. The rates collected are used to pay Republic for the  
26 refuse collection, recycling, new organics programs, and disposal  
27 services it provides to City customers serviced by Republic pursuant  
28 to the passage of SB 1383 and other new State mandates identified  
in the Recitals hereto. This conclusion is further supported by all  
findings of fact presented at the City Council hearing, including  
without limitation those facts stated in the accompanying staff  
report, all of which evidence is incorporated herein by this reference.

b) *Fee not to Exceed Cost of Service:* Revenues derived from the rates  
may not exceed the funds required to provide refuse service. The  
City's cost for refuse and recycling service is established by the  
Agreement, as proposed to be amended by the Interim  
Memorandum, which permits Republic to recover its actual costs. It  
is found that Republic will accrue direct and unforeseen costs of  
service as a result of legal obligations pursuant to the passage of

Senate Bill 1383 and other new State mandates necessitating Republic's transition into providing City with additional solid waste, recycling and organics collection services and attendant fiscal impacts. This conclusion is further supported by all findings of fact presented at the City Council hearing, including without limitation those facts stated in the accompanying staff report, all of which evidence is incorporated herein by this reference.

- c) *Fee not to Exceed Proportional Cost*: The amount of the rates may not exceed the proportional cost of the refuse service attributable to each parcel. Republic proposes that the proposed refuse rates are reasonably proportional and cost-based, and meet the general requirements of fairness and equity under Proposition 218. In the course of analyzing the rates attendant to this resolution, City negotiated with Republic to ensure that no categories of ratepayers are subsidizing services to other categories. The rates were reviewed by a City subcommittee consisting of two Councilmembers for purposes of reviewing and verifying the rate structure proposed by Republic, which review supported the rate structure. This conclusion is further supported by all findings of fact presented at the City Council hearing, including without limitation those facts stated in the accompanying staff report, all of which evidence is incorporated herein by this reference.

Section 3. The Council has fully considered this matter and has:

- i. Reviewed the information submitted herewith regarding the proposed solid waste service rate adjustment for residential and commercial accounts, the parcels to which the proposed fee adjustment would apply, and the reasons and basis for the adjustment and the fees;
- ii. Provided Notice of the proposed fee adjustment to all parcels to which the proposed fee adjustment would apply in accordance with Article XIID of the California Constitution;
- iii. Heard and received written protests from any parcel subject to the fee;
- iv. Taken and received oral and documentary evidence pertaining to the proposed fee adjustment; and
- v. Been fully informed of this matter.

Section 4. Adoption of the proposed new Republic rates is contingent upon there being no majority protest from a majority of all property owners under an omnibus protest by all those permitted to protest the proposed new rate system. (*Morgan v. Imperial Irrigation*)

1 *District* (2014) 223 Cal.App.4th 892.) The Council finds that insufficient written protests  
2 were presented to prevent the residential and commercial component of the proposed  
Republic refuse rate schedule from being imposed.

3 Section 5. The Council finds that based on these facts and the circumstances and  
4 information received during the public hearing, the changes in residential and commercial  
5 refuse rates proposed by Republic are necessary and are hereby adopted. Said refuse rates  
shall take effect on April 5, 2022.

6 Section 6. The Council hereby adopts that "Interim Memorandum of Understanding in  
7 re Exclusive Negotiations for Amendments to Exclusive Solid Waste Handling, Recycling  
8 and Household Hazardous Waste Program Agreements," attached hereto as Exhibit "A,"  
which Amendment includes the new Republic rate structure.

9 Section 7. This Resolution shall become effective immediately.

10 **PASSED AND ADOPTED** at the Regular Meeting of the City Council of the City of  
11 Suisun City duly held on April 5, 2022, by the following vote:

12	<b>AYES:</b>	Council Members:	<u>Hernandez, Hudson, Williams, Mayor Wilson, Day</u>
	<b>NOES:</b>	Council Members:	<u>None</u>
13	<b>ABSENT:</b>	Council Members:	<u>None</u>
14	<b>ABSTAIN:</b>	Council Members:	<u>None</u>

15 **WITNESS** my hand and the seal of said City this 5<sup>th</sup> day of April 2022.

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Anita Skinner  
City Clerk

**EXHIBIT A**

**“Interim Memorandum of Understanding in re Exclusive Negotiations for  
Amendments to Exclusive Solid Waste Handling, Recycling and Household Hazardous  
Waste Program Agreements”**

**INSERT FINALIZED INTERIM  
AGREEMENT**

**INTERIM MEMORANDUM OF UNDERSTANDING IN RE EXCLUSIVE  
NEGOTIATIONS FOR AMENDMENTS TO EXCLUSIVE SOLID WASTE HANDLING,  
RECYCLING AND HOUSEHOLD HAZARDOUS WASTE PROGRAM AGREEMENTS**

This "INTERIM MEMORANDUM OF UNDERSTANDING IN RE EXCLUSIVE NEGOTIATIONS FOR AMENDMENTS TO EXCLUSIVE SOLID WASTE HANDLING, RECYCLING AND HOUSEHOLD HAZARDOUS WASTE PROGRAM AGREEMENTS" ("MOU" or "Agreement") is made this 6th day of April 2022, by and between the City of Suisun City, a California general law municipality ("City"), and Solano Garbage Company dba Republic Services of Suisun City, a California Corporation "**Contractor**"). City and Contractor are occasionally herein each referred to as a "party" and collectively as the "parties".

WHEREAS, the City is obligated to protect the public health and safety of the residents and businesses of the City of Suisun City, and collection of solid waste and recyclables should be undertaken in a manner consistent with the exercise of the City's obligations for the protection of public health and safety; and

WHEREAS, Contractor holds an exclusive franchise to provide collection, handling, transportation and processing services in the City for solid waste and recyclables. Contractor's solid waste/recyclables services are memorialized in a number of agreements between the parties, including without limitation:

1. That Exclusive Solid Waste Handling Franchise Agreement, dated March 17, 1998, as amended by the First Amendment to Exclusive Solid Waste Handling Franchise Agreement, dated February 5, 2009, and the Second Amendment to Exclusive Solid Waste Handling Franchise Agreement, dated March 2, 2015; and
2. That Exclusive License Agreement for Recycling, dated March 17, 1998; and
3. That Agreement to Operate Household Hazardous Waste Program, dated February 9, 2009.
4. Such instruments are herein collectively referred to as the "**Waste Services Agreements**;" and

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (the "Act") (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; and

WHEREAS, City and Contractor are mindful of new laws adopted by the State of California intended to divert recyclables and organic materials from being landfilled. AB 341 mandates that commercial waste generators arrange for recycling services. AB 1826 mandates that commercial waste generators recycle their organic waste. AB 1594 will end the practice of excluding organic material used as Alternative Daily Cover (ADC) from the calculation of a jurisdiction's total per capita amount of waste disposed. SB 1383 allows the Department of

Resources Recycling and Recovery (CalRecycle) to implement new regulations on local jurisdictions if significant progress has not been made in certain waste reduction goals; and

WHEREAS, on November 16, 2021, the City Council adopted new Chapter 8.10 ("Specific Regulations For Organic Waste Disposal Reduction, Recycling, And Solid Waste Collection") into the City of Suisun City Municipal Code ("SCMC") in order to implement City regulations specific to implementing compliance with SB 1383; and

WHEREAS, in order to promptly implement those new laws and regulations in effect as of January 1, 2022, the parties hereby agree that (1) Contractor will immediately implement, or to the extent already implemented continue to conduct, its solid waste and recyclables collection services in compliance with the mandates of AB 341, AB 1826, AB 1594, SB 1383 and SCMC Chapter 8.10, and (2) pending the term of this MOU, the parties will negotiate in good faith a complete restatement of the Waste Services Agreements with the goal of memorializing all Contractor services under contract through such Agreements into a single, comprehensive instrument (the "**Restated Hauling Agreement**") that captures in detail the programmatic/operational obligations of Contractor under AB 341, AB 1826, AB 1594, SB 1383 and SCMC Chapter 8.10.

NOW, THEREFORE, in consideration of the premises above stated and the terms, conditions, covenants and agreements contained in this Agreement, the Parties do hereby agree as follows:

1. Term of this MOU; Extended Term of Waste Services Agreements. The term of this MOU shall take effect upon its full execution by all parties and expire on June 30, 2027 or the date a Restated Hauling Agreement is approved and executed between the parties, whichever is sooner (the "**Term**"). Notwithstanding any term or expiration stated in any and each of the Waste Services Agreements, each of such Agreements is hereby extended for a period commensurate with the Term hereof, unless further extended. If, upon the expiration of such Term, City and Contractor have not each approved and executed a Restated Hauling Contract, then this Agreement, as well as all Waste Services Agreements, shall automatically terminate and Contractor shall have no further rights regarding the subject matter of this Agreement or the Waste Services Agreements, and City shall be free to negotiate with any other person or entity with regard to City solid waste/recycling services; provided, however, that City and Contractor may mutually agree in writing to further extend the Term.

2. Implementation of SB 1383 Compliance. Contractor shall immediately commence implementation of the City's SB 1383 Organic Waste Collection Program in the City, as described more fully in *Exhibit A* attached hereto and incorporated as though fully set forth herein, and in compliance with SCMC Chapter 8.10. To this end, Contractor is hereby designated as City's "Designee" as such phrase is defined in SCMC Chapter 8.10, and Contractor shall implement all Designee obligations imposed under SCMC Chapter 8.10.

- a. Terminology used in this Agreement is to be construed in harmony with those terms and definitions in SCMC Chapter 8.10. In the event of any programmatic, operational or interpretational conflicts between the programs outlined in SCMC Chapter 8.10 and the terms of any Waste Services Agreement(s), the



terms, definitions and programs set forth in SCMC Chapter 8.10 shall control.

- b. Contractor shall reimburse the City up to Twenty-Five Thousand Dollars (\$25,000) annually, for the purchase of a license for new database and reporting software (e.g., "Recyclist") for purposes of meeting SB 1383 reporting requirements. Contractor agrees that all City-related data processed, maintained or reported through such system shall be readily accessible to, and owned by, City.

3. Good Faith Negotiations; Goal of Finalizing Restated Hauling Agreement. City and Contractor acknowledge that this MOU is intended as an interim contractual measure to memorialize Contractor's compliance with AB 341, AB 1826, AB 1594, SB 1383 and SCMC Chapter 8.10 pending the negotiation of a final Restated Hauling Agreement. City and Contractor agree that, during the Term hereof, they will negotiate diligently and in good faith to prepare and enter into a Restated Hauling Agreement. City agrees, for Term, not to negotiate with any other person or entity regarding the provision of solid waste or recycling services in the City; excepting that after the first twenty-four (24) months of the Term, if by such period no Restated Hauling Agreement has been finalized by the parties, City has the right, but not the obligation, to issue a request for proposals from solid waste/recycling service providers (including Contractor) to provide such services. Nothing in this Agreement shall be deemed a covenant, promise or commitment by City, or any officer or subdivision of the City, with respect to the approval of a Restated Hauling Agreement or similar such instrument relating to the provision of solid waste/recycling services in the City. City's acceptance of this Agreement is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by City as to any actions required of it.

Contractor shall negotiate exclusively with City's negotiating team and with no third parties unless expressly authorized in writing to do so by City's negotiating team. During the Term of negotiations, no statements will be made by either Contractor or City without first making reasonable efforts to consult with the other party (other than those statements made to each party's agents, consultants and employees in the course of negotiations).

4. Anticipated Terms of Restated Hauling Agreement. The Restated Hauling Agreement is anticipated to replace all current and prior Waste Services Agreements pertaining to Contractor's residential and commercial/industrial solid waste hauling and recycling services in the City. In other words, it is expected that the Restated Hauling Agreement will re-address and replace in one agreement the multiple Waste Hauling Agreements pursuant to which Contractor currently serves the City. The Restated Hauling Agreement is expected to contain, without limitation, a new rate structure for Company's charges to ratepayers, enhanced Proposition 218 (defined below) language, grant of franchised rights to Company for its provision of services, regulations of service quality, service schedules, handling of customer complaints, vehicle condition, and any negotiated terms related to other fees payable between the parties as a result of Contractor's services, and specific agreed terms of compliance with AB 341, AB 1826, AB 1594, SB 1383, SCMC Chapter 8.10, and any other laws or regulations adopted by CalRecycle. Such shall further include, without limitation:

- a. A restatement of all applicable definitions to be consistent with all new laws

and regulations;

- b. SB 1383/SCMC Chapter 8.10 reporting and audit procedures;
- c. SB 1383/SCMC Chapter 8.10 contamination monitoring procedures and protocols;
- d. SB 1383/SCMC Chapter 8.10 container labelling, color and design standards;
- e. SB 1383/SCMC Chapter 8.10 education and public outreach programs and protocols;
- f. Such other terms as necessary to harmonize the terms of Contractor's contractual obligations with its obligations under SB 1383 and SCMC Chapter 8.10;
- g. SB 1383/SCMC Chapter 8.10 program requirements for compliance with SB 1383/SCMC Chapter 8.10 procurement requirements;
- h. The term of the Restated Hauling Agreement, including any options to extend or renewals of the Agreement; and
- i. Such other terms and provisions standard to, and appropriate for an exclusive franchise agreement for solid waste and recycling services.

5. Other Program Service to be Undertaken by Contractor. In addition to the programs outlined herein and in the Waste Services Agreements (to the extent not otherwise superseded by this MOU and SCMC Chapter 8.10), Contractor shall immediately implement and undertake the following:

- a. *Franchise Fee Increase:* Commencing as of the start of the Term, Contractor shall pay monthly to the City for Contractor's exclusive rights under the Waste Services Agreements a sum equal to thirteen percent (13%) of Contractor's Gross Receipts (as defined in the Agreements) from all acceptable waste collections made by the Contractor within the geographic boundaries of the City.
- b. *Organic Waste Processing:* Commencing as of the start of the Term, Contractor shall no longer use green waste or other organic waste collected by Contractor in the City as alternative daily cover ("ADC") at a landfill. Thereafter, Contractor shall compost all green waste and other organic waste collected by Contractor in the City that are reasonably capable of being composted or otherwise recycled. Contractor reserves the right however, upon advance notice to the City, to anaerobically digest or deliver to a sanitary water treatment facility all or a portion of the food waste collected by Contractor in the City.
- c. *Bulky Waste Program:* Each residential customer will receive one (1) bulky waste pick-up per year. The bulky waste pick-up will include: Three (3) cubic

yards of solid waste and two (2) bulky waste items. Freon-containing appliances and TVs will have an additional charge. Bulky waste shall not include organic waste due to SB 1383 requirements.

- d. *White Goods Drop-Off*: Residential customers of Contractor shall be entitled to drop-off white goods on sixteen dates each calendar year as specified by the Contractor. White Goods shall be dropped-off and accepted by Contractor at Solano Garbage Company, located at 2901 Industrial Court in the City of Fairfield.
- e. *Free Landfill Disposal Coupons*: Each residential customer will receive one landfill coupon per year. The coupon will have a value of \$25 and specify the volume permitted for free landfill disposal. The coupon will allow City residents to take non-hazardous solid waste, green waste, wood, glass, concrete, or two car tires without a rim, to the Potrero Hills Landfill for disposal. Landfill coupons will not be transferable and must be used by the addressee. Contractor will require the coupon recipient to be present at the time of the coupon use and to provide photographic identification and proof of City residency, in the form of a utility or similar bill showing the recipient's name.
- f. *Container Service for City Events*: Contractor shall provide free cart service or front-end loader bin collection service for City Events up-to seven (7) City Events per calendar year. "City Events" are those that are organized and hosted by the City.
- g. *City Household Hazardous Waste Program Contribution*: City shall contribute \$10,000 to Contractor for the City's Household Hazardous Waste ("HHW") Program for calendar year 2022. City shall contribute to Contractor \$15,000 to the City's HHW Program for calendar year 2023, which amount shall increase annually thereafter by the amount of the annual CPI adjustment to Contractor's rates as defined below.
- h. *City Street Sweeping*: Currently, Contractor performs street sweeping on all residential streets in the City and City parking lots once per month. Contractor also currently performs street sweeping on all City main route streets two times per month.
- i. *Lien Processing*: Each year when the City receives tax payments from Solano County for any liens requested by Contractor, and the City has transferred the payment to the Contractor, Contractor shall submit lien release requests to the City within three (3) months of receiving full payment on such liens for properties that paid their tax. The City shall include in the lien requests to the County Auditor a request that all fees and administrative costs associated with enforcement of the lien and potential lien release fees be included in the lien amount.

- j. *Compost Procurement:* Contractor shall provide the City free of charge up to, 250 tons of loose compost annually, or shall place the compost in bags as the City may request. In addition, the Contractor shall provide two free compost giveaways each year at a location in the City mutually agreed upon in writing between Contractor and City.

6. Contractor Rates During Term Hereof. The parties intend to comply with the substantive and procedural requirements of Articles XIIC and XIID of the California Constitution and any implementing legislation promulgated thereunder (“**Prop 218**”) with respect to Contractor’s refuse service rates. Commencing as of the start of the Term, and following any hearing procedures and approvals required by Proposition 218, Contractor may charge each owner, tenant, lessee or occupant of a single-family residence, multi-family premises unit, and each commercial or other roll off customer of Contractor within the geographic boundaries of the City, and industrial or other roll-off customer, rates for Contractor’s services that are up to but do not exceed the maximum rates set forth in the Schedule of “**Maximum Permissible Rates**,” attached to this Agreement as *Exhibit B* and incorporated herein by this reference. The Maximum Permissible Rates shall be subject to periodic adjustment as provide in this Section.

a. *Annual Rate Adjustment:* During the Term, each of the Maximum Permissible Rates that Contractor may charge its customers shall be adjusted pursuant to the methodology in Exhibit B to the Exclusive Solid Waste Handling Franchise Agreement; provided, however, that the consumer price index in Exhibit B shall be changed from the CPI-U to the Sewer Water Trash Collection Services Index for all Urban Consumers published by the U.S. Bureau of Labor Statistics (“**Water Sewer Trash Index**”). The first annual rate adjustment shall occur on January 1, 2023, and each year anniversary thereafter during the Term. Annual increases in the Water Sewer Trash Index shall be not exceed a maximum of 4.25% for the purpose of calculating the maximum CPI index increase for each annual rate adjustment. Subject to any Proposition 218 limitations and requirements, increases in governmental fees and charges relating to government mandated costs shall continue to be adjusted separately pursuant to Exhibit B to the Exclusive Solid Waste Handling Franchise Agreement. Maximum Permissible Rate adjustments shall only apply “automatically” to the extent permitted by Government Code § 53756 and be properly noticed pursuant to such statute.

b. *Composting Costs:* Subject to any Proposition 218 limitations and requirements, upon the commencement of Contractor’s composting of green waste and other organic waste such as food waste collected in the City, Contractor shall be entitled to an interim rate increase to compensate Contractor for its costs associated with such composting service. The parties shall meet and confer over the cost of composting and the amount of such rate adjustment. After this initial interim rate adjustment to compensate Contractor for its composting costs, any subsequent increase in Contractor’s composting or other organic waste processing costs shall be treated as a pass-through cost and shall result in a corresponding rate adjustment. Rate adjustments to compensate

Contractor for the cost of composting or any other organic waste diversion program such as anerobic digestion or delivery of Food Waste to a treatment plant for digestion shall not be subject to the 4.25% cap on CPI adjustments.

*c. Contamination Fee:* From and after the effective date of Contractor's Schedule of Maximum Permissible Rates in *Exhibit B*, Contractor shall collect containerized materials as recyclables, green waste, organic waste or as solid waste and Contractor shall undertake all contamination protocols set forth in SB 1383 and SCMC Chapter 8.10. Contractor may charge customers in violation of contamination protocols the City-approved contamination fee as stated in SCMC Chapter 8.10. Contractor may increase customer's Solid Waste service level by one container size or by one frequency of collection if customer has three (3) or more contamination charges in a one-year period, or as otherwise determined by City. Contractor shall document contamination with still pictures or video and will notify the customer of the contamination through applying a cart tag, by electronic communication, or phone call.

7. Assignability. No party to this Agreement shall assign or transfer any interest nor performing any duties or obligations, without the prior written consent of the other parties, and any attempt by a party to so assign or transfer this Agreement or any rights, duties or obligations arising shall be void and of no effect.

8. Continuing Effect. Except as expressly modified or amended by this Agreement, all terms and provisions of the Waste Services Agreements shall remain in full force and effect unless otherwise superseded by SCMC Chapter 8.10. In the case of a conflict in meaning between the Waste Services Agreement and this Agreement, this Agreement shall govern and prevail.

9. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which combined shall constitute one and the same instrument. Facsimile and/or electronic copies of the parties' signatures shall be valid and treated the same as original signatures.

IN WITNESS WHEREOF, the parties have entered into this Agreement to be effective as of the Effective Date.

COMPANY:

SOLANO GARBAGE COMPANY,  
a California Corporation

By:   
Vice President

CITY:

THE CITY OF SUISUN CITY

By: 

\_\_\_\_\_  
Greg Folsom, City Manager

APPROVED AS TO FORM

Aleshire & Wynder

By: 

\_\_\_\_\_  
Elena Q. Gerli, City Attorney

**EXHIBIT B**  
**MAXIMUM RATE SCHEDULE**

**CITY OF SUISUN CITY**  
**RESIDENTIAL GARBAGE RATE & RECYCLING RATE CALCULATIONS**

	Current Rates	Proposed Rates
Garbage Single-Family Rate/Month	\$ 31.21	\$ 37.41

Recycling Single-Family Rate/Month	\$ 5.10	\$ 6.05
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**TOTAL MONTHLY BILLING**                      **\$36.31     \$43.46**

<b>CITY OF SUISUN CITY</b> <b>COMMERCIAL CART GARBAGE RATE CALCULATIONS</b>
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	P/U Per Week	Current Rates	Proposed Rates
Trailer Park and Apts (curbside 32 gal can)	1	\$ 24.49	29.41
	2	\$ 44.72	53.70
	3	\$ 67.09	80.56
	4	\$ 89.47	107.44
	5	\$ 111.82	134.27
96 gal cart	1	\$ 63.04	75.70
	2	\$ 126.07	151.38
	3	\$ 189.11	227.08
	4	\$ 252.15	302.78
	5	\$ 315.20	378.49
65 gal cart (Food waste)	1	\$ 87.97	81.62
	2	\$ 135.95	163.25
	3	\$ 203.93	244.88
	4	\$ 271.91	326.51
	5	\$ 339.88	408.10
Extra		\$ 39.90	47.91

CITY OF SUISUN CITY			
COMMERCIAL & INDUSTRIAL GARBAGE RATE CALCULATION			

	P/U Per Week	Current Rates	Proposed Rates
2 CY Bin	1	\$ 242.77	\$ 291.52
	2	\$ 449.28	\$ 539.50
	3	\$ 553.30	\$ 784.48
	4	\$ 858.75	\$ 1,031.19
	5	\$ 1,045.88	\$ 1,255.89
3 CY Bin	1	\$ 340.81	\$ 409.24
	2	\$ 628.37	\$ 754.55
	3	\$ 896.64	\$ 1,076.69
	4	\$ 1,174.71	\$ 1,410.59
	5	\$ 1,412.55	\$ 1,696.19
4 CY Bin	1	\$ 438.59	\$ 526.65
	2	\$ 846.85	\$ 1,016.90
	3	\$ 1,150.75	\$ 1,361.82
	4	\$ 1,533.52	\$ 1,841.45
	5	\$ 1,853.19	\$ 2,261.33
5 CY Bin	1	\$ 520.93	\$ 626.63
	2	\$ 990.70	\$ 1,189.63
	3	\$ 1,410.56	\$ 1,693.80
	4	\$ 1,850.77	\$ 2,222.40
	5	\$ 2,248.65	\$ 2,700.18
6 CY Bin	1	\$ 583.14	\$ 700.23
	2	\$ 1,127.59	\$ 1,354.01
	3	\$ 1,648.68	\$ 1,979.61
	4	\$ 2,112.51	\$ 2,536.70
	5	\$ 2,575.20	\$ 3,092.30
7 CY Bin	1	\$ 717.15	\$ 861.15
	2	\$ 1,360.58	\$ 1,633.78
	3	\$ 1,999.12	\$ 2,400.54
	4	\$ 2,651.38	\$ 3,183.78
	5	\$ 3,295.11	\$ 3,956.77

		Current Rates	Proposed Rates
20 yd box	MSW	\$485.12	\$ 582.53
25 yd box	MSW	\$514.52	\$ 617.83
30 yd box	MSW	\$543.92	\$ 653.14
40 yd box	MSW	\$573.37	\$ 688.51
20 yd box	Metal & Wood	\$411.60	\$ 494.25
25 yd box	Metal & Wood	\$437.76	\$ 525.66
30 yd box	Metal & Wood	\$462.23	\$ 556.04
40 yd box	Metal & Wood	\$489.39	\$ 588.36
20 yd box	YW (Organics)	-	\$ 544.81
25 yd box	YW (Organics)	-	\$ 576.22
30 yd box	YW (Organics)	-	\$ 605.60
40 yd box	YW (Organics)	-	\$ 638.94

Compactor	Less than 30 Yd Compactor	\$588.03	\$ 706.10
	30 yd - 39 Yd Compactor	\$735.08	\$ 882.68
	> 40 Yd Compactor	\$862.03	\$ 1,059.15