

**FIFTH AMENDMENT TO
FRANCHISE AGREEMENT FOR REFUSE AND RECYCLING
COLLECTION AND DISPOSAL**

**BETWEEN
PITTSBURG DISPOSAL & DEBRIS BOX SERVICE, INC.
AND
THE CITY OF PITTSBURG**

**Fifth Amendment to Franchise Agreement Between
Pittsburg Disposal & Debris Box Service, Inc.
and
The City of Pittsburg**

This Fifth Amendment ("Fifth Amendment") to the Franchise Agreement for Refuse and Recycling Collection and Disposal ("Fifth Amendment") is entered into as of July 18, 2022 between Pittsburg Disposal and Debris Box Service, Inc. ("Pittsburg Disposal") and the City of Pittsburg ("City").

RECITALS

- A. Effective July 1, 1999, Pittsburg Disposal (Franchised Hauler) and City entered into that certain Franchise Agreement for Refuse and Recycling Collection and Disposal ("Franchise Agreement"), pursuant to which City granted Pittsburg Disposal the exclusive right, privilege and franchise to provide Residential and Multi-family Dwelling Solid Waste Collection Service, Residential and Multi-family Recycling Collection Service and Commercial and Industrial Solid Waste Collection Service within the Service Area.
- B. Effective January 20, 2009, Amendment Two of the Franchise Agreement allowed each residential customer to select their service size of 32-gallon, 64-gallon, or 96-gallon carts for weekly refuse disposal and required Pittsburg Disposal provide a 64- or 96-gallon recycling cart and a 96-gallon green waste cart to each residential customer.
- C. Subsequently, a significant number of residential customers in Pittsburg have selected service sizes inadequate for serving household refuse needs often resulting in the incorrect placement of refuse in the green waste cart or recycling cart (cart contamination).
- D. In 2021, Senate Bill (SB) 1383, Short-lived Climate Pollutants Reduction, as enacted in 2017 (Lara, Chapter 395, Statutes of 2016) established targets to reduce the statewide disposal of organics by 75% by 2025. SB 1383 identifies cart contamination, which now also includes the placement of organics in the refuse cart, as a major hurdle in achieving its associated organics diversion targets, and requires jurisdictions actively enforce cart contamination compliance.
- E. The purpose of this Fifth Amendment is to amend the Franchise Agreement to implement a long-term solution for minimizing cart contamination through a 5-year phase out of the 32-gallon cart and a cart contamination compliance enforcement strategy pursuant to SB 1383.
- F. This Fifth Amendment has been negotiated between the parties and is consistent with Article XVII, Section 7 of the Franchise Agreement which requires any modification of, or amendment or addition to, the Franchise Agreement to be in writing and signed by both parties.

NOW, THEREFORE, in consideration of the promises, covenants, and provisions

set forth herein, the receipt and adequacy of which consideration is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **Recitals**. The foregoing recitals are true and correct and hereby incorporated herein by reference.
2. **Defined Terms**. All capitalized terms not defined herein shall have the meanings ascribed to them in the Franchise Agreement. For the purposes of this Fifth Amendment, the term "Residential Customer" shall mean any Customer who receives services pursuant to the Franchise Agreement to a Single Family Dwelling.
3. **Article IV(A), Section 5**. Article IV, "Collection Services," Subdivision "A," "Residential," Section 5 – "Service Levels and Containers" is amended as follows:

Section 5 – Service Levels and Containers

- a) **Service Levels and Containers**: Franchised Hauler shall provide Residential Customers with Solid Waste, Organic Waste and Recyclable Material collection Containers, and replace the Containers as necessary, at no additional cost. Residential Customers shall have the option to select an appropriate service level for Solid Waste collection. Residential collection rates may vary according to the Solid Waste level of service selected by each Customer and as established pursuant to Article XI of this Agreement. The residential collection rates established for each service level shall include all costs associated with Solid Waste, Organic Waste and Recyclable Material collection for each Residential Customer.
- b) **Existing Customers**: , All non-exempt existing Residential Customers with the 32-gallon service size may maintain the 32-gallon service size for weekly Solid Waste collection services from Franchise Holder until January 1, 2027. Beginning on January 1, 2027, Franchise Holder shall replace all non-exempt Residential customers' 32-gallon carts with 64-gallon or 96-gallon carts. All non-exempt Residential customers qualifying for the Low-Income Senior Rate shall receive a 64-gallon cart at the Low-Income Senior Rate approved on February 22, 2022.
- c) **New Customers**: Beginning on January 1, 2023, new Residential customers will not have the option to select a 32-gallon cart for weekly Solid Waste collection service by the Franchise Hauler. The smallest service size available will be the 64-gallon cart.

- d) Exemptions: Only customers that meet one or both of the following conditions will be considered exempt from the above Section 5 b and c, and will have access to the 32-gallon service size for weekly Solid Waste collection services by the Franchised Hauler:
 - i. Limited space for a 64-gallon or 96-gallon cart at the existing residence. Limited space exemptions shall be determined on a case-by-case basis through a site visit by Franchised Hauler.
 - ii. Physical inability to maneuver carts larger than 32-gallons from the waste disposal area to the collection area at the existing residence. Physical inability exemptions shall be determined on a case-by-case basis by the Franchised Hauler.
 - iii. High density residential projects as approved on a case-by-case basis by the City in its sole discretion.
- e) Prior to replacement of all Residential customers' 32-gallon carts, Franchised Hauler shall provide all existing Residential customers with educational information on the 5-year phase-out and rate increase process, proper source separation, Franchised Hauler's free annual bulky item and pickups, Franchised Hauler's on-call pickup services, the Three Strike System detailed in Article IV(A), Section 6, and the importance of avoiding cart contamination. Prior to establishing new collection services, Franchised Hauler shall provide all new customers with educational information on the 5-year rate increase process, proper source separation, Franchised Hauler's free annual bulky item and pickups, Franchised Hauler's on-call pickup services, the Three Strike System detailed in Article IV(A), Section 6, and the importance of avoiding cart contamination

4. **Article IV(A), Section 6**. Article IV, "Collection Services," Subdivision "A," "Residential," is amended to add Section 6 – "Residential Cart Contamination Compliance" as follows:

Section 6 – Residential Cart Contamination Compliance

- a) Three Strike System: Franchise Hauler shall implement the following Residential cart contamination compliance enforcement method:
 - i. Uniformly document, photograph, and archive instances of overflowing carts and instances of cart contamination (strike) on a per-account basis for every Residential customer in Pittsburg.
 - ii. Within one week of the observation, Franchised Hauler shall notify customer that an overflowing cart or contaminated cart was

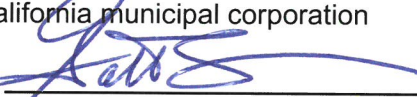
observed at their residence via the phone number listed on the service account.

- iii. In the event that a single Residential account receives three separate documented instances, or strikes, of any combination of overflowing carts or cart contamination, and after sufficient customer outreach whereby customer does not adjust their service level appropriately, Franchised Hauler shall then notify the Residential customer of the date, time, and new monthly rate at which that their account will be upsized.”

IN WITNESS WHEREOF, this Fifth Amendment has been entered into by and between Pittsburg Disposal and City as of the date and year first above written.


CITY:

CITY OF PITTSBURG,
a California municipal corporation

By: 
Name: Garrett Evans
Title: City Manager

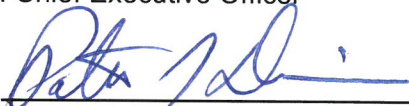
PITTSBURG DISPOSAL:

PITTSBURG DISPOSAL & DEBRIS BOX SERVICE, INC.

By: 
Name: Ronald J. Proto
Title: Chief Executive Officer

APPROVED AS TO FORM:

By: 
City Attorney

By: 
Name: Patrick Dolim
Title: Chief Financial Officer