

# BOARD OF SUPERVISORS

## AGENDA

Meetings are located at:  
Yuba County Government Center  
Board Chambers, 915 Eighth Street  
Marysville, California



Agenda materials are available at the Yuba County Government Center, 915 8<sup>th</sup> Street, Marysville and [www.co.yuba.ca.us](http://www.co.yuba.ca.us). Any disclosable public record related to an open session item and distributed to all or a majority of the Board less than 72 hours prior to the meeting is available for public inspection at Suite 109 of the Government Center during normal business hours.

**DECEMBER 13, 2011**

**8:30 A.M. YUBA COUNTY WATER AGENCY**

**9:30 A.M. YUBA COUNTY BOARD OF SUPERVISORS - Welcome to the Yuba County Board of Supervisors meeting. As a courtesy to others, please turn off cell phones, pagers, or other electronic devices, which might disrupt the meeting. Thank you.**

- I. **PLEDGE OF ALLEGIANCE** - Led by Supervisor Abe
- II. **ROLL CALL** - Supervisors Vasquez, Nicoletti, Griego, Abe, Stocker
- III. **CONSENT AGENDA: All matters listed under the Consent Agenda are considered to be routine and can be enacted in one motion.**
  - A. Administrative Services
    1. Authorize budget transfer in the amount of \$300,000 from Account No. 129-0000-361-4650 to various accounts as it relates to allocating Economic Development Block Grant 10-EDEF-7271 funds. (534-11)
    2. Approve lease agreement with Federal Aviation Administration for office space located at the Yuba County Airport and authorize the Chair to execute same. (535-11)
  - B. Clerk of the Board of Supervisors
    1. Adopt list of ongoing Boards, Commissions, and Committees appointed by the Board of Supervisors as of December 1, 2011. (536-11)
  - C. Community Development and Services
    1. Adopt resolution adopting a reservation process and establishing fees and fee waivers at Hammon Grove and Sycamore Ranch. (Land Use and Public Works Committee recommends approval) (537-11)
    2. Approve plans, specifications, estimate, and authorize advertisement of bids for La Porte Road at New York Creek bridge replacement project with a tentative bid opening date of January 17, 2012. (538-11)
    3. Accept POW/MIA spray park restroom and flagpole project as complete and release the Performance Bond No. 1000835264 Contract No. 2009-5038. (539-11)
    4. Accept Riverside Meadows Village 2 as complete and release the Performance Bond, Tract Map No. 2004-20. (540-11)
    5. Adopt resolution authorizing Community Development and Services Director or his designee to complete the purchase of single family residence APN 021-450-006 as part of the Neighborhood Stabilization Program and execute all documents needed for completion of purchase, rehabilitation, and resale. (541-11)

D. County Administrator

1. Approve amendment to agreement with Sierra-Sacramento Valley Emergency Medical Services Agency (S-SV EMS Agency) for administration of Yuba County Ordinance Chapter 6.05 related to ambulance services and authorize the Chair to execute same. (542-11)

E. Health and Human Services

1. Adopt resolution authorizing the 2011-12 Public Health Emergency Preparedness, State General Fund Pandemic Influenza, Hospital Preparedness program funding agreement with the California Department of Public Health. (543-11)

F. Human Resources

1. Approve amendment to the Catastrophic Leave Policy and authorize the Human Resources Director and County Administrator to implement changes and execute all necessary documents. (544-11)

G. Library

1. Approve hours of operation and holiday schedule for 2012. (545-11)

H. Treasurer-Tax Collector

1. Adopt resolution delegating investment authority to the Treasurer for the year 2012. (546-11)

IV. **PUBLIC COMMUNICATIONS:** Any person may speak about any subject of concern provided it is within the jurisdiction of the Board of Supervisors and is not already on today's agenda. The total amount of time allotted for receiving such public communication shall be limited to a total of 15 minutes and each individual or group will be limited to no more than 5 minutes. Prior to this time speakers are requested to fill out a "Request to Speak" card and submit it to the Clerk of the Board of Supervisors. Please note: No Board action can be taken on comments made under this heading.

V. **COUNTY DEPARTMENTS**

A. County Administrator

1. Adopt resolution appointing C. Richard Eberle to the position of Auditor-Controller for Yuba County effective December 30, 2011. (547-11)
2. Authorize the County Administrator to dual encumber the position of Assistant Auditor-Controller effective December 19 and ending December 30, 2011. (548-11)
3. Approve agreement with Gallina LLP to perform the County's independent audit for fiscal years ending June 30, 2010, 2011, 2012, and 2013 and authorize the Chair to execute same. (Ten minute estimate) (549-11)
4. Approve contract extension for Paul Brunner, Executive Director of the Three Rivers Levee Improvement Authority and authorize the Chair to execute same. (550-11)
5. Adopt resolution approving Franchise Agreement with Recology for waste collection/disposal and authorizing Chairman to execute all necessary documents; provide designation for use of road maintenance fee provided in the agreement and direct staff to return with appropriate policy; provide direction as appropriate. (551-11)

B. Board of Supervisors

1. Appoint individual as District Three representative to the Yuba County Resource/Development Code Advisory Committee with term ending upon adoption of the Development Code update. (Ten minute estimate) (527-11) (Continued from December 6, 2011)
2. Reconsider approval of repayment agreement with City of Marysville and take action as appropriate. (Ten minute estimate) (505-11) (Continued from December 6, 2011)

C. Human Resources

1. Approve establishment of a Legal Services Coordinator classification and adopt resolutions amending the Position Allocation Schedule and Classification System - Basic Salary / Hourly schedule as it relates to County Counsel Department effective December 1, 2011. (552-11)

VI. **ORDINANCES AND PUBLIC HEARINGS:** If you challenge in court the action or decision of the Yuba County Board of Supervisors regarding a zoning, planning, land use or environmental protection matter made at any public hearing described in this notice, you may be limited to raising only those issues you or someone else raised at such public hearing, or in written correspondence delivered to the Yuba County Board of Supervisors at, or prior to, such public hearing.

- A. Ordinance - Hold public hearing, waive reading, and adopt ordinance amending section 13.00.050 and 13.00.056 of Chapter 13, Title XIII of the Yuba County Ordinance Code relating to the Sheriff's Department. (Ten minute estimate) (530-11)
- B. Ordinance - Hold public hearing, waive reading, and introduce ordinance amending Title VII of the Yuba County Ordinance Code by repealing in their entirety sections 7.05.220 and 7.05.230 and re-enacting section 7.05.220 regarding payment and collection of unpaid refuse service bills. (Land Use and Public Works Committee recommends approval) (Ten minute estimate) (553-11)

VII. **CORRESPONDENCE** - (554-11)

- A. Letter from Lance Hatfield requesting Board inquiry/review of Environmental Health regarding actions related to Travelers Hotel.

VIII. **BOARD AND STAFF MEMBERS' REPORTS:** This time is provided to allow Board and staff members to report on activities or to raise issues for placement on future agendas.

IX. **CLOSED SESSION:** Any person desiring to comment on any matter scheduled for this closed session may address the Board at this time.

- A. Pending litigation pursuant to Government Code §54956.9(a) - Brown vs. McGrath et al
- B. Personnel pursuant to Government Code §54957 - Department Head Evaluation/Public Guardian

X. **RECESS TO 1:30 P.M.**

XI. **WORKSHOP/STUDY SESSION**

- A. Presentation from Dr. Ronald Hayman MD regarding usage of medical marijuana. (Fifteen minute estimate) (555-11)
- B. Receive information on cultivation of medical marijuana. (60 minute estimate) (556-11)

XII. **ADJOURN**

**12-13-2011 - 4:30 P.M. Wheatland City/County Liaison Committee - CANCELLED**  
**Wheatland City Hall**  
**111 C Street**  
**Wheatland, California**

**12-14-2011 - 5:00 P.M. Linda Liaison Committee - CANCELLED**  
**Linda Fire Protection District**  
**1286 Scales Avenue**  
**Marysville, California**

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications or accommodations to participate in this meeting, please contact the Clerk of the Board's office at (530) 749-7510 or (530) 749-7353 (fax). Requests must be made one full business day before the start of the meeting.

To place an item on the agenda, contact the office of the Clerk of the Board of Supervisors at (530) 749-7510.

## **PUBLIC INFORMATION**

**PUBLIC COMMUNICATIONS:** Members of the public shall be allowed to address the Board of Supervisors on items not appearing on the agenda which are of interest to the public and are within the subject matter jurisdiction of the Board, provided that no action shall be taken unless otherwise authorized by law. The total amount of time allotted for receiving such public communication shall be limited to a total of 15 minutes and each individual or group will be limited to no more than 5 minutes.

**AGENDA ITEMS:** The opportunity of the public to be heard on an item shall be provided during the consideration of that item. In the interest of time, the Board has limited the length of such comment or input on each item to 15 minutes total, with a limit of no more than 5 minutes per person or group. The period for public comments on a particular item may be extended upon a majority vote of the Board. These time limits do not apply to applicants appearing before the Board on behalf of their applications.

**ACTION ITEMS:** All items on the Agenda under the headings "Consent," "County Departments," Ordinances and Public Hearings," "Items of Public Interest," and "Closed Session," or any of them, are items on which the Board may take any action at this meetings.

**PUBLIC HEARINGS:** All members of the public shall be allowed to address the Board as to any item which is noticed on the Board's agenda as a public hearing. The Board has limited each person or group input to no more than 3 minutes. Any person or group may provide the Board with a written statement in lieu of or in supplement to any oral statement made during a public hearing. Written statements shall be submitted to the Clerk of the Board.

**ORDINANCES:** Ordinances shall not be passed within five days of their introductions, nor at other than a regular meeting or at an adjourned regular meeting. The Board of Supervisors will address ordinances at first readings. The public is urged to address ordinances at first readings. Passage of ordinances will be held at second readings, after reading the title, further reading is waived and adoption of the ordinance is made by majority vote. An urgency ordinance may be passed immediately upon introduction. The Board reserves the right to amend any proposed ordinances and to hold a first reading in lieu of a second reading.

**INFORMATIONAL CORRESPONDENCE:** The Board may direct any item of informational correspondence to a department head for appropriate action.

**SCHEDULED LUNCH BREAK:** Between the hours of 12:00 noon and 1:00 p.m. and at the discretion of the Chair, the Board will recess one hour for lunch.

**SPECIAL MEETINGS:** No public comment shall be allowed during special meetings of the Board of Supervisors, except for items duly noticed on the agenda.

**PUBLIC INFORMATION:** Copies of §6.7 shall be posted along with agendas.

**End**





*CONSENT*  
*AGENDA*

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# The County of Yuba

## Department of Administrative Services

Doug McCoy - Director



534-11

|                       |          |
|-----------------------|----------|
| IT                    | 741-6248 |
| BUILDING & GROUNDS    | 749-7880 |
| FACILITIES MANAGEMENT | 749-7880 |
| INFORMATION SERVICES  | 749-7891 |
| PRINT SHOP            | 749-7880 |
| PURCHASING            | 749-7880 |
| TELECOMMUNICATIONS    | 749-7880 |

(530) 749-7880  
FAX (530) 749-7936

December 13, 2011

TO: YUBA COUNTY BOARD OF SUPERVISORS

FROM: Doug McCoy, Director of Administrative Services

SUBJECT: APPROVE REQUEST FOR TRANSFER OR REVISION OF APPROPRIATION, ESTIMATED REVENUE OR FUNDS IN THE AMOUNT OF \$300,000 AS IT RELATES TO EDBG 10-EDEF-7271

### Recommendation:

It is recommended that the Board approve the subject "Request for Transfer or Revision of Appropriation, Estimated Revenue or Funds."

### Background:

The budget appropriation is necessary to allocate the grant funds approved.

### Discussion:

The County of Yuba has been successful in receiving a grant in the amount of \$300,000 from the Department of Housing and Community Development as part of the 2010-2011 Community Development Block Grant (CDBG Program), California Economic Enterprise Fund Component award. The funding will provide the County the ability to continue its successful business loan program. This program is managed and administered by the Yuba Sutter Economic Development Corporation through a Subrecipient Agreement that was previously approved by your Board.

### Committee Action:

This item was not presented to the Public Facilities Committee due to the routine nature of the request and the Board had approved by the submittal of a grant application on March 22, 2011. There are no costs associated with this agenda item that would impact the General Fund.

Attachment

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE**

1800 Third Street, Suite 390  
P.O. Box 952054  
Sacramento, CA 94252-2054  
(916) 322-1560  
FAX (916) 327-6660

**JUN 09 2011**

Ms. Wendy Hartman  
Planning Director  
County of Yuba  
915 8th Street, Suite 123  
Marysville, CA 95901

Dear Ms. Hartman:

The Department of Housing and Community Development (Department) is pleased to announce the County of Yuba as a recipient of a 2010–2011 Community Development Block Grant Program (CDBG Program) California Community Economic Enterprise Fund Component award. Funding for the CDBG Program is available pursuant to the Federal Housing and Community Development Act of 1974 as amended in 1981. The primary objective of the CDBG Program is to provide resources to create decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons in your community.

This letter constitutes a conditional commitment of Economic Enterprise Fund Component grant funds in the amount of \$300,000. Staff of the CDBG Economic Development Program will be contacting you shortly to initiate the process of preparing the Standard Agreement for fund distribution. Please note that no funds may be expended, nor any costs incurred, until a contract is fully executed.

Again, congratulations for your successful application. For further information concerning this award, please contact your State CDBG Representative Jon Diedesch at (916) 319-8402, or via email at [jdiedesch@hcd.ca.gov](mailto:jdiedesch@hcd.ca.gov).

Sincerely,

Chris Westlake  
Deputy Director

**RECEIVED**

JUN 14 2011

cc: Debra J. Phillips, Community Services Manager, County of Yuba  
Community Development &  
Services Agency

WHITE AUDITOR - CONTROLLER  
YELLOW - COUNTY ADMINISTRATOR  
PINK - DEPARTMENT

RECEIVED

NOV 17 2011

AUDITOR - CONTROLLER TRANSFER NO. \_\_\_\_\_

COUNTY OF YUBA  
AUDITOR - CONTROLLER

DATE: 12/13 2011

**REQUEST FOR TRANSFER OR  
REVISION OF APPROPRIATION, ESTIMATED REVENUE OR FUNDS**

DEPARTMENT EDBG GRANT

REQUEST APPROVAL OF THE FOLLOWING TRANSFER FISCAL YEAR ENDING JUNE 30, 2012

**BUDGET OR ESTIMATED REVENUE**

☐ ESTIMATED REVENUE INCREASED

☐ APPROPRIATION DECREASED

☐ APPROPRIATION INCREASED

| ACCOUNT NO.        | NAME | AMOUNT     |
|--------------------|------|------------|
| 129-0000-361.46-50 |      | 300,000.00 |
|                    |      |            |
|                    |      |            |
|                    |      |            |
|                    |      |            |
|                    |      |            |
|                    |      |            |

| ACCOUNT NO.        | NAME                     | AMOUNT     |
|--------------------|--------------------------|------------|
| 129-9501-419-23-00 |                          | 41,625.00  |
|                    | Professional Act. Del.   |            |
| 129-9501-419-28-00 |                          | 22,500.00  |
|                    | Spec. Department Expense |            |
| 129-9501-419-28-02 |                          | 235,875.00 |
|                    | RLF                      |            |
|                    |                          |            |

**FUND TRANSFERS**

FUNDS TO BE REDUCED:

| FUND | AMOUNT |
|------|--------|
|      |        |
|      |        |

FUNDS TO BE INCREASED:

| FUND | AMOUNT |
|------|--------|
|      |        |
|      |        |

**GENERAL LEDGER (AUDITOR - CONTROLLER USE ONLY)**

| FUND | ACCOUNT | AMOUNT |        |  | FUND | ACCOUNT | AMOUNT |        |
|------|---------|--------|--------|--|------|---------|--------|--------|
|      |         | DEBIT  | CREDIT |  |      |         | DEBIT  | CREDIT |
|      |         |        |        |  |      |         |        |        |
|      |         |        |        |  |      |         |        |        |
|      |         |        |        |  |      |         |        |        |
|      |         |        |        |  |      |         |        |        |
|      |         |        |        |  |      |         |        |        |
|      |         |        |        |  |      |         |        |        |

REASON FOR TRANSFER: New grant approved.

APPROVED:

☐ AUDITOR - CONTROLLER

Signature

Date

Signature

DEPARTMENT OR PUBLIC OFFICIAL

☒ COUNTY ADMINISTRATOR: Robert Bendy

Signature

Date

Administrative Services Director  
TITLE

Approved as to Availability of Budget Amounts and Balances  
in the Auditor/Controllers Office.

AUDITOR - CONTROLLER

Approved:

BOARD OF SUPERVISORS

Clerk of the Board

Date

Auditor/Controller, Dean E. Sellers

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# The County of Yuba

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## Department of Administrative Services

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Doug McCoy - Director



535-11

|                       |          |
|-----------------------|----------|
| AIRPORT               | 741-6248 |
| BUILDING & GROUNDS    | 749-7880 |
| FACILITIES MANAGEMENT | 749-7880 |
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| PRINT SHOP            | 749-7880 |
| PURCHASING            | 749-7880 |
| TELECOMMUNICATIONS    | 749-7880 |

(530) 749-7880  
FAX (530) 749-7936

December 13, 2011

TO: YUBA COUNTY BOARD OF SUPERVISORS

FROM: Doug McCoy, Director of Administrative Services

SUBJECT: APPROVE LEASE BETWEEN THE COUNTY OF YUBA AND THE UNITED STATES GOVERNMENT, LEASE NO. DTFAWN-11-L-00208 AND AUTHORIZE THE CHAIRMAN TO EXECUTE THE LEASE

### Recommendation:

Approve the subject lease identified as Lease No. DTFAWN-11-L-00208 and authorize the Chairman to execute the same as presented.

### Background:

The subject lease refers to approximately 290 square feet of office facilities currently located in the second floor of the Yuba County Airport weather and training center building. Leases relating to the U.S. government and the Federal Aviation Administration are provided rent free as part of the airport grant assurances approved under the Airport Improvement Grant Program.

### Discussion:

The lease space is used for weather instrumentation that is used by pilots and various agencies for the official local weather information that is typically provided by the Weather Station and other weather sources. The pilots can access the information through their aircraft radios or by telephone.

### Committee Action:

This item was not presented to the committee as it is a standard ground lease and considered routine. The agreement was reviewed and approved by County Counsel.

### Fiscal Impact:

There are no costs associated with this agenda item that would impact the General Fund.

Attachments

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**U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION  
ADMINISTRATION  
ANTENNA AND RACK SPACE LEASE  
FOR REAL PROPERTY**

**Lease No: DTFAWN- 11 - L - 00208**

**Geographical Location: Marysville, CA 95901**

1. THIS LEASE, entered into by and between County of Yuba whose interest in the property hereinafter described is that of Owner, hereby referred to as LESSOR, and the United States of America, hereinafter referred to as the GOVERNMENT OR FAA: WITNESSETH: The Parties hereto, and for the consideration hereinafter mentioned, covenant and agree as follows:

2. DESCRIPTION - The LESSOR hereby leases to the GOVERNMENT the following described premises approximately 290 square feet on the 2<sup>nd</sup> floor to include the use of the restroom(s) of the Yuba County Administration Building shall be related to the FAA's activities in support of Air Traffic operations.

3. TERM - To have and to hold, for the term commencing on October 1, 2010 and continuing through September 30 2031 inclusive.

4. CANCELLATION -The GOVERNMENT or the LESSOR may terminate this lease at any time, in whole or in part, if the Real Estate Contracting Officer (RECO) determines that a termination is in the best interest of the FAA, on or after September 30, 2012 by giving at least 30 day notice in writing to the LESSOR. Said notice will be computed commencing with the day after the date of mailing.

5. RENTAL -The FAA shall pay the Airport no monetary consideration. It is mutually agreed that the rights extended to the FAA herein are in consideration of the obligations assumed by the FAA in its establishment, operation and maintenance of navigational aid facilities upon the premises.

**6. SERVICES AND UTILITIES**

Services supplied to technical equipment will be supplied 24 hours a day, and seven days a week. The FAA will have access to the leased premises at all times, including the use of electrical services without additional payment.

**2.6.2 Antenna and Rack Space Template**

Revised April 2010

OMB Control No. 2120-0595

## 7. GENERAL CLAUSES:

a. **DAMAGE BY FIRE OR OTHER CASUALTY** - If the building or structure is partially or totally destroyed or damaged by fire or other casualty or if environmentally hazardous conditions are found to exist so that the leased premises is untenable as determined by the GOVERNMENT, the GOVERNMENT may terminate the lease, in whole or in part, immediately by giving written notice to the LESSOR and no further rental will be due.

### b. CONTRACT DISPUTES

All contract disputes and arising under or related to this lease contract will be resolved through the Federal Aviation Administration (FAA) dispute resolution system at the Office of Dispute Resolution for Acquisition (ODRA) and will be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and will apply only to final agency decisions. A LESSOR may seek review of a final FAA decision only after its administrative remedies have been exhausted.

All Contract Disputes will be in writing and will be filed at the following address:  
Office of Dispute Resolution for Acquisition, AGC-70,  
Federal Aviation Administration,  
800 Independence Ave., SW,  
Room 323,  
Washington, DC 20591  
Telephone: (202) 267-3290,  
Facsimile: (202) 267-3720

A contract dispute against the FAA will be filed with the ODRA within two (2) years of the accrual of the lease contract claim involved. A contract dispute is considered to be filed on the date it is received by the ODRA.

The full text of the Contract Disputes clause is incorporated by reference. Upon request the full text will be provided by the RECO.

### c. PROTEST:

Protests concerning Federal Aviation Administration Screening Information Requests (SIRs) or awards of lease contracts will be resolved through the Federal Aviation Administration (FAA) dispute resolution system at the Office of Dispute Resolution for Acquisition (ODRA) and will be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and will apply only to final agency decisions. A protestor may seek review of a final FAA decision only after its administrative remedies have been exhausted.

Offerors initially will attempt to resolve any issues concerning potential protests with the RECO.

## 2.6.2 Antenna and Rack Space Template

Revised April 2010

OMB Control No. 2120-0595

Protests will be in writing and will be filed at:  
Office of Dispute Resolution for Acquisition, AGC-70,  
Federal Aviation Administration,  
800 Independence Ave., SW,  
Room 323,  
Washington, DC 20591,  
Telephone: (202) 267-3290; or  
Facsimile: (202) 267-3720

At the same time as filing the protest with the ODRA, the protestor will serve a copy of the protest on the RECO.

A protest is considered to be filed on the date it is received by the ODRA and will be filed: (1) Not later than seven (7) business days after the date the protester knew or should have known of the grounds for the protest; or (2) If the protester has requested a post-award debriefing from the RECO, not later than five (5) business days after the date on which the RECO holds that debriefing.  
The full text of the Contract Protest clause is incorporated by reference. Upon request the full text will be provided by the RECO.

**d. INTERFERENCE**

Should there be an interference with the Lessor's facility due to the FAA operations, FAA shall correct the problem immediately. If the lessor's facility interferes with FAA's equipment then the Lessor will correct the problem immediately.

**e. COORDINATION**

The FAA will receive permission from the lessor prior to installing any new equipment at the site.

**f. NOTICES**

All notices/correspondence shall be in writing, reference the Agreement number, and are addressed as follows:

Lessor:  
County of Yuba  
915 8<sup>th</sup> Street  
Marysville, CA 95901

Government:

FEDERAL AVIATION ADMINISTRATION  
ATTN: REAL ESTATE BRANCH, ANM 53

1601 Lind Avenue, SW  
Renton, WA 98057

**2.6.2 Antenna and Rack Space Template**

Revised April 2010  
OMB Control No. 2120-0595

g. The following clauses are incorporated by reference: The full text of these clauses can be found in Standard Space Lease Form via the Internet at <http://fast.faa.gov>

**-DEFAULT BY LESSOR** - (1) Each of the following shall constitute a default by Lessor under this lease: (a) If the Lessor fails to perform the work required to deliver the leased premises ready for occupancy by the GOVERNMENT with such diligence as will ensure delivery of the leased premises within the time required by the lease agreement, or any extension of the specified time. (b) Failure to maintain, repair, operate or service the premises as and when specified in this lease, or failure to perform any other requirement of this lease as and when required provided such failure which shall remain uncured for a period of time as specified by the Real Estate Contracting Officer, following Lessor's receipt of written notice thereof from the Real Estate Contracting Officer. (c) Repeated failure by the Lessor to comply with one or more requirements of this lease shall constitute a default notwithstanding that one or all failures shall have been timely cured pursuant to this clause.

(2) If default occurs, the GOVERNMENT may, by written notice to the Lessor, terminate the lease in whole or in part.

**-COMPLIANCE WITH APPLICABLE LAWS** - The Lessor shall comply with all federal, state and local laws applicable to the Lessor as owner or lessor, or both, of building or premises, including, without limitation, laws applicable to the construction, ownership, alterations or operation of both or either thereof, and will obtain all necessary permits, licenses and similar items at Lessor's expense. This lease shall be governed by Federal law.

**-OFFICIALS NOT TO BENEFIT** – no member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or any benefit arising from it. However, this clause does not apply to this contract to the extent that this contract is made with a corporation for the corporation's general benefit.

**-COVENANT AGAINST CONTINGENT FEES** – The Lessor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the GOVERNMENT shall have the right to annul this contract without liability or, in its discretion, deduct from the contract price or consideration, or otherwise recover the full amount of the contingent fee.

**-ANTI-KICKBACK** - The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act), prohibits any person from (1) Providing or attempting to provide or offering to provide any kickback; (2) Soliciting, accepting, or attempting to accept any kickback; or (3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.

**-EXAMINATION OF RECORDS** -The Comptroller General of the United States, the Administrator of FAA or a duly authorized representative from either shall, until 3 years after final payment under this contract have access to and the right to examine any of the

## **2.6.2 Antenna and Rack Space Template**

Revised April 2010

OMB Control No. 2120-0595

Lessor's directly pertinent books, documents, paper, or other records involving transactions related to this contract.

**-SUBORDINATION, NONDISTURBANCE AND ATTORNMENT - The**

**GOVERNMENT** agrees, in consideration of the warranties herein expressed, that this lease is subject and subordinate to any and all recorded deeds of trust, mortgages, and other security instruments now or hereafter imposed upon the premises, so long as such subordination shall not interfere with any right of the **GOVERNMENT** under this lease. The Parties hereto mutually agreed that this subordination shall be self-operative and that no further instrument shall be required to effect said subordination.

In the event of any sale of the premises, or any portion thereof, or any such transfer of ownership, by foreclosure of the lien of any such security instrument, or deed provided in lieu of foreclosure, the **GOVERNMENT** will be deemed to have attorned to any purchaser, successor, assigns, or transferee. The succeeding owner will be deemed to have assumed all rights and obligations of the Lessor under this lease, establishing direct privity of estate and contract between the **GOVERNMENT** and said purchasers/transferees, with the same force, effect and relative priority in time and right as if the lease had initially been entered into between such purchasers or transferees and the **GOVERNMENT**; provided that such transferees shall promptly provide, following such sale or transfer, appropriate documentation deemed necessary by the Real Estate Contracting Officer, and shall promptly execute any instrument, or other writings, as shall be deemed necessary to document the change in ownership.

**-LESSOR'S SUCCESSOR** - The terms and provisions of this lease and the conditions herein bind the Lessor and the Lessor's heirs, executors, administrators, successors, and assigns.

**-CCR CENTRAL CONTRACTOR REGISTRATION - REAL PROPERTY** - The FAA uses the Central Contractor Registration (CCR) system as the primary means to maintain Contractor information required for payment under any FAA contract.

(a) Definitions. As used in this clause for:

(1) "Central Contractor Registration (CCR) database" means the primary Government repository for Contractor information required for the conduct of business with the Government.

(2) "Contractor" is synonymous with "Lessor" for real property leases or other contracts

(3) "Data Universal Numbering System (DUNS) number" means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities.

(4) "Data Universal Numbering System +4 (DUNS+4) number" means the DUNS number assigned by D&B plus a 4-character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern to establish additional CCR records for identifying alternative Electronic Funds Transfer (EFT) accounts for the same parent concern.

(5) "Registered in the CCR database" means that the Contractor has entered all mandatory information, including the DUNS number or the DUNS+4 numbers, into the CCR database.

## **2.6.2 Antenna and Rack Space Template**

Revised April 2010

OMB Control No. 2120-0595

(b) By submission of an offer, the offeror acknowledges that:

(1) A prospective awardee will be registered in the CCR database prior to award, during performance, and through final payment.

(2) The offeror will enter, in the space provided on the clause, Contractor Identification Number Data Universal Numbering System (DUNS) Number - Real Property; the offerors DUNS or DUNS+4 numbers that identifies the offerors name and address exactly as stated in the offer. The DUNS number will be used by the Contracting Officer to verify that the offeror is registered in the CCR database.

(c) If the offeror does not have a DUNS number, it will contact Dun and Bradstreet directly to obtain one.

(1) An offeror may obtain a DUNS number:

(i) If located within the United States, by calling Dun and Bradstreet at 1-866-705-5711 or via the Internet at <http://www.dnb.com>; or

(ii) If located outside the United States, by contacting the local Dun and Bradstreet office.

(2) The offeror will be prepared to provide the following information:

(i) Company\* legal business.

(ii) Tradestyle, doing business, or other name by which your entity is commonly recognized.

(iii) Company Physical Street Address, City, State, and ZIP Code.

(iv) Company Mailing Address, City, State and ZIP Code (if separate from physical).

(v) Company Telephone Number.

(vi) Date the company was started.

(vii) Number of employees at your location.

(viii) Chief executive officer/key manager.

(ix) Line of business (industry).

(x) Company Headquarters name and address (reporting relationship within your entity).

\* Individual (non-corporate) Lessors of real property that are not normally in the business of leasing real property: You should consider your leasing to the Government as a separate business (usually a sole proprietorship) then provide the pertinent ownership information as an sole proprietor when providing this information to Dunn & Bradstreet.

(d) If an otherwise successful Offeror does not become registered in the CCR database in the time prescribed by the Contracting Officer, the Contracting Officer may proceed to award to the next otherwise successful registered Offeror, if the Contracting Officer determines it to be in the best interests of the Government.

(e) Processing time, normally 48 hours, will be taken into consideration when registering. Offerors who are not registered will consider applying for registration immediately upon receipt of this solicitation.

(f) The Contractor is responsible for the accuracy and completeness of the data within the CCR database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database the Contractor is required to review and update, on an annual basis from the date of initial registration or subsequent updates, its information in the CCR database to ensure it is current, accurate and complete. Updating information in the CCR does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(g) Changes

## **2.6.2 Antenna and Rack Space Template**

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## (1) Name or Ownership Changes

(i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, the Contractor will provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to:

- a) Change the name in the CCR database;
- b) Agree in writing to the timeline and procedures the Contracting Officer specifies to document the requested change in the contract. With notification, the Contractor will provide sufficient documentation to support the legally changed name then execute the appropriate supplemental agreement to document the name change provided by the Contracting Officer.

(ii) The Contractor's entry of the name/ownership change in CCR does not relieve the Contractor of responsibility to provide proper notice of the name change to the Contracting Officer. The change in CCR cannot be made effective until the appropriate documentation/ supplemental agreement is executed by the Contracting Officer. Any discrepancy in payee information in CCR caused by a failure to fulfill the requirements specified in paragraph (g)(1) (i) above, will result in a discrepancy that is incorrect information, within the meaning of paragraph (d) Suspension of Payment of the electronic funds transfer (EFT) clause of this contract.

(2) Assignment of Claims. The Contractor will not change the name or address for EFT payments in the CCR or manual payments to reflect an assignee. Assignees must separately register in the CCR database. The Contractor will notify the Contracting Officer and will comply with the instructions for submitting an Assignment of Claims notification. Information provided to the Contractor's CCR record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor, without proper notice to the Contracting Officer, will be considered to be incorrect information within the meaning of the paragraph (d) "Suspension of payment" of the EFT clause of this contract.

(h) Exceptions to CCR. As provided for in AMS Procurement Toolbox Section T3.3.1.A-8, "Central Contractor Registration", certain contractors may qualify by limited exceptions to CCR waiver. If a contractor is determined by the Contracting Officer to merit justification of a waiver from CCR, then the contractor will provide initial payment information and any future vendor information changes to the Contracting Officer on the "Vendor Miscellaneous Payment Information" form, provided by the Contracting Officer. An alternate clause, "Contractor Payment Information-Non CCR" will be included in the contract and the lessor/vendor will comply with the terms of that clause. Having an exception from CCR does not excuse a vendor from EFT payment requirements, as required in the clause, "Payment by Electronic Fund Transfer - Real Property".

(i) Offerors and Contractors may obtain information on registration and annual confirmation requirements via the internet at <http://www.ccr.gov> or by calling 1-888-227-2423, or 269

## 2.6.2 Antenna and Rack Space Template

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## **-EFT -PAYMENT BY ELECTRONIC FUND TRANSFER**

(a) Method of payment.

1. All payments by the Government under this contract will be made by electronic funds transfer (EFT), except as provided in paragraph (a) (2) or (a) (3) of this lease. As used in this clause, the term "EFT" refers to the funds transfer and may also include the payment information transfer. Payment information transfer refers to the payment information normally sent with a payment to assist the contractor in associating the payment to specific contracts.

2. In the event the Government is unable to release one or more payments by EFT, the Contractor agrees to either;

a. Accept payment by check or

b. Request the Government to extend the payment due date until such time as the Government can make payment by EFT (but see paragraph (d) of this clause).

3. In the event that the Contractor is granted a waiver from EFT under the exceptions as provided for in FAA AMS Section T3.3.1.A-7, the Government payments will be made by check. A waiver from EFT is not permanent, and the Contractor must register for EFT when the circumstances that justified the waiver change.

(b) Contractor's EFT information. The Government will make payment to the Contractor using the EFT information contained in the Central Contractor Registration (CCR) database. In the event that the EFT information changes, the Contractor will be responsible for providing the updated information to the CCR database (Reference Clause, "Central Contractor Registration - Real Property"). If the Contractor is granted an exemption from CCR, the contractor will follow the requirements of alternate clause "Contractor Payment Information - Non-CCR".

(c) Mechanisms for EFT payment. The Government may make payment by EFT through either the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association, or the Fedwire Transfer System. The rules governing Federal payments through the ACH are contained in 31 CFR Part 210.

(d) Suspension of payment. If the Contractor's EFT information in the CCR database is incorrect, then the Government is not required to make payments to the Contractor under this contract until correct EFT information is entered into the CCR database, and any invoice or contract financing request submitted during this period of noncompliance will be deemed not to be a proper invoice for the purpose of prompt payment under this contract. In such instances, the late interest payment terms of the contract regarding notice of an improper invoice and delays in accrual of interest penalties apply.

(e) Liability for incomplete or erroneous transfers.

1. If an incomplete or erroneous transfer occurs because the Government used the Contractor's EFT information incorrectly, the Government remains responsible for,

(i) Making a correct payment;

(ii) Paying any late payment penalty due; and

(iii) Recovering any erroneously directed funds.

2. If an incomplete or erroneous transfer occurs because the Contractor's EFT information was incorrect, or was revised within 30 days of Government release of the EFT payment transaction instruction to the Federal Reserve System, and,

(i) If the funds are no longer under the control of the payment office, the Government is

### **2.6.2 Antenna and Rack Space Template**

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deemed to have made payment and the Contractor is responsible for recovery of any erroneously directed funds; or

(ii) If the funds remain under the control of the payment office, the Government will make payment under the provisions of paragraph (d)) "Suspension of Payment".

(f) EFT and payment terms. A payment will be deemed to have been made in a timely manner in accordance with the payment terms of this contract if, in the EFT payment transaction instruction released to the Federal Reserve System, the date specified for settlement of the payment is on or before the payment due date, provided the specified payment date is a valid date under the rules of the Federal Reserve System.

(g) EFT and assignment of claims. If the Contractor assigns the proceeds of this contract, as provided for in the assignment of claims terms of this contract, the Contractor will require that the assignee register separately in the CCR database and that the assignee agree that payments will be made by EFT in accordance with the terms of this clause. The requirements of this clause will apply to the assignee as if it were the Contractor. EFT information that shows the ultimate recipient of the transfer to be other than the Contractor or the CCR registered assignee is incorrect EFT information within the meaning of paragraph (d) "Suspension of Payment" clause.

(h) EFT and Change of Name or Ownership Changes. If the Contractor transfers ownership of the property under lease or changes its business name, it will follow the requirements of section (g) of clause, "Central Contractor Registration - Real Property".

(i) Liability for change of EFT information by financial agent. The Government is not liable for errors resulting from changes to EFT information made by the Contractor's financial agent.

(j) Payment information. The accounting office will forward to the Contractor available payment information that is suitable for transmission as of the date of release of the EFT instruction to the Federal Reserve System. The Government may request the Contractor to designate a desired format and method(s) for delivery of payment information from a list of formats and methods the payment office is capable of executing. However, the Government does not guarantee that any particular format or method of delivery is available at any particular payment office and retains the latitude to use the format and delivery method most convenient to the Government. The Contractor can obtain detailed payment information by registering for the US Treasury PAID system. This can be done on the internet by logging onto the website: <https://fmsapps.treas.gov/paid/>. If the Government makes payment by check in accordance with paragraph (a) of this clause, the Government will mail the payment information to the remittance address contained in the contract and CCR database.

## **2.6.2 Antenna and Rack Space Template**

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IN WITNESS WHEREOF, the parties hereto have signed their names:

8a. NAME AND TITLE OF  
LESSOR/OWNER (*Type or Print*)

8b. SIGNATURE OF OWNER

8c. DATE

(10/96)

THIS DOCUMENT IS NOT BINDING ON THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNLESS SIGNED BELOW BY AUTHORIZED CONTRACTING OFFICER.

9a. NAME OF REAL ESTATE  
CONTRACTING OFFICER (*Type or Print*)

9b. SIGNATURE OF REAL  
ESTATE CONTRACTING  
OFFICER

9c. DATE

(10/96)

APPROVED AS TO FORM

ANGIL P. MORRIS-JONES

COUNTY COUNSEL

BY: Maria Bryant Pollard

## 2.6.2 Antenna and Rack Space Template

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# The County of Yuba

536-11



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## Office of Clerk of the Board of Supervisors

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To: Board of Supervisors

From: Donna Stottlemeyer, Clerk of the Board

A handwritten signature in dark ink, appearing to read "Donna Stottlemeyer", is written over the printed name.

Subject: **Local Appointment List**

Date: December 13, 2011

### Recommendation

Adopt list of ongoing Boards, Commissions, and Committees appointed by the Board of Supervisors as of December 1, 2011.

### Background and Discussion

The Maddy Appointive List Act of 1975 requires that on or before December 31 of each year, each legislative body shall prepare an appointments list of all regular and ongoing boards, commissions, and committees which are appointed by that legislative body of the local agency.

Attached is the current list which is posted at the Government Center and Library for public review and highlights the vacancies. This list is continually updated as vacancies occur and is re-posted.

### Fiscal Impact

None.

### Committee Action

None as this is a routine, annual requirement.

ds  
attachments

**YUBA COUNTY LOCAL APPOINTMENT LIST  
BOARD APPOINTED COMMITTEES/COMMISSIONS/BOARDS**

**December 1, 2011**

**VACANT POSITIONS ARE HIGHLIGHTED IN YELLOW**

**Applications and Vacancies on line at <http://www.co.yuba.ca.us/departments/bos/Committees.aspx>**

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**AREA 4 AGENCY ON AGING ADVISORY COUNCIL**

Tai Love  
2260 Park Towne Circle, Suite 100  
Sacramento, CA 95825-0416  
(916) 486-1876

Appointees: 2, Three-year term ending June 30

Qualifications: Resident of Yuba County; low income, older minority persons, or actual consumer of services under the Area Plan (El Dorado, Nevada, Placer, Sacramento, Sierra, Sutter, Yolo, & Yuba).

Meets: Third Thursday of each month, 1:00 p.m. at different locations within the counties represented

Compensation: Mileage at the IRS rate for out of county meetings

Elden Fowler, 06/07/2011 – 06/30/2013

**VACANCY – Unscheduled TERM ENDS 6-30-2014**

**AREA 4 AGENCY ON AGING/GOVERNING BOARD**

2260 Park Towne Circle Suite 100  
Sacramento, CA 95825-0416  
(916) 486-1876

Appointees: 1 At-large appointee Two-year term, and 1 Supervisor/Designee – One-year term. Terms end December 31

Qualifications: Resident of Yuba County

Meets: Second Friday of each month at 10 a.m. at different locations within the 7 counties represented (El Dorado, Nevada, Placer, Sacramento, Sierra, Sutter, Yolo, & Yuba).

Compensation: Mileage at the IRS rate for out of county meetings excluding Board of Supervisors members

Supervisor Andy Vasquez/Supervisor Hal Stocker 01/25/2010 – 12/31/2011

John Hollis, At-Large Representative – 08/03/2010 - 12/31/2011

**ASSESSMENT APPEALS BOARD NO. 2**

Clerk of the Board of Supervisors  
915 – 8<sup>th</sup> Street, Suite 109  
Marysville, CA 95901  
(530) 749-7510

Appointees: 3/2 Alternates, Three-year term ending first Monday in September

Qualifications: Five years professional experience in California as one of the following: CPA/Public Accountant, licensed real estate broker, attorney, property appraiser accredited by a nationally recognized professional organization, or person which the Board of Supervisors believes possesses competent knowledge of property appraisal and taxation.

Meets: 9:00 a.m. on Monday one to two times monthly January through May and at varied times as needed throughout the year.

Compensation: \$75 per hour with \$150 minimum per meeting

Robert Storm, 10/23/2007 – 09/02/2013

Mimi Mathews, 08/26/2008 - 09/01/2014

Pete Hammontre, 08/15/2006 - 09/01/2012

**VACANCY, Alternate No. 1**

**VACANCY, Alternate No. 2**

### **BI-COUNTY SOLID WASTE INDEPENDENT HEARING PANEL**

Environmental Health  
915 – 8<sup>th</sup> Street, Suite 123  
Marysville, CA 95901  
(530) 749-5450

Appointees: 3, Four-year term (May serve more than one term but not more than two consecutive terms)

Qualifications: One member shall be a technical expert with knowledge of solid waste management methods and technology; one member of the local governing body (Yuba County Board of Supervisors); and at least one member shall be a representative of the public at large residing in Yuba or Sutter County.

Meets: As needed

Supervisor John Nicoletti, 01/20/2009 – 12/31/2012      Dennis Green, 06/14/2011 – 1/19/2014  
Jerry Uhland, 05/11/2010 – 05/11/2014

### **BROWNS VALLEY CEMETERY DISTRICT**

Ruth Mikkelsen, Chair  
P.O. Box 333  
Brownsville, CA 95919

Appointees: 3, Four-year term

Qualifications: Elector within the District

Ruth Mikkelsen, 10-27-09 – 08/22/2012      Susan Lee, 08/09/2011 – 04/27/2014  
Dave Baker, 01/11/2011 - 8/13/2013

### **BROWNSVILLE CEMETERY DISTRICT**

Norma Escherman, Secretary  
P.O. Box 333  
Brownsville, CA 95919  
(530) 675-2115

Appointees: 3, Four-year term

Qualifications: Elector within the District

Jim Bamford, 07/06/2010 – 07/06/2014      Cynthia Paloma, 09/09/2008 – 08/08/2012  
Eldon Fowler, 06/07/2011 – 06/07/2015

### **BUILDING CONSTRUCTION APPEALS BOARD**

c/o Community Development  
915 – 8<sup>th</sup> Street, Suite 123  
Marysville, CA 95901  
(530) 749-5430

Appointees: 5, Serve at the pleasure of the Board of Supervisors.

Qualifications: Need not be Yuba County resident. Must be sufficiently experienced in building and construction matters to pass upon matters coming before the Board, such as materials to be used in construction and technical rules relating to building permits.

Meets: As needed

Gerald Sparks, 02/18/1992      Lloyd Appleby, 09/19/1995  
Bart E. Johnson, 12/03/1985      Garry E. Laughlin, 02/07/1984      John Stevens, 10/12/1999

## **CHILD CARE PLANNING COUNCIL OF YUBA & SUTTER COUNTIES**

Executive Director Jorgine Allen-Rogers

1104 E Street

Marysville, CA 95901

(530) 749-4040

Appointees: 5, 3 year term of office ending 9/30

Qualifications: Consumer – Parent or person who receives, or has received child care services;

Child Care Provider – a person who provides child care services or represents persons who provide child care services;

Public Agency – a person who represents a city, county, city and county, or local education agency;

Community – a person who represents an agency or business that provides private funding or advocates for child care services through participation in civic or community-based organizations and is not a child care provider and does not represent an agency that contracts with the California Department of Education to provide child care and development services; or

Discretionary – a person from any of the above categories or outside of these categories at the discretion of the appointing agencies

Meets: Fourth Tuesday of month at 1:00 p.m. at Yuba County Office of Education, Center for Education, 1104 E Street, Marysville.

Kathy Woods, Child Care Provider Rep., 09/25/2007 – 09/30/2013

Denise Burbach, Discretionary Rep., 09/09/2008 - 09/30/2013

Kathy Brown, Public Agency Rep., 12/15/2009 – 09/30/2012

Andrea Armstrong, Consumer Rep., 01/11/2011 - 09/30/2013

Donna Greist, Community Representative, 10/18/2011 – 09/30/2013

## **COMMUNITY SERVICES COMMISSION**

Debra Phillips, Community Services

915 – 8<sup>th</sup> Street, Suite 123

Marysville, CA 95901

(530) 749-5460

Appointees: 5, Term runs concurrent with District Supervisor

Qualifications: Resident of Supervisorial District.

The Board of Supervisors has the option of designating themselves individually as members or appointing a representative.

Meets: First Thursday of each month at 6:00 p.m.

Supervisor Andy Vasquez, Jr. – District One 4/14/2009 – 12/31/2014

Supervisor John Nicoletti, District Two, 01/03/2009 – 12/31/2012

Margo Wildman, District Three, 10-6-2009 - 12/31/2012

Roy Crabtree, District Four, 06/14/2011 – 12/31/2012

Bob Swift, District Five, 11/06/2007 – 12/31/2014

## **DEVELOPMENTAL DISABILITIES AREA BOARD III**

Michael Rosenberg

1507 – 21<sup>st</sup> Street, Suite 220

Sacramento, CA 95814

(916) 324-7426

Appointees: 1, Four-year term

Qualifications: Resident of Yuba County; A person with developmental disabilities, or family member or the parent, guardian, or conservator of such person is preferred or a person interested in serving the needs of those with developmental disabilities.

Meets: Once a month

Compensation: Mileage reimbursement

## **VACANT – Four Year Term**

## **ECONOMIC DEVELOPMENT ADVISORY COMMITTEE**

John Fleming  
915 8<sup>th</sup> Street, Suite 115  
Marysville, CA 95901  
(530) 749-7575

Appointees: Up to 16, Serves at the pleasure of the Board

Qualifications: Business owners and professionals within the County

Meets: Monthly at noon at various areas within the County

Compensation: None. Voluntary

Purpose: Provides recommendations and strategies on implementing programs in the areas of business marketing, business attraction, business retention, business development, and tourism to further the economic strength and vitality of the County.

Nate Pomeroy, District One Rep., 4-13-2010  
Len La Barth, District Two Rep., 4-13-2010  
Sheila Kern, District Three Rep., 4-13-2010  
Wayne Bishop, District Four Rep., 4-13-2010  
Gene Sexton, District Five Rep., 4-13-2010  
Dave Vaughn, District Five Rep., 4-13-2010

### **4 VACANCIES**

Rick Brown, District One Rep., 4-13-2010  
Randy Fletcher, District Two Rep., 4-13-2010  
Todd Hambrook, District Three Rep. 2-1-2011  
Cary Wilson, District Four Rep., 4-13-2010  
Tib Belza, District Five Rep., 4-13-2010  
Rich Gable, District Two Rep., 3-22-2011

## **ENVIRONMENTAL HEALTH APPEALS BOARD**

Environmental Health  
915 – 8<sup>th</sup> Street, Suite 123  
Marysville, CA 95901  
(530) 749-5450

Appointees: 5, Serve at pleasure of Board of Supervisors

Qualifications: One contractor licensed to install private sewage disposal systems in California; one registered environmental health specialist; one medical doctor; one registered or professional civil engineer; and one member of the public.

Meets: As needed

|   |  |
|---|--|
| Fred H. Kawashima, Public At-Large Rep., 10/12/1999             | Bob Nicholson, General Contractor Rep., 09/19/1995 |
| Archibald H. Beard, Medical Doctor Rep., 03/12/1996             | Wes Faubel, Civil Engineer Rep., 10/12/1999        |
| Susan Chalpin, Environmental Health Specialist Rep., 09/19/1995 |  |

## **FIRST 5 YUBA COMMISSION**

(Formerly Children & Families Commission)

Jenny Sharkey

1114 Yuba Street, Suite 121

Marysville, CA 95901-6132

(530) 749-4877

Appointees: 7, Three-year term of office ending the last Monday of April

Qualifications: 1. One Board of Supervisor; 2. Two members from among the County Health Officer and persons responsible for management of the following County functions: children's services, public health services, behavioral health services, social services, and tobacco and other substance abuse prevention and treatment services; and 3. Four members who represent any of the persons described in section 2. above and from the following categories: (a) recipients of project services in the County Strategic plan; (b) educators specializing in early childhood development; (c) representatives of a local child care resource or referral agency or a local child care coordinating group; (d) representatives of a local organization for prevention or early intervention for families at risk; (e) representatives of community-based organizations that have the goal of promoting nurturing and early childhood development; (f) representatives of local school districts; and (g) representatives of local medical, pediatric, or obstetric associations or societies.

Meets: Fourth Thursday of every other month at 1:00 p.m. at the Yuba County Board of Supervisors Chambers

Compensation: Voluntary.

Supervisor Mary Jane Griego/Alternate Supervisor Vasquez, 01/25/2011 – 01/25/2012

Suzanne Nobles, Health and Human Services Director

Dr. Joe Cassady, County Health Officer

Matthew "John" Floe, 04/27/2010 – 04/27/2013

Melinda Staples, 09/13/2011 – 04/29/2013

**UNSCHEDULED VACANCY TERM ENDS: 04/26/2014**

**VACANCY – TERM ENDS: 04/27/2013**

## **FISH AND GAME ADVISORY COMMISSION**

Agriculture Commissioner - Todd Quist

915 – 8<sup>th</sup> Street, Suite 123

Marysville, CA 95901

(530) 749-5400

Appointees: 16 Total. 7 specific district members, runs concurrent with the elected nominating officers; 8 at-large and 1 youth; youth member one year; all other terms shall be four years.

Qualifications: Resident of Yuba County, and other than the youth member who should be between the ages of 15 and 17, shall have attained the age of 18 years by date of appointment.

Meets: First Thursday of the month at 5:30 p.m. at the Yuba County Government Center, Conference Room Two, 915 – 8<sup>th</sup> Street, Marysville, California

Frank Cecil, YCWA North Area, 06/02/2009 - 12/31/2012

Robert W. Gass South Area, 5-17-2011 – 12-31-2014

Frank Hall, District One, 01/11/2011 – 12/31/2014

Christian Hogan, District Two, 01-20-2009 – 12/31/2012

Larry Flynn, District Three, 02/03/2009 – 12/31/2012

Mark Harrison, District Four, 02/03/2009 – 12/31/2012

Robert Winchester, District Five, 03/18/2003 – 12/31/2014

Richard Mortensen, At-large, 04/07/2009 – 04/07/2013

Randy Davis, At-large, 5-17-2011 – 5-17-2015

Grady Windham, At-large 11-16-2010 – 01/25/2015

Buck Weckman, At-Large, 05/05/2009 – 05/05/2013

Deborah Byrne, At-large, 10-05-10 – 10/05/2014

James M. Dousman, At-large, 11/16/2010 – 11/16/2014

Gregory T. Soliz, At-large, 2-17-09 – 2-17-2013

**VACANCY, Youth Representative ONE YEAR TERM from date of appointment**



### **HOUSING ADVISORY AND APPEALS BOARD**

Community Development/Building  
915 – 8<sup>th</sup> Street, Suite 123  
Marysville, CA 95901  
(530) 749-5430

Appointees: 5, Serve at the pleasure of Board

Qualifications: Resident of Yuba County, and experience and training to pass upon matters pertaining to building and construction

Meets: As needed

Compensation: \$25 per day/meeting

John Guanzon, 12/16/2003  
Scott Slayton, 12/16/2003  
Christina Pierce, 03/23/2004

### **ONE VACANCY**

Thomas C. Stoller, 12/16/2003

### **IN-HOME SUPPORTIVE SERVICES (IHSS) ADVISORY COMMITTEE**

Shirley Baker, Adult Services Program Manager  
5730 Packard Avenue  
Marysville, CA 95901  
(530) 749-6371

Appointees: Up to 11, Two-year term

Qualifications: Resident of Yuba County and interest in serving persons with disabilities.

At least 50% of members must be current or past consumers of in-home personal assistance services, and two must be past or present IHSS care providers.

Meets: Quarterly

Ron Russell, 04/07/2009 – 04/26/2013  
Lucille Bryant, 09/13/2011 – 09/13/2013  
David Hantusch, 07/06/2010 – 07/06/2012  
**SIX VACANCIES – Two year term**

Opal Richardson, 08/11/2009 – 08/23/2013  
Gabriel Moore, 04/07/2009 – 04/26/2013

### **KEYSTONE CEMETERY DISTRICT**

Robert Roberts, Chairman  
P.O. Box 8  
Dobbins, CA 95935  
(530) 692-2408

Appointees: 3, Four-year term

Qualifications: Elector within Cemetery District

Dan Lucero, 11/06/2007 – 11/06/2011  
Morris Moody, 2/6/2007 - 12/04/2011

Robert W. Roberts, 03/17/2010 – 3/16/2014

## **LAW LIBRARY BOARD OF TRUSTEES**

County Counsel  
915 – 8<sup>th</sup> Street, Suite 111  
Marysville, CA 95901  
(530) 749-7565

Appointees: 2, One year terms with Board Chairman/designee term ending the last meeting in January

Qualifications: Resident of Yuba County; member of the California state bar; or Board Chairman/designee

Christine Dehr, Chairman/or Designee Rep.

David Ashby, 4/5/2011 – 4/5/2012

## **PEORIA CEMETERY DISTRICT**

Delores McGuire, Secretary  
P.O. Box 23  
Browns Valley, CA 95918  
(530) 749-8473  
(530) 742-8674 – fax

Appointees: 3, Four-year term

Qualifications: Elector within the Cemetery District

Raymond G. Bradley, Jr., 09/09/2008 – 09/09/2012

Nancy Houser, 08/22/2004 – 10-14-2012

Robert Sutton Jr., 04/07/2009 – 04/07/2013

## **PLANNING COMMISSION**

Community Development  
915 – 8<sup>th</sup> Street, Suite 123  
Marysville, CA 95901  
(530) 749-5470

Appointees: 5/4 year term concurrent with Supervisor expiring on the 2<sup>nd</sup> Tuesday following the first Monday in January

Qualifications: Each Supervisor shall appoint one member who shall be a resident of his/her supervisorial district.

Meets: 3rd and 4th Wednesday each month, 6:00 p.m., Board of Supervisors Chambers.

Compensation: \$75 per meeting pursuant to YCOC 11.05.110

Alyssa Lindman, District One, 01/11/2011 – 01/13/2015

Michele Barker, District Two, 02/03/2009 – 01/10/2013

Jimmy Rippey, District Three 2-24-09 - 1/10/2013

Jon Messick, District Four, 01/18/2005 – 1/10/2013

Meldine Rodda, District Five 10/6/2009 – 01/13/2015

## **PLUMAS LAKE SPECIFIC PLAN DESIGN REVIEW COMMITTEE**

Community Development  
915 – 8<sup>th</sup> Street, Suite 123  
Marysville, CA 95901  
(530) 749-5430

Appointees: 5, One Year

Qualifications: Three members shall demonstrate combination of technical knowledge, training or experience architectural, urban planning, landscape, civil engineering and or art or architectural history. Two members shall be residents of the Plumas Lake Specific Plan area.

Meets: As needed on 1<sup>st</sup> Thursday of the month at 5:30 p.m. in Board of Supervisors Chambers

Phil Goode, Resident Representative, 04/01/2008 – 11/09/2011

**VACANT, Term ending 03/01/2012**

Donald Rae, Resident Representative, 01/08/2008 – 03/08/2012

John Taylor, Resident Representative (In lieu of Technical), 02/17/2009 – 03/08/2012

**VACANT – One year term**

**RESOURCE CONSERVATION DISTRICT**

Larry Lloyd

1511 Butte House Road, Ste. B

Yuba City, CA 95993

(530) 674-1461 x 3

Appointees: 5, Four-year term of office ending November 30 of even numbered years

Qualifications: Landowner in Reclamation District (Entire County except for cities of Wheatland and Marysville) and endorsement from 10 Yuba County registered voters

Meets: Normally on the 3<sup>rd</sup> Tuesday of the month at 2:00 p.m. at Yuba County Government Center Agriculture Commissioner Conference Room.

Robert Mathews, 03/22/2011 – 11/30/2014

John L. Waskiewicz, 03/22/2011 – 11/30/2014

Gerald Norene, 03/22/2011 – 11/30/2014

**TWO SCHEDULED VACANCIES – TERM EXPIRES 11/30/2012**

**RESOURCE/DEVELOPMENT CODE ADVISORY COMMITTEE**

Wendy Hartman

915 8<sup>th</sup> Street, Suite 123

Marysville, CA 95901

(530) 749-5470

Appointees: 7 – 1 from each Supervisorial District and 2 Planning Commissioners. Term Ends upon approval of Updated Code

Qualifications: Resident of District and consideration given to applicants with personal or professional experience in the fields of planning, land use, building, environmental sciences

Meets: As needed

**FIVE VACANCIES – ONE FROM EACH SUPERVISORIAL DISTRICT**

**SMARTSVILLE CEMETERY DISTRICT**

Fred Bunge, Manager

P.O. Box 268

Smartville, CA 95977

(530) 639-2541

Appointees: 3, Four-year term

Qualifications: Elector within Cemetery District

Walter Shackelford, 06/05/2001 – 10/13/2013

Leanna Beam, 06/12/2001 – 07/07/2013

**ONE VACANCY – THREE YEAR TERM**

**STRAWBERRY VALLEY CEMETERY DISTRICT**

Mary L. Lauck  
P.O. Box 395  
Strawberry Valley, Ca 95981  
(530) 675-2340

Appointees: 3, Four-year term

Qualifications: Elector within Cemetery District

Benjamin N. Borsoff, 6/15/2010 – 06/15/2014  
James Parnell, 03/23/2010 – 03/23/2014  
Cynara (Lea) Barthelmes, 05/02/2006 – 08/03/2014

**SUBSTANCE ABUSE ADVISORY BOARD (Bi-County)**

Nancy Fontinel, Mental Health Secretary  
P.O. Box 1520  
Yuba City, CA 95992  
(530) 822-7200 ext. 2275

Appointees: 5, Four-year term, Plus 1 Supervisor – One-year term

Qualifications: Resident of Yuba County and have an interest in substance abuse programs

Meets: Fourth Tuesday at 3:00 p.m. at 1965 Live Oak Blvd. Conference Room, Yuba City (except August and December)

Supervisor Andy Vasquez/Alternate Supervisor Mary Jane Griego, 1/18/2011 – 12/31/2011  
Bob Swift, 04/15/2008 – 05/23/2012

**UNSCHEDULED VACANCY Term Ends 11/01/2015**

Kevin Hinckley, 09/20/2011 – 09/20/2015

Roberta D'Arcy, 03/07/2006 – 09/23/2011

Dr. Joseph Cassady, 08/11/20209 – 04/04/2012

**SUTTER-YUBA MENTAL HEALTH ADVISORY BOARD**

Nancy Fontinel, Mental Health Secretary  
P.O. Box 1520  
Yuba City, CA 95992  
(530) 822-7200 ext. 2275

Appointees: 5, Three-year term, Plus 1 Supervisor – One-year

Qualifications: Resident of Yuba County.

At least one family representative and two consumer representatives shall be appointed.

Meets: First Thursday of month at 5:30 p.m. at 1965 Live Oak Blvd. Conference Room, Yuba City (Except for August and December)

Supervisor Hal Stocker/Alternate Supervisor John Nicoletti, 1/18/2011 – 12/31/2011  
Margery Hubbard, Consumer, 07/06/2010 – 07/06/2013  
Dennis Ayres, At-Large, 07/26/2011 – 07/26/2014  
Patricia Stutte, Consumer, 12/7/2010 – 12/7/2013  
Alma Amaya, At-large Rep., 05/05/2008 – 05/05/2012  
Nick P. Sohrakoff Jr., Family Rep., 08/01/2006 – 08/05/2012

### **SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**

Ronald McBride, Manager  
P.O. Box 726  
Yuba City, CA 95992  
(530) 674-5456

Appointee: 1, Two-year or Four-year term at the discretion of the Board of Supervisors

Qualifications: Elector and resident of portion of County which is within District

Meets: Second Thursday of each month at 4:30 p.m. at District office

Compensation: \$50 per month in lieu of expenses

Erica O. Jeffrey, 01/20/2009 – 12/31/2012

### **WHEATLAND CEMETERY DISTRICT**

Robert Bradshaw, Chairman  
3659 Bradshaw Road  
Wheatland, CA 95692

Appointees: 3, Four-year term

Qualifications: Elector within Cemetery District

Donald Boom, 04/13/2010 – 4/13/2014

David C. Creps, 12/04/2007 – 12/04/2011

Robert Bradshaw, 10/17/2004 – 11/18/2012

## **YUBA COUNTY COMMISSION ON AGING**

Chairman Chuck Carver  
4979 Olivehurst Avenue  
Olivehurst, California 95961  
(530) 743-7554

Appointees: 7, Three-year term for At-Large and District reps run concurrent with Supervisorial District

Qualifications: Each Supervisor shall appoint one member who shall be a resident of his/her Supervisorial District. Two At-large members shall be appointed who shall be a County resident.

Meets: Second Wednesday at 10:00 a.m. at the Yuba County Senior Center, 4979 Olivehurst Avenue, Olivehurst

Compensation: None

Gertrude Hinojosa, District One Rep., 01/09/2007 – 12/31/2014

Ethel Jorgensen, District Two Rep., 12-14-2010 - 12/31/2012

Daisy Shelton, District Three Rep., 02/20/2007 – 12/31/2012

Gary Arlington, District Four Rep., 02/10/2009 – 12/31/2012

Sue Cejner-Moyers, District Five Rep., 12/14/2010 - 12/31/2014

**VACANT At-large Rep., TERM Ends: 04/13/2013**

**VACANT At-large Rep., THREE YEAR TERM**

## **YUBA COUNTY LIBRARY ADVISORY COMMISSION**

Yuba County Library  
303 Second Street  
Marysville, CA 95901  
(530) 741-6241

Appointees: 5, Concurrent with District Supervisor

Qualifications: Resident of Supervisorial District representing

Meets: 1<sup>st</sup> Thursday of every other month beginning in February

**VACANT District One, Term ends: 12/31/2014**

Michael Paine, District Two, 01/20/2009 – 12/31/2012

Charissa McClain, District Three, 01/11/2011 - 12/31/2012

Pat Camarena – District Four, 06-15-2010 - 12/31/2012

Sue Cejner – District Five 01/09/2007 – 12/31/2014

## **YUBA COUNTY TRAILS COMMISSION**

Community Development  
915 Eighth St., Ste. 123  
Marysville, CA 95901  
(530) 749-5470

Appointees: 7/Two-year Term (4 appointed by the Board of Supervisors 1 appointed by the Planning Commission, City of Marysville and City of Wheatland)

Qualifications: Resident of Yuba County; four members shall be appointed by the Board of Supervisors representing each of the following: Equestrian Organization; Bicycle Organization; Environmental Organization; and one member At-large.

Meets: First Tuesday of each month at 4:00 p.m. at the Yuba County Government Center, Conference Room 4

William Appleby, Bicyclist Rep., 06/07/2011 – 06/07/2013

Richard Leighty, At-large Rep, 09/14/2010 – 09/28/2012

Diana Culver, Equestrian Rep. 09/14/2010 – 09/14/2012

**UNSCHEDULED VACANCY, Environmentalist Rep., Term ends 08/03/2012**

Alyssa Lindman – Yuba County Planning Commission

Ricky Samayoa, Marysville City Council

Mike McCrary, City of Wheatland Representative

## **YUBA COUNTY YOUTH COMMISSION**

Clerk of the Board of Supervisors  
915 8<sup>th</sup> St. Ste. 109  
Marysville, CA 95901  
(530) 749-7510

Appointees: 11 one year terms beginning July 1 and ending June 30. Each Board member appoints two District representatives, **initially one each to a one year and two year term.** Board Liaison appoints one at large member.

Qualifications: Yuba County Resident and/or Supervisorial District; at least 12 years of age entering the eighth (8<sup>th</sup>) through twelfth (12<sup>th</sup>) grade of school at the time of appointment; have an interest in the needs of young people in Yuba County.

Meets: Second and Fourth Monday of every month at 5:30 p.m. in Board Chambers at the Yuba County Government Center. The Youth Commission shall meet at least once a month except during the months of June through August.

John Nicoletti, Board Liaison – 02/23/2010 – 12/31/2011

**Two Vacancies - District One**

**Two Vacancies -District Two**

**Two Vacancies -District Three**

**Two Vacancies -District Four**

**Two Vacancies -District Five**

**At-Large Representative**

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# The County of Yuba

## Community Development & Services Agency

**Kevin Mallen, Director**

Phone - (530) 749-5430 • Fax - (530) 749-5434  
915 8<sup>th</sup> Street, Suite 123  
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December 13, 2011

To: YUBA COUNTY BOARD OF SUPERVISORS

From: MICHAEL LEE, PUBLIC WORKS DIRECTOR  
RYAN MCNALLY, PARKS AND LANDSCAPE COORDINATOR

Subject: ADOPT AMENDED FEE RESOLUTION FOR HAMMON GROVE AND SYCAMORE RANCH TO ALLOW  
FEE WAIVER FOR DISABLED VETERANS

### Recommendation

That the Board adopt the attached resolution which amends the prior to include a campsite fee waiver for veterans possessing a valid State of California Distinguished Veteran Pass for use at Sycamore Ranch.

### Background

The State of California Department of Parks and Recreation makes available a number of annual passes available to various eligible citizens. One of which is the Distinguished Veteran Pass, formerly known as the Disabled War Veteran / Prisoner of War Pass.

Eligibility of this pass is limited to California residents with a 50% or more service connected disability, or were held as prisoners of war by forces hostile to the United States, or are recipients of the Congressional Medal of Honor. Recipients of this pass are entitled the use of all basic California State Park System facilities including camping and day use areas at no further charge. Although this pass is only valid at State facilities, staff also recommends honoring those who have sacrificed in service by extending similar benefits locally to those recipients.

### Discussion

Staff proposes to issue fee waiver to all California Distinguished Veteran Pass holders which would entitle them to one individual campsite at Sycamore Ranch for a period of time not to exceed five consecutive days in a three month period. This limitation will prevent the tendency to foster long term residents, but is lenient enough to allow twenty free days per year to those who are eligible through their service to our nation.

### **Committee Action**

On December 6, 2011, the Land Use and Public Works Committee reviewed this request recommended approval by the Board.

### **Fiscal Impact**

Minimal fiscal impact. The County would only sacrifice a nominal amount in electricity use and associated charges incurred by those using the facilities. Although the argument could be made that the County might miss out on a potential \$400 annually per each eligible recipient who chooses to take full advantage of this offer, it is important to note that the majority of the sites remain vacant year round and it is hard to envision that a recipient would prevent another paying patron from enjoying the campground.

BEFORE THE COUNTY OF YUBA  
BOARD OF SUPERVISORS

IN RE:

RESOLUTION ADOPTING A RESERVATION )  
PROCESS AND ESTABLISHING FEES AT )  
AND FEE WAIVERS AT HAMMON GROVE )  
AND SYCAMORE RANCH ) RESOLUTION NO. \_\_\_\_\_

WHEREAS, the County of Yuba has adopted Chapter 8.79 of the Yuba County Ordinance Code that allows the Board of Supervisors by resolution to adopt regulations and policies with respect to the use of Hammon Grove Park and Sycamore Ranch; and,

WHEREAS, charging a minimal fee for reserving certain day use and campground areas within Hammon Grove and Sycamore Ranch would help defray maintenance costs associated with increased park usage by persons and groups; and,

WHEREAS, Section 8.79.070 of the Yuba County Ordinance Code allows the Board of Supervisors to set the fees for organized events, daytime use, and overnight camping by resolution and that the fee schedule may require periodic revisions; and,

WHEREAS, Section 8.79.060 further allows the Board of Supervisors to designate a department or designee to issue permits for organized events;

NOW, THEREFORE, the Board of Supervisors of Yuba County does hereby adopt the following:

**A. Hammon Grove and Sycamore Ranch Group Reservation Process:**

1. Group day use and overnight camping reservations are confirmed at time of payment which can be made in person or by mail to the Yuba County Public Works Department, located in the Government Center at 915 8<sup>th</sup> Street, Suite 125, Marysville, CA 95901. Hours of operation are 8a.m. to 5p.m., Monday through Friday. NO RESERVATIONS CAN BE MADE OVER THE PHONE. Telephone inquiries concerning available dates should not be considered as confirmed reservations. All permits are issued on a first-come, first-served basis. All fees must be paid upon completion of a reservation by CASH OR CHECK ONLY. Please make checks payable to: YUBA COUNTY PUBLIC WORKS.

2. Facility reservations may be made for the current year beginning the first working day in January.
3. Group site reservations at Sycamore Ranch must be made and paid for at least one (1) week in advance.
4. Permit holders must immediately notify the Yuba County Public Works Department of any cancellations or changes.
5. When a cancellation is initiated, refunds will be processed as follows:

- At least 30 days in advance . . . . . all but \$15 processing fee.
- Less than 30 days in advance . . . . . NO REFUNDS

Refunds take approximately 4 weeks and will be sent by mail. Cancellations must be made in person or by mail with a copy of the permit or proof of identification. Any changes that a permit holder wishes to make to a reservation must be done in person at the Yuba County Public Works Department.

6. If a permit holder is unable to use the facility due to inclement weather conditions, contact must be made with Yuba County Public Works Department on the next business day after the scheduled event to receive a refund. A refund cannot be given if notification is not made within the next business day. Refunds are the full amount less a \$15 processing fee. Refunds take approximately 4 weeks and will be sent by mail
7. The person responsible for the conduct of an activity must sign the facility permit, e.g. school principal, president, owner, manager. Permit holder is responsible for the supervision and safety of all participants at this event. The permit must be kept at the facility during use and shown to anyone requesting verification.
8. Picnic facilities will be clean and ready for permit holder by 9 a.m. We cannot guarantee their condition after 9 a.m. Permit holder is responsible for leaving area clean on departure.
9. During periods of major construction or due to emergency repairs and maintenance, the Yuba County Public Works Department reserves the right to cancel or reschedule permits.
10. The permit holder should always attempt to resolve any reservation conflict with caretaker. In the event the permit holder is unsuccessful in resolving the conflict, please notify Public Works at 749-5420 during normal business hours or the Sheriff's Department at 749-7777 outside business hours.
11. Organized events or overnight camping are available in designated areas for groups meeting ordinance criteria, with advance approval from the Yuba County Board of Supervisors or a designee thereof.
12. If a deposit was paid for an organized event/overnight camping reservation, a refund will be issued minus any damages or cleanup charges. Refunds take approximately 4 weeks and will be sent by mail.

**B. Sycamore Ranch Individual Campsite Permits:**

1. Permits for individual campsites shall be issued on a daily basis onsite at Sycamore Ranch via a locked self service strongbox and upon receipt of CASH or CHECK ONLY made payable to YUBA COUNTY PUBLIC WORKS. Individual campsite permits are issued on a first come, first serve basis. Parties staying multiple days shall either pay for each day stayed in advance or renew daily. All individual campsite permits are final and non refundable.
2. Veterans who present a valid State of California Distinguished Veteran Pass and photo identification shall be granted a fee waiver for one (1) individual campsite for a period of time not to exceed five (5) consecutive days every three (3) months.
3. Pursuant to Yuba County Ordinance Section 8.79.060, no person shall, without the prior written approval of the County, park more than two (2) motor vehicles or one (1) motor vehicle and one (1) boat or other trailer at any one (1) campsite.

**C. Fee Schedule(s):**

| <b>Hammon Grove Day Use and Picnic Area</b> |   |                    |                 |
|---|---|--------------------|-----------------|
|   |   | <i>0 - 4 HOURS</i> | <i>4+ HOURS</i> |
| <b>A</b>                                    | ½ of Large Built in BBQ and Four (4) Tables   | \$25               | \$45            |
| <b>B</b>                                    | ½ of Large Built in BBQ and Four (4) Tables   | \$25               | \$45            |
| <b>C</b>                                    | Large Built in BBQ, Nine (9) Tables and Stage | \$45               | \$85            |
| Optional Electricity for Packages A - C     |   | \$25               | \$25            |

| <b>Hammon Grove Group Camping (Per Night)</b> |  |
|---|--|
| <b>Special Event Only</b>                     | FEES TO BE DETERMINED BY THE PUBLIC WORKS DIRECTOR |

| <b>Sycamore Ranch Campsites (Per Night)</b> |  |           |    |
|---|--|-----------|----|
| <b>Individual Site</b>                      | ("First Come, First Serve" – no reservations)      | \$ 20.00  | EA |
| <b>Group Site A</b>                         | (60 person capacity - must be reserved in advance) | \$ 200.00 | EA |
| <b>Group Site B</b>                         | (60 person capacity - must be reserved in advance) | \$ 200.00 | EA |
| <b>Group Site C</b>                         | (72 person capacity - must be reserved in advance) | \$ 250.00 | EA |
| <b>Group Site D</b>                         | (20 person capacity - must be reserved in advance) | \$ 75.00  | EA |

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Yuba State of California, on the \_\_\_\_\_ day of \_\_\_\_\_, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_, CHAIR

ATTEST: DONNA STOTTLEMEYER  
CLERK OF THE BOARD OF SUPERVISORS

BY: \_\_\_\_\_

APPROVED AS TO FORM

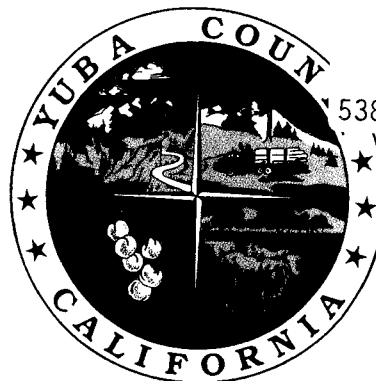
  
\_\_\_\_\_  
ANGEL MORRIS-JONES  
COUNTY COUSEL

# The County of Yuba

## Community Development & Services Agency

**Kevin Mallen, Director**

Phone - (530) 749-5430 • Fax - (530) 749-5434  
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December 13, 2011

TO: YUBA COUNTY BOARD OF SUPERVISORS

FROM: MICHAEL G. LEE, DIRECTOR OF PUBLIC WORKS 

SUBJECT: Approval of Plans, Specifications and Estimate and Authorization for Advertisement of Bids for La Porte Road at New York Creek Bridge Replacement Project

### RECOMMENDATION:

Approval of Plans, Specifications and Estimate and authorize the subject project for advertisement of bids with a tentative bid opening date of January 17, 2012. The Specifications are available for review at Public Works.

### BACKGROUND:

This project will entail replacing the bridge and bridge approaches on La Porte Road crossing New York Creek. The project is funded through the HBP program with the local match being provided by the County of Yuba.

### DISCUSSION:

The work in general will consist of removing the old bridge and replacing it with a wider concrete structure and realigning the roadway approaches.

The engineer's estimate for construction and construction engineering costs are projected to be approximately \$1,220,000. The project is expected to be completed by November 2012.

### COMMITTEE ACTION:

The Land Use & Public Works Committee was bypassed as this project is included in the Public Works Budget.

### FISCAL IMPACT:

The project is primarily funded with Federal-aid money through the Highway Bridge Program (HBP) with a local match of 11.47% that will be provided by Yuba County. Yuba County's local match share will be approximately \$140,000 and will come from the Road Fund.

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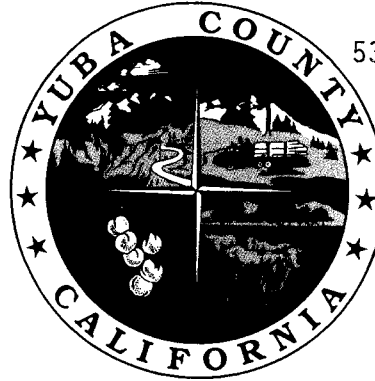


# The County of Yuba

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December 13, 2011

TO: YUBA COUNTY BOARD OF SUPERVISORS

FROM: MICHAEL LEE, PUBLIC WORKS DIRECTOR

SUBJ: ACCEPT P.O.W./M.I.A. SPRAY PARK, RESTROOM AND FLAGPOLE PROJECT AS COMPLETE AND RELEASE THE PERFORMANCE BOND (#1000835264), CONTRACT NO. 2009-5038

### RECOMMENDATION:

Accept P.O.W./M.I.A. Spray Park, Restroom and Flagpole Project as complete and release the Performance Bond (#1000835264) for the project.

### BACKGROUND:

McNabb Construction was awarded the contract for the P.O.W./M.I.A. Spray Park, Restroom and Flagpole Project. The project consisted of constructing a new splash pad, spray elements, recirculating filtration system, concrete restroom and a flagpole with lighting.

### DISCUSSION:

The contractor has completed the project. Per County Ordinance the Board of Supervisors has the authority to release the bond. Once the Board takes action to release the Bond, the Public Works Department will file a Notice of Completion, return the Performance Bond (#1000835264), and return the Labor & Materials Bond 90 days after the Notice of Completion is filed.

### COMMITTEE ACTION:

The Land Use & Public Works Committee was bypassed due to the routine nature of this request.

### FISCAL IMPACT:

None.

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# The County of Yuba

## Community Development & Services Agency

**Kevin Mallen, Director**

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December 13, 2011

TO: YUBA COUNTY BOARD OF SUPERVISORS

FROM: MICHAEL LEE, PUBLIC WORKS DIRECTOR

SUBJ: ACCEPT RIVERSIDE MEADOWS VILLAGE 2 AS COMPLETE AND RELEASE THE PERFORMANCE BOND (#2126601) TRACT MAP NO. 2004-20

### RECOMMENDATION:

Approve Riverside Meadows Village 2 as complete, approve filing a Notice of Completion, release the Performance Bond (#2126601) and release the Labor & Materials Bond 90 days after the filing of the Notice of Completion for the project.

### BACKGROUND:

Plumas Lake Riverside Meadows, L.P. and Golden State Investments Corporation were the Developers for the Riverside Meadows Village 2 Project. The project consisted of constructing street improvements for tract homes in the Plumas Lake area. The project was completed over a year ago.

### DISCUSSION:

The Developers have completed the project and the warranty period has expired. Per County Ordinance, the Board of Supervisors has the authority to release the bonds. Once the Board takes action to release the Bonds, the Public Works Department will file a Notice of Completion, return the Performance Bond (#2126601), and return the Labor & Materials Bond 90 days after the Notice of Completion is filed.

### COMMITTEE ACTION:

The Land Use & Public Works Committee was bypassed due to the routine nature of this request.

### FISCAL IMPACT:

None.

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# The County of Yuba

## Community Development & Services Agency

**Kevin Mallen, Director**

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749-5450 • Fax 749-5454

**HOUSING & COMMUNITY SERVICES**  
749-5460 • Fax 749-5464

**PLANNING**  
749-5470 • Fax 749-5434

**PUBLIC WORKS • SURVEYOR**  
749-5420 • Fax 749-5424

**Date:** December 13, 2011

**To:** Yuba County Board of Supervisors

**From:** Sean Powers, CDSA Finance and Administration Manager

**Subject:** Acquisition of Single Family Residence APN 021-450-006  
for the Neighborhood Stabilization Program

A handwritten signature in black ink, appearing to read "Sean Powers", is written over the "From:" line.

### **Recommendation:**

Adopt the attached resolution authorizing the Community Development Director or his designee to complete the purchase of single family residences APN 021-450-006 as part of the Neighborhood Stabilization Program and execute all documents needed for completion of purchase, rehabilitation, and resale.

### **Background:**

The goal of the County of Yuba Neighborhood Stabilization Program is to stabilize property values and homeownership rates in neighborhoods impacted by foreclosures. The County of Yuba has been awarded \$1,709,395.00 under the Neighborhood Stabilization Program allocation per agreement 09-NSP1-6129 for acquisition, rehabilitation, and resale single family homes. The activities are to be performed in the census tract numbers 0401.00, 0402.00, 0403.00, 0404.00, 0405.00, 0406.00 and 0407.00, in the following areas: Marysville, Linda, Olivehurst and Plumas Lake.

### **Discussion:**

The attached resolution is required for further implementation of the Neighborhood Stabilization Program. For each individual property approved for the program by the County, the Board must consider and approve the purchase of the property by resolution. Assuming Board approval, the County will hold title during the rehabilitation up to resale. CDSA will oversee all activities involving acquisition, rehabilitation, and resale. The Board has previously approved the Community Development Services Agency Director to make purchase offers to the current property owners which have been accepted.

**Committee Action:**

This item was previously discussed with the Board in order to make the initial offers to the current property owners and therefore is being presented directly to the full Board in order to formally move forward with the acquisition.

**Fiscal Impact:**

The purchase and rehabilitation costs will be covered by the Neighborhood Stabilization Program funds in accordance with the requirements established by the State of California Neighborhood Stabilization Program. The purchase price of for APN 021-450-006 is estimated to be \$40,000.

**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF YUBA**

**RESOLUTION AUTHORIZING YUBA COUNTY )  
COMMUNITY DEVELOPMENT AND SERVICES )  
AGENCY DIRECTOR OR HIS DESIGNEE TO )  
COMPLETE THE PURCHASE OF SINGLE FAMILY )  
RESIDENCE APN 021-450-006 AS PART OF THE )  
NEIGHBORHOOD STABILIZATION PROGRAM )  
AND EXECUTE ALL DOCUMENTS NEEDED FOR )  
COMPLETION OF PURCHASE, )  
REHABILITATION, AND RESALE. )**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, Yuba County was awarded Neighborhood Stabilization Program funds per agreement 09-NSP1-6129 with the Department of Housing and Community Development on November 11, 2009 and is authorized to conduct activities in housing acquisition, rehabilitation, and resale of single family homes; and

**WHEREAS**, these activities are to be performed in the census tract numbers 0401.00, 0402.00, 0403.00, 0404.00, 0405.00, 0406.00 and 0407.00, in the following areas: Marysville, Linda, Olivehurst and Plumas Lake; and

**WHEREAS**, the purpose of acquiring these foreclosed properties through the Neighborhood Stabilization Program is to rehabilitate and resell the properties to a owner-occupant which meets the program requirements; and

**WHEREAS**, the Board has previously approved the Community Development Services Agency Director to make, and he has made, a purchase offer to the current property owner which has been accepted; and

**WHEREAS**, the purchase and rehabilitation costs will be covered by the Neighborhood Stabilization Program funds in accordance with the requirements established by the State of California Neighborhood Stabilization Program and the purchase price of APN 021-450-006 is estimated to be \$40,000.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Supervisors authorizes the Yuba County Community Development and Services Agency Director or his designee to complete the purchase, rehabilitation and resale of APN 021-450-006 and execute any necessary documents, subject to County Counsel review.

**PASSED AND ADOPTED** at a regular meeting of the Board of Supervisors of the County of Yuba, State of California on the \_\_\_\_\_ day of \_\_\_\_\_, 2011 by the following vote:

AYES:

NOES:


ABSENT:

ABSTAIN:

\_\_\_\_\_  
CHAIR

ATTEST: DONNA STOTTLEMEYER  
CLERK OF THE BOARD OF SUPERVISORS

\_\_\_\_\_  
  
ANGIL P. MORRIS-JONES  
YUBA COUNTY COUNSEL  
APPROVED AS TO FORM:

  
\_\_\_\_\_



# The County of Yuba

542-11



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## Office of the County Administrator

---

Robert Bendorf, County Administrator  
John Fleming, Economic Development Coordinator  
Russ Brown, Communications & Legislative Affairs Coordinator  
Grace M Mull, Management Analyst  
Teena L. Carlquist, Executive Assistant to the County Administrator  
Yuba County Government Center  
915 8<sup>th</sup> Street, Suite 115  
Marysville, CA 95901

Phone: (530) 749-7575  
Fax: (530) 749-7312  
Email: [rbendorf@co.yuba.ca.us](mailto:rbendorf@co.yuba.ca.us)  
[jfleming@co.yuba.ca.us](mailto:jfleming@co.yuba.ca.us)  
[rbrown@co.yuba.ca.us](mailto:rbrown@co.yuba.ca.us)  
[gmull@co.yuba.ca.us](mailto:gmull@co.yuba.ca.us)  
[tcarlquist@co.yuba.ca.us](mailto:tcarlquist@co.yuba.ca.us)

**Date:** December 13, 2011  
**To:** Board of Supervisors  
**From:** Robert Bendorf, County Administrator *RB*  
**By:** Grace Mull, Management Analyst *GM*  
**Re:** Amendment to Agreement for Administration of Yuba County Ordinance  
Chapter 6.05 Related to Ambulance Services

### Recommendation

Board of Supervisors approve and authorize Chairman to sign amendment to the agreement for administration of Yuba County Ordinance Chapter 6.05 related to ambulance services with Sierra-Sacramento Valley Emergency Medical Services Agency (S-SV EMS Agency).

### Background

The S-SV EMS Agency is designated as the local EMS Agency for the County of Yuba and is a regional Joint Powers EMS Agency for Yuba, Placer, Yolo, Nevada and Placer counties. The agreement with S-SV EMS Agency delegates the administration of Yuba County's Ambulance Ordinance to the Agency. The responsibilities include developing any necessary Requests for Proposals (RFP), establishing exclusive ambulance operating areas, distributing RFPs to qualified bidders, developing a process to evaluate, select, and permit ambulance providers for Yuba County, and periodically approving rate changes for ambulance providers. In additions, S-SV EMS Agency is responsible for ongoing monitoring of the Ambulance Ordinance to ensure compliance for all parties involved. S-SV EMS Agency also administers the Ambulance Ordinances for Placer, Yolo and Nevada counties.

### Discussion

The Board of Supervisors approved the current contract on February 26, 2009. The contract provides for an annual payment of \$5,000. The amendment brought forward today extends the expiration date to June 30, 2014. No other contract terms have been revised.

### Committee

This item did not go to Committee as there were no changes to the terms of the contract other than a time extension.

### Fiscal Impact

There is no fiscal impact associated with this item as the funding associated with the contract is currently budgeted.

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**AMENDMENT TO AGREEMENT FOR ADMINISTRATION OF YUBA  
COUNTY ORDINANCE CHAPTER 6.05 RELATED TO AMBULANCE  
SERVICES**

WHEREAS, County and Sierra-Sacramento Valley Emergency Medical Services Agency desire to amend the existing agreement for administration of Yuba County Ordinance 6.05 related to ambulance services.

NOW, THEREFORE, County and Sierra-Sacramento Valley Emergency Medical Services amend the existing agreement in the following respects:

1. Paragraph III. (B) is amended to reflect extension of future payment dates for an additional three-year period for 2012-2014. "Subsequent payments shall be due on July 1, 2012, July 1, 2013, and July 1, 2014, provided, however, that such payments shall only be made upon receipt by the Yuba County Administrator's Office of a written progress report from AGENCY detailing the performance of tasks required by this Agreement."
2. Paragraph XI. is amended to reflect extended agreement ending date and allows for future extensions of the contract for a three-year period. "The term of this Agreement shall commence July 1, 2011 and end on June 30, 2014. The Agreement may be extended for additional three-year periods with the written agreement of both parties."
3. This amendment is made this \_\_\_\_\_ day of \_\_\_\_\_, 2011 by and between the County of Yuba and Sierra-Sacramento Valley Emergency Medical Services.
4. Except as inconsistent herewith, the existing contract is ratified and incorporated herein by reference.

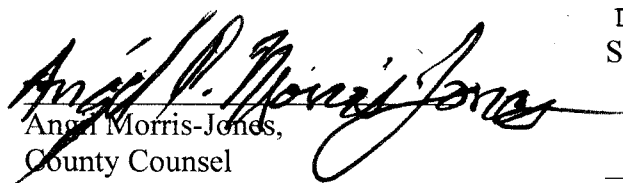
IN WITNESS WHEREOF, the parties hereto have entered into this Agreement on the date first above shown.

ATTEST

\_\_\_\_\_  
Donna Stottlemeyer,  
Clerk of the Board of Supervisors

\_\_\_\_\_  
Roger Abe, Chairman  
Yuba County Board of Supervisors

APPROVED AS TO FORM

  
Angel Morris-Jones,  
County Counsel

\_\_\_\_\_  
Larry Montna, Chair  
S-SV JPA Governing Board of Directors

\_\_\_\_\_  
Vickie Pinette, Regional Executive Director  
S-SV EMS Agency

**AGREEMENT BETWEEN  
THE COUNTY OF YUBA  
AND  
SIERRA-SACRAMENTO VALLEY EMS AGENCY  
2009-2011**

**WHEREAS** the Sierra-Sacramento Valley Emergency Medical Service Agency, hereafter referred to as "AGENCY," is designated as the local Emergency Medical Services (EMS) agency for the County of Yuba and is a regional Joint Powers EMS Agency for the counties of Placer, Yolo, Nevada, Sutter and Yuba; and

**WHEREAS** the County of Yuba, hereafter referred to as "COUNTY", desires to continue to delegate additional local EMS Agency responsibilities contained in the Yuba County Ordinance, Chapter 6.05, Ambulance, to AGENCY, which responsibilities include, but are not limited to development of Requests For Proposals, bidding, provider selection, appeals, exclusive ambulance zoning and ongoing ordinance monitoring; and

**WHEREAS** COUNTY and AGENCY wish to cooperate with each other to accomplish necessary tasks in the most efficient manner possible while providing high quality services;

**I. COUNTY AND AGENCY HEREBY AGREE AS FOLLOWS:**

- A. COUNTY hereby affirms the delegation of duties, responsibilities, and authority as contained in the Yuba County Ambulance Ordinance (Chapter 6.05) to AGENCY.
- B. AGENCY hereby agrees to carry out the responsibilities delegated to it in the Yuba County Ambulance Ordinance.

**II. COUNTY hereby delegates to AGENCY, and AGENCY hereby agrees to perform, the following additional duties:**

- A. AGENCY shall, as needed, develop Requests for Proposals (RFP) for ambulance services within the County of Yuba that comply with State law and regulation. AGENCY shall establish exclusive ambulance operating areas within COUNTY. Part of the RFP process shall include the mapping of exclusive ambulance zones.
- B. AGENCY shall distribute the RFP to qualified bidders and develop a system for analysis, evaluation, and selection of qualified bid responses.
- C. AGENCY shall review, select and permit the ambulance provider(s) for the COUNTY.

- D. AGENCY shall provide ongoing monitoring of the Yuba County Ambulance Ordinance.

**III. COUNTY hereby agrees to provide the following:**

- A. COUNTY shall provide the necessary support services that AGENCY needs in order to successfully perform its duties and responsibilities as required by the Yuba County Ambulance Ordinance and as required pursuant to this Agreement. Support services to be provided to AGENCY by COUNTY shall include;

1. Assistance from COUNTY Administrative Services Division in carrying out the bid process, including clerical support, assistance in mailing bid packets and receiving responses, and oversight of bid process.
2. Assistance from COUNTY Risk Management, including recommendations with respect to required insurance coverage and review of bidders' proffered insurance information.

- B. COUNTY shall pay to AGENCY the total sum of \$5,000 annually (Five Thousand Dollars) for services rendered pursuant to this Agreement. Payment shall be made annually on July 1 at the beginning of each fiscal year. The first payment shall be due and payable the first of the month in which this agreement is finalized for a prorated portion of Fiscal Year 2008-2009. Subsequent payments shall be due on July 1, 2009, July 1, 2010, and July 1, 2011, provided, however, that such payments shall only be made upon receipt by the Yuba County Administrator's Office of a written progress report from AGENCY detailing its performance of tasks required by this Agreement.

- IV. Nothing in this Agreement shall be construed to require that all or any areas of YUBA COUNTY be included in any given Request for Proposal process. Nothing in this Agreement shall be construed as conferring any enforceable right upon any third party.

- V. Either of the parties may cancel Agreement without cause after 60 days written notice has been served upon the other party.

**VI. HOLD HARMLESS AND INDEMNIFICATION AGREEMENT:**

AGENCY shall defend, save, keep, hold harmless and indemnify Yuba County from all damages, costs, or expenses in law or equity that may at any time arise because of damages to property or persons by reason of or in the course of performing work which may be occasioned by any willful or negligent act or omissions of AGENCY, any AGENCY employees, or any subcontractors of AGENCY.

AGENCY shall be responsible for any liability imposed by law and for death, injury, or damage to property of any person including, but not limited to, workmen, subcontractors, and the public resulting from any cause whatsoever during the progress of the work or at any time before its completion and final acceptance.

If any judgment is rendered against the COUNTY for any injury, death, or damage caused by AGENCY as a result of work performed or completed pursuant to this agreement, AGENCY shall at its own expense satisfy and discharge any judgment.

As used above, the term COUNTY means Yuba County, its officers, agents, employees, and volunteers.

**VII. INSURANCE:**

AGENCY shall file with COUNTY concurrently herewith a Certificate of Insurance with a company or companies acceptable to COUNTY with a Best's Rating of no less than A: VII, showing.

**A. WORKER'S COMPENSATION AND EMPLOYERS LIABILITY INSURANCE**

Worker's Compensation Insurance shall be provided as required by any applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than:

- One million dollars (\$1,000,000) each accident for bodily injury by accident
- One million dollars (\$1,000,000) policy limit for bodily injury by disease
- One million dollars (\$1,000,000) each employee for bodily injury by disease

If there is an exposure of injury to any AGENCY employee under the U.S. Longshoremen's and Harbor Worker's Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

Each Worker's Compensation policy shall be endorsed with the following specific language:

Cancellation Notice – "This policy shall not be canceled or materially changed without first giving thirty (30) days prior written notice to the County of Yuba."

AGENCY shall require all Subcontractors to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the COUNTY upon demand.

**B. General Liability Insurance:**

- Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of AGENCY, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:
  - Contractual liability insuring the obligations assumed by AGENCY in this Agreement; and
  - One of the following forms of coverage is required:
    - Comprehensive General Liability  
The limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:

- One million dollars (\$1,000,000) each occurrence
- One million dollars (\$1,000,000) aggregate, or
- **Commercial General Liability (Occurrence)**  
The limits of liability shall not be less than:
  - One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)
  - One million dollars (\$1,000,000) for Products Completed Operations
  - One million dollars (\$1,000,000) General Aggregate, or
- **Commercial General Liability (Claims Made)**  
If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars (\$2,000,000).

**C. SPECIAL CLAIMS MADE POLICY FORM PROVISIONS:**

AGENCY shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of COUNTY, which consent if given, shall be subject to the following:

1. The limits of liability shall not be less than:
  - One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)
  - One million dollars (\$1,000,000) aggregate for Products Completed Operations
  - One million dollars (\$1,000,000) \$1,000,000 General Aggregate
2. Insurance coverage provided by AGENCY shall contain language providing coverage up to six months following the completion of the contract in order to provide insurance coverage for the hold-harmless provisions herein if the policy is a claims made policy.

**VIII. ENDORSEMENTS:**

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

- *"The County of Yuba, its officers, agents, employees, and volunteers are to be covered as insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."*
- *"The insurance provided by AGENCY, including any excess liability or umbrella form coverage, is primary coverage to the County of Yuba with respect to any insurance or self-insurance programs maintained by the County of Yuba and no insurance held or owned by the County of Yuba shall be called upon to contribute to a loss."*

held or owned by the County of Yuba shall be called upon to contribute to a loss."

- "This policy shall not be canceled or materially changed without first giving thirty (30) days' prior written notice to the County of Yuba."

E. IX. **AUTOMOBILE LIABILITY INSURANCE:**

Automobile Liability insurance covering bodily injury and property damaged in an amount no less than one million dollars (\$1,000,000) combined single limit for each occurrence. Covered vehicles should include owned, non-owned, and hired automobiles/trucks.

X. **PROFESSIONAL LIABILITY INSURANCE (ERRORS AND OMISSIONS):**

Professional Liability Insurance for Errors and Omissions coverage in the amount of not less than one million dollars (\$1,000,000).

If AGENCY sub-contracts for support of AGENCY's work provided for in this agreement, Professional Liability Insurance for Errors shall be provided by the sub-contractor in an amount not less than one Million dollars (\$1,000,000) in aggregate.

The insurance coverage provided by AGENCY shall contain language providing coverage up to six (6) months following completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims made policy.

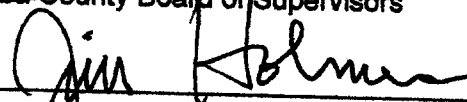
- XI. The term of this Agreement shall commence March 1, 2009, and end on June 30, 2011. The Agreement may be extended for additional one-year periods with the written agreement of both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

DATED: 3-10-09

  
John Nicoletti, Chair  
Yuba County Board of Supervisors

DATED:

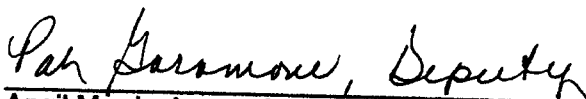
  
Jim Holmes, Chair  
S-SV JPA Governing Board of Directors

DATED:

  
Vickie Pinette, Regional Executive Director  
S-SV EMS Agency

APPROVED AS TO FORM:

DATED: 2.24.09

  
Angil Morris-Jones, Chief Deputy  
Yuba County Counsel



# The County of Yuba

## HEALTH & HUMAN SERVICES DEPARTMENT

**Suzanne Nobles, Director**

5730 Packard Ave., Suite 100, P.O. Box 2320, Marysville, California 95901  
Phone: (530) 749-6311 Fax: (530) 749-6281



543-11

**Joseph W. Cassady, D.O.,  
Health Officer**

Phone: (530) 749-6366

**TO:** Board of Supervisors  
Yuba County

**FROM :** *Suzanne Nobles*  
Suzanne Nobles, Director  
Health and Human Services Department

**DATE:** December 13, 2011

**SUBJECT:** Resolution of the Board of Supervisors Authorizing the Health and Human Services Department to Enter into Agreement with the California Department of Public Health (CDPH) for Public Health Emergency Preparedness, Hospital Preparedness Program, and State General Fund Pandemic Influenza Funds

**RECOMMENDATION:** Board of Supervisors approval of the Resolution of the Board of Supervisors authorizing the Health and Human Services Department to enter into an Agreement with CDPH for Public Health Emergency Preparedness (PHEP), Hospital Preparedness Program (HPP), and State General Fund (GF) Pandemic Influenza funds for the period of July 1, 2011 through August 9, 2012; and further, authorizing the Chair of the Board to execute documents as required by the grant and to accept funds is recommended.

**BACKGROUND:** Since July 2002, Yuba County, through its Health and Human Services Department, has received Public Health Emergency Preparedness funds in order to establish an infrastructure to ensure the immediate and adequate response to acts of bioterrorism as well as other infectious disease outbreaks and threats to public health.

**DISCUSSION:** For the grant funding period of July 1, 2011 through August 9, 2012, CDPH will provide funds in the amount of \$356,675; consisting of \$136,845 for PHEP, \$157,355 for HPP, and \$62,475 for GF Pandemic Influenza. With these funds, the public health infrastructure of the County will be better prepared to recognize, respond to and minimize illness and injury resulting from acts of biological and chemical terrorism, and other infectious disease outbreaks, including pandemic influenza. This Resolution of the Board will authorize the Health and Human Services to enter into agreement with CDPH for these funds, and will further authorize the Chairman to execute agreements and documents as required by this grant agreement and accept funds.

**COMMITTEE:** The Human Services Committee was by-passed due to the routine nature of the state agreement and grant funding.

**FISCAL IMPACT:** Adoption of this Resolution of the Board will not impact County Funds. There is no County Match requirement for the PHEP, HPP, or GF Pandemic Influenza funds.

BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF YUBA

|                                     |   |                      |
|-------------------------------------|---|----------------------|
| RESOLUTION AUTHORIZING THE YUBA     | ) |                      |
| COUNTY HEALTH AND HUMAN SERVICES    | ) |                      |
| DEPARTMENT TO ENTER THE 2011-12     | ) |                      |
| CDC PUBLIC HEALTH EMERGENCY         | ) | Resolution No. _____ |
| PREPAREDNESS (PHEP), STATE GENERAL  | ) |                      |
| FUND (GF) PANDEMIC INFLUENZA, HHS   | ) |                      |
| HOSPITAL PREPAREDNESS PROGRAM (HPP) | ) |                      |
| FUNDING AGREEMENT WITH THE          | ) |                      |
| CALIFORNIA DEPARTMENT OF PUBLIC     | ) |                      |
| HEALTH AND FURTHER, AUTHORIZES THE  | ) |                      |
| CHAIRMAN TO EXECUTE DOCUMENTS AS    | ) |                      |
| REQUIRED BY THIS AGREEMENT          | ) |                      |
| _____                               | ) |                      |

WHEREAS, the State of California has made funds available to state health agencies for the purpose of assisting county health departments in planning, preparing, and maintaining public health preparedness to ensure immediate and adequate response to acts or threats of bioterrorism, other infectious disease outbreaks or other public health threats and emergencies; and

WHEREAS, it is in the best interest of the residents of the County of Yuba that the public health infrastructure of the County of Yuba be prepared to recognize, respond to and minimize illness and injury resulting from acts or threats of bioterrorism, other infectious disease outbreaks or other public health threats and emergencies.

NOW, THEREFORE, BE IT RESOLVED the Yuba County Board of Supervisors authorizes the Yuba County Health and Human Services Department to enter into the 2011-12 CDC Public Health Emergency Preparedness (PHEP), State General Fund (GF), Pandemic Influenza, HHS Hospital Preparedness Program (HPP), funding agreement with the California Department of Public Health;

BE IT FURTHER RESOLVED the Chairman of the Yuba County Board of Supervisors is authorized to:

- (1) accept funds totaling \$356,675 (\$136,845 PHEP funds, \$157,355 HPP funds, and \$62,475 GF Pandemic Influenza funds) for public health preparedness and any subsequent funds awarded,
- (2) to execute, upon review and approval of the County Counsel, documents as required by the contract,
- (3) execute and authorize the transfer and allocation of funds, and
- (4) to amend contracts for additional or lesser funding, and to execute amendments or memorandums of understanding developed under this grant if the allocation, or a portion thereof, is awarded.

A copy of the said contract or any amendment thereto, shall be filed in the office of the Clerk of the Board, County of Yuba.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors  
of the County of Yuba, State of California, on the \_\_\_\_\_ day of \_\_\_\_\_,  
2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

County of Yuba

BY: \_\_\_\_\_  
Chair

ATTEST: Donna Stottlemeyer  
Clerk of the Board of Supervisors

By: \_\_\_\_\_

APPROVED AS TO FORM:  
ANGIL P. MORRIS-JONES  
COUNTY COUNSEL

By: Maria Bryant-Belland

**Attachment 23**

County of YUBA

2011-12

Agreement No. EPO 11-\_58

**2011-12 CDC Public Health Emergency Preparedness (PHEP), State General Fund (GF)  
Pandemic Influenza, HHS Hospital Preparedness Program (HPP) Funding**

**AGREEMENT**

***CDC CFDA # 93.069; HPP CFDA # 93.889; State GF Pan Flu - Chapter 33***

1. This Agreement is entered into between the California Department of Public Health, herein after referred to as "CDPH" and the County of YUBA, herein after referred to as "LHD" and/or "Local HPP Entity".
2. The term of this Agreement is:
  - August 10, 2011 through August 9, 2012 PHEP (Centers for Disease Control and Prevention [CDC])
  - July 1, 2011 through June 30, 2012 (Hospital Preparedness Program [HPP])
  - July 1, 2011 through June 30, 2012 (State GF Pandemic Influenza)
3. The maximum amount payable under this Agreement is \$356,675, and is allocated as follows:
  - \$137,795 PHEP CDC Base Allocation. (8/10/11 – 8/9/12) less \$950 for SAS Renewal
  - \$0, Laboratory Allocation. (8/10/11 – 8/9/12)
  - \$0, Laboratory Trainee Stipends. (8/10/11 – 8/9/12)
  - \$0, Laboratory Training Assistance Grant. (8/10/11 – 8/9/12)
  - \$0, Cities Readiness Initiative Funds. (8/10/11 – 8/9/12)
  - \$157,355, HPP Allocation. (7/1/11 – 6/30/12)
  - \$62,475, State GF Pandemic Influenza Allocation. (7/1/11 – 6/30/12)
4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of this Agreement.

|   |          |
|---|----------|
| Exhibit A — Scope of Work   | 03 Pages |
| Exhibit B — Budget Detail and Budget Provisions   | 04 Pages |
| Exhibit B, Attachment 1, Criteria for Payments  | 01 Page  |
| Exhibit C — Additional Provisions   | 03 Pages |
| Exhibit D(F) — Special Terms and Conditions (Federal)   | 25 Pages |
| Notwithstanding provisions 3, 4, 6, 12, 13, 17, 22, 23, 27,<br>and 30 which do not apply to this Agreement. |          |
| Exhibit E – Non-Supplantation Certification Form  | 01 Page  |

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

| <b>CONTRACTOR</b>  |   |
|--|---|
| CONTRACTOR'S NAME  |   |
| County of YUBA   |   |
| BY (Authorized Signature)  | DATE SIGNED (Do not type -signor must date) |
| PRINTED NAME AND TITLE OF PERSON SIGNING                                 |   |
| Roger Abe, Chair, Yuba County Board of Supervisors                       |   |
| ADDRESS 915 8th Street, Suite 109, Marysville, CA 95901                  |   |
| AGENCY NAME State of California  |   |
| California Department of Public Health                                   |   |
| BY (Authorized Signature)  | DATE SIGNED                                 |
| ADDRESS  |   |
| 1615 Capitol Avenue, MS 7002, P.O. Box 997377, Sacramento, CA 95899-7377 |   |

**APPROVED AS TO FORM**  
**ANGIL P. MORRIS-JONES**  
**COUNTY COUNSEL**  
BY: Maria Bryant-Pellaro

**EXHIBIT A**  
**2011-12 CDC Public Health Emergency Preparedness (PHEP), State General Fund (GF) Pandemic Influenza, HHS Hospital Preparedness Program (HPP) Funding Scope of Work**

**1. Service Overview**

This Agreement is entered into between the California Department of Public Health, hereinafter referred to as "CDPH" and the County of YUBA, hereinafter referred to as the "LHD" and/or "Local HPP Entity". LHD or Local HPP Entity agrees to provide to CDPH the services described herein.

Activities must be in accordance with the Centers for Disease Control and Prevention (CDC) and Hospital Preparedness Program (HPP) 2011-12 Program Guidance, State General Fund (GF) Pandemic Influenza, Public Health Emergency Preparedness (PHEP) Comprehensive Agreement Application 2011-12, Plan and Budget.

**2. Service Location**

The services shall be performed at applicable facilities in the County of YUBA.

**3. Service Hours**

The services shall be provided during normal LHD and/or Local HPP Entity working hours and days, as well as other hours and days the LHD deems appropriate.

**4. Project Representatives**

A. The project representatives during the term of this agreement will be:

|  |  |
|--|--|
| <b>Department of Public Health</b><br>EPO Project Officer<br>Dan Nichols<br>Telephone: (916) 650-6440<br>Fax: (916) 650-6420<br>Email: Dan.Nichols@cdph.ca.gov | <b>County of YUBA</b><br>Joseph Cassady<br>Telephone: (530) 749-6781<br>Fax: (530) 749-6397<br>Email: joecassady@co.yuba.ca.us |
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B. Direct all inquiries to:

|  |  |
|--|--|
| <b>Department of Public Health</b><br>Emergency Preparedness Office<br>Attention: Local Management Unit<br>MS 7002<br>P.O. Box 997377<br>Sacramento, CA 95899-7377<br><br>Telephone: (916) 650-6416<br>Fax: (916) 650-6420 | <b>County of Yuba</b><br>Rose Milliron<br>5730 Packard Ave., Suite 100<br>Marysville, CA 95901<br>Telephone: (530) 749-6741<br>Fax: (530) 749-6397 |
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- C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this agreement.

**5. Services to be Performed**

LHD and/or Local HPP Entity shall perform services as outlined in accordance with the Public Health Emergency Preparedness, State GF Pandemic Influenza and HHS Hospital Preparedness Cooperative Agreement Application, Work Plans, and Budgets.

**6. Allowable Informal Scope of Work Changes**

- A. The LHD and/or Local HPP Entity or CDPH may propose informal changes or revisions to the activities, tasks, deliverables and/or performance time frames specified in the Scope of Work (SOW), provided such changes do not alter the overall goals and basic purpose of the agreement.
- B. Informal SOW changes may include the substitution of specified activities or tasks; the alteration or substitution of agreement deliverables and modifications to anticipated completion/target dates.
- C. Informal SOW changes processed hereunder shall not require a formal agreement amendment, provided the LHD's and/or Local HPP Entity's annual budget does not increase or decrease as a result of the informal SOW change.
- D. Unless otherwise stipulated in this agreement, all informal SOW changes and revisions are subject to prior written approval by the CDPH.
- E. In implementing this provision, CDPH will provide a format for the LHD's and/or Local HPP Entity's use to request informal SOW changes.

**7. Reporting Requirements**

- A. Semi-annual written progress reports and expenditure reports must be submitted according to the schedule shown below. The purpose of the progress reports and expenditure reports are to document activities and expenditure of funds.
- |   |                  |
|---|------------------|
| Start of each grant through mid-year point    | April 2, 2012    |
| Start of each grant through end of each grant | November 1, 2012 |
- B. Each progress report shall include, but not be limited to, data and information required by statute and information needed to satisfy federal reporting and CDPH monitoring requirements. The reports shall be submitted in accordance with procedures and a format required by CDPH.



**8. Expenditure and Program Requirements**

- A. In accordance with the LHD and/or Local HPP Entity signed Certification Against Supplanting (Exhibit E), funds shall not be used to supplant funding for existing levels of services and will only be used for the purposes designated herein.
- B. In executing this Agreement, the LHD and/or Local HPP Entity assures that it will comply with the LHD and/or Local HPP Entity Comprehensive Agreement Application, Work Plans and Budget approved by CDPH.
- C. Funds made available are limited to activities approved in the Work Plans and Budgets. Any changes to the Work Plans or Budgets need prior approval from CDPH before implementing. Any contracts or subcontracts needing approval from Project Officer must be submitted prior to spending those funds.

**Exhibit B**  
**2011-12 CDC Public Health Emergency Preparedness (PHEP), State General Fund (GF)**  
**Pandemic Influenza, HHS Hospital Preparedness Program (HPP) Funding**  
**Budget Detail and Payment Provisions**

**1. Payment Provisions**

- A. CDPH will make payments to the LHD and/or Local HPP Entity as authorized in State statute and in accordance with the annual expenditure authority granted to CDPH in the California Budget Act. Payments shall be made in accordance with Exhibit B, Attachment 1. Payment beyond the first quarter shall be contingent upon the approval of the LHD's and/or Local HPP Entity's funding Application, Work Plan, and Budget and satisfactory progress in implementing the provisions of the Work Plan, as determined by CDPH. Final payment is contingent upon receiving acceptable progress and expenditure reports submitted in accordance with timelines, formats and specifications to be provided by CDPH. **Note:** Both HPP and the State GF Pandemic Influenza require submission of invoice forms to be reimbursed.

- B. Reconciliation with the payments shall be through a semi-annual expenditure report and an annual reconciliation report. These reports shall be submitted in accordance with timelines, formats and specifications to be provided by CDPH. Expenditure reports and annual reconciliation report should be sent to:

California Department of Public Health  
Emergency Preparedness Office  
Attn: Local Management Unit  
MS 7002  
P.O. Box 997377  
Sacramento, CA 95899-7377

- C. The LHD and/or Local HPP Entity shall deposit advance federal fund payments received from CDPH into separate Trust Funds (hereafter called Federal Fund), established solely for the purposes of implementing the activities described in the LHD's and/or Local HPP Entity's approved Work Plan and Budget and Agreement before transferring or expending the funds for any of the uses allowed. CDPH requires that the LHD and/or Local HPP Entity set up separate Federal Funds for PHEP CDC and HPP funds.
- D. The LHD and/or Local HPP Entity agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the LHD and/or Local HPP Entity under this Agreement shall be deposited into the Federal Fund established solely for the purposes of implementing the activities described in the LHD's and/or Local HPP Entity's approved Work Plan and Budget and Agreement before transferring or expending the funds for any of the uses allowed.

- E. The interest earned on moneys in the Federal Fund shall accrue to the benefit of the Federal Fund and shall be expended for the same purposes as other moneys in the Federal Fund.
- F. Any refunds, rebates, credits, or other amounts in the Federal Fund shall accrue to the benefit of the Federal Fund and shall be expended for the same purposes as other moneys in the Federal Fund.
- G. Federal Fund reports will require the LHD and/or Local HPP Entity/City Auditor Controller's or other authorized signature, certifying each report's accuracy and availability of supporting documentation for the State's or the federal government's review.

## **2. Budget Contingency Clause**

- A. It is mutually agreed that if the Budget Act and/or other state statute of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, CDPH shall have no liability to pay any funds whatsoever to LHD and/or Local HPP Entity or to furnish any other considerations under this Agreement and LHD and/or Local HPP Entity shall not be obligated to perform any provisions of this Agreement except as to periods for which funding has been provided.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, CDPH shall have the option to either cancel this Agreement with no liability occurring to CDPH, or offer an Agreement amendment to LHD and/or Local HPP Entity to reflect the reduced amount.

## **3. Amounts Payable**

- A. The amount payable under this Agreement shall not exceed:
  - 1. \$137,795, CDC PHEP Base Allocation (less \$950 for SAS licence renewal).
  - 2. \$0, Laboratory Allocation.
  - 3. \$0, Laboratory Trainee Stipends.
  - 4. \$0, Laboratory Training Assistance Grant.
  - 5. \$0, Cities Readiness Initiative Funds.
  - 6. \$157,355, HPP Allocation.
  - 7. \$62,475, State GF Pandemic Influenza Allocation.

## **4. Redirection of Funds**

Any redirection of funds requires prior approval by CDPH.

**5. Federal Cooperative Agreement Funds**

- A. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.
- B. The Agreement is valid and enforceable only if sufficient funds are made available to CDPH by the United States Government for the fiscal years covered by the term of this Agreement. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress, which may affect the provisions, terms or funding of this Agreement in any manner.
- C. It is mutually agreed that if Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.

**6. Accountability Requirements**

- A. CDPH may recoup funds that are not spent for allowable purposes as specified in State statute and determined by CDPH. CDPH will notify the LHD and/or Local HPP Entity prior to recouping such funds.
- B. CDPH may withhold payments if the LHD and/or Local HPP Entity is not in compliance with the terms and conditions of this Agreement or the approved local funding Application, Work Plans and Budgets CDPH may withhold payments if the LHD cannot demonstrate progress toward protecting the jurisdiction from the threat of a bioterrorist attack, infectious disease outbreak or other public health threat or emergency as described in its progress and expenditure reports. CDPH may withhold or reduce payments if the LHD's and/or Local HPP Entity's expenditure reports indicate that quarterly payments remain unspent. CDPH will notify local health officials prior to withholding or reducing such payments.
- C. The LHD and/or Local HPP Entity shall return unexpended funds unless carry over of such funds is approved by CDPH and PHEP or the HPP grant period is extended.
- D. The LHD and/or Local HPP Entity shall maintain the supporting documentation that substantiates all expenditure reports for a minimum of seven years.
- E. Once every three years LHDs and/or Local HPP Entities are subject to an audit by CDPH. The audit will consist of the review of financial records to ensure the existence of proper documentation and the propriety of claims submitted to the State for reimbursement. Such review will include substantive testing:

- To determine that recorded and reported program funds awarded are expended in accordance with terms of the grant Agreement with CDPH;
- To determine that payments are for actual costs and reflect amounts billed to the State;
- To determine that payments are for services rendered;
- To determine that grant funds did not supplant existing levels of State and local funding for this program.

**7. Unobligated Balances**

At any time during the term of this Agreement, CDPH may request LHDs and/or Local HPP Entity's to identify unobligated funds. The presentation of this information shall be in a manner prescribed by CDPH to include identification of unobligated funds.

**8. Terms of Agreement**

- A. **CDC PHEP:** This Agreement provides the local funding award for the CDC PHEP federal cooperative Agreement Budget period August 10, 2011 through August 9, 2012. All services must be rendered by and purchases encumbered by August 9, 2012, unless grant is extended. Funds allocated under this Agreement must be liquidated by October 1, 2012.
- B. **State GF Pandemic Influenza:** This Agreement provides the local funding award for the State GF Pandemic Influenza cooperative Agreement Budget period July 1, 2011 through June 30, 2012. All services must be rendered by and purchases encumbered by June 30, 2012. Funds allocated under this Agreement must be liquidated by June 30, 2014. In order for CDPH to liquidate funds by June 30, 2014, a final invoice must be received by CDPH on or before May 1, 2014.
- C. **HPP:** This Agreement provides the local funding award for the HPP federal cooperative Agreement Budget period July 1, 2011 through June 30, 2012. All services must be rendered by and purchases encumbered by June 30, 2012, unless grant is extended. Funds allocated under this Agreement must be liquidated by August 30, 2012.

**Exhibit B, Attachment 1 Criteria for Payments**  
**2011-12 CDC Public Health Emergency Preparedness (PHEP), State General Fund (GF) Pandemic Influenza,**  
**HHS Hospital Preparedness Program (HPP) Funding**  
**2011-12 Agreement**

|                  | CDC PHEP Base and<br>Cities Readiness Initiative (CRI)  | Reference Lab Allocations<br>(\$217,740 total to each Reference Lab)   | Lab Trainee Stipends<br>(\$30,000 each)  | Lab Training Assistance Grants<br>(\$15,500 each)  | HPP   | State GF<br>Pandemic Influenza  |
|------------------|---|--|--|--|---|---|
| 1st<br>Payment   | <p>CDPH must receive following signed Agreement documents:</p> <ul style="list-style-type: none"> <li>Signed Agreement Page</li> <li>Non Supplantation Certification Form</li> <li>Certification Regarding Lobbying</li> <li>Submission of Work Plan</li> <li>Submission of Budget</li> </ul> | <p>CDPH must receive the following:</p> <ul style="list-style-type: none"> <li>Signed Agreement documents</li> <li>Lab trainee(s) must be included in Lab budget</li> <li>A copy of the LFS letter approving the trainee</li> <li>Name and proposed hire date of the trainee</li> <li>A training plan that provides 6 months of training with a completion date no later than Aug 9, 2012</li> <li>Only 12 traineeships available</li> </ul> | <p>LHD must:</p> <ul style="list-style-type: none"> <li>be an LRN Sentinel Laboratory and submitted signed Agreement documents</li> <li>have applied for and received approval for at least one lab trainee stipend</li> <li>be a member of a training consortium with at least one other county</li> <li>indicate what other county(ies) are part of the consortium and provide a letter from at least one other consortium partner agreeing to the arrangement.</li> </ul> | <p>CDPH must receive following signed Agreement documents:</p> <ul style="list-style-type: none"> <li>Signed Agreement Page</li> <li>Non Supplantation Certification Form</li> <li>Certification Regarding Lobbying</li> <li>Five Letters of Support (Refer to #11-12 Application Guidelines)</li> <li>Submission of Work Plan</li> <li>Submission of Budget</li> <li>Submission of Health Care Facility (HCF) Form</li> </ul> | <p>CDPH must receive following signed Agreement documents:</p> <ul style="list-style-type: none"> <li>Signed Agreement Page</li> <li>Non Supplantation Certification Form</li> <li>Certification Regarding Lobbying</li> <li>Submission of Work Plan</li> <li>Submission of Budget</li> </ul>   | <p>CDPH must receive following signed Agreement documents:</p> <ul style="list-style-type: none"> <li>Signed Agreement Page</li> <li>Non Supplantation Certification Form</li> <li>Certification Regarding Lobbying</li> <li>Submission of Work Plan</li> <li>Submission of Budget</li> </ul>   |
| 2nd<br>Payment   | <p>25% of CDC PHEP Base and/or CRI Allocation</p> <ul style="list-style-type: none"> <li>1st Payment Criteria must be met</li> <li>the Work plan and Budget must be approved</li> <li>All required application documents must be submitted</li> </ul>   | <p>25% of Lab Allocation (not including lab trainees)</p> <ul style="list-style-type: none"> <li>1st Payment Criteria must be met</li> <li>the Work plan and Budget must be approved</li> <li>All required application documents must be submitted</li> </ul>  | N/A  | N/A  | <p>25% of HPP H1N1 Allocation</p> <ul style="list-style-type: none"> <li>1st Payment Criteria must be met</li> <li>the HPP Work Plan and HPP Budget must be approved</li> <li>An invoice with actual HPP expenditures above the 25% advance amount must be submitted to CDPH</li> <li>All required application documents must be submitted</li> </ul>   | <p>25% of State GF Pandemic Influenza Allocation</p> <ul style="list-style-type: none"> <li>1st Payment Criteria must be met</li> <li>the CDC Work Plan and Budget must be approved</li> <li>An invoice with actual State GF Pan Flu expenditures above the 25% advance amount must be submitted to CDPH</li> <li>All required application documents must be submitted</li> </ul> |
| 3rd<br>Payment   | <p>25% of CDC PHEP Base and/or CRI Allocation</p> <ul style="list-style-type: none"> <li>1st &amp; 2nd Payment Criteria must be met</li> <li>prior year-end progress report must be submitted</li> </ul>  | <p>25% of Lab Allocation (not including lab trainees)</p> <ul style="list-style-type: none"> <li>1st &amp; 2nd Payment Criteria must be met</li> <li>prior year-end progress report must be submitted</li> </ul>   | N/A  | N/A  | <p>CDPH will pay the Local HPP Entity for actual expenditures above the 25% advance (i.e. - if a local entity submits and invoice for 35%, CDPH will pay them 10% because the local entity already received 25%). All contracts or subcontracts above \$5k must be approved by CDPH prior to spending funds or seeking reimbursement.</p> <ul style="list-style-type: none"> <li>1st &amp; 2nd Payment Criteria must be met</li> <li>prior year-end progress report must be submitted</li> <li>An invoice with actual HPP expenditures must be submitted to CDPH</li> </ul> | <p>CDPH will pay the LHD for actual expenditures (above the 1st payment)</p> <ul style="list-style-type: none"> <li>1st &amp; 2nd Payment Criteria must be met</li> <li>prior year-end progress report must be submitted</li> <li>An invoice with actual State GF Pan Flu expenditures must be submitted to CDPH</li> </ul>   |
| Final<br>Payment | <p>25% of CDC PHEP Base and/or CRI Allocation</p> <ul style="list-style-type: none"> <li>1st, 2nd &amp; 3rd Payment Criteria must be met</li> <li>current mid-year progress report must be submitted</li> </ul>   | <p>25% of Lab Allocation (not including lab trainees)</p> <ul style="list-style-type: none"> <li>1st, 2nd &amp; 3rd Payment Criteria must be met</li> <li>current mid-year progress report must be submitted</li> </ul>  | N/A  | N/A  | <p>CDPH will pay the Local HPP Entity for actual expenditures above the 3rd payment. All contracts or subcontracts above \$5k must be approved by CDPH prior to spending funds or seeking reimbursement.</p> <ul style="list-style-type: none"> <li>1st, 2nd &amp; 3rd Payment Criteria must be met</li> <li>current mid-year progress report must be submitted</li> <li>An invoice with actual HPP expenditures must be submitted to CDPH</li> </ul>   | <p>CDPH will pay the LHD for actual expenditures (above the 3rd payment)</p> <ul style="list-style-type: none"> <li>1st, 2nd &amp; 3rd Payment Criteria must be met</li> <li>current mid-year progress report must be submitted</li> <li>An invoice with actual State GF Pan Flu expenditures must be submitted to CDPH</li> </ul>  |

**Exhibit C**  
**2011-12 CDC Public Health Emergency Preparedness (PHEP), State General Fund (GF) Pandemic Influenza, HHS Hospital Preparedness Program (HPP) Funding Additional Provisions**

**1. Additional Incorporated Exhibits**

The following documents and any subsequent updates are not attached, but are incorporated herein and made a part hereof by this reference. These documents may be updated periodically by CDPH, as required by program directives. CDPH shall provide the LHD and/or Local HPP Entity with copies of said documents and any periodic updates thereto, under separate cover. CDPH will maintain on file all documents referenced herein and any subsequent updates.

- A. 2011-2012 Federal Guidance Documents:
  - 2011-12 Centers for Disease Control and Prevention (CDC) Public Health Emergency Preparedness (PHEP) Cooperative Agreement Guidance.
  - 2011-12 US Department of Health and Human Services Hospital Preparedness Program (HPP).
- B. CDPH Guidance to LHDs and/or Local HPP Entities for CDC PHEP, State General Fund (GF) Pandemic Influenza, and/or HPP Program Funds.
- C. LHD's and/or Local HPP Entity's Public Health Emergency Preparedness Comprehensive Agreement Application, Work Plans, and Budgets and all attachments (refer to the CDPH Guidance to LHDs and/or Local HPP Entities for all attachments).

**2. Contract Amendments**

Should either party, during the term of this agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed changes/amendments are accepted or rejected. If accepted and after negotiations are concluded, the agreed upon changes shall be made through the State's official agreement amendment process. No amendment will be considered binding on either party until it is formally approved by the State.

**3. Cancellation / Termination**

- A. This agreement may be cancelled or terminated without cause by either party by giving thirty (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance and/or payment/invoicing instructions/requirements.

- B. Upon receipt of a notice of termination or cancellation from CDPH, LHD and/or Local HPP Entity shall take immediate steps to stop performance and to cancel or reduce subsequent contract costs.
- C. LHD and/or Local HPP Entity shall be entitled to payment for all allowable costs authorized under this agreement, including authorized non-cancelable obligations incurred up to the date of termination or cancellation, provided such expenses do not exceed the stated maximum amounts payable.
- D. Agreement termination or cancellation shall be effective as of the date indicated in CDPH' notification to LHD and/or Local HPP Entity. The notice shall stipulate any final performance, invoicing or payment requirements.
- E. In the event of early termination or cancellation, LHD and/or Local HPP Entity shall be entitled to compensation for services performed satisfactorily under this Agreement and expenses incurred up to the date of cancellation and any non-cancelable obligations incurred in support of this Agreement.

**4. Dispute Resolution Process**

- A. This provision supplements provision 15 of Exhibit D(F).
- B. CDPH may recoup from a LHD and/or Local HPP Entity any funds allocated pursuant to this article that are unspent or that are not expended for purposes specified in subdivision (d).
- C. CDPH may also recoup funds expended by the LHD and/or Local HPP Entity in violation of subdivision (d) of Section 101315 of the California Health and Safety Code.
- D. CDPH may withhold quarterly payments of funds to a LHD and/or Local HPP Entity if the LHD and/or Local HPP Entity is not in compliance with this article or the terms of that LHD's and/or Local HPP Entity's work plans as approved by CDPH.
- E. Before any funds are recouped or withheld from a LHD and/or Local HPP Entity, CDPH shall discuss with local health officials or Local HPP Entities the status of the unspent moneys or the disputed use of the funds, or both.

**5. Financial and Compliance Audit Requirements**

- A. Paragraph d of provision 16 in Exhibit D(F) is amended to read as follows:
  - d. The audit report must identify the Contractor's legal name and the number assigned to this Agreement. The audit report shall be due



within 30 days after the completion of the audit. The LHD/HPP Entity shall keep a copy of the audit report on file and have it available for review by CDPH or auditors upon request.

### Special Terms and Conditions

*(For federally funded service contracts or agreements and grant agreements)*

The use of headings or titles throughout this exhibit is for convenience only and shall not be used to interpret or to govern the meaning of any specific term or condition.

The terms "contract", "Contractor" and "Subcontractor" shall also mean, "agreement", "grant", "grant agreement", "Grantee" and "Subgrantee" respectively.

The terms "California Department of Public Health" and "CDPH" shall have the same meaning and refer to the California State agency that is a party to this Agreement.

This exhibit contains provisions that require strict adherence to various contracting laws and policies. Some provisions herein are conditional and only apply if specified conditions exist (i.e., agreement total exceeds a certain amount, agreement is federally funded, etc.). The provisions herein apply to this Agreement unless the provisions are removed by reference on the face of this Agreement, the provisions are superseded by an alternate provision appearing elsewhere in this Agreement, or the applicable conditions do not exist.

### Index of Special Terms and Conditions

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**1. Federal Equal Opportunity Requirements**

(Applicable to all federally funded agreements entered into by the California Department of Public Health (CDPH) formerly known as California Department of Health Services (CDHS).)

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. The Contractor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or CDPH, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices shall state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.
- b. The Contractor will, in all solicitations or advancements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.
- c. The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of the Contractor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. The Contractor will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.
- e. The Contractor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- f. In the event of the Contractor's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further federal and state contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment

Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- g. The Contractor will include the provisions of Paragraphs a through g in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or CDPH may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by CDPH, the Contractor may request in writing to CDPH, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

## 2. Travel and Per Diem Reimbursement

(Applicable if travel and/or per diem expenses are reimbursed with agreement funds.)

Reimbursement for travel and per diem expenses from CDPH under this Agreement shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Personnel Administration (DPA), for nonrepresented state employees as stipulated in CDPH's Travel Reimbursement Information Exhibit. If the DPA rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. Exceptions to DPA rates may be approved by CDPH upon the submission of a statement by the Contractor indicating that such rates are not available to the Contractor. No travel outside the State of California shall be reimbursed without prior authorization from CDPH. Verbal authorization should be confirmed in writing. Written authorization may be in a form including fax or email confirmation.

## 3. Procurement Rules

(Applicable to all agreements in which equipment, property, commodities and/or supplies are furnished by CDPH or expenses for said items are reimbursed with state or federal funds.)

### a. Equipment definitions

Wherever the term equipment /property is used, the following definitions shall apply:

- (1) **Major equipment/property:** A tangible or intangible item having a base unit cost of \$5,000 or more with a life expectancy of one (1) year or more and is either furnished by CDPH or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.
  - (2) **Minor equipment/property:** A tangible item having a base unit cost of less than \$5,000 with a life expectancy of one (1) year or more and is either furnished by CDPH or the cost is reimbursed through this Agreement.
- b. **Government and public entities** (including state colleges/universities and auxiliary organizations), whether acting as a contractor and/ or subcontractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through h of Provision 3. Paragraph c of Provision 3 shall also apply, if equipment purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.
- c. **Nonprofit organizations and commercial businesses**, whether acting as a contractor and/or subcontractor, may secure commodities, supplies, equipment and services related to such purchases for performance under this Agreement.

- (1) Equipment purchases shall not exceed \$50,000 annually.

To secure equipment above the annual maximum limit of \$50,000, the Contractor shall make arrangements through the appropriate CDPH Program Contract Manager, to have all remaining equipment purchased through CDPH's Purchasing Unit. The cost of equipment purchased by or through CDPH shall be deducted from the funds available in this Agreement. Contractor shall submit to the CDPH Program Contract Manager a list of equipment specifications for those items that the State must procure. The State may pay the vendor directly for such arranged equipment purchases and title to the equipment will remain with CDPH. The equipment will be delivered to the Contractor's address, as stated on the face of the Agreement, unless the Contractor notifies the CDPH Program Contract Manager, in writing, of an alternate delivery address.

- (2) All equipment purchases are subject to Paragraphs d through h of Provision 3. Paragraph b of Provision 3 shall also apply, if equipment purchases are delegated to subcontractors that are either a government or public entity.
- (3) Nonprofit organizations and commercial businesses, shall use a procurement system that meets the following standards:
  - (a) Maintain a code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in awarding procurement contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a procurement, or bid contract in which, to his or her knowledge, he or she has a financial interest.
  - (b) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.
  - (c) Procurements shall be conducted in a manner that provides for all of the following:
    - [1] Avoid purchasing unnecessary or duplicate items.
    - [2] Equipment solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.
    - [3] Take positive steps to utilize small and veteran owned businesses.
- d. Unless waived or otherwise stipulated in writing by CDPH, prior written authorization from the appropriate CDPH Program Contract Manager will be required before the Contractor will be reimbursed for any purchase of \$5,000 or more for commodities, supplies, equipment, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by CDPH, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.
- e. In special circumstances, determined by CDPH (e.g., when CDPH has a need to monitor certain purchases, etc.), CDPH may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. CDPH reserves the right to either deny claims for reimbursement or to request repayment for any Contractor and/or subcontractor purchase that CDPH determines to be unnecessary in carrying out performance under this Agreement.
- f. The Contractor and/or subcontractor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this Agreement. The State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Contractor and/or subcontractor at any time.
- g. For all purchases, the Contractor and/or subcontractor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Contractor and/or subcontractor for inspection or audit.
- h. CDPH may, with cause (e.g., with reasonable suspicion of unnecessary purchases or use of

inappropriate purchase practices, etc.), withhold, cancel, modify, or retract the delegated purchase authority granted under Paragraphs b and/or c of Provision 3 by giving the Contractor no less than 30 calendar days written notice.

#### 4. Equipment Ownership / Inventory / Disposition

(Applicable to agreements in which equipment and/or property is furnished by CDPH and/or when said items are purchased or reimbursed with state or federal funds.)

- a. Wherever the terms equipment and/or property are used in Provision 4, the definitions in Provision 3, Paragraph a, shall apply.

Unless otherwise stipulated in this Agreement, all equipment and/or property that are purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement shall be considered state equipment and the property of CDPH.

- (1) CDPH requires the reporting, tagging and annual inventorying of all equipment and/or property that is furnished by CDPH or purchased/reimbursed with funds provided through this Agreement.

Upon receipt of equipment and/or property, the Contractor shall report the receipt to the CDPH Program Contract Manager. To report the receipt of said items and to receive property tags, Contractor shall use a form or format designated by CDPH's Asset Management Unit. If the appropriate form (i.e., Contractor Equipment Purchased with CDPH Funds) does not accompany this Agreement, Contractor shall request a copy from the CDPH Program Contract Manager.

- (2) If the Contractor enters into an agreement with a term of more than twelve months, the Contractor shall submit an annual inventory of state equipment and/or property to the CDPH Program Contract Manager using a form or format designated by CDPH's Asset Management Unit. If an inventory report form (i.e., Inventory/Disposition of CDPH-Funded Equipment) does not accompany this Agreement, Contractor shall request a copy from the CDPH Program Contract Manager. Contractor shall:

- (a) Include in the inventory report, equipment and/or property in the Contractor's possession and/or in the possession of a subcontractor (including independent consultants).
  - (b) Submit the inventory report to CDPH according to the instructions appearing on the inventory form or issued by the CDPH Program Contract Manager.
  - (c) Contact the CDPH Program Contract Manager to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by CDPH's Asset Management Unit.
- b. Title to state equipment and/or property shall not be affected by its incorporation or attachment to any property not owned by the State.
- c. Unless otherwise stipulated, CDPH shall be under no obligation to pay the cost of restoration, or rehabilitation of the Contractor's and/or Subcontractor's facility which may be affected by the removal of any state equipment and/or property.
- d. The Contractor and/or Subcontractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.
- (1) In administering this provision, CDPH may require the Contractor and/or Subcontractor to repair or replace, to CDPH's satisfaction, any damaged, lost or stolen state equipment and/or property. Contractor and/or Subcontractor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and Contractor shall promptly submit one copy of the theft report to the CDPH Program Contract Manager.

- e. Unless otherwise stipulated by the program funding this Agreement, equipment and/or property purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, shall only be used for performance of this Agreement or another CDPH agreement.
- f. Within sixty (60) calendar days prior to the termination or end of this Agreement, the Contractor shall provide a final inventory report of equipment and/or property to the CDPH Program Contract Manager and shall, at that time, query CDPH as to the requirements, including the manner and method, of returning state equipment and/or property to CDPH. Final disposition of equipment and/or property shall be at CDPH expense and according to CDPH instructions. Equipment and/or property disposition instructions shall be issued by CDPH immediately after receipt of the final inventory report. At the termination or conclusion of this Agreement, CDPH may at its discretion, authorize the continued use of state equipment and/or property for performance of work under a different CDPH agreement.

**g. Motor Vehicles**

(Applicable only if motor vehicles are purchased/reimbursed with agreement funds or furnished by CDPH under this Agreement.)

- (1) If motor vehicles are purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, within thirty (30) calendar days prior to the termination or end of this Agreement, the Contractor and/or Subcontractor shall return such vehicles to CDPH and shall deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to CDPH.
- (2) If motor vehicles are purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, the State of California shall be the legal owner of said motor vehicles and the Contractor shall be the registered owner. The Contractor and/or a subcontractor may only use said vehicles for performance and under the terms of this Agreement.
- (3) The Contractor and/or Subcontractor agree that all operators of motor vehicles, purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, shall hold a valid State of California driver's license. In the event that ten or more passengers are to be transported in any one vehicle, the operator shall also hold a State of California Class B driver's license.
- (4) If any motor vehicle is purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, the Contractor and/or Subcontractor, as applicable, shall provide, maintain, and certify that, at a minimum, the following type and amount of automobile liability insurance is in effect during the term of this Agreement or any extension period during which any vehicle remains in the Contractor's and/or Subcontractor's possession:

**Automobile Liability Insurance**

- (a) The Contractor, by signing this Agreement, hereby certifies that it possesses or will obtain automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, to the Contractor and/or Subcontractor.
- (b) The Contractor and/or Subcontractor shall, as soon as practical, furnish a copy of the certificate of insurance to the CDPH Program Contract Manager. The certificate of insurance shall identify the CDPH contract or agreement number for which the insurance applies.
- (c) The Contractor and/or Subcontractor agree that bodily injury and property damage liability insurance, as required herein, shall remain in effect at all times during the term of this Agreement or until such time as the motor vehicle is returned to CDPH.
- (d) The Contractor and/or Subcontractor agree to provide, at least thirty (30) days prior to the expiration date of said insurance coverage, a copy of a new certificate of insurance evidencing continued coverage, as indicated herein, for not less than the remainder of the term of this

Agreement, the term of any extension or continuation thereof, or for a period of not less than one (1) year.

- (e) The Contractor and/or Subcontractor, if not a self-insured government and/or public entity, must provide evidence, that any required certificates of insurance contain the following provisions:
  - [1] The insurer will not cancel the insured's coverage without giving thirty (30) calendar days prior written notice to the State (California Department of Public Health (CDPH)).
  - [2] The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State under this Agreement and any extension or continuation of this Agreement.
  - [3] The insurance carrier shall notify CDPH, in writing, of the Contractor's failure to pay premiums; its cancellation of such policies; or any other substantial change, including, but not limited to, the status, coverage, or scope of the required insurance. Such notices shall contain a reference to each agreement number for which the insurance was obtained.
- (f) The Contractor and/or Subcontractor is hereby advised that copies of certificates of insurance may be subject to review and approval by the Department of General Services (DGS), Office of Risk and Insurance Management. The Contractor shall be notified by CDPH, in writing, if this provision is applicable to this Agreement. If DGS approval of the certificate of insurance is required, the Contractor agrees that no work or services shall be performed prior to obtaining said approval.
- (g) In the event the Contractor and/or Subcontractor fails to keep insurance coverage, as required herein, in effect at all times during vehicle possession, CDPH may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

## 5. Subcontract Requirements

(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.)

- a. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services costing \$5,000 or more. Except as indicated in Paragraph a(3) herein, when securing subcontracts for services exceeding \$5,000, the Contractor shall obtain at least three bids or justify a sole source award.
  - (1) The Contractor must provide in its request for authorization, all information necessary for evaluating the necessity or desirability of incurring such cost.
  - (2) The State may identify the information needed to fulfill this requirement.
  - (3) Subcontracts performed by the following entities or for the service types listed below are exempt from the bidding and sole source justification requirements:
    - (a) A local governmental entity or the federal government,
    - (b) A State college or university from any State,
    - (c) A Joint Powers Authority,
    - (d) An auxiliary organization of a California State University or a California community college,
    - (e) A foundation organized to support the Board of Governors of the California Community Colleges,
    - (f) An auxiliary organization of the Student Aid Commission established under Education Code § 69522,
    - (g) Entities of any type that will provide subvention aid or direct services to the public,
    - (h) Entities and/or service types identified as exempt from advertising in State Contracting Manual 5.80. View this publication at the following Internet address:

<http://www.ols.dgs.ca.gov/Contract+Manual/Chapters4through6.htm>.



- b. CDPH reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this Agreement.
  - (1) Upon receipt of a written notice from CDPH requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by CDPH.
- c. Actual subcontracts (i.e., written agreement between the Contractor and a subcontractor) of \$5,000 or more are subject to the prior review and written approval of CDPH. CDPH may, at its discretion, elect to waive this right. All such waivers shall be confirmed in writing by CDPH.
- d. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by CDPH, make copies available for approval, inspection, or audit.
- e. CDPH assumes no responsibility for the payment of subcontractors used in the performance of this Agreement. Contractor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.
- f. The Contractor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
- g. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.
- h. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:

"(Subcontractor Name) agrees to maintain and preserve, until three years after termination of (Agreement Number) and final payment from CDPH to the Contractor, to permit CDPH or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."
- i. Unless otherwise stipulated in writing by CDPH, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this Agreement.
- j. Contractor shall, as applicable, advise all subcontractors of their obligations pursuant to the following numbered provisions of this Exhibit: 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 17, 19, 20, 24, and 31 or other numbered provisions herein that deemed applicable.

## 6. Income Restrictions

Unless otherwise stipulated in this Agreement, the Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor under this Agreement shall be paid by the Contractor to CDPH, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by CDPH under this Agreement.

## 7. Audit and Record Retention

(Applicable to agreements in excess of \$10,000.)

- a. The Contractor and/or Subcontractor shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
- b. The Contractor's and/or subcontractor's facility or office or such part thereof as may be engaged in the performance of this Agreement and his/her records shall be subject at all reasonable times to inspection,

audit, and reproduction.

- c. Contractor agrees that CDPH, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, CCR Title 2, Section 1896).
- d. The Contractor and/or Subcontractor shall preserve and make available his/her records (1) for a period of three years from the date of final payment under this Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by subparagraphs (1) or (2) below.
  - (1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.
  - (2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.
- e. The Contractor and/or Subcontractor shall comply with the above requirements and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code § 10115.10, if applicable.
- f. The Contractor and/or Subcontractor may, at its discretion, following receipt of final payment under this Agreement, reduce its accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, or other data storage medium. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Contractor and/or Subcontractor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.
- g. The Contractor shall, if applicable, comply with the Single Audit Act and the audit reporting requirements set forth in OMB Circular A-133.

## 8. Site Inspection

The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Contractor or Subcontractor, the Contractor shall provide and shall require Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

## 9. Federal Contract Funds

(Applicable only to that portion of an agreement funded in part or whole with federal funds.)

- a. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.
- b. This agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the fiscal years covered by the term of this Agreement. In addition, this

Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms or funding of this Agreement in any manner.

- c. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
- d. CDPH has the option to invalidate or cancel the Agreement with 30-days advance written notice or to amend the Agreement to reflect any reduction in funds.

## 10. Intellectual Property Rights

### a. Ownership

- (1) Except where CDPH has agreed in a signed writing to accept a license, CDPH shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement.
- (2) For the purposes of this Agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or hereafter come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.
  - (a) For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. Works does not include articles submitted to peer review or reference journals or independent research projects.
- (3) In the performance of this Agreement, Contractor will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, under this Agreement, Contractor may access and utilize certain of CDPH's Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, Contractor shall not use any of CDPH's Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of CDPH. **Except as otherwise set forth herein, neither the Contractor nor CDPH shall give any ownership interest in or rights to its Intellectual Property to the other Party.** If during the term of this Agreement, Contractor accesses any third-party Intellectual Property that is licensed to CDPH, Contractor agrees to abide by all license and confidentiality restrictions applicable to CDPH in the third-party's license agreement.
- (4) Contractor agrees to cooperate with CDPH in establishing or maintaining CDPH's exclusive rights in the Intellectual Property, and in assuring CDPH's sole rights against third parties with respect to the Intellectual Property. If the Contractor enters into any agreements or subcontracts with other parties in order to perform this Agreement, Contractor shall require the terms of the Agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to CDPH all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or CDPH and which result directly or indirectly from this Agreement or any subcontract.

- (5) Contractor further agrees to assist and cooperate with CDPH in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce CDPH's Intellectual Property rights and interests.

**b. Retained Rights / License Rights**

- (1) Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this Agreement. Contractor hereby grants to CDPH, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this Agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein.
- (2) Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this Agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of CDPH or third party, or result in a breach or default of any provisions of this Exhibit or result in a breach of any provisions of law relating to confidentiality.

**c. Copyright**

- (1) Contractor agrees that for purposes of copyright law, all works [as defined in Paragraph a, subparagraph (2)(a) of this provision] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this Agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to CDPH to any work product made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement.
- (2) All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement, shall include CDPH's notice of copyright, which shall read in 3mm or larger typeface: "© [Enter Current Year e.g., 2007, etc.], Department of Public Health. This material may not be reproduced or disseminated without prior written permission from the Department of Public Health." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

**d. Patent Rights**

With respect to inventions made by Contractor in the performance of this Agreement, which did not result from research and development specifically included in the Agreement's scope of work, Contractor hereby grants to CDPH a license as described under Section b of this provision for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the Agreement's scope of work, then Contractor agrees to assign to CDPH, without additional compensation, all its right, title and interest in and to such inventions and to assist CDPH in securing United States and foreign patents with respect thereto.

**e. Third-Party Intellectual Property**

Except as provided herein, Contractor agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining

CDPH's prior written approval; and (ii) granting to or obtaining for CDPH, without additional compensation, a license, as described in Section b of this provision, for any of Contractor's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon these terms is unattainable, and CDPH determines that the Intellectual Property should be included in or is required for Contractor's performance of this Agreement, Contractor shall obtain a license under terms acceptable to CDPH.

**f. Warranties**

(1) Contractor represents and warrants that:

- (a) It is free to enter into and fully perform this Agreement.
- (b) It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
- (c) Neither Contractor's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.
- (d) Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.
- (e) It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown.
- (f) It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to CDPH in this Agreement.
- (g) It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- (h) It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this Agreement.

(2) CDPH MAKES NO WARRANTY THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.

**g. Intellectual Property Indemnity**

- (1) Contractor shall indemnify, defend and hold harmless CDPH and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the

representations, warranties, covenants or agreements of Contract or pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of CDPH's use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this Agreement. CDPH reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against CDPH.

- (2) Should any Intellectual Property licensed by the Contractor to CDPH under this Agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its authority reasonably and in good faith to preserve CDPH's right to use the licensed Intellectual Property in accordance with this Agreement at no expense to CDPH. CDPH shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for CDPH to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, CDPH shall be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.
- (3) Contractor agrees that damages alone would be inadequate to compensate CDPH for breach of any term of this Intellectual Property Exhibit by Contractor. Contractor acknowledges CDPH would suffer irreparable harm in the event of such breach and agrees CDPH shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

#### **h. Federal Funding**

In any agreement funded in whole or in part by the federal government, CDPH may acquire and maintain the Intellectual Property rights, title, and ownership, which results directly or indirectly from the Agreement; except as provided in 37 Code of Federal Regulations part 401.14; however, the federal government shall have a non-exclusive, nontransferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

#### **i. Survival**

The provisions set forth herein shall survive any termination or expiration of this Agreement or any project schedule.

### **11. Air or Water Pollution Requirements**

Any federally funded agreement and/or subcontract in excess of \$100,000 must comply with the following provisions unless said agreement is exempt under 40 CFR 15.5.

- a. Government contractors agree to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act [42 U.S.C. 1857(h)], section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).
- b. Institutions of higher education, hospitals, nonprofit organizations and commercial businesses agree to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended.

### **12. Prior Approval of Training Seminars, Workshops or Conferences**

Contractor shall obtain prior CDPH approval of the location, costs, dates, agenda, instructors, instructional

materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant to this Agreement and of any reimbursable publicity or educational materials to be made available for distribution. The Contractor shall acknowledge the support of the State whenever publicizing the work under this Agreement in any media. This provision does not apply to necessary staff meetings or training sessions held for the staff of the Contractor or Subcontractor to conduct routine business matters.

### 13. Confidentiality of Information

- a. The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or are disclosed to the Contractor, its employees, agents, or subcontractors as a result of services performed under this Agreement, except for statistical information not identifying any such person.
- b. The Contractor and its employees, agents, or subcontractors shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this Agreement.
- c. The Contractor and its employees, agents, or subcontractors shall promptly transmit to the CDPH Program Contract Manager all requests for disclosure of such identifying information not emanating from the client or person.
- d. The Contractor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any such identifying information to anyone other than CDPH without prior written authorization from the CDPH Program Contract Manager, except if disclosure is required by State or Federal law.
- e. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.
- f. As deemed applicable by CDPH, this provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this Agreement or incorporated into this Agreement by reference.

### 14. Documents, Publications and Written Reports

(Applicable to agreements over \$5,000 under which publications, written reports and documents are developed or produced. Government Code Section 7550.)

Any document, publication or written report (excluding progress reports, financial reports and normal contractual communications) prepared as a requirement of this Agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts or agreements and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds \$5,000.

### 15. Dispute Resolution Process

- a. A Contractor grievance exists whenever there is a dispute arising from CDPH's action in the administration of an agreement. If there is a dispute or grievance between the Contractor and CDPH, the Contractor must seek resolution using the procedure outlined below.
  - (1) The Contractor should first informally discuss the problem with the CDPH Program Contract Manager. If the problem cannot be resolved informally, the Contractor shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief shall render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. If the Contractor disagrees with the Branch Chief's decision, the Contractor may appeal to the second level.

- (2) When appealing to the second level, the Contractor must prepare an appeal indicating the reasons for disagreement with Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal.
- b. If the Contractor wishes to appeal the decision of the Deputy Director of the division in which the branch is organized or his/her designee, the Contractor shall follow the procedures set forth in Division 25.1 (commencing with Section 38050) of the Health and Safety Code and the regulations adopted thereunder. (Title 1, Subchapter 2.5, commencing with Section 251, California Code of Regulations.)
  - c. Disputes arising out of an audit, examination of an agreement or other action not covered by subdivision (a) of Section 20204, of Chapter 2. 1, Title 22, of the California Code of Regulations, and for which no procedures for appeal are provided in statute, regulation or the Agreement, shall be handled in accordance with the procedures identified in Sections 51016 through 51047, Title 22, California Code of Regulations.
  - d. Unless otherwise stipulated in writing by CDPH, all dispute, grievance and/or appeal correspondence shall be directed to the CDPH Program Contract Manager.
  - e. There are organizational differences within CDPH's funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the CDPH Program Contract Manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

## 16. Financial and Compliance Audit Requirements

- a. The definitions used in this provision are contained in Section 38040 of the Health and Safety Code, which by this reference is made a part hereof.
- b. Direct service contract means a contract or agreement for services contained in local assistance or subvention programs or both (see Health and Safety [H&S] Code section 38020). Direct service contracts shall not include contracts, agreements, grants, or subventions to other governmental agencies or units of government nor contracts or agreements with regional centers or area agencies on aging (H&S Code section 38030).
- c. The Contractor, as indicated below, agrees to obtain one of the following audits:
  - (1) If the Contractor is a nonprofit organization (as defined in H&S Code section 38040) and receives \$25,000 or more from any State agency under a direct service contract or agreement; the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit. Said audit shall be conducted according to Generally Accepted Auditing Standards. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, **and/or**
  - (2) If the Contractor is a nonprofit organization (as defined in H&S Code section 38040) and receives less than \$25,000 per year from any State agency under a direct service contract or agreement, the Contractor agrees to obtain a biennial single, organization wide financial and compliance audit, unless there is evidence of fraud or other violation of state law in connection with this Agreement. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, **and/or**
  - (3) If the Contractor is a State or Local Government entity or Nonprofit organization (as defined by the Federal Office of Management and Budget [OMB] Circular A-133) and expends \$500,000 or more in



Federal awards, the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit according to the requirements specified in OMB Circular A-133 entitled "Audits of States, Local Governments, and Non-Profit Organizations". An audit conducted pursuant to this provision will fulfill the audit requirements outlined in Paragraphs c(1) and c(2) above. The audit shall be completed by the end of the ninth month following the end of the audit period. The requirements of this provision apply if:

- (a) The Contractor is a recipient expending Federal awards received directly from Federal awarding agencies, or
  - (b) The Contractor is a subrecipient expending Federal awards received from a pass-through entity such as the State, County or community based organization.
- (4) If the Contractor submits to CDPH a report of an audit other than an OMB A-133 audit, the Contractor must also submit a certification indicating the Contractor has not expended \$500,000 or more in federal funds for the year covered by the audit report.
- d. Two copies of the audit report shall be delivered to the CDPH program funding this Agreement. The audit report must identify the Contractor's legal name and the number assigned to this Agreement. The audit report shall be due within 30 days after the completion of the audit. Upon receipt of said audit report, the CDPH Program Contract Manager shall forward the audit report to CDPH's Audits and Investigations Unit if the audit report was submitted under Section 16.c(3), unless the audit report is from a City, County, or Special District within the State of California whereby the report will be retained by the funding program.
  - e. The cost of the audits described herein may be included in the funding for this Agreement up to the proportionate amount this Agreement represents of the Contractor's total revenue. The CDPH program funding this Agreement must provide advance written approval of the specific amount allowed for said audit expenses.
  - f. The State or its authorized designee, including the Bureau of State Audits, is responsible for conducting agreement performance audits which are not financial and compliance audits. Performance audits are defined by Generally Accepted Government Auditing Standards.
  - g. Nothing in this Agreement limits the State's responsibility or authority to enforce State law or regulations, procedures, or reporting requirements arising thereto.
  - h. Nothing in this provision limits the authority of the State to make audits of this Agreement, provided however, that if independent audits arranged for by the Contractor meet Generally Accepted Governmental Auditing Standards, the State shall rely on those audits and any additional audit work and shall build upon the work already done.
  - i. The State may, at its option, direct its own auditors to perform either of the audits described above. The Contractor will be given advance written notification, if the State chooses to exercise its option to perform said audits.
  - j. The Contractor shall include a clause in any agreement the Contractor enters into with the audit firm doing the single organization wide audit to provide access by the State or Federal Government to the working papers of the independent auditor who prepares the single organization wide audit for the Contractor.
  - k. Federal or state auditors shall have "expanded scope auditing" authority to conduct specific program audits during the same period in which a single or organization wide audit is being performed, but the audit report has not been issued. The federal or state auditors shall review and have access to the current audit work being conducted and will not apply any testing or review procedures which have not been satisfied by previous audit work that has been completed.

The term "expanded scope auditing" is applied and defined in the U.S. General Accounting Office (GAO) issued Standards for *Audit of Government Organizations, Programs, Activities and Functions*, better known as the "yellow book".

**17. Human Subjects Use Requirements**

(Applicable only to federally funded agreements/grants in which performance, directly or through a subcontract/subaward, includes any tests or examination of materials derived from the human body.)

By signing this Agreement, Contractor agrees that if any performance under this Agreement or any subcontract or subagreement includes any tests or examination of materials derived from the human body for the purpose of providing information, diagnosis, prevention, treatment or assessment of disease, impairment, or health of a human being, all locations at which such examinations are performed shall meet the requirements of 42 U.S.C. Section 263a (CLIA) and the regulations thereunder.

**18. Novation Requirements**

If the Contractor proposes any novation agreement, CDPH shall act upon the proposal within 60 days after receipt of the written proposal. CDPH may review and consider the proposal, consult and negotiate with the Contractor, and accept or reject all or part of the proposal. Acceptance or rejection of the proposal may be made orally within the 60-day period and confirmed in writing within five days of said decision. Upon written acceptance of the proposal, CDPH will initiate an amendment to this Agreement to formally implement the approved proposal.

**19. Debarment and Suspension Certification**

(Applicable to all agreements funded in part or whole with federal funds.)

- a. By signing this Agreement, the Contractor/Grantee agrees to comply with applicable federal suspension and debarment regulations including, but not limited to 7 CFR Part 3017, 45 CFR 76, 40 CFR 32 or 34 CFR 85.
- b. By signing this Agreement, the Contractor certifies to the best of its knowledge and belief, that it and its principals:
  - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
  - (2) Have not within a three-year period preceding this application/proposal/agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph b(2) herein; and
  - (4) Have not within a three-year period preceding this application/proposal/agreement had one or more public transactions (Federal, State or local) terminated for cause or default.
  - (5) Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR part 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.
  - (6) Will include a clause entitled, "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- c. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the CDPH Program Contract Manager.

- d. The terms and definitions herein have the meanings set out in the Definitions and Coverage sections of the rules implementing Federal Executive Order 12549.
- e. If the Contractor knowingly violates this certification, in addition to other remedies available to the Federal Government, the CDPH may terminate this Agreement for cause or default.

## 20. Smoke-Free Workplace Certification

(Applicable to federally funded agreements/grants and subcontracts/subawards, that provide health, day care, early childhood development services, education or library services to children under 18 directly or through local governments.)

- a. Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed.
- b. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible party.
- c. By signing this Agreement, Contractor or Grantee certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act. The prohibitions herein are effective December 26, 1994.
- d. Contractor or Grantee further agrees that it will insert this certification into any subawards (subcontracts or subgrants) entered into that provide for children's services as described in the Act.

## 21. Covenant Against Contingent Fees

(Applicable only to federally funded agreements.)

The Contractor warrants that no person or selling agency has been employed or retained to solicit/secure this Agreement upon an agreement of understanding for a commission, percentage, brokerage, or contingent fee, except *bona fide* employees or *bona fide* established commercial or selling agencies retained by the Contractor for the purpose of securing business. For breach or violation of this warranty, CDPH shall have the right to annul this Agreement without liability or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.

## 22. Payment Withholds

(Applicable only if a final report is required by this Agreement. Not applicable to government entities.)

Unless waived or otherwise stipulated in this Agreement, CDPH may, at its discretion, withhold 10 percent (10%) of the face amount of the Agreement, 50 percent (50%) of the final invoice, or \$3,000 whichever is greater, until CDPH receives a final report that meets the terms, conditions and/or scope of work requirements of this Agreement.

## 23. Performance Evaluation

(Not applicable to grant agreements.)

CDPH may, at its discretion, evaluate the performance of the Contractor at the conclusion of this Agreement.

If performance is evaluated, the evaluation shall not be a public record and shall remain on file with CDPH. Negative performance evaluations may be considered by CDPH prior to making future contract awards.

#### **24. Officials Not to Benefit**

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

#### **25. Four-Digit Date Compliance**

(Applicable to agreements in which Information Technology (IT) services are provided to CDPH or if IT equipment is procured.)

Contractor warrants that it will provide only Four-Digit Date Compliant (as defined below) Deliverables and/or services to the State. "Four Digit Date compliant" Deliverables and services can accurately process, calculate, compare, and sequence date data, including without limitation date data arising out of or relating to leap years and changes in centuries. This warranty and representation is subject to the warranty terms and conditions of this Contract and does not limit the generality of warranty obligations set forth elsewhere herein.

#### **26. Prohibited Use of State Funds for Software**

(Applicable to agreements in which computer software is used in performance of the work.)

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

#### **27. Use of Small, Minority Owned and Women's Businesses**

(Applicable to that portion of an agreement that is federally funded and entered into with institutions of higher education, hospitals, nonprofit organizations or commercial businesses.)

Positive efforts shall be made to use small businesses, minority-owned firms and women's business enterprises, whenever possible (i.e., procurement of goods and/or services). Contractors shall take all of the following steps to further this goal.

- (1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
- (2) Make information on forthcoming purchasing and contracting opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
- (3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
- (4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
- (5) Use the services and assistance, as appropriate, of such organizations as the Federal Small Business Administration and the U.S. Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

#### **28. Alien Ineligibility Certification**

(Applicable to sole proprietors entering federally funded agreements.)

By signing this Agreement, the Contractor certifies that he/she is not an alien that is ineligible for state and local benefits, as defined in Subtitle B of the Personal Responsibility and Work Opportunity Act. (8 U.S.C. 1601, et seq.)

## 29. Union Organizing

(Applicable only to grant agreements.)

Grantee, by signing this Agreement, hereby acknowledges the applicability of Government Code Sections 16645 through 16649 to this Agreement. Furthermore, Grantee, by signing this Agreement, hereby certifies that:

- a. No state funds disbursed by this grant will be used to assist, promote or deter union organizing.
- b. Grantee shall account for state funds disbursed for a specific expenditure by this grant, to show those funds were allocated to that expenditure.
- c. Grantee shall, where state funds are not designated as described in b herein, allocate, on a pro-rata basis, all disbursements that support the grant program.
- d. If Grantee makes expenditures to assist, promote or deter union organizing, Grantee will maintain records sufficient to show that no state funds were used for those expenditures, and that Grantee shall provide those records to the Attorney General upon request.

## 30. Contract Uniformity (Fringe Benefit Allowability)

(Applicable only to nonprofit organizations.)

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, CDPH sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

- a. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
- b. As used herein, fringe benefits do not include:
  - (1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this Agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
  - (2) Director's and executive committee member's fees.
  - (3) Incentive awards and/or bonus incentive pay.
  - (4) Allowances for off-site pay.
  - (5) Location allowances.
  - (6) Hardship pay.
  - (7) Cost-of-living differentials
- c. Specific allowable fringe benefits include:
  - (1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
- d. To be an allowable fringe benefit, the cost must meet the following criteria:
  - (1) Be necessary and reasonable for the performance of the Agreement.
  - (2) Be determined in accordance with generally accepted accounting principles.

- (3) Be consistent with policies that apply uniformly to all activities of the Contractor.
- e. Contractor agrees that all fringe benefits shall be at actual cost.
- f. Earned/Accrued Compensation
- (1) Compensation for vacation, sick leave and holiday s is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods prior to the agreement term cannot be claimed as allowable costs. See Provision f (3)(a) for an example.
- (2) For multiple year agreements, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the Agreement. Holidays cannot be carried over from one agreement year to the next. See Provision f (3)(b) for an example.
- (3) For single year agreements, vacation, sick leave and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the Agreement, cannot be claimed as an allowable cost. See Provision f (3)(c) for an example.

**(a) Example No. 1:**

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a one year agreement. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of an agreement, the Contractor during a one-year budget period may only claim up to three weeks of vacation and twelve days of sick leave as actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the Agreement are not an allowable cost.

**(b) Example No. 2:**

If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

**(c) Example No. 3:**

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all fifty-two weeks have been billed to CDPH, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

**31. Lobbying Restrictions and Disclosure Certification**

(Applicable to federally funded agreements in excess of \$100,000 per Section 1352 of the 31, U.S.C.)

**a. Certification and Disclosure Requirements**

- (1) Each person (or recipient) who requests or receives a contract or agreement, subcontract, grant, or subgrant, which is subject to Section 1352 of the 31, U.S.C., and which exceeds \$100,000 at any tier, shall file a certification (in the form set forth in Attachment 1, consisting of one page, entitled "Certification Regarding Lobbying") that the recipient has not made, and will not make, any payment prohibited by Paragraph b of this provision.
- (2) Each recipient shall file a disclosure (in the form set forth in Attachment 2, entitled "Standard Form-LLL 'disclosure of Lobbying Activities'") if such recipient has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered federal action) in connection with a contract, or grant or any extension or amendment of that contract, or grant, which would be prohibited under Paragraph b of this provision if paid for with appropriated funds.

- (3) Each recipient shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy of the information contained in any disclosure form previously filed by such person under Paragraph a(2) herein. An event that materially affects the accuracy of the information reported includes:
- (a) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;
  - (b) A change in the person(s) or individuals(s) influencing or attempting to influence a covered federal action; or
  - (c) A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action.
- (4) Each person (or recipient) who requests or receives from a person referred to in Paragraph a(1) of this provision a contract or agreement, subcontract, grant or subgrant exceeding \$100,000 at any tier under a contract or agreement, or grant shall file a certification, and a disclosure form, if required, to the next tier above.
- (5) All disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the person referred to in Paragraph a(1) of this provision. That person shall forward all disclosure forms to CDPH Program Contract Manager.

b. Prohibition

Section 1352 of Title 31, U.S.C., provides in part that no appropriated funds may be expended by the recipient of a federal contract or agreement, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract or agreement, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract or agreement, grant, loan, or cooperative agreement.

**STATE OF CALIFORNIA  
CALIFORNIA DEPARTMENT OF PUBLIC HEALTH  
CERTIFICATION REGARDING LOBBYING**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding or entering into of this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of \$100,000 or more, and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C., any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

County of Yuba

Name of Contractor

Roger Abe

Printed Name of Person Signing for Contractor

EPO 11-58

Contract / Grant Number

Signature of Person Signing for Contractor

Date

Chairperson, Yuba County Board  
Title of Supervisors

After execution by or on behalf of Contractor, please return to:

California Department of Public Health

CDPH reserves the right to notify the contractor in writing of an alternate submission address.



## Attachment 2

**CERTIFICATION REGARDING LOBBYING**

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352  
(See reverse for public burden disclosure)

Approved by OMB

0348-0046

|   |   |  |  |
|---|---|--|--|
| <b>1. Type of Federal Action:</b><br><input type="checkbox"/> a. contract<br><input type="checkbox"/> b. grant<br><input type="checkbox"/> c. cooperative agreement<br><input type="checkbox"/> d. loan<br><input type="checkbox"/> e. loan guarantee<br><input type="checkbox"/> f. loan insurance   | <b>2. Status of Federal Action:</b><br><input type="checkbox"/> a. bid/offer/application<br><input type="checkbox"/> b. initial award<br><input type="checkbox"/> c. post-award | <b>3. Report Type:</b><br><input type="checkbox"/> a. initial filing<br><input type="checkbox"/> b. material change<br>For Material Change Only:<br>Year _____ quarter _____<br>date of last report _____. |  |
| <b>4. Name and Address of Reporting Entity:</b><br><br><input type="checkbox"/> Prime Subawardee <input type="checkbox"/> Tier _____, if known:<br>Roger Abe    915 8th St., Suite 109, Marysville, CA 95901<br><br>Congressional District, If known: 2   |   | <b>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</b><br><br><br>Congressional District, If known:  |  |
| <b>6. Federal Department/Agency</b>   | <b>7. Federal Program Name/Description:</b><br><br>CDFA Number, if applicable: _____  |  |  |
| <b>8. Federal Action Number, if known:</b>  | <b>9. Award Amount, if known:</b><br><br>\$   |  |  |
| <b>10.a. Name and Address of Lobbying Registrant</b><br><i>(If individual, last name, first name, MI):</i>  | <b>b. Individuals Performing Services</b> <i>(including address if different from 10a. (Last name, First name, MI):</i>   |  |  |
| <b>11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. required disclosure shall be subject to a not more than \$100,000 for each such failure.</b> | <b>Signature:</b> _____   |  |  |
|   | <b>Print Name:</b> _____  |  |  |
|   | <b>Title:</b> _____   |  |  |
|   | <b>Telephone No.:</b> _____ <b>Date:</b> _____  |  |  |
| <b>Federal Use Only</b>   |   | Authorized for Local Reproduction<br>Standard Form-LLL (Rev. 7-97)   |  |

**INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES**

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.  
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

**EXHIBIT E  
NON-SUPPLANTATION CERTIFICATION FORM**

**2011-12 CDC Public Health Emergency Preparedness (PHEP), State General Fund  
(GF) Pandemic Influenza, HHS Hospital Preparedness Program (HPP)  
Fiscal Year 2011-2012**

**Yuba County Health And Human Services Dept., Health Division**  
(County/City and Name of Local Health Department and/or Local HPP Entity)

I hereby certify that the above-named local health department (LHD) and/or Local HPP Entity shall not use funds allocated by the California Department of Public Health (CDPH) to supplant funding for existing levels of service and that funds shall only be used for the purposes specified in the Fiscal Year (FY) 2011-2012 CDC Public Health Emergency Preparedness (PHEP), State General Fund (GF) Pandemic Influenza, HHS Hospital Preparedness Program (HPP) Funding Agreement as approved by the CDPH.

I further certify that funds received shall be deposited in an interest-bearing Local Public Health Preparedness Trust Fund as per the Health and Safety Code 101317 and expended only for the purposes stated in the LHDs and/or Local HPP Entity's Grant Application Work Plan and Budget, as approved by the CDPH.

**Chairperson, Board of Supervisors, Mayor of a City or designee:**

|  |
|--|
| Signature:                                     |
| Printed Name: Roger Abe                        |
| Title: Chair, Yuba County Board of Supervisors |
| Phone: 530-749-6279                            |
| Date:  |

Please return the original signed certification with your FY 2011-2012 CDC PHEP, State GF Pandemic Influenza, HPP Funding Agreement Funding Agreement to:

California Department Public Health  
Emergency Preparedness Office  
Attn: Local Management Unit  
MS 7002  
P.O. Box 997377  
Sacramento, CA 95899-7377

**APPROVED AS TO FORM  
ANGIL P. MORRIS-JONES  
COUNTY COUNSEL  
BY: Maria Bryant-Robert**

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**YUBA COUNTY**  
**HUMAN RESOURCES & ORGANIZATIONAL**  
**SERVICES DEPARTMENT**  
**915 8TH STREET, SUITE 113, MARYSVILLE, CA 95901**

**DATE:** December 13, 2011  
**TO:** Board of Supervisors  
**FROM:** Martha K. Wilson, Human Resources Director



**RECOMMENDATION**

Approve amendment to the Catastrophic Leave Policy and authorize the Human Resource Director and County Administrator to implement these changes and execute all necessary documents.

**BACKGROUND**

Yuba County has held a Catastrophic Illness/Injury Policy since 2000 that allows for employees to donate unused vacation time to fellow employees with a serious illness or injury or with a family member so afflicted.

**DISCUSSION**

Historically, requests to approve the designation of a catastrophic circumstance for an employee have had to be heard before the Board of Supervisors for approval or rejection. In order to increase efficiency in responding to these vital requests and avoid a delay in a continuation of pay for affected employees, this approval process should go through the County Administrator.

**COMMITTEE**

This item has bypassed committee due to a limited number of Board of Supervisors meetings before the end of the year.

**FISCAL IMPACT**

There is no fiscal impact.

**County of Yuba**  
Human Resources &  
Organizational Services  
915 8th St., Suite 113  
Marysville, CA 95901



## **Catastrophic Leave Policy**

Amended December 13, 2011

## **PURPOSE / SCOPE**

The County of Yuba provides employees a chance to support their colleagues who are facing a major health crisis, whether their own or that of a family member. The policy allows employees to provide assistance in the form of donated vacation leave. While the program establishes a mechanism for leave transfers, participation is entirely voluntary.

## **POLICY**

It is the policy of the Board of Supervisors that the County of Yuba shall allow regular employees with permanent status to receive donated vacation hours from other regular employees based on the criteria described herein.

## **DEFINITIONS**

All terminology follows the definitions provided in the Rules Governing Benefits and Working Conditions and the Yuba County Merit Resolution, as amended.

## **EXEMPTIONS / EXCLUSIONS**

Extra-help employees are excluded from this policy.

## **GUIDELINES**

1. To be eligible, an employee must have a verifiable long-term illness or injury, i.e. cancer, heart attack, stroke, serious injury etc. which requires the employee to be off work, or have a member of their immediate family with a long-term illness or injury which results in the employee requesting time off from work to care for that family member; and must have exhausted all personal vacation, sick leave and compensatory time off (CTO), or soon will have exhausted such leave, resulting in the employee being in a no-pay status.
2. Donations must be made to a specific individual regular employee only. Donations must be made in eight hour blocks of time.
3. The person receiving the donated hours must have obtained permanent employment status with Yuba County.
4. Once the employee has pledged leave hours the donated hours cannot be reclaimed by the donating employee until it is determined that the hours are no longer needed by the employee to whom the hours were donated.
5. An employee who is utilizing donated hours shall not earn or accrue additional vacation or sick leave time.
6. In no event shall donated time have the effect of altering the employment rights of the County or the recipient employee, nor shall it extend or alter the limitations otherwise applicable to leaves of absence or sick leave.
7. The recipient employee shall provide verification of the illness or injury that qualified them to receive donated leave hours initially and as needed to the Department Head and Human Resources Director.

8. When an employee has sufficient sick leave hours accrued and has exhausted the eighty (80) hours family sick leave usage allowed in Section 10.02(f) of the Rules Governing Coverage and Compensation, Benefits and Working Conditions, the County Administrator may, on a case-by-case basis, waive the family sick leave usage limit for dependent care.
9. Employees utilizing donated hours, or an increased family sick leave usage limit, may do so solely for the purpose of the catastrophic designation.
10. Solicitation or other pressure to require employees to donate from their leave balances shall be strictly prohibited.

## **PROCEDURES**

1. Any employee who feels that another employee has the need for catastrophic leave shall submit the reasons and circumstances in writing to the Department Head. A request on behalf of an employee shall be initiated by a Department Head and sent to the Human Resources Director. The Human Resources Director shall take the request to the County Administrator for approval or disapproval.
2. Each case will be reviewed individually on its own merits and either approved or rejected based upon the principal criteria that the purpose of the catastrophic leave is to ensure that the employee's medical coverage continues without interruption and to provide continued salary for these catastrophic incidents.
3. It is understood that the donation of leave time is strictly voluntary. The information regarding the approval and the option to donate shall be made available to employees. Human Resources will issue written notice via All County email when an employee is authorized to receive leave donations.
4. Employees desiring to donate time must complete the Catastrophic Leave Donation Form which can be obtained from the Auditor Controller's office. All donations shall remain confidential.

## **FORMS USED**

Catastrophic Leave Donation Form  
Catastrophic Leave Request for CAO

## **REFERENCES/RESOURCES**

Master Labor Agreement – YCEA  
Merit Resolution  
Memorandum of Understanding – DDAA  
Memorandum of Understanding – DSA  
Memorandum of Understanding – MSA  
Rules Governing Coverage and Compensation, Benefits and Working Conditions

## **REVISION RECORD**

Revision Date: 10/2000; Revision Date: 12/2011



# The County of Yuba

## Yuba County Library



Phone: (530) 749-7380  
Fax: (530) 741-3098  
303 Second Street  
Marysville, California 95901



Email: [library@co.yuba.ca.us](mailto:library@co.yuba.ca.us)  
Website: <http://library.yuba.org>

545-11

To: Board of Supervisors

From: Kevin Mallen, CDSA Director   
Sean Powers, CDSA Finance and Administration Manager 

Date: December 13, 2011

Subject: Library Hours of Operation and 2012 Holiday Schedule

### **Recommendation:**

Extend the following interim schedule of hours open to the public for the Yuba County Library, starting January 1, 2012 and ending December 31, 2012:

|            |                     |
|------------|---------------------|
| Mondays    | Closed              |
| Tuesdays   | 10:30 am to 6:00 pm |
| Wednesdays | 10:30 am to 6:00 pm |
| Thursdays  | 12:00 pm to 6:00 pm |
| Fridays    | 12:00 pm to 6:00 pm |
| Saturdays  | 10:30 am to 6:00 pm |
| Sundays    | Closed              |

Adopt the following Library holiday schedule due to staff being off for County observed holidays:

Christmas – Library closed Friday & Saturday, December 23 & 24, 2011  
New Years Day – Library closed Saturday, December 31, 2011  
Martin Luther King Jr. - Library closed Saturday, January 14, 2012  
President's Day - Library closed Saturday, February 18, 2012  
Memorial Day - Library closed Saturday, May 26, 2012  
4<sup>th</sup> of July – Library closed Wednesday, July 4, 2012  
Labor Day - Library closed Saturday, September 1, 2012  
Veteran's Day - Library closed Saturday, November 10, 2012  
Thanksgiving – Library closed Thursday & Friday, November 22 & 23, 2012  
Christmas - Library closed Tuesday & Wednesday, December 25 & 26, 2012  
New Years Day – Library closed Tuesday, January 1, 2013

**Background:**

Due to a significantly reduced workforce and the need to accomplish projects that will improve services offered to the public, the Board authorized new hours the Library is open to the public beginning July 1, 2011. The new hours total 34.5 hours per week being open to the public. The days of the week and hours open were the same as what is being recommended for calendar year 2012. With the hours, the limited staff has 5.5 hours per week to work on projects while the Library is closed. Due to the small staff size all staff are needed to open the Library, therefore the Library needs to be closed in connection with observed County holidays.

**Discussion:**

Extending the current schedule of hours the Library is open to the public for calendar year 2012 allows staff time to continue focusing on projects, such as assessing the collection and weeding, modernization, inventory assessment and controls, as well as additional reorganization of storage areas of the Library to improve efficiencies.

The current adjusted schedule allowed the first phase of modernization with the implementation of the new public use computers, supporting network, automated software, print stations, and automated checkout system. The adjusted schedule also allowed implementing weeding and reorganization of the collection as well as significant reorganization of the storage area increasing efficiency. We are pleased with the progress to date, but there is still more work and projects to accomplish over the next year. These projects include:

- Weeding the, fiction, non-fiction, YA (Teen), and children's area collection
- Complete inventory of the collection
- Reorganizing the children's area
- Continued reorganization of the rear work area
- Reorganization and modernization of front desk area
- Second phase of modernization including multi-media equipment for the conference room and digital video surveillance and recording.

In December of next year, we will return to report on the status and successes of the various projects and provide a recommendation to the Board at that time on Library hours for January 2013.

**Committee Action:**

This item has been previously discussed and adopted by the Board in conjunction with the interim management of the Library by the CDSA Director.

**Fiscal Impact:**

None.

# The County of Yuba

OFFICE OF TREASURER AND TAX COLLECTOR

**DAN M. MIERZWA**  
TREASURER & TAX COLLECTOR



GOVERNMENT CENTER  
915 8th STREET, STE. 103  
MARYSVILLE, CA 95901-5273

546-11

TELEPHONE (530) 749-7840

FAX (530) 749-7844

November 28, 2011

TO: Board of Supervisors

FROM: Dan M. Mierzwa, Treasurer & Tax Collector

A handwritten signature in black ink, appearing to read "Dan Mierzwa", followed by a horizontal line.

RE: Adopt resolution Delegating Investment Authority

RECOMMENDATION:

To adopt a resolution delegating Investment Authority to the Yuba County Treasurer effective January 1, 2012.

BACKGROUND / DISCUSSION:

Per Government Code Section 53600 et seq. and Article III, Section 2.54.040 of the Yuba County Ordinance Code, a resolution is required each year delegating investment authority to the Yuba County Treasurer. County Counsel has drawn up said resolution for the year of 2012 (see attached). As such I respectfully request the Board of Supervisors to adopt this resolution.

FISCAL IMPACT: None

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**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF YUBA**

**IN RE:**

**RESOLUTION DELEGATING )  
INVESTMENT AUTHORITY TO THE )  
YUBA COUNTY TREASURER FOR )  
THE YEAR 2012 )  
\_\_\_\_\_ )**

**RESOLUTION NO: \_\_\_\_\_**

**WHEREAS,** as the Board of Supervisors are authorized pursuant to California Government Code §53600 et seq. to delegate investment authority to the County Treasurer; and

**WHEREAS,** Section 2.54.040 of the Yuba County Ordinance Code, among other things, delegates to the County Treasurer the authority to invest or re-invest the funds of the County and the funds of other depositors in the County Treasury; and

**WHEREAS,** as the California Government Code §53607 requires such delegation to be made on an annual basis; and

**WHEREAS,** Section 2.54.040 of the Yuba County Ordinance Code requires that the subject annual delegation be achieved by passage of an appropriate resolution of the Yuba County Board of Supervisors; and

**WHEREAS,** the Yuba County Board of Supervisors desires to continue to delegate the referenced investment authority to the County Treasurer.

**NOW, THEREFORE, BE IT RESOLVED** that the Yuba County Board of Supervisors hereby delegates to the County Treasurer the authority to continue to invest or re-invest the funds of the County and the funds of other depositors in the County Treasury pursuant to Government Code Section 53600 et seq., specifically including but without limitation Government Code, Section 53684, and Title II, Section 2.54.040 of the Yuba County Ordinance Code.

**PASSED AND ADOPTED** at a regular meeting of the Board of Supervisors of the County of Yuba, State of California, on the \_\_\_\_\_ day of December, 2011, by the following vote:

AYES:

NOES:

ABSENT:

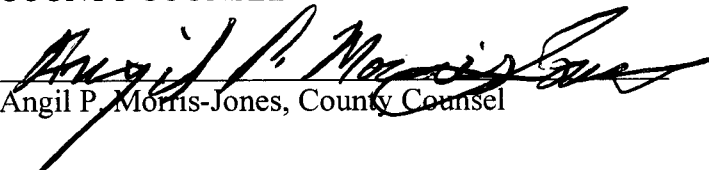
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ROGER ABE, CHAIRPERSON OF THE YUBA  
COUNTY BOARD OF SUPERVISORS

ATTEST: DONNA STOTTLEMEYER  
CLERK OF THE BOARD OF SUPERVISORS

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APPROVED AS TO FORM:  
ANGIL P. MORRIS-JONES,  
COUNTY COUNSEL

  
Angil P. Morris-Jones, County Counsel



*COUNTY*  
*DEPARTMENTS*

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# The County of Yuba

## OFFICE OF THE COUNTY ADMINISTRATOR

GOVERNMENT CENTER - 915 8<sup>TH</sup> STREET, SUITE 115  
MARYSVILLE, CALIFORNIA 95901-5273  
(530) 749-7575 FAX (530) 749-7312



547-11 ROBERT BENDORF  
COUNTY ADMINISTRATOR

JOHN FLEMING  
ECONOMIC DEVELOPMENT COORDINATOR

RUSS BROWN  
COMMUNICATIONS & LEGISLATIVE  
AFFAIRS COORDINATOR

GRACE M. MULL  
MANAGEMENT ANALYST

TEENA CARLQUIST  
EXECUTIVE ASSISTANT TO THE  
COUNTY ADMINISTRATOR

TO: Board of Supervisors  
FROM: Robert Bendorf, County Administrator  
RE: Appointment of Auditor-Controller  
DATE: December 13, 2011

### RECOMMENDATION

It is recommended that the Yuba County Board of Supervisors consider adoption of the attached resolution appointing C. Richard Eberle to the position of Auditor-Controller for Yuba County effective December 30, 2011.

### BACKGROUND

Dean Sellers, Auditor-Controller for Yuba County for the past 37 years, announced his retirement from County service effective December 30, 2011. The Auditor-Controller is an elected executive position serving a term of four years.

A recruitment to fill the remainder of Mr. Sellers' term was opened September 30, 2011. The remainder of the current term is through 2014 and an election will be held for the position of Auditor-Controller that same year for the successful candidate to assume office in January 2015. The first review of the candidate pool was conducted October 21, 2011, and public appointment interviews were held by the Board of Supervisors during a special meeting of the Board on November 8, 2011.

### DISCUSSION

Subsequent to those interviews, the Board has unanimously selected C. Richard Eberle to fill the Auditor-Controller position until his successor is elected, qualifies, and takes such office in accordance with the laws of the State of California.

Mr. Eberle is a Certified Public Accountant and also fulfills the statutory requirements of the Auditor-Controller position. He earned his Bachelor's Degree in Information Technology/Business Management from Brigham Young University. Mr. Eberle attended Marysville High School and currently resides in Olivehurst with his wife and children.

### FISCAL IMPACT

The salary for the position is budgeted in the current fiscal year.

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**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Supervisors of the County of Yuba that C. RICHARD EBERLE is hereby appointed as the Auditor-Controller to fill the vacancy of such office upon the effective date of the vacancy, December 30, 2011 and to serve and hold office as the Auditor-Controller until his successor is elected, qualified, and takes such office in accordance with the laws of the State of California.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2011,  
by the Board of Supervisors of the County of Yuba by the following vote:

AYE:

NO:

ABSENT:

ABSTAIN:

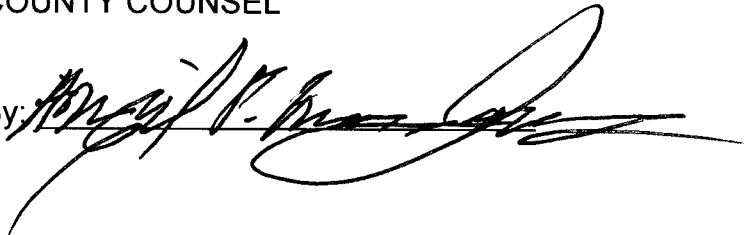
\_\_\_\_\_  
Roger Abe, Chair

ATTEST:

\_\_\_\_\_  
Donna Stottlemeyer, Clerk of the Board

APPROVED AS TO FORM  
ANGIL P. MORRIS-JONES  
COUNTY COUNSEL

By: \_\_\_\_\_



# The County of Yuba

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## OFFICE OF THE COUNTY ADMINISTRATOR

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GOVERNMENT CENTER - 915 8<sup>TH</sup> STREET, SUITE 115  
MARYSVILLE, CALIFORNIA 95901-5273  
(530) 749-7575 FAX (530) 749-7312



548-11 **ERT BENDORF**  
TY ADMINISTRATOR  
**JOHN FLEMING**  
ECONOMIC DEVELOPMENT COORDINATOR  
**RUSS BROWN**  
COMMUNICATIONS & LEGISLATIVE  
AFFAIRS COORDINATOR  
**GRACE M. MULL**  
MANAGEMENT ANALYST  
**TEENA CARLQUIST**  
EXECUTIVE ASSISTANT TO THE  
COUNTY ADMINISTRATOR

**TO:** Board of Supervisors  
**FROM:** Robert Bendorf, County Administrator  
**RE:** Authorization to Dual Encumber the position of Assistant Auditor-  
Controller  
**DATE:** December 13, 2011

### RECOMMENDATION

It is recommended that the Yuba County Board of Supervisors authorize the County Administrator to dual encumber the position of Assistant Auditor-Controller effective December 19<sup>th</sup> and ending December 30, 2011.

### BACKGROUND

Dean Sellers, Auditor-Controller for Yuba County for the past 37 years, announced his retirement from County service effective December 30, 2011. Subsequent to the recruitment for the position of Auditor-Controller, a selection and subsequent approval by the Board of Supervisors to appoint C. Richard Eberle was completed, with an effective date of December 30, 2011.

### DISCUSSION

The purpose of the dual encumbrance is to allow Mr. Eberle to begin working in the Auditor-Controller's office with Mr. Sellers. Beyond the complexities of the position, there are preparatory tasks related to financial authorizations impacting all departments, special districts, cities, and other agencies as well as numerous statutory requirements that need to be completed on an ongoing basis. This will necessitate at least some period of transition between the current and incoming Auditor-Controller.

Mr. Eberle has indicated a desire to begin work as soon as December 19, 2011 to assist the County during the transition period. In order to facilitate this, the Board of Supervisors has the ability to approve a dual encumbrance of the limited term position of Assistant Auditor-Controller through December 30, 2011.

### FISCAL IMPACT

The cost will be offset by salary savings achieved during the remainder of the fiscal year from the difference of the current and incoming Auditor-Controller.

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# The County of Yuba

549-11



## Office of the County Administrator

Robert Bendorf, County Administrator  
John Fleming, Economic Development Coordinator  
Russ Brown, Communications & Legislative Affairs Coordinator  
Grace M Mull, Management Analyst  
Teena L. Carlquist, Executive Assistant to the County Administrator  
Yuba County Government Center  
915 8<sup>th</sup> Street, Suite 115  
Marysville, CA 95901

Phone: (530) 749-7575  
Fax: (530) 749-7312  
Email: [rbendorf@co.yuba.ca.us](mailto:rbendorf@co.yuba.ca.us)  
[jffleming@co.yuba.ca.us](mailto:jffleming@co.yuba.ca.us)  
[rbrown@co.yuba.ca.us](mailto:rbrown@co.yuba.ca.us)  
[gmull@co.yuba.ca.us](mailto:gmull@co.yuba.ca.us)  
[tcarlquist@co.yuba.ca.us](mailto:tcarlquist@co.yuba.ca.us)

**Date:** December 13, 2011  
**To:** Board of Supervisors  
**From:** Robert Bendorf, County Administrator  
**By:** Grace Mull, Management Analyst  
**Re:** Agreement for Independent Audit Services

### Recommendation

Consider agreement with Gallina, LLP to perform the County's independent audit for fiscal years ending June 30, 2010, 2011, 2012, and 2013 and authorize Chairman to execute agreement.

### Background

The County has an independent audit of its financial statements each year to provide reasonable assurance that its basic financial statements are free from material misstatement. The audit includes the examination on a test basis, the evidence supporting the amounts, and disclosures in the basic financial statements. The audit also includes examining on a test, basis evidence on the County's compliance with laws, regulations, contracts, and grants, as well as assessing the accounting principles used and significant estimate made by management.

### Discussion

This will be the second engagement agreement with Gallina, LLP for the County's annual independent audit. Gallina, LLP is an experienced government sector accounting firm. The firm has been auditing cities, counties and special districts since 1957 and has audited 38 of the 58 counties in California. The firm provides experienced auditors who can provide valuable insight based on their experience with other counties and governmental agencies.

The agreement period includes four fiscal years instead of the traditional three-year engagement as audit services for fiscal year ending June 30, 2010 were performed with the approval by the Auditor-Controller but due to an oversight was not presented to the Board of Supervisors for approval. Staff is seeking ratification from your Board for the services provided in this period.

### Committee

Due to time constraints, this item did not go to Committee.

**Fiscal Impact**

The cost for auditing services for the period(s) specified is a “not to exceed” annual amount of \$88,000. There are sufficient funds in the FY 11/12 budget to cover this year’s cost and there were sufficient funds in the FY 10/11 budget to cover the audit period ending June 30, 2010.



## **AGREEMENT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT for audit services ("Agreement") is made as of the Agreement date set forth below by and between the County of Yuba, a political subdivision of the State of California ("COUNTY"), and

Gallina LLP  
("CONSULTANT")

In consideration of the Services to be rendered, the sums to be paid, and each and every covenant and condition contained herein, the parties hereto agree as follows:

### **OPERATIVE PROVISIONS**

#### **1. SERVICES.**

The CONSULTANT shall provide those services described in Attachment "A", Provision A-1. CONSULTANT shall provide said services at the time, place and in the manner specified in Attachment "A", Provisions A-2 through A-3.

#### **2. TERM OF ENGAGEMENT.**

This Agreement shall be for the four audit years ending June 30, 2010, June 30, 2011, June 30, 2012 and June 30, 2013.

Notwithstanding the term set forth above, and unless this contract is terminated by either party prior to its termination date, the term of the Agreement may be automatically extended up to ninety (90) days. Any Notice of Termination during this automatic extension period shall be effective upon a ten (10) day written notice to the other party. The purpose of this automatic extension is to allow for continuation of services, and to allow County time in which to complete a novation or renewal contract for CONSULTANT AND COUNTY approval.

CONSULTANT understands and agrees that there is no representation, implication, or understanding that the services provided by CONSULTANT pursuant to this Agreement will be purchased by COUNTY under a new agreement following expiration or termination of this Agreement, and CONSULTANT waives all rights or claims to notice or hearing respecting any failure to continue purchase of all or any such services from CONSULTANT.

#### **3. PAYMENT.**

COUNTY shall pay CONSULTANT for services rendered pursuant to this Agreement at the time and in the amount set forth in Attachment "B". The payment specified in Attachment "B" shall be the only payment made to CONSULTANT for services rendered pursuant to this

Agreement. CONSULTANT shall submit all billings for said services to COUNTY in the manner specified in Attachment "B".

**4. FACILITIES, EQUIPMENT AND OTHER MATERIALS AND OBLIGATIONS OF COUNTY.**

CONSULTANT shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement, unless an exception to this requirement is provided in Attachment "A", Provision A-4.

**5. ADDITIONAL PROVISIONS.**

Those additional provisions unique to this Agreement are set forth in Attachment "C".

**6. GENERAL PROVISIONS.**

The general provisions set forth in Attachment "D" are part of this Agreement. Any inconsistency between said general provisions and any other terms or conditions of this Agreement shall be controlled by the other term or condition insofar as it is inconsistent with the general provisions.

**7. DESIGNATED REPRESENTATIVES.**

County Administrator is the representative of the COUNTY and will administer this Agreement for the COUNTY. Gallina LLP is the authorized representative for CONSULTANT. Changes in designated representatives shall occur only by advance written notice to the other party.

**8. ATTACHMENTS.**

All attachments referred to herein are attached hereto and by this reference incorporated herein. Attachments include:

Attachment A - Services  
Attachment B - Payment  
Attachment C - Additional Provisions  
Attachment D - General Provisions  
Attachment E – Insurance Provisions

9. **TERMINATION.** COUNTY and CONSULTANT shall each have the right to terminate this Agreement upon ten (10) days written notice to the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on


\_\_\_\_\_, 2011.


"COUNTY"

"CONSULTANT"

COUNTY OF YUBA


\_\_\_\_\_  
Roger Abe, Chairman  
Board of Supervisors

  
Brad W. Constantine, Partner  
Gallina, LLP

  
Martha Wilson,  
Human Resources Risk Manager

Approved As to Form:

By:

  
Angil Morris-Jones, County Counsel

\_\_\_\_\_  
Donna Stottlemeyer, Clerk of the Board

## ATTACHMENT A

### A.1 SCOPE OF SERVICES AND DUTIES.

The services to be provided by CONSULTANT and the scope of CONSULTANT's duties include the following:

**A.1.1. Scope of Services** Audit financial statements of the government activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining information, which collective comprise the basic financial statements of the COUNTY, as of and for the year's ending June 30, 2010, 2011, 2012 and 2013. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A) to accompany the COUNTY's basic financial statements.

As part of the engagement, CONSULTANT will apply certain limited procedures to the COUNTY's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to CONSULTANT in its representation letter. Unless problems are encountered with the presentation of the RSI or with procedures relating to it, CONSULTANT will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Management's discussion and analysis.
- Budgetary comparison schedules.
- Schedules of funding progress.

Supplementary information other than the RSI, such as combining and individual fund statements, also accompanies the COUNTY's basic financial statements. The following supplementary information to the auditing procedures applied in CONSULTANT's audit of the basic financial statements will provide an opinion on it relation to the basic financial statements:

- Schedule of expenditures of federal awards.
- Combining and individual fund statements.

**A.1.2. Audit Objectives** The objective of the audit is the expression of opinions as to whether the basic financial statements are fairly presented, in all material aspects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the scope of services when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of the contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provision of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

The audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provision of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures considered necessary to enable CONSULTANT to express such opinions and to render the required reports. If opinions by CONSULTANT on the financial statements or the Single Audit compliance opinions are other than unqualified, CONSULTANT will fully discuss the reasons with COUNTY in advance. If, for any reason, CONSULTANT is unable to complete the audit or unable to form or not have formed opinions, CONSULTANT may decline to express opinions or to issue a report as a result of this engagement.

The audit will also include the following for which separate reports will be issued:

- A report on the Yuba Housing Authority.
- A report on the Yuba Redevelopment Agency.
- Audit of the County's District Attorney Grant programs that include the Victim Witness Assistance Program, Drug Enforcement Grants, and the Criminal Justice Systems Grants.
- A report on procedures performed pursuant to Article XIII-B of the California Constitution (Gann Report).

**A.1.3. Management Responsibilities** Management is responsible for maintaining effective internal controls, including internal controls over compliance, and for monitoring ongoing activities, to help ensure that appropriate goals and objectives are met. Management is also responsible for the selection and application of accounting

principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. COUNTY is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. COUNTY is also responsible for preparation of the schedule of expenditures of federal awards in accordance with requirements of OMB Circular A-133.

COUNTY is responsible for making all financial records and related information available to CONSULTANT and for ensuring that management and financial information is reliable and properly recorded. Responsibilities include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. COUNTY's responsibilities include adjusting the financial statements to correct material misstatements and confirming to CONSULTANT in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

COUNTY is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. COUNTY's responsibilities include informing CONSULTANT of COUNTY's knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, COUNTY is responsible for identifying and ensuring that the COUNTY complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is the COUNTY's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary of prior audit findings and a corrective action plan.

COUNTY is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. COUNTY is also responsible for identifying for CONSULTANT previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to CONSULTANT any corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing COUNTY's views on CONSULTANT's current findings, conclusions, and

recommendations, as well as COUNTY's planned corrective actions, for the report, and for the timing and format for providing that information.

COUNTY is responsible for the preparation of the Management's Discussion and Analysis section of the financial report. This section is not a required part of the basic financial statements, but is additional information required by accounting principles generally accepted in the United States of America.

**A.1.4. Audit Procedures – General** An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, CONSULTANT's audit will involve judgment about the number of transactions to be examined and the areas to be tested. CONSULTANT will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the COUNTY or to acts by management or employees acting on behalf of the COUNTY. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because CONSULTANT will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by CONSULTANT. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, CONSULTANT will inform COUNTY of any material errors and any fraudulent financial reporting or misappropriation of assets that comes to CONSULTANT's attention. CONSULTANT will inform COUNTY of any violations of laws or governmental regulations that come to CONSULTANT's attention, unless clearly inconsequential. CONSULTANT will include such matters in the reports required for a Single Audit. CONSULTANT's responsibility as auditors is limited to the period covered by CONSULTANT's audit and does not extend to any later periods for which CONSULTANT is not engaged as auditors.

CONSULTANT's procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. CONSULTANT will request written representations from COUNTY's attorneys as part of the engagement, and they may bill COUNTY for responding to this inquiry. At the conclusion of the audit, CONSULTANT will also require certain written representations from COUNTY about the financial statements and related matters.

**A.1.5. Audit Procedures – Internal Controls** CONSULTANT's audit will include obtaining an understanding of the COUNTY and its environment, including internal control, sufficient to assess the risk of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Test of controls may be performed to test the effectiveness of certain controls that CONSULTANT considers relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. CONSULTANT's tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, CONSULTANT will perform tests of controls to evaluate the effectiveness of the design and operation of controls that CONSULTANT considers relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, CONSULTANT's tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in CONSULTANT's report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, CONSULTANT will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

**A.1.6. Audit Procedures – Compliance** As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, CONSULTANT will perform tests of the COUNTY's compliance with applicable laws and regulations and the provision of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and CONSULTANT will not express such an opinion in CONSULTANT'S report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that CONSULTANT plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations the provisions of contracts and grant agreements applicable to major programs. CONSULTANT's procedures will consist of tests of transactions and other applicable procedures described in *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the COUNTY's major programs. The purpose of these procedures will be to express an opinion on the COUNTY's compliance with requirements applicable to each of its major



programs in CONSULTANT's report on compliance issued pursuant to OMB Circular A-133.

**A.1.7. Responsibility for Non-Audit Services** CONSULTANT will prepare a general ledger trial balance for use during the audit. CONSULTANT's preparation of the trial balance will be limited to formatting information in the COUNTY's general ledger into a working trial balance. Also, as part of the audit, CONSULTANT will assist with the preparation of the COUNTY's financial statements, schedule of expenditures of federal awards, and related notes. COUNTY is responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions. COUNTY will be required to acknowledge in the management representation letter CONSULTANT's assistance with preparation of the financial statements and schedule of expenditures of federal awards, and that COUNTY has reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, COUNTY is required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services CONSULTANT provides and for evaluating the adequacy and results of those services and accepting responsibility for them.

As a result of CONSULTANT's audit, CONSULTANT may propose adjusting journal entries, both those considered material and immaterial. The preparation of adjusting journal entries is considered a non-attest service. Consequently, *Government Auditing Standards*, require COUNTY to designate an individual with suitable skill, knowledge, or experience to review these entries and to be responsible and accountable for any adjusting journal entries CONSULTANT has proposed and whether or not they will be posted to the COUNTY's accounts. CONSULTANT will also confirm with COUNTY that unrecorded adjusting journal entries, both individually and in the aggregate, are immaterial to the financial statements taken as a whole.

**A.1.8. Audit Administration and Other** CONSULTANT understands that COUNTY's employees will prepare all cash, accounts receivable, or other confirmations CONSULTANT requests and will locate any documents selected by CONSULTANT for testing. CONSULTANT's estimate of fees is prepared with the understanding that COUNTY staff will provide schedules of transactions and accounts balances supporting the amounts to be reported in the COUNTY's financial statements and notes.

Brad Constantine is the engagement partner and is responsible for supervising the audit and signing the report.

At the conclusion of the engagement, CONSULTANT will complete appropriate sections of the Data Collection Form that summarizes the audit findings. CONSULTANT will provide three (3) copies of audit reports to the COUNTY. However, it is COUNTY's

responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the designated federal audit clearing house. CONSULTANT will coordinate with COUNTY the electronic submission and certification. If applicable, CONSULTANT will provide copies of audit report for COUNTY to include with the reporting package COUNTY will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency of audits.

CONSULTANT will also communicate to the COUNTY's governing board the following significant findings from the audit:

- COUNSULTANT's view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management , if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of COUNTY as a result of our audit procedures;
- Representations CONSULTANT requested from COUNTY;
- COUNTY's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of GALLINA LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, CONSULTANT may be requested to make certain audit documentation available to the State Controller's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. CONSULTANT will notify COUNTY of any such request. If requested, access to such audit documentation will be provided under the supervision of GALLINA LLP personnel. Furthermore, upon request, CONSULTANT may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release or for any additional period requested by the State

Controller's Office. If CONSULTANT is aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, CONSULTANT will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

The CONSULTANT and COUNTY agree that any controversy or claim arising out of or relating to the services provided pursuant to this engagement agreement shall be determined by arbitration in accordance with the applicable Arbitration Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association; and judgment on the award rendered by the arbitrator(s) may be rendered in any court of competent jurisdiction.

The CONSULTANT from time to time, and depending on the circumstances, uses third-party service providers in serving the engagement. CONSULTANT may share confidential information about COUNTY with these service providers, but remain committed to maintaining confidentiality and security of the COUNTY's information. In addition, CONSULTANT will secure confidentiality agreements with all service providers to maintain the confidentiality of COUNTY's information and will take reasonable precautions to determine that they have appropriate procedures in place to prevent unauthorized release of COUNTY's information to others. In the event CONSULTANT is unable to secure an appropriate confidentiality agreement, COUNTY will be asked to provide consent prior to sharing the confidential information with the third-party service provider. Furthermore, CONSULTANT will remain responsible for the work provided by any such third-party service providers.

**A.2. TIME SERVICES RENDERED.**

The services will be provided on such dates and at such times as specified by the COUNTY. Specific date(s) to be mutually agreed upon by the COUNTY and CONSULTANT.

**A.3. MANNER SERVICES ARE TO BE PERFORMED.**

As an independent Contractor, CONSULTANT shall be responsible for providing services and fulfilling obligations hereunder in a professional manner. COUNTY shall not control the manner of performance.

**A.4. FACILITIES FURNISHED BY COUNTY.**

CONSULTANT shall, at his/her sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement.

## **COUNTY OF YUBA**

### **ATTACHMENT B**

#### **PAYMENT**

COUNTY shall pay CONSULTANT as follows:

**B.1 COMPENSATION.** COUNTY shall pay CONSULTANT a contract fee not to exceed Eighty Eight Thousand (\$88,000) for the audit period(s) ending June 30, 2010, June 30, 2011, June 30, 2012 and June 30, 2013; CONSULTANT shall submit requests for payment after completion of services or no later than the tenth (10th) day of the month following provision of services. However, COUNTY and CONSULTANT agree that COUNTY shall pay such billing less 10 percent (10%), in which 10 percent (10%) shall be retained until the CONSULTANT's audit report is accepted. In no event shall total compensation paid to CONSULTANT under this Provision B.1 exceed Eighty Eight Thousand (\$88,000) without a formal written amendment to this Agreement approved by the COUNTY.

**B.2 TRAVEL COSTS.** COUNTY shall not pay CONSULTANT for meals, lodging or other travel costs not included in this Agreement unless said costs are approved in advance by the COUNTY representative (Operative Provision 7) and then COUNTY shall pay CONSULTANT per diem rates in effect on the date of invoice upon presentation of invoices.

**B.3 AUTHORIZATION REQUIRED.** Services performed by CONSULTANT and not authorized in this Agreement shall not be paid for by COUNTY. Payment for additional services shall be made to CONSULTANT by COUNTY if, and only if, this Agreement is amended by both parties in advance of performing additional services.

## **ATTACHMENT C**

### **OTHER TERMS**

There are no applicable provisions under this Attachment C for this Agreement.

**ATTACHMENT D**  
**GENERAL PROVISIONS**

**D.1 INDEPENDENT CONTRACTOR STATUS.** At all times during the term of this Agreement, the following apply:

**D.1.1** All acts of CONSULTANT shall be performed as an independent Contractor and not as an agent, officer or employee of COUNTY. It is understood by both CONSULTANT and COUNTY that this Agreement is by and between two independent parties and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association.

**D.1.2** CONSULTANT shall have no claim against COUNTY for employee rights or benefits, including, but not limited to, seniority, vacation time, vacation pay, sick leave, personal time off, overtime, medical, dental or hospital benefits, civil service protection, disability retirement benefits, paid holidays or other paid leaves of absence.

**D.1.3** CONSULTANT is solely obligated to pay all applicable taxes, deductions and other obligations, including, but not limited to, federal and state income taxes, withholding and Social Security taxes, unemployment and disability insurance and Workers' Compensation and Medi-Care payments.

**D.1.4** As an independent Contractor, CONSULTANT is not subject to the direction and control of COUNTY except as to the final result contracted for under this Agreement. COUNTY may not require CONSULTANT to change its manner of doing business, but may require it to redirect its efforts to accomplish what it has agreed to do.

**D.1.5** CONSULTANT may provide services to others during the same period service is provided to COUNTY under this Agreement.

**D.1.6** If in the performance of this Agreement any third persons are employed by CONSULTANT, such persons shall be entirely and exclusively under the direction, supervision and control of CONSULTANT. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the CONSULTANT.

**D.1.7** As an independent Contractor, CONSULTANT hereby indemnifies and holds COUNTY harmless from any and all claims that may be made against COUNTY based on any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

**D.2 LICENSES, PERMITS, ETC.** CONSULTANT represents and warrants to COUNTY that it has all licenses, permits, qualifications, and approvals of whatsoever nature which are legally required for CONSULTANT to practice its profession. CONSULTANT represents and warrants to COUNTY that CONSULTANT shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for CONSULTANT to practice its profession at the time the services are performed. Failure of the CONSULTANT to comply with this provision shall authorize the COUNTY to immediately terminate this agreement notwithstanding any other provision in this agreement to the contrary.

**D.3 TIME.** CONSULTANT shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for the satisfactory performance of CONSULTANT's obligations pursuant to this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

**D.4 INDEMNITY.** CONSULTANT shall defend, indemnify, and hold harmless COUNTY, its elected and appointed councils, boards, commissions, officers, agents, and employees from any liability for damage or claims for damage for personal injury, including death, as well as for property damage, which may arise from the intentional or negligent acts or omissions of CONSULTANT in the performance of services rendered under this Agreement by CONSULTANT, or any of CONSULTANT's officers, agents, employees, contractors, or sub-contractors.

**D.5 CONSULTANT NOT AGENT.** Except as COUNTY may specify in writing, CONSULTANT shall have no authority, express or implied, to act on behalf of COUNTY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, express or implied, pursuant to this Agreement to bind COUNTY to any obligation whatsoever.

**D.6 ASSIGNMENT PROHIBITED.** CONSULTANT may not assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no legal effect.

**D.7 PERSONNEL.** CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. In the event that COUNTY, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by CONSULTANT to perform services pursuant to this Agreement, CONSULTANT shall remove any such person immediately upon receiving written notice from COUNTY of its desire for



removal of such person or persons.

**D.8 STANDARD OF PERFORMANCE.** CONSULTANT shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which CONSULTANT is engaged. All products of whatsoever nature which CONSULTANT delivers to COUNTY pursuant to this Agreement shall be prepared in a first class and workmanlike manner and shall conform to the standards or quality normally observed by a person practicing in CONSULTANT's profession.

**D.9 POSSESSORY INTEREST.** The parties to this Agreement recognize that certain rights to property may create a "possessory interest", as those words are used in the California Revenue and Taxation Code, §107. For all purposes of compliance by COUNTY with Section 107.6 of the California Revenue and Taxation Code, this recital shall be deemed full compliance by the COUNTY. All questions of initial determination of possessory interest and valuation of such interest, if any, shall be the responsibility of the County Assessor and the contracting parties hereto. A taxable possessory interest may be created by this contract; and if created, the party in whom such an interest is vested will be subject to the payment of property taxes levied on such an interest.

**D.10 TAXES.** CONSULTANT hereby grants to the COUNTY the authority to deduct from any payments to CONSULTANT any COUNTY imposed taxes, fines, penalties and related charges which are delinquent at the time such payments under this Agreement are due to CONSULTANT.

**D.11 TERMINATION.** Upon termination of this Agreement as otherwise provided herein, CONSULTANT shall immediately cease rendering service upon the termination date and the following shall apply:

**D.11.1** CONSULTANT shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting, typewriting, printing, photo stating, photographing, and every other means of recording upon any tangible thing and form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof.

**D.11.2** COUNTY shall have full ownership and control of all such writings or other communications delivered by CONSULTANT pursuant to this Agreement.

**D.11.3** COUNTY shall pay CONSULTANT the reasonable value of services rendered by CONSULTANT to the date of termination pursuant to this Agreement not to exceed the amount documented by CONSULTANT and approved by COUNTY as work accomplished to date; provided, however, COUNTY shall not in any manner be liable for lost profits which might have been made by CONSULTANT had CONSULTANT

completed the services required by this Agreement. In this regard, CONSULTANT shall furnish to COUNTY such financial information as in the judgment of the COUNTY is necessary to determine the reasonable value of the services rendered by CONSULTANT. In the event of a dispute as to the reasonable value of the services rendered by CONSULTANT, the decision of the COUNTY shall be final. The foregoing is cumulative and does not affect any right or remedy which COUNTY may have in law or equity.

CONSULTANT may terminate its services under this Agreement upon thirty (30) days written notice to the COUNTY, without liability for damages, if CONSULTANT is not compensated according to the provisions of the Agreement or upon any other material breach of the Agreement by COUNTY.

**D.12 NON-DISCRIMINATION.** Throughout the duration of this Agreement, CONSULTANT shall not unlawfully discriminate against any employee of the CONSULTANT or of the COUNTY or applicant for employment or for services or any member of the public because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sex or sexual orientation. CONSULTANT shall ensure that in the provision of services under this Agreement, its employees and applicants for employment and any member of the public are free from such discrimination. CONSULTANT shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900, et seq.). The applicable regulations of the Fair Employment Housing Commission implementing Government Code Section 12900, set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. CONSULTANT shall also abide by the Federal Civil Rights Act of 1964 and all amendments thereto, and all administrative rules and regulations issued pursuant to said Act. CONSULTANT shall give written notice of its obligations under this clause to any labor agreement. CONSULTANT shall include the non-discrimination and compliance provision of this paragraph in all subcontracts to perform work under this Agreement.

**D.13 REHABILITATION ACT OF 1973/AMERICANS WITH DISABILITIES ACT OF 1990.** In addition to application of the non-discrimination provision of this Agreement, above, CONSULTANT agrees to comply with all provisions of section 504 et seq. of the Rehabilitation Act of 1973, and with all provisions of the Americans with Disabilities Act of 1990, and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts, pertaining to the prohibition of discrimination against qualified handicapped and disabled persons, in all programs or activities, as to employees or recipients of services.

**D.14 OWNERSHIP OF INFORMATION.** All professional and technical information developed under this Agreement and all work sheets, reports, and related data shall become the property of COUNTY, and CONSULTANT agrees to deliver reproducible copies of such documents to COUNTY on completion of the services hereunder. The COUNTY agrees to indemnify and hold CONSULTANT harmless from any claim arising out of reuse of the information for other than this project.

**D.15 WAIVER.** A waiver by any party of any breach of any term, covenant or condition herein contained or a waiver of any right or remedy of such party available hereunder at law or in equity shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained or of any continued or subsequent right to the same right or remedy. No party shall be deemed to have made any such waiver unless it is in writing and signed by the party so waiving.

**D.16 COMPLETENESS OF INSTRUMENT.** This Agreement, together with its specific references and attachments, constitutes all of the agreements, understandings, representations, conditions, warranties and covenants made by and between the parties hereto. Unless set forth herein, neither party shall be liable for any representations made express or implied.

**D.17 SUPERSEDES PRIOR AGREEMENTS.** It is the intention of the parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, representations, or agreements, written or oral, between the parties hereto.

**D.18 CAPTIONS.** The captions of this Agreement are for convenience in reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**D.19 DEFINITIONS.** Unless otherwise provided in this Agreement, or unless the context otherwise requires, the following definitions and rules of construction shall apply herein.

**D.19.1 NUMBER AND GENDER.** In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, the word "person" includes corporations, partnerships, firms or associations, wherever the context so requires.

**D.19.2 MANDATORY AND PERMISSIVE.** "Shall" and "will" and "agrees" are mandatory. "May" is permissive.

**D.20 TERM INCLUDES EXTENSIONS.** All references to the term of this Agreement or the Agreement Term shall include any extensions of such term.

**D.21 SUCCESSORS AND ASSIGNS.** All representations, covenants and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

**D.22 MODIFICATION.** No modification or waiver of any provision of this Agreement or its attachments shall be effective unless such waiver or modification shall be in writing, signed by all parties, and then shall be effective only for the period and on the condition, and for the specific instance for which given.

**D.23 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.

**D.24 OTHER DOCUMENTS.** The parties agree that they shall cooperate in good faith to accomplish the object of this Agreement and to that end, agree to execute and deliver such other and further instruments and documents as may be necessary and convenient to the fulfillment of these purposes.

**D.25 PARTIAL INVALIDITY.** If any term, covenant, condition or provision of this Agreement is held by a Court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provision and/or provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

**D.26 JURISDICTION.** It is agreed by the parties hereto that unless otherwise expressly waived by them, any action brought to enforce any of the provisions hereof or for declaratory relief hereunder shall be filed and remain in a Court of competent jurisdiction in the County of Yuba, State of California.

**D.27 CONTROLLING LAW.** The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of California.

**D.28 TIME IS OF THE ESSENCE.** Time is of the essence of this Agreement and each covenant and term a condition herein.

**D.29 AUTHORITY.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, estates or firms represented or purported to be represented by such entity(s), person(s), estate(s) or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Further, by entering into this Agreement, neither party hereto shall have breached the terms or conditions of any other contract or agreement to which such party is obligated, which such breach would have a material effect hereon.

**D.30 CONFLICT OF INTEREST.** Neither a COUNTY employee whose position in COUNTY enables such employee to influence the award of this Agreement or any competing Agreement, nor a spouse or economic dependent of such employee, shall be employed in any capacity by CONSULTANT herein, or have any other direct or indirect financial interest in this Agreement.

CONSULTANT may be subject to the disclosure requirements of the COUNTY conflict of interest code if in a position to make decisions or influence decisions that could have an effect on

the CONSULTANT's financial interest. The County Administrator shall determine in writing if CONSULTANT has been hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in the Yuba County Conflict of Interest Code.

**D.31 NOTICES.** All notices and demands of any kind which either party may require or desire to serve on the other in connection with this Agreement must be served in writing either by personal service or by registered or certified mail, return receipt requested, and shall be deposited in the United States Mail, with postage thereon fully prepaid, and addressed to the party so to be served as follows:

If to "COUNTY":

County Administrator  
County of Yuba  
915 8<sup>th</sup> Street, Suite 115  
Marysville, CA 95901

With a copy to:

County Counsel  
County of Yuba  
915 8<sup>th</sup> Street, Suite 111  
Marysville, CA 95901

If to "CONSULTANT":

Gallina, LLP  
Attn: Brad Constantine  
925 Highland Pointe Drive, Suite 450  
Roseville, CA 95678

## ATTACHMENT E

### INSURANCE PROVISIONS

#### Insurance Requirements for Professional Services

CONSULTANT shall procure and maintain for the duration of the contract insurance 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 the CONSULTANT, his agents, representatives, or employees.

##### *Minimum Scope of Insurance*

1. Insurance Services Office Commercial General Liability coverage (CG 00 01)
2. Insurance Services Office Form Number CA 00 01 covering Automobile Liability, Code 1 (any auto).
3. Worker's Compensation insurance as required the State of California and Employer's Liability Insurance.
4. Errors Et Omissions Liability insurance appropriate to the CONSULTANT'S profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

##### *Minimum Limits of Insurance*

CONSULTANT shall maintain limits no less than:

- |                          |             |  |
|--------------------------|-------------|--|
| 1. General Liability:    | \$1,000,000 | 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 this project/location or the general aggregate limit shall be twice the required occurrence limit. |
| 2. Automobile Liability: | \$1,000,000 | Per accident for bodily injury and property damage.  |

- |                           |  |  |
|---------------------------|--|--|
| 3. Worker's Compensation: | As required by the State of California |  |
| 4. Employer's Liability:  | \$1,000,000                            | Each accident, \$1,000,000 policy limit bodily by disease, \$1,000,000 each employee bodily injury by disease. |
| 5. Errors & Omissions:    | \$1,000,000                            | Per Occurrence.  |

#### *Deductibles and Self-Insured Retentions*

Any deductibles or self-insured retentions must be declared to and approved by the COUNTY. At the option of the COUNTY, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the COUNTY, its officers, officials, employees and volunteers; or the CONSULTANT shall provide a financial guarantee satisfactory to the COUNTY guaranteeing payment of losses and related investigations, claim administration and defense expenses.

#### *Other Insurance Provisions*

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The COUNTY, its officers, officials, employees and volunteers are to be covered as insured's respects: liability arising out of work or operations performed by or on behalf of the CONSULTANT; or automobiles owned, leased or borrowed by the CONSULTANT.
2. For any claims related to this project, the CONSULTANT's insurance coverage shall be primary insurance as respects the COUNTY, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, officials, employees or volunteers shall be excess of the CONSULTANT's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) day's prior written notice has been provided to the COUNTY.

If General Liability, Contractor's Pollution Liability and/or Asbestos Pollution Liability and/or Errors Et Omissions coverage's are written on a claims-made form:

1. The retroactive date must be shown, and must be before the date of the contract or the beginning of the contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.

3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the COUNTY for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractor's Pollution Liability shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractor's Pollution Liability shall not contain a mold exclusion and the definition of "Pollution" shall include microbial matter including mold.

#### *Acceptability of Insurers*

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the COUNTY. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

#### *Verification of Coverage*

CONSULTANT shall furnish the COUNTY with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the COUNTY or on other than the COUNTY's forms provided those endorsements conform to county requirements. All certificates and endorsements are to be received and approved by the COUNTY before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements. The COUNTY reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

#### *Waiver of Subrogation*

CONSULTANT hereby agrees to waive subrogation which any insurer of contractor may require from vendor by virtue of the payment of any loss. CONSULTANT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

The Worker's Compensation policy shall be endorsed with a waiver of subrogation in favor of the COUNTY for all work performed by the consultant, its employees, agents and subcontractors.





# The County of Yuba

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**Office of the County Administrator**

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Robert Bendorf, County Administrator

**TO:** Yuba County Board of Supervisors  
**FROM:** Robert Bendorf, County Administrator *RB/BM*  
**SUBJECT:** Three Rivers Levee Improvement Authority - Employment Contract Extension for the Executive Director  
**DATE:** December 13, 2011

## RECOMMENDATION

It is recommended that the Board of Supervisors approve the attached contract extension for Paul Brunner, Executive Director of the Three Rivers Levee Improvement Authority.

## BACKGROUND

On May 16, 2006, the Three Rivers Levee Improvement Authority (TRLIA) hired its first full time Executive Director by retaining Paul Brunner. Mr. Brunner, replaced the part time assignment performed by Kent McClain, who was the Acting Director of TRLIA at the time. The hiring was implemented through an employment agreement (Agreement) between Mr. Brunner, TRLIA, and Yuba County and the position was adopted and included in the Yuba County position allocation schedule. The Agreement provided that Yuba County would act as the employer and assign Mr. Brunner to TRLIA to manage the program. TRLIA would then reimburse the County for the costs of the Agreement. On January 22, 2008 and again on August 18, 2009, extensions were executed between TRLIA, the County, and Mr. Brunner. The current employment contract ends on December 31 of this year.

## DISCUSSION

The TRLIA Board provided direction to TRLIA General Counsel Scott Shapiro to negotiate another contract extension with Mr. Brunner. As a result of the direction provided and subsequent discussions between Mr. Shapiro and Mr. Brunner, the extension proposes the following changes:

- In recognition of the decreased work load of TRLIA by having completed significant portions of the program, Mr. Brunner will become a part time employee, working between 50% and 100% time each month. As a result, his salary will be decreased to

reflect the hours actually worked and Mr. Brunner's sick leave and vacation time will accrue on a pro rated basis.

- This extension is for a twenty four (24) month period, with a regular performance review by December 2012.
- Likely due to a belief that TRLIA's work was nearly complete when the original Agreement was executed, the Agreement precludes Mr. Brunner from obtaining any seniority increases in his salary after four years of employment. In recognition that this deprives Mr. Brunner of a benefit available to the majority of County employees, this limitation is removed. The extension also provides for good faith negotiation of any changes in salary as a result of a current job analysis study for the position being conducted by Yuba County Human Resources.
- The extension also removes the ability of Mr. Brunner to request reimbursement for mileage and replaces that ability with a flat monthly car allowance of \$300. This change is provided as an administrative convenience, consistent with County policy and to remove staff processing costs associated with requesting such mileage, which involves review and processing by separate employees of TRLIA and the County.

#### **FISCAL IMPACT**

The cost of this extension is included in the TRLIA approved budget for FY 2011/12.

#### **Attachment:**

- May 16, 2006 Agreement
- January 28, 2008 extension
- August 18, 2009 extension
- Proposed further extension

06-294

**EMPLOYMENT AGREEMENT AMONG THE THREE RIVERS  
LEVEE IMPROVEMENT AUTHORITY,  
THE COUNTY OF YUBA,  
AND PAUL G. BRUNNER**

This Employment Agreement ("Agreement") is entered into on this 16th day of May, 2006 among the Three Rivers Levee Improvement Authority ("Authority"), established in April 2004, and the COUNTY OF YUBA ("County"), a political subdivision of the State of California, and Paul G. Brunner ("Employee").

**RECITALS**

WHEREAS, the Authority and the County will enter into an agreement providing that the Authority's employees are considered both County and Authority employees; and

WHEREAS, the Authority desires to employ Employee as its Executive Director; and

WHEREAS, Employee desires to serve as the Executive Director of Authority beginning June 1, 2006; and

WHEREAS, the County Administrative Officer ("CAO") shall be considered the Employee's supervisor, but the CAO shall provide an evaluation to the Employee and shall terminate or discipline the Employee only in accordance with the direction of the Authority; and

WHEREAS, the Authority, Employee, and the County desire to agree in writing to the terms and conditions of Employee's employment as the Authority's Executive Director; and

This Agreement shall be the sole and exclusive basis for an employment relationship among Employee, Authority, and County.

**AGREEMENT**

1. Incorporation of Recitals.

The foregoing recitals and the introductory paragraph are hereby incorporated into this Agreement.

2. Duties of Employee.

A. Employee agrees to serve as the Executive Director of the Authority and shall perform the functions and duties as specified in the class specification for the Executive Director (attached hereto and incorporated herein by reference as Exhibit A) and all other

applicable laws, rules and regulations now in effect or hereafter adopted, and to perform other legally permissible and proper duties and functions as the Authority may from time to time assign.

B. Employee shall perform the assigned duties to the best of his/her ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by the County and all directives of the Authority.

C. Employee shall not engage in any activity or take any position (paid or otherwise) that is, may become, or may in any degree present a conflict of interest or appear to present a conflict of interest with the duties inherent in the position of the Authority's Executive Director. Employee shall not engage in any activity that is, or may become, a prohibited contract, or which may create an incompatibility of office as defined under state law.

D. Employee agrees to complete economic interest disclosure forms as required by law and in connection with the performance of any services under this Agreement, which shall be filed in accordance with laws and regulations relating to disclosure forms during the term of this Agreement and thereafter as may be required by law or regulation.

3. Duties of Authority and County.

The parties agree that Employee shall be an at-will employee of both the Authority and the County. Employee or the Authority may terminate this employment relationship at any time during the term of this Agreement with or without cause and as described more fully below.

A. County Administrative Officer. The County Administrative Officer ("CAO") shall be Employee's official County supervisor. The CAO shall authorize Employee's payroll as well as vacation, sick and other applicable leave time. Employee shall not be required to implement specific programs or perform specific tasks requested solely by the CAO; such direction shall be given by the Authority. The CAO shall not have the individual authority to evaluate, discipline, release, or terminate Employee.

B. Rights and Benefits. The County shall provide Employee with the same rights and benefits as provided to County management employees, and as they may be amended from time to time and as such rights and benefits may be modified by this Agreement. County shall be responsible for addressing all of Employee's rights and benefits questions with respect to County employment.

C. Authority's Responsibilities. The Authority shall provide overall managerial and supervisory direction to Employee. Employee's questions concerning individual projects and assignments are to be directed to the Chair of the Authority.

D. Approval of Authority. Upon a majority vote of Authority members present and voting at an Authority meeting, the Authority shall recommend to the CAO Employee's evaluation, discipline, release, or termination, and the CAO shall follow any such recommendation.

E. Agreement between County and Authority. The specific duties and obligations of the County and the Authority will be further specified in an Agreement between the County and the Authority. In the event of any inconsistency between this Agreement and the Agreement between the County and the Authority, this Agreement shall control.

4. Term. The term of this Agreement shall be from the date Employee executes this Agreement and shall continue until June 30, 2008, and may be extended by agreement of both parties. Nothing is preventing the parties from modifying this agreement should future funding be secured.

5. Resignation and Termination.

A. Resignation. Employee may resign at any time during the term of this Agreement and agrees to provide the Authority with thirty (30) days advance written notice of the effective date of his/her resignation.

B. No Promise of Continued Employment. There is no express or implied promise made to Employee by either Authority or County for any form of continued employment. All parties agree that Employee is an at-will employee who serves at the pleasure of the Authority and whose employment may be terminated at any time without cause.

C. Release of Employee from Authority Service. Authority may release Employee from Authority employment at any time upon written notice and after a majority vote of the all the Authority members. An Authority decision to release Employee may be made in closed session consistent with the Ralph M. Brown Act and subsequently announced in a public meeting. The Authority shall transmit its decision to release Employee to the CAO, who shall immediately take the appropriate measures to remove Employee from his service as the Authority's Executive Director.

a. In recognition of employee's professional status and integrity, Employee and the Board shall prepare a joint public statement to be made by the Board at the public meeting when the Board action of termination is announced.

b. Employee shall have the option to resign his office instead of being terminated if an action by the Authority to terminate has been taken in closed session. Employee shall be given a time certain, not less than five working days, by which such resignation in writing shall be

delivered to the Clerk of the Board and, in the event such resignation is timely delivered, the public announcement as provided for in paragraph 5C(a), above, will reflect that Employee has resigned. Such resignation in lieu of termination shall not affect the right to receive payment under this contract as hereinafter set forth.

- c. A decision by the Board to terminate Employee for cause may be made in closed session consistent with the Ralph M. Brown Act and announced at a public meeting. Cause is defined as failure to perform the duties outlined in section 2 of this agreement. In the event of termination for cause Employee shall have the right to a name clearing public hearing.
- d. The CAO and the County shall also comply with all applicable local, state, and federal laws, regulations, policies, and procedures with respect to any discipline or termination of Employee, except to the extent that they contradict the terms of this Agreement.
- e. Should the employee be terminated without cause, the employee will be paid six months severance pay, or if less than six months remain on the contract, the employee will be paid the full amount of the remaining portion of the contract as severance pay.

6. Salary

A. Commencing with the date of appointment set forth above, Employee shall be compensated according to the Yuba County Classification System - Basic Salary Schedule which identifies the base gross monthly rate of the Executive Director at eight thousand three hundred thirty four dollars (\$8334.00). Employee shall be hired at the Merit Index rate equivalent to the completion of at least 2 years service – 1.1030 equaling \$9193.00 and the SCD shall be temporarily adjusted to reflect the advanced Index Rate. Employee will continue to receive annual Index Rate increases until their Index Rate equals 1.2160 (equivalent to four years of service). Additionally, an increase equal to any cost of living increase given to miscellaneous employees shall also be given to Employee.

7. Performance Evaluation.

A. Initial Performance Evaluation. The Authority shall perform an initial performance evaluation of Employee within the first ten ninety days (90) days of the term of this Agreement. The purpose of this evaluation is to establish the Authority's goals and expectations of the new Executive Director. All members of the Authority will go over the evaluation with the employee during a closed meeting session. Upon approval of a majority of the Authority members, the Authority Chair shall transmit the evaluation to the CAO, who shall complete and file the evaluation with the County.

B. Subsequent Performance Evaluations. Following the Initial Performance Evaluation specified in Section 6(A) above, the Authority shall thereafter perform a performance evaluation of Employee on an annual basis. All members of the Authority will go over each evaluation with the employee during a closed meeting session. Upon approval of a majority of the Authority members, the Authority Chair shall transmit the evaluation to the CAO, who shall complete and file the evaluation with the County.

C. Right to More than an Annual Evaluation. Nothing in this Section 6 or County rules, policies, or procedures shall prohibit the Authority from evaluating Employee on a more frequent basis.

8. Other Benefits

A. The Authority or County shall provide the employee a vehicle to use to conduct Authority duties. The employee can take this vehicle home when Authority duties make it impractical for employee to return to office that day. Employee would return vehicle to work site the following workday. The Authority or County will be responsible for the insurance, maintenance, and operational costs of this vehicle.

B. The Authority or County shall provide the employee with a cell phone to use for County or Authority duties. The employee can use the cell phone for limited personal use. The Authority or County will be responsible for the maintenance, and operational costs of this phone.

C. The Authority or County shall reimburse employee for mileage costs associated with using employee's personal vehicle for Authority or County business. The reimbursement rate will be the same as used for Yuba County employees.

D. Since this is a term position the waiting period for the following benefits are waived and effective the first day of the contract the employee is granted:

- 1) 12 days of sick leave per year
- 2) 15 days of vacation time per year. In 2006 the employee has already made significant personal vacation plans for 2 October thru 17 October, which the County and Authority approve.

9. Notices

Any notices required by this Agreement shall be in writing and either given in person to the recipient or by first class mail, postage prepaid, and addressed as follows:

TO AUTHORITY: Three Rivers Levee Improvement Authority  
915 8<sup>th</sup> Street, Suite 115  
Marysville, CA 95901  
Attn: Chair

TO COUNTY: County of Yuba  
915 8th Street, Suite 115  
Marysville, CA 95901  
Attn: County Administrator

TO EMPLOYEE: Paul G. Brunner  
8186 Joe Rodger Road  
Granite Bay, CA 95746

9. Assignment.

This Agreement is not assignable by any of the parties. Any agreement to the contrary by any of the parties shall be void.

10. Governing Law and Choice of Forum.

This Agreement shall be administered and interpreted under California law as if drafted equally among all parties. Any litigation arising from this Agreement shall be brought in the Superior Court of Yuba County.

11. Severability

In the event that any portion of this Agreement is finally held or determined to be illegal or void by a Court having jurisdiction, the remainder of the Agreement shall remain in full force and effect unless the parts found to be void are wholly inseparable from the remaining portion of the Agreement.

IN WITNESS WHEREOF, Authority, County, and Employee have caused this Agreement to be signed and executed as of the dates of their respective signatures.

DATE: May 16, 2006

AUTHORITY

BY: Richard E. Webb  
Richard Webb, Chair

DATE: May 16, 2006

COUNTY

BY: [Signature]  
Chairman

DATE: May 10, 2006

EMPLOYEE

BY: Paul G. Brunner  
Paul G. Brunner



**EXTENSION TO  
EMPLOYMENT AGREEMENT AMONG THE THREE RIVERS  
LEVEE IMPROVEMENT AUTHORITY,  
THE COUNTY OF YUBA,  
AND PAUL G. BRUNNER**

This Extension to Employment Agreement Among The Three Rivers Levee Improvement Authority, the County Of Yuba, and Paul G. Brunner ("Extension") is entered into on the \_\_\_\_ day of January, 2008, between the Three Rivers Levee Improvement Authority ("Authority"), the County of Yuba ("County"), and Paul G. Brunner ("Employee")

**RECITALS**

WHEREAS, on May 16th, 2006 the Authority, the Employee, and the County of Yuba entered into an Employment Agreement whereby Employee was retained as Executive Director of the Authority; and

WHEREAS, the term of that Employment Agreement is to expire on June 30, 2008 because of uncertainty that existed at the time when the Employment Agreement was executed as to funding sources for the Authority and when the flood protection improvements proposed by the Authority would be completed; and

WHEREAS, the Employment Agreement explicitly provides in Section 4 that the term of the Employment Agreement may be extended; and

WHEREAS, the Authority, the County, and the Employee desire to extend the employment relationship by an additional eighteen months from the expiration of the term of the Employment Agreement (i.e., until December, 31, 2009), without any other changes to the Employment Agreement.

**AGREEMENT**

1. Incorporation of Recitals.

The foregoing recitals and the introductory paragraph are hereby incorporated into the Agreement.

2. Extension of Term.

The first sentence of Section 4 of the Employment Agreement shall be amended to delete the date of "June 30, 2008" and to replace that date with "December 31, 2009."

3. Remainder of Employment Agreement.

No further changes shall be made to the Employment Agreement as a result of this Extension.

IN WITNESS WHEREOF, Authority, County, and Employee have caused this Extension to be signed and executed on the dates of their respective signatures.

Date: January 8, 2008

AUTHORITY

By:

Mary Jane Greco, Chair

Date: January 22, 2008

COUNTY

By:

Daniels Logue, Chair

Date: 1-8-08

EMPLOYEE

By:

Paul M. Brunner

APPROVED AS TO FORM  
DANIEL G. MONTGOMERY  
COUNTY COUNSEL

BY:

Scott Shapiro

Approved as to Form  
Scott Shapiro  
TRUA General Counsel

By: Andrea P. Clash for Scott Shapiro

**EXTENSION TO  
EMPLOYMENT AGREEMENT AMONG THE THREE RIVERS  
LEVEE IMPROVEMENT AUTHORITY,  
THE COUNTY OF YUBA,  
AND PAUL G. BRUNNER**

This Extension to Employment Agreement Among The Three Rivers Levee Improvement Authority, the County Of Yuba, and Paul G. Brunner ("Extension") is entered into on the 18th day of August, 2009, between the Three Rivers Levee Improvement Authority ("Authority"), the County of Yuba ("County"), and Paul G. Brunner ("Employee")

**RECITALS**

WHEREAS, on May 16th, 2006 the Authority, the Employee, and the County of Yuba entered into an Employment Agreement whereby Employee was retained as Executive Director of the Authority; and

WHEREAS, the term of that Employment Agreement is to expire on December 31, 2009 because of uncertainty that existed at the time when the Employment Agreement was executed as to funding sources for the Authority and when the flood protection improvements proposed by the Authority would be completed; and

WHEREAS, the Employment Agreement explicitly provides in Section 4 that the term of the Employment Agreement may be extended; and

WHEREAS, the Authority, the County, and the Employee desire to extend the employment relationship by an additional two years from the expiration of the term of the Employment Agreement (i.e., until December, 31, 2011), without any other changes to the Employment Agreement.

**AGREEMENT**

1. Incorporation of Recitals.

The foregoing recitals and the introductory paragraph are hereby incorporated into the Agreement.

2. Extension of Term.

The first sentence of Section 4 of the Employment Agreement shall be amended to delete the date of "**December 31, 2009**" and to replace that date with "**December 31, 2011.**"

3. Remainder of Employment Agreement.

No further changes shall be made to the Employment Agreement as a result of this Extension.

IN WITNESS WHEREOF, Authority, County, and Employee have caused this Extension to be signed and executed on the dates of their respective signatures.

Date: August 18, 2009

AUTHORITY

By: 

Mary Jane Griego, Chair

Date: September 15, 2009

COUNTY

By: 

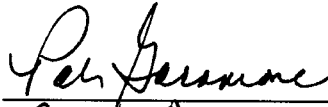
John Nicoletti, Chair

Date: 8-18-09

EMPLOYEE

By: 

APPROVED AS TO FORM:  
COUNTY COUNSEL

  
Chief Deputy

APPROVED AS TO FORM:  
ANDREA P. CLARK  
GENERAL COUNSEL, TRLIA



**EXTENSION TO  
EMPLOYMENT AGREEMENT AMONG THE THREE RIVERS  
LEVEE IMPROVEMENT AUTHORITY,  
THE COUNTY OF YUBA,  
AND PAUL G. BRUNNER**

This Extension to Employment Agreement among the Three Rivers Levee Improvement Authority, the County Of Yuba, and Paul G. Brunner ("Extension") is entered into on the \_\_\_\_ day of December, 2011, between the Three Rivers Levee Improvement Authority ("Authority"), the County of Yuba ("County"), and Paul G. Brunner ("Employee")

**RECITALS**

WHEREAS, on May 16th, 2006, the Authority, the Employee, and the County entered into an Employment Agreement whereby Employee was retained as Executive Director of the Authority; and

WHEREAS, the Authority, the County, and the Employee desired on January 22, 2008 and again on August 18, 2009 to extend the employment relationship and did so; and

WHEREAS, the Authority, the County, and the Employee desire to again extend the employment relationship by an additional two years from the expiration of the term of the Employment Agreement (i.e., until December, 31, 2013), with the changes noted herein.

**AGREEMENT**

1. Incorporation of Recitals.

The foregoing recitals and the introductory paragraph are hereby incorporated into the Agreement.

2. Extension of Term.

The first sentence of Section 4 of the Employment Agreement shall be amended to delete the date of "**December 31, 2011**" and to replace that date with "**December 31, 2013**."

3. Remainder of Employment Agreement. The following changes shall be made to the Employment Agreement:

(a) Section 2.E. A new section 2.E. shall be added as follows: "Employee shall be a part time employee working no less than 50% time in a month and no more than 100% time in a month, with no more than 40 hours worked in any given week. Employee shall monthly report to County the number of hours worked and shall show hours worked on a daily basis. The County and Authority understand and agree that Employee may dedicate some of his time away from the duties of Authority working for other employers, and such arrangement is approved so long as it is consistent with Section 2.C."

(b) Section 6.A. The following phrase shall be deleted from the third sentence of Section 6.A.: "until their Index Rate equals 1.2160 (equivalent to four years of service)."

(c) Section 6.B. A new Section 6.B. shall be added as follows: "The Parties acknowledge that the County is doing a study regarding the duties and commensurate compensation for this position. The Parties agree to negotiate changes to the salary in good faith if so requested by Employee after conclusion of the study."

(d) Section 6.C. A new Section 6.C shall be added as follows: "The Parties acknowledge that Employee will move from a full time to a part time employee under this Agreement. Therefore, County shall calculate an hourly rate for Employee's work based on the salary determined under Section 6.A. and using a monthly report from Employee of hours actually worked, County shall calculate the salary for the month and pay Employee accordingly."

(e) Section 8.B. Section 8.B. shall be deleted and replaced with the following: "In lieu of a cell phone, the Authority or County shall provide Employee with a data card for Employee's computer thus allowing Employee to work remotely. The Authority or County will be responsible for the maintenance and operational costs of this data card."

(f) Section 8.C. Section 8.C. shall be deleted and replaced with the following: "In lieu of reimbursing Employee for mileage costs associated with using Employee's personal vehicle for Authority business, Employee shall receive a car allowance of \$300 per month."

(g) Section 8.D. Section 8.D. shall be deleted and replaced with the following: "Employee shall be entitled to sick leave and vacation time in accordance with existing provisions of the County's Rules Governing Resolution #2005-113 (as amended by Resolution 2006-59)."

4. Performance Evaluation. Authority shall conduct a performance evaluation of Employee pursuant to Section 7B of the Employment Agreement by December 31, 2012.

IN WITNESS WHEREOF, Authority, County, and Employee have caused this Extension to be signed and executed on the dates of their respective signatures.

Date: 12-6-11

AUTHORITY

By:

Rick Brown <sup>CG-Chair</sup>  
~~Mary-Jane Griego, Chair~~  
Rick Brown, Vice Chair

Date: \_\_\_\_\_

COUNTY

By: \_\_\_\_\_  
Roger Abe, Chair

Date: \_\_\_\_\_

EMPLOYEE

By: Paul G. Brunner  
Paul G. Brunner

APPROVED AS TO FORM:  
COUNTY COUNSEL

Angil Morris-Jones  
Angil Morris-Jones

APPROVED AS TO FORM:  
TRLIA GENERAL COUNSEL

Andreas P. Clever for Scott Shapiro  
Scott Shapiro

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# The County of Yuba

551-11



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## Office of the County Administrator

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Robert Bendorf, County Administrator

TO: Yuba County Board of Supervisors  
FROM: Robert Bendorf, County Administrator *RB*  
RE: Recology Franchise Agreement for Waste Collection and Disposal  
DATE: December 13, 2011

### RECOMMENDATION

It is recommended that the Board of Supervisors:

- Adopt a resolution approving a Franchise Agreement with Recology for waste collection and disposal in Yuba County and authorize the Chairman to execute the necessary documents; and
- Provide a designation for use of the Road Maintenance Fee provided in the agreement and direct staff to return with the appropriate policy; and
- Provide additional direction as appropriate.

### BACKGROUND

*NOTE: In this staff report it is important to note Yuba-Sutter Disposal, Inc. (previous provider of waste collection services for Yuba County) changed its corporate name for both collection services and for the landfill that is operated at Ostrom Road to Recology Yuba-Sutter and Recology Ostrom Road respectively. Therefore, this staff report refers to Recology as the entity currently providing waste collection and disposal services and also the provider in the proposed Franchise Agreement.*

Yuba County is part of a six member agency Joint Powers Authority, formed in 1990, as the Bi-County Integrated Waste Management Authority, now known as the Regional Waste Management Authority (RWMA). The RWMA members are Yuba County, Sutter County and the cities of Live Oak, Marysville, Wheatland and Yuba City. One elected council member and board member from each jurisdiction make up the RWMA Board.

The RWMA is responsible for coordinating waste program planning and reporting for the member agencies. The RWMA staff also administers an annual rate adjustment process that member agencies adopt to regulate refuse collection rates.

Since 1990, Yuba County has had an agreement with a private entity, Recology, to

provide waste collection and disposal to its residents and businesses. In 1990, an exclusive Franchise Agreement was awarded to Yuba-Sutter Disposal, Inc. for 14.5 years with an option to renew for five years and in 2001, the 1990 Franchise Agreement was amended to extend it through December 31, 2011.

Recology currently provides exclusive refuse collection, recycling, and transfer station operations to the RWMA members per separate franchise agreements. Additional services include operation of the Ponderosa Transfer Station in Yuba County and street sweeping for the cities of Live Oak and Marysville.

Each member agency of the RWMA has a current, but separate franchise agreement with Recology. All agreements end on December 31, 2011. While there are agency specific services provided by Recology the majority of the franchise agreement elements are the same for each agency.

City managers and County Administrators from each agency work with the RWMA Executive Director and team of consultants to review rates, services provided and several other aspects of solid waste collection and disposal that may arise. In addition, agency representatives negotiate elements of franchise agreements for each jurisdiction and eventually submit them for council and board consideration. The elements range from rate setting guidelines, methods of waste collection and future planning issues.

#### *Expiration of the current Franchise Agreement for Solid Waste Collection and Disposal*

Considering the impending expiration of the current franchise agreement, discussions with the agencies and RWMA staff began over three years ago. Alternatives discussed at length were putting the contract out to competitive bid and developing a new franchise agreement with the existing provider, Recology.

It was concluded that the preferential approach was to work at developing a new agreement with the current provider. Discussions proceeded with agency managers, RWMA staff and consultants, and Recology representatives.

This staff report intends to provide a summary of the current Franchise Agreement with Recology and also identify key changes in the proposed Franchise Agreement.

#### *Funding Waste Collection and Disposal Service*

Annual revenue needed to fund the service is approximately twenty seven million dollars. Revenue is derived from three primary sources:

- Rate payers
- Marysville Transfer Station
- Sales of Recyclables

Revenues can obviously vary from year to year. As an example, pricing for recyclables has seen dramatic downturns and upswings; as well as the amount of refuse that is brought to the transfer station such as from construction activity.

Revenues collected are directed to several different elements of the contractor providing the service:

- Collection Operations (labor, trucks, fuel, carts, equipment, insurance, permits, other business expenses).
- Disposal (labor, equipment, permits, land, environmental reporting, etc.)
- Franchise Fees – collected by Recology from the rate payer and paid to each jurisdiction.
- Profit
- Rate Stabilization

### Rate Calculations

Under the current agreement, Recology can submit a Detailed Rate Adjustment Application in each odd numbered year and an indexed application in each even numbered year. This process is identified in guidelines adopted by each member agency.

In the Detailed Rate Adjustment Application process, a consultant is hired to review costs stated by Recology and determine if those costs are appropriate and necessary. In this rate methodology there is a defined operating margin, or profit, of ten percent. While the process projects costs for the upcoming even numbered rate year, (which begins in October of the current odd numbered year), the consultant also reviews the previous rate application projections compared to actual of the previous application year.

Revenues and operating expense adjustments are made as necessary, a final customer rate is determined and submitted to local jurisdictions for approval.

Yuba County customer rates for the current rate year are attached to the proposed Franchise Agreement and were recently adopted by your Board. It should be noted that residential rates differ in Yuba County due to program areas versus non-program areas. In summary, rural areas are not provided multiple carts, as in program areas, due to the costs associated with distance traveled to service a refuse, green waste and recycle cart.

### Local Agency Fees

There are several fees collected by Recology through customer rates and then provided to certain agencies.

*Marysville Business License Fee* - For each ton of waste processed through the

Marysville Transfer Station, the City of Marysville receives \$4.40. This fee is a component of the base rate identified previously.

*Yuba County Host Fee* – A 1996 agreement with Recology (then YSDI) provides for \$4.40 per ton of waste delivered to the Ostrom Road Landfill regardless of the waste source. Excluded from the per ton host fee in the 1996 agreement are alternative daily cover and green waste. Yuba County received approximately \$ 1,030,000 in FY 2010-2011.

*Franchise Fees* - A franchise fee is paid to all RWMA jurisdictions. The current franchise fee is based on 5% of Recology's gross revenues and is considered a "pass through" expense (passed directly through to the rate payer). Yuba County received approximately \$382,686 in FY 2010-2011.

#### *Rate Stabilization and Capitalization Fund*

The intent of the fund, created approximately three years ago, was to provide a source of revenue that would offset the cost of future capital investments for the RWMA jurisdictions as well as reducing anticipated "spikes" in rates. The fund balance has increased over the last several years by not adjusting rates downward when rate reviews called for modest rate reductions.

Funds are held with the RWMA and not with local jurisdictions. The current fund balance is \$ 2.1 million. The intent is to continue contributions to the fund to provide for future capital investments and also to place the RWMA jurisdictions in a more competitive environment by examining appropriate waste facility locations and potential ownership.

## **DISCUSSION**

The proposed Franchise Agreement presented to the Board contains a new term and several key changes. The following is a summary of the attached agreement.

### Term

The proposed term of the agreement is 7.75 years and there are options for three (3), four (4) year extensions.

### *Calculation of Rates*

A new rate methodology and timing is proposed in the agreement. With regard to the detailed rate review, that will occur every four years instead of every two years. The indexed rate adjustment will occur each of the three years leading up to the fourth year, which is a detailed rate year.

The previous indexed rate adjustment used a CPI factor. This will no longer be the case as it is proposed that a Refuse Rate Index (RRI) be used. This will occur every four (4) year period during which the Maximum Service Rates will be adjusted in the first, second and third Rate Years using the Refuse Rate Index Methodology set forth in the agreement.

The RRI is a price indexing method designed specifically for adjusting collection rates. The RRI is based on various national indices that are directly applicable to the direct costs of the collector. As stated in the attached rate guidelines, Recology will submit financial information which separates its cost of operations into six major categories, labor, fuel, disposal, equipment replacement, equipment maintenance and a category that captures costs such as utilities, insurance, etc. The methodology is explained in detail in the attached agreement.

The RRI has historically been lower than the CPI and has occasionally produced a rate decrease but does not guarantee rate decreases annually. The intent of the RRI is to use a fair and equitable rate adjustment methodology by including only those economic changes that directly affect solid waste and recycling collection costs, as opposed to a consumer price index. Over the last ten years, the CPI average was 2.39% and the RRI was 2.99%.

#### Road Maintenance Fee

A road fee is proposed to be paid to each RWMA jurisdiction. This fee, .5% in the first year and increasing to 1% in the next year, will be ongoing and will be a cost born by Recology and not the rate payers. The intent is to provide for impacts associated with collection and disposal trips in the various jurisdictions. The amount paid is based on gross revenues, net of surcharge fees.

#### Similar Agreements

Language has been added that addresses individual jurisdictions negotiated with Recology and basically provides for "me too" language should one agency receive a benefit, it could apply to others.

#### Bulky Item Coupon

A coupon will be provided to customers that will allow for them to have bulky items, as defined in the agreement (furniture, refrigerators, water heaters, carpet, mattresses, etc.) to be picked up at their address by Recology at no cost, compared to those costs being charged to the customer. For customers in non-program (rural) areas, the customer will be able to use the coupon at the transfer station. In addition, a customer can use the free dump coupon for a bulky item collection service.

#### Marysville Transfer Station Host Fees – Profit

Recology is agreeable to not receiving any profit markup on Transfer Station host fees paid to the City of Marysville. (Note: Recology does not currently receive any profit markup on Landfill host fees paid to Yuba County). This change will reduce Recology's allowable expenses by roughly \$50,000, thus benefiting rate payers.

#### Alternative Fuel Vehicles

Contained in the proposed agreement is Recology's stated intent to begin converting their rolling stock of trucks to alternative fuel vehicles beginning in rate year 2013.

#### County Services

Yuba County, as a customer, receives several services at no cost, therefore in essence not charged twice to taxpayers:

- Collection and disposal of waste from all nine county buildings
- Acceptance of green waste for county projects
- Special project waste collection and disposal
- Coordination of e-waste and u-waste disposal where previously contracted with outside disposal company and paid for.
- Free compost, up to 50 gallons of compost twice a year for single and multi-family residences.
- Collection of recyclables from facilities per new method to collect
- New recycle program for county buildings

### **SUMMARY**

Attached is the proposed Franchise Agreement and associated attachments for review and consideration. Staff is recommending approval of the Franchise Agreement with Recology. Services would commence January 1, 2012 with Recology.

### **FISCAL IMPACT**

**Franchise Fees** – Yuba County will continue to receive Franchise Fees in the amount of 5% of gross revenues (FY 10-11 amount of approximately \$382,000).

**Host Fees** – Yuba County will continue to receive host fees, calculated at \$4.40 per ton (FY 10-11 receipts of approximately \$1,030,000).

**Road Maintenance Fee** – Yuba County will begin receiving this fee payment in the amount of approximately \$30,000 in year one and approximately \$60,000 in year two.

**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF YUBA**

**RESOLUTION OF THE YUBA COUNTY  
BOARD OF SUPERVISORS APPROVING  
A SOLID WASTE COLLECTION  
FRANCHISE AGREEMENT BY AND  
BETWEEN THE COUNTY OF YUBA  
AND RECOLOGY, INC.**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, pursuant to Article XI, §7 of the California Constitution, Yuba County has authority over matters of public health and sanitation, including without limitation the collection and management of all solid waste within its geographic jurisdiction; and

**WHEREAS**, The California Integrated Waste Management Act of 1989 ("Act") and subsequent additions and amendments (codified at 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 Collection within their jurisdiction; and

**WHEREAS**, Public Resources Code section 40059 provides that in administering the requirements of the Act, aspects of solid waste handling of local concern includes, without limitation, frequency of collection, means of collection and transportation, level of services, and whether the services are to be provided by means of nonexclusive, partially exclusive or wholly exclusive franchise, contract, license or otherwise which may be granted by local government under terms and conditions prescribed by the governing body of the local agency; and

**WHEREAS**, pursuant to California Public Resources Code Section 40059(a) as may be amended from time to time, COUNTY has determined that the public health, safety, and well-being require an exclusive agreement to provide Collection Services and other requirements of the Act, without the competitive bidding except for Collection of Materials excluded in the COUNTY's Ordinance Code; and

**WHEREAS**, Recology, Inc. (CONTRACTOR) is a private enterprise involved in the solid waste industry and capable of providing COUNTY with solid waste handling services including but not necessarily limited to source reduction, recycling, and composting activities in conjunction with the collection, transfer, and disposal of solid waste; and

**WHEREAS,** COUNTY and CONTRACTOR desire to enter into a wholly exclusive agreement for the provision of Collection Services except for those limitations specified in said Agreement; and

**WHEREAS,** County Staff has negotiated the proposed terms and conditions of the exclusive franchise agreement which include in part the following provisions:

- The area proposed to be served under the franchise agreement is the same area currently being served by Recology, Inc.
- The scope of the exclusive nature of the collection services remains the same as it is currently under the licensed areas in that the hauler will retain the exclusive right to collect all materials presently collected within the service area.
- The length of the initial term of the exclusive franchise agreement is for a seven and three-quarter (7.75) year period, and the initial term may be extended by the COUNTY for up to two additional four (4) year periods.

**WHEREAS,** given that the franchise agreement will provide the continued collection of solid waste in the service area in the same basic manner as the currently exists in the service area, the Board finds that the approval of the franchise agreement is exempt from CEQA as the licensing of existing operations, involving negligible or no expansion of use (CEQA Guidelines § 15301).

**NOW, THEREFORE, BE IT RESOLVED,** The Yuba County Board of Supervisors, based on the foregoing findings, hereby declares and orders as follows:

1. There foregoing findings and determinations set forth herein, are true and correct, and are adopted as set forth herein.
2. The chair is authorized to execute the Solid Waste Collection Franchise Agreement by and between the County and Recology, Inc., substantially in the form as is on file with the Clerk of the Board.



**PASSED AND ADOPTED** at a regular meeting of the Board of Supervisors of the County of Yuba, State of California on the \_\_\_\_\_ day of \_\_\_\_\_, 2011 by the following vote:

AYES:

NOES:

ABSENT:

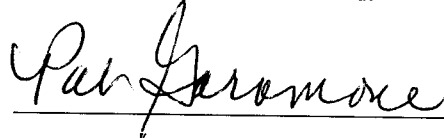
ABSTAIN:

\_\_\_\_\_  
Chairman

ATTEST: DONNA STOTTLEMEYER  
CLERK OF THE BOARD OF SUPERVISORS

\_\_\_\_\_

ANGIL P. MORRIS-JONES  
YUBA COUNTY COUNSEL  
APPROVED AS TO FORM:

  
\_\_\_\_\_

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## COLLECTION SERVICE AGREEMENT

Executed Between  
Yuba County  
and  
Recology Yuba-Sutter

**This 13th day of December, 2011**

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94 **COLLECTION SERVICE AGREEMENT**  
95 **BETWEEN COUNTY OF YUBA AND RECOLOGY**  
96 **YUBA-SUTTER**

97 This Agreement made and entered into this 13<sup>th</sup> day of December, 2011, by and  
98 between the County of Yuba, State of California, hereinafter referred to as "COUNTY"  
99 and Recology Yuba-Sutter a California corporation, hereinafter referred to as  
100 "CONTRACTOR."

101 **RECITALS**

102 **WHEREAS**; the Legislature of the State of California, by enactment of the California  
103 Integrated Waste Management Act of 1989 ("Act") and subsequent additions and  
104 amendments (codified at California Public Resources Code Section 40000 et seq.), has  
105 declared that it is in the public interest to authorize and require local agencies to make  
106 adequate provisions for Solid Waste Collection within their jurisdiction; and,

107 **WHEREAS**; the State of California has found and declared that the amount of Solid  
108 Waste generated in California, coupled with diminishing landfill space and potential  
109 adverse environmental impacts from landfilling and the need to conserve natural  
110 resources, have created an urgent need for State and local agencies to enact and  
111 implement an aggressive integrated waste management program. The State has,  
112 through enactment of the Act, directed the responsible State agency and all local  
113 agencies to promote disposal site diversion and to maximize the use of feasible Solid  
114 Waste reduction, re-use, recycling, and composting options in order to reduce the  
115 amount of Solid Waste that must be disposed of in disposal sites; and,

116 **WHEREAS**; CONTRACTOR is a private enterprise involved in the solid waste industry  
117 and capable of providing COUNTY with Solid Waste handling services including but not  
118 necessarily limited to source reduction, recycling and composting activities in  
119 conjunction with the collection, transfer and disposal of Solid Waste; and

120 **WHEREAS**; pursuant to California Public Resources Code Section 40059(a) as may be  
121 amended from time to time, COUNTY has determined that the public health, safety, and  
122 well-being require an exclusive agreement to provide Collection Services and other  
123 services related to meeting the Act's 50% diversion goal and other requirements of the  
124 Act, without competitive bidding except for Collection of materials excluded in the  
125 COUNTY Ordinance Code; and,

126 **WHEREAS**; COUNTY further declares its intent to regulate and set the maximum rates  
127 CONTRACTOR may charge Customers for the Collection, transportation, processing,  
128 recycling, composting, and/or disposal of Solid Waste, Recyclable Materials, Green  
129 Waste, Bulky Items, Construction and Demolition Debris and Sludge; and

130 **WHEREAS**; the parties hereto desire to enter into a wholly exclusive agreement for the  
131 provision of Collection Services except for those limitations specified in this Agreement;  
132 and

133 **WHEREAS**; this Agreement has been developed by and is satisfactory to COUNTY and  
134 CONTRACTOR,

135 Now, therefore, in consideration of the mutual covenants, conditions and consideration  
136 contained herein, COUNTY and CONTRACTOR hereby agree as hereinafter set forth:

## 139 ARTICLE 1. Definitions

140 For the purpose of this Collection Service Agreement, hereinafter referred to as  
141 "Agreement," the definitions contained in this Article shall apply unless otherwise  
142 specifically stated. If a word or phrase is not defined in this Agreement, the definition of  
143 such word or phrase as contained in the COUNTY Ordinance Code shall control. When  
144 not inconsistent with the context, words used in the present tense include the future,  
145 words in the plural include the singular, and words in the singular include the plural. Use  
146 of the masculine gender shall include the feminine gender.

147 1.01 Act. The California Integrated Waste Management Act (California Public  
148 Resources Code Sections 40000 et seq), as amended from time to time.

149 1.02 Affiliate. An affiliate of an entity means another entity that controls, is  
150 controlled by, or is under common control with, the specified entity.

151 1.03 Agreement. This written document and all amendments thereto  
152 between COUNTY and CONTRACTOR governing the provision of Collection Services  
153 as provided herein including all exhibits hereto, as it may be amended from time to time.

154 1.04 Agreement Year. Each twelve (12) month period from October 1st to  
155 September 30th, beginning October 1, 2011.

156 1.05 Alternative Daily Cover (ADC). Disposal Facility cover material,  
157 including Green Waste, Large Green Waste, Sludge and wood waste from Construction  
158 and Demolition Debris placed on the surface of the active face of the refuse fill area at  
159 the end of each operating day to control vectors, fires, odor, blowing litter and  
160 scavenging, as defined in Section 20164 of the California Code of Regulations.

161 1.06 Biohazardous or Biomedical Waste. Any waste which may cause  
162 disease or reasonably be suspected of harboring pathogenic organisms; included are  
163 waste resulting from the operation of medical clinics, hospitals, and other facilities  
164 processing wastes which may consist of, but are not limited to, human and animal parts,  
165 contaminated bandages, pathological specimens, hypodermic needles, sharps,  
166 contaminated clothing and surgical gloves.

167 1.07 Bin. A metal or plastic container, with a capacity of one (1) cubic yard  
168 up to, and including, eight (8) cubic yards, designed or intended to be mechanically  
169 dumped into a loader packer type truck that is approved for such purpose by COUNTY.  
170 Bins may also include Compactors that are owned by the Multi-Family Dwelling (MFD) or  
171 Commercial Service Unit wherein the MFD or Commercial Collection Service occurs.

172 1.08 Brown Goods. Electronic equipment such as stereos, radios,  
173 microwave ovens, VCRs, DVD players, personal data assistants (PDAs), telephones,  
174 and other similar items, that are not Covered Electronic Waste.

1.09 Bulky Items. Those materials including furniture, carpets, mattresses, White Goods, Brown Goods, Covered Electronic Waste, clothing, tires, Large Green Waste, and similar large items or some combination of such items in a container, generated at a Single Family Dwelling (SFD), Multi-Family Dwelling (MFD), Commercial Service Unit or COUNTY Service Unit. Bulky Items must be generated by the Customer and at the service address wherein the Bulky Items are Collected. The maximum weight and dimensions of Bulky Items shall be as directed by CONTRACTOR. In the event a question ever arises as to whether a specific item or category of items meets the definition of Bulky Items, COUNTY shall be responsible to determine whether said definition shall apply. Bulky Items do not include items herein defined as Exempt Waste or Construction and Demolition Debris.

1.10 Cart. A heavy plastic receptacle with wheels and a rated capacity of at least thirty-two (32) gallons and not more than ninety-six (96) gallons, having a hinged, tight-fitting lid and wheels, that is approved by the Contract Administrator for use by Service Recipients for Collection Services under this Agreement.

1.11 Change in Law. Any enactment, adoption, promulgation, issuance, modification or change in applicable law (including without limitation federal, state and local laws, statutes, rules, regulations, ordinances, judgments, decrees, permits, licenses, approvals, fees, charges, assessments or other governmental requirements, or the interpretation or application thereof by any court or governmental authority) occurring after the date hereof, which could not reasonably have been foreseen by a prudent operator, that is not the result of CONTRACTOR's willful or negligent action or omission or violation of law. Reduction or cessation of funding by the California Department of Conservation or like funding by any other governmental body shall be deemed a Change in Law.

1.12 Collection. The process whereby SFD Waste, MFD Waste, Commercial Waste, County Waste and Construction and Demolition Debris are removed and transported to the Transfer Station, Materials Recovery Facility, Disposal Facility, or Organic Waste Processing Facility, as appropriate.

1.13 Collection Services. SFD Collection Service, MFD Collection Service, County Collection Service, Commercial Collection Service and Construction and Demolition Debris Collection Service.

1.14 Commercial Bulky Item Collection Service. The periodic on-call Collection of Bulky Items by CONTRACTOR from Commercial Service Units in the Service Area and the delivery of those Bulky Items to the Materials Recovery Facility, Transfer Station, Disposal Facility, Organic Waste Processing Facility or such other facility as may be appropriate under the terms of this Agreement.

1.15 Commercial Collection Service. Commercial Solid Waste Collection Service, Commercial Recycling Service, Commercial Green Waste Collection Service and Commercial Bulky Item Collection Service.

1.16 Commercial Green Waste Collection Service. The Collection of Green Waste by CONTRACTOR from Commercial Service Units in the Service Area and the delivery of that Green Waste to the Organic Waste Processing Facility.

1.17 Commercial Recycling Service. The Collection of Recyclable Materials by CONTRACTOR from Commercial Service Units in the Service Area; the delivery of



220 those Recyclable Materials to the Materials Recovery Facility; and the processing and  
221 marketing of those Recyclable Materials.

222 1.18 Commercial Service Unit. All retail, professional, office, wholesale and  
223 industrial facilities, other commercial enterprises offering goods or services to the public;  
224 organizations; and agencies other than COUNTY agencies.

225 1.19 Commercial Service Work Day. Any day Monday through Sunday.

226 1.20 Commercial Solid Waste Collection Service. The Collection of  
227 Solid Waste by CONTRACTOR from Commercial Service Units in the Service Area and  
228 the delivery of that Solid Waste to the Transfer Station or Disposal Facility.

229 1.21 Commercial Waste. Solid Waste, Recyclable Materials, Green Waste  
230 and Bulky Items generated at a Commercial Service Unit. Commercial Waste must be  
231 generated by and at the Commercial Service Unit wherein the Commercial Waste is  
232 Collected and does not include items defined herein as Exempt Waste.

233 1.22 Compactor. Any Debris Box Container or Bin which has a compaction  
234 mechanism, whether stationary or mobile.

235 1.23 Composting. The controlled biological decomposition of Green Waste  
236 and other organic material into a specific mixture of decayed organic matter used for  
237 fertilizing or soil conditioning.

238 1.24 Construction and Demolition Debris. Used or discarded materials  
239 removed from premises during demolition, construction, repair or renovation of a  
240 structure resulting from construction, remodeling, repair or demolition operations on any  
241 residential property, commercial building, pavement, or other structure and such other  
242 materials as may be removed during the normal cleanup process of such construction,  
243 renovation, repair or demolition operations. Construction and Demolition Debris also  
244 includes rocks, soils, tree remains and other Green Waste and Large Green Waste  
245 which results from land clearing or land development operations in preparation for  
246 construction. Construction and Demolition Debris does not include Exempt Waste.

247 1.25 Construction and Demolition Debris Collection Service. The Collection  
248 of Construction and Demolition Debris from Service Units in the Service Area and the  
249 delivery of that material to the Materials Recovery Facility, Transfer Station or Disposal  
250 Facility, as appropriate.

251 1.26 Contract Administrator. That person, or their designee, designated by  
252 COUNTY to administer and monitor the provisions of this Agreement.

253 1.27 CONTRACTOR. Recology Yuba-Sutter, a California corporation.

254 1.28 COUNTY. The County of Yuba, California.

255 1.29 County Bulky Item Collection Service. The periodic on-call Collection of  
256 Bulky Items by CONTRACTOR from County Service Units in the Service Area and the  
257 delivery of those Bulky Items to the Materials Recovery Facility, Transfer Station,  
258 Disposal Facility, Organic Waste Processing Facility or such other facility as may be  
259 appropriate under the terms of this Agreement.

260 1.30 County Clean-up Service. The Collection of Solid Waste, Green Waste,  
261 Recyclable Materials and Bulky Items by CONTRACTOR resulting from written or verbal  
262 requests from COUNTY for temporary clean-up programs at a centralized collection site.

Such service shall include the provision of Bins or Debris Box Containers by CONTRACTOR and the transport and delivery of the Collected materials to the appropriate facilities.

1.31 County Collection Service. COUNTY Solid Waste Collection Service, County Recycling Service, County Green Waste Collection Service, County Clean-up Service, County Container Service, County Bulky Item Collection Service and Special Event Collection Service.

1.32 County Container Service. The Collection of Solid Waste and Recyclable Materials from public litter containers distributed and maintained by COUNTY or the Yuba-Sutter Transit Authority and the transport and delivery of the Collected materials to the Materials Recovery Facility, Transfer Station or Disposal Facility, as appropriate.

1.33 County Green Waste Collection Service. The Collection of Green Waste by CONTRACTOR from County Service Units in the Service Area and the delivery of that Green Waste to the Organic Waste Processing Facility.

1.34 County Recycling Service. The Collection of Recyclable Materials by CONTRACTOR from County Service Units in the Service Area and the delivery of those Recyclable Materials to the Materials Recovery Facility.

1.35 County Service Unit. Those COUNTY properties or COUNTY locations which the Contract Administrator requests that CONTRACTOR provide services as provided in this Agreement.

1.36 County Self-Haul Service. The receipt of Solid Waste, Green Waste, Bulky Items and Construction and Demolition Debris self-hauled by COUNTY employees in COUNTY vehicles to the Marysville Transfer Station.

1.37 County Solid Waste Collection Service. The Collection of Solid Waste by CONTRACTOR from County Service Units in the Service Area and the delivery of that Solid Waste to the Transfer Station or Disposal Facility.

1.38 County Waste. Solid Waste, Recyclable Materials, Green Waste and Bulky Items generated at a County Service Unit. County Waste must be generated by and at the County Service Unit wherein the County Waste is Collected and does not include items defined herein as Exempt Waste.

1.39 Covered Electronic Waste (CEW). Discarded electronic devices that the California Department of Toxic Substances Control (DTSC) has determined to be a covered electronic device, as specified by Section 42463(f) of the California Public Resources Code. CEWs include cathode ray tube (CRT) devices (including televisions and computer monitors); LCD desktop monitors; laptop computers with LCD displays; LCD televisions; plasma televisions; portable DVD players with LCD screens; and other electronic devices as may be added by the DTSC from time to time.

1.40 Customer. A Service Recipient that receives Collection Services under the terms of this Collection Service Agreement.

1.41 Debris Box Container. A metal container that is normally loaded onto a motor vehicle and transported to an appropriate facility.

1.42 Disposal Facility. The Ostrom Road Landfill located in Yuba County, California, or such place or places specifically designated by CONTRACTOR and

approved by COUNTY, or specifically designated by COUNTY, for the disposal or processing, as appropriate, of Solid Waste and other materials Collected under the terms of this Agreement.

1.43 Dwelling Unit. Any individual living unit in a Single Family Dwelling (SFD) or Multi-family Dwelling (MFD) structure or building intended for, or capable of being utilized for, residential living other than a hotel or motel.

1.44 Exempt Waste. Biohazardous or Biomedical Waste, Hazardous Waste, Sludge, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, lead-acid batteries, Stable Matter and those wastes under the control of the Nuclear Regulatory Commission.

1.45 Fixed Body Vehicle. Any wheeled vehicle that does not rely on a Debris Box Container or other detachable container to Collect, contain and transport material. Dump trucks shall be considered Fixed Body Vehicles.

1.46 Food Waste. Food scraps and trimmings from food preparation, including but not limited to: meat, fish and dairy waste, fruit and vegetable waste, grain waste and food contaminated paper products.

1.47 Force Majeure. Any acts of God, such as landslides, lightning, fires, storms, floods, outbreaks of communicable diseases where the CDC or other agency has ordered measures to be taken that impede performance of CONTRACTOR's duties under this Agreement, freezing, and earthquakes; explosions, sabotage, civil disturbances, acts of a public enemy, wars, blockades, riots, or industrial disturbances; eminent domain, condemnation or other taking; strikes, work stoppage or slowdown, sickout, picketing or other concerted job action conducted by CONTRACTOR's employees or directed at CONTRACTOR or subcontractor; or other events of a similar nature, not caused or maintained by COUNTY or CONTRACTOR, which event is not reasonably within the control of the party claiming the excuse from its obligations due to such event, to the extent such event has a significant and material adverse effect on the ability of a party to perform its obligations thereunder. Force Majeure shall not include lockouts. Force Majeure shall include a Change in Law if such Change in Law prohibits a party's performance hereunder. Notwithstanding the foregoing, (i) no event relating to the Transfer Station or Disposal Facility or the delivery of any material to those facilities shall constitute a Force Majeure under this Agreement unless, and then only to the extent that, such event prevents the delivery, acceptance or processing of the material to or by that facility; (ii) no failure of performance by any subcontractor of CONTRACTOR shall be a Force Majeure unless such failure was itself caused by a Force Majeure; (iii) except as provided herein, no event which merely increases CONTRACTOR's cost of performance shall be a Force Majeure; and (iv) no event, the effects of which could have been prevented by CONTRACTOR's reasonable precautions, including compliance with agreements and applicable laws, shall be a Force Majeure.

1.48 Garbage. All putrescible waste which generally includes, but is not limited to, kitchen and table food waste, animal, vegetative, food or any other waste that is attendant with, or results from the storage, preparation, cooking or handling of food materials generated at a Service Unit. Garbage must be generated by and at the Service Unit wherein the Garbage is Collected. Garbage does not include those items defined herein as Exempt Waste.

352           1.49    Green Waste. Any vegetative matter resulting from normal yard and  
353 landscaping maintenance that is not more than three (3) feet in its longest dimension or  
354 six (6) inches in diameter which has been source separated by the Customer and set out  
355 for Green Waste Collection which except for such source separation and set out would  
356 have been processed or disposed of as Solid Waste. Green Waste includes plant  
357 debris, such as Palm, Yucca and Cactus, ivy, grass clippings, leaves, pruning, weeds,  
358 branches, brush, holiday trees (without stands, flocking or ornamentation), and other  
359 forms of vegetative waste and must be generated by and at the Service Unit wherein the  
360 Green Waste is Collected. Green Waste does not include items herein defined as  
361 Exempt Waste.

362           1.50    Hazardous Waste. Any material which is defined as a hazardous waste  
363 under California or United States law or any regulations promulgated pursuant to such  
364 law, as such law or regulations may be amended from time to time.

365           1.51    Household Hazardous Waste. Any Hazardous Waste generated at an  
366 SFD or MFD Service Unit.

367           1.52    Large Green Waste. Oversized Green Waste such as tree trunks, tree  
368 and bush stumps, and branches with a diameter greater than six (6) inches and not  
369 more than two (2) feet and a length of not more than four (4) feet in its longest  
370 dimension.

371           1.53    Materials Recovery Facility (MRF). The Marysville Transfer Station or  
372 any other facility, selected by CONTRACTOR and approved by COUNTY, or specifically  
373 designated by COUNTY, designed, operated, and legally permitted for the purpose of  
374 receiving, sorting, processing, storing, or preparing Recyclable Materials and cardboard,  
375 scrap metal, wood, asphalt, concrete and other inert materials for sale.

376           1.54    MFD Bulky Item Collection Service. The periodic on-call Collection of  
377 Bulky Items by CONTRACTOR from MFD Service Units in the Service Area subscribing  
378 to such service and the delivery of those Bulky Items to the Materials Recovery Facility,  
379 Transfer Station, Disposal Facility, Organic Waste Processing Facility or such other  
380 facility as may be appropriate under the terms of this Agreement.

381           1.55    MFD Collection Service. Initially, MFD Solid Waste Collection Service.  
382 And, MFD Recycling Service, MFD Bulky Item Collection Service and MFD Green Waste  
383 Collection Service, if offered during the term of this Agreement.

384           1.56    MFD Green Waste Collection Service. The Collection of Green Waste  
385 by CONTRACTOR from MFD Service Units in the Service Area and the delivery of that  
386 Green Waste to the Organic Waste Processing Facility.

387           1.57    MFD Recycling Service. The Collection of Recyclable Materials by  
388 CONTRACTOR from MFD Service Units in the Service Area, the delivery of those  
389 Recyclable Materials to the Materials Recovery Facility; and the processing and  
390 marketing of those Recyclable Materials.

391           1.58    MFD Service Unit. Any residence in the Service Area with five (5) or  
392 more Dwelling Units, where each Dwelling Unit is designed or used for occupancy by  
393 one (1) family, including any flat, apartment, condominium, town home or other  
394 premises, other than a hotel or motel, including such premises when combined in the  
395 same building with business establishments, utilizing a common Bin(s) for the  
396 accumulation and set-out of Solid Waste.

397           1.59    MFD Solid Waste Collection Service. The Collection of Solid Waste, by  
398 CONTRACTOR, from MFD Service Units in the Service Area and the delivery of that  
399 Solid Waste to the Transfer Station or Disposal Facility.

400           1.60    MFD Waste. Solid Waste, Green Waste, Recyclable Materials and  
401 Bulky Items generated at a MFD Service Unit. MFD Waste must be generated by and at  
402 the MFD Service Unit wherein the MFD Waste is Collected and does not include items  
403 defined herein as Exempt Waste.

404           1.61    Non-Collection Notice. A form developed and used by CONTRACTOR,  
405 as approved by COUNTY, to notify Service Recipients of the reason for non-collection of  
406 materials set out by the Service Recipient for Collection by CONTRACTOR pursuant to  
407 this Agreement.

408           1.62    Non-Program Areas. Subject to Article 3.22, those areas within the  
409 Service Area as set forth in Exhibit 4 "Non-Program Areas" which is attached to and  
410 included herein.

411           1.63    Organic Waste Processing Facility. The Feather River Organics  
412 Processing Facility located at the Marysville Transfer Station or such other facility  
413 selected by CONTRACTOR and approved by COUNTY, or specifically designated by  
414 COUNTY, which is designed, operated and legally permitted for the purpose of receiving  
415 and processing Green Waste and Large Green Waste.

416           1.64    Program Area. All portions of the Service Area not designated on  
417 Exhibit 4 as Non-Program Areas.

418           1.65    Recyclable Materials. Those materials which are capable of being  
419 recycled and which have been source separated by the Customer and which except for  
420 such source separation would otherwise be processed or disposed of as Solid Waste.  
421 Recyclable Materials include newsprint (including inserts), mixed paper (including  
422 magazines, catalogs, envelopes, junk mail, corrugated cardboard, brown bags and  
423 paper, paperboard, paper egg cartons, office ledger paper, and telephone books); glass  
424 containers; aluminum beverage containers; pie tins; tin cans; bimetal containers; #1-7  
425 plastics except for plastic bags, film plastic, packing peanuts and foam packaging; and in  
426 addition those materials added or removed by CONTRACTOR from time to time, subject  
427 to COUNTY approval.

428           1.66    Regional Waste Management Authority (RWMA). A joint powers  
429 authority formed for the purpose of providing reliable, economical, integrated and  
430 environmentally sound waste management services to all of the residents of the region  
431 including the unincorporated areas of Sutter and Yuba Counties and the areas  
432 embraced within the corporate limits of Live Oak, Marysville, Wheatland and Yuba City  
433 as may be amended.

434           1.67    Residential Service Work Day. Any day Monday through Friday.

435           1.68    Rubbish. All refuse, accumulation of paper, excelsior, rags, wooden  
436 boxes and containers, sweep-ups and all other accumulations of a nature other than  
437 Garbage generated at a Service Unit. Rubbish must be generated by and at the Service  
438 Unit wherein the Rubbish is Collected. Rubbish does not include items herein defined  
439 as Exempt Waste.

440           1.69    RWMA Contract Administrator. That employee of the Regional Waste  
441 Management Authority designated by COUNTY to administer and monitor certain  
442 provisions of this Agreement as designated.

443           1.70    RWMA Service Area. The combined legal corporate limits of all  
444 member agencies of the Regional Waste Management Authority, excluding Beale Air  
445 Force Base.

446           1.71    Service Area. That area within the unincorporated area of the County of  
447 Yuba, California, excluding Beale Air Force Base.

448           1.72    Service Recipient. An individual, agency, organization or company  
449 receiving Collection Service pursuant to this Agreement.

450           1.73    Service Unit. SFD Service Units, MFD Service Units, County Service  
451 Units and Commercial Service Units.

452           1.74    SFD Collection Service. SFD Solid Waste Collection Service, SFD  
453 Recycling Service, SFD Green Waste Collection Service and SFD Bulky Item Collection  
454 Service.

455           1.75    SFD Bulky Item Collection Service. The periodic on-call Collection of  
456 Bulky Items by CONTRACTOR from SFD Service Units in the Service Area, except for  
457 those SFD Service Units located in a Non-Program Area, and the delivery of those Bulky  
458 Items to the Materials Recovery Facility, Transfer Station, Disposal Facility, Organic  
459 Waste Processing Facility or such other facility as may be appropriate under the terms of  
460 this Agreement.

461           1.76    SFD Green Waste Collection Service. The Collection of Green Waste  
462 by CONTRACTOR from SFD Service Units in the Service Area, except for those SFD  
463 Service Units located in a Non-Program Area, and the delivery of that Green Waste to  
464 the Organic Waste Processing Facility.

465           1.77    SFD Recycling Service. The Collection of Recyclable Materials by  
466 CONTRACTOR from SFD Service Units in the Service Area, except for those SFD  
467 Service Units located in a Non-Program Area, the delivery of those Recyclable Materials  
468 to the Materials Recovery Facility; and the processing and marketing of those  
469 Recyclable Materials.

470           1.78    SFD Service Unit. Any Dwelling Unit or combination of four (4) or fewer  
471 Dwelling Units in the Service Area where each Dwelling Unit is designed or used for  
472 occupancy by one (1) family and Carts are utilized for the accumulation and set out of  
473 Solid Waste.

474           1.79    SFD Solid Waste Collection Service. The Collection of Solid Waste by  
475 CONTRACTOR from SFD Service Units in the Service Area and the delivery of that  
476 Solid Waste to the Transfer Station or Disposal Facility.

477           1.80    SFD Waste. Solid Waste, Recyclable Materials, Green Waste, and  
478 Bulky Items generated at a SFD Service Unit. SFD Waste must be generated by and at  
479 the SFD Service Unit wherein the SFD Waste is Collected and does not include items  
480 defined herein as Exempt Waste.

481           1.81    Sludge. The accumulated solids, residues, and precipitates generated  
482 as a result of waste treatment or processing, including wastewater treatment, water  
483 supply treatment, or operation of an air pollution control facility, and mixed liquids and

solids pumped from septic tanks, grease traps, privies, or similar disposal appurtenances or any other such waste having similar characteristics or effects.

1.82 Solid Waste. Garbage and Rubbish generated at a Service Unit, other than Exempt Waste. Solid Waste may also include other materials such as Recyclable Materials or Green Waste which have not been source separated by the Customer but instead have been commingled with the Garbage and Rubbish in the container used for the accumulation and set out of Garbage and Rubbish. Solid Waste must be generated by and at the Service Unit wherein the Solid Waste is Collected.

1.83 Special Event Collection Service. The Collection of Solid Waste and Recyclable Materials as appropriate at COUNTY-sponsored special events.

1.84 Stable Matter. Manure and other waste matter normally accumulated at stables or in livestock or poultry enclosures.

1.85 Transfer Station. The Marysville Transfer Station or any other facility, selected by CONTRACTOR and approved by COUNTY, or specifically designated by COUNTY, designed, operated and legally permitted for the purpose of receiving and transferring Solid Waste and/or Construction and Demolition Debris. The Ponderosa Landfill Transfer Station in Yuba County is also designated by COUNTY as a transfer station for the receipt of self-hauled materials.

1.86 White Goods. Discarded refrigerators, ranges, water heaters, freezers, and other similar household appliances.

## ARTICLE 2. Term of Agreement

2.01 Initial Term. The term of this Agreement shall be for a seven and three-quarter (7.75) year period beginning January 1, 2012 and terminating on September 30, 2019.

2.02 Extension of Initial Term. On or about July 1, 2017 the Yuba County Board of Supervisors may approve an offer to CONTRACTOR in writing for a four (4) year extension of this Agreement for the period October 1, 2019 through September 30, 2023. Provision of such offer shall be at the sole discretion of the Yuba County Board of Supervisors. CONTRACTOR shall provide written notice to COUNTY as to whether CONTRACTOR accepts or rejects COUNTY's offer within twenty (20) Residential Service Work Days of the date of the offer. If CONTRACTOR fails to provide such notice to COUNTY within said twenty (20) Residential Service Work Days, COUNTY's offer shall be deemed withdrawn and COUNTY shall have no obligation to extend the term of this Agreement beyond September 30, 2019. If the term of this Agreement is extended, the Maximum Service Rate provisions of Article 4 shall not be subject to negotiation. However, Maximum Service Rates shall be adjusted annually throughout the extended term as provided in Article 4.

2.03 Extension of Second Term. On or about July 1, 2021, the Yuba County Board of Supervisors may approve an offer to CONTRACTOR in writing for a second four (4) year extension of this Agreement for the period October 1, 2023 through September 30, 2027. Provision of such offer shall be at the sole discretion of the Yuba County Board of Supervisors. CONTRACTOR shall provide written notice to COUNTY as to whether CONTRACTOR accepts or rejects COUNTY's offer within twenty (20) Residential Service Work Days of the date of the offer. If CONTRACTOR fails to provide

such notice to COUNTY within said twenty (20) Residential Service Work Days, COUNTY's offer shall be deemed withdrawn and COUNTY shall have no obligation to extend the term of this Agreement beyond September 30, 2023. If the term of this Agreement is extended, the Maximum Service Rate provisions of Article 4 shall not be subject to negotiation. However, Maximum Service Rates shall be adjusted annually throughout the extended term as provided in Article 4.

2.04 Extension of Third Term. On or about July 1, 2025 the Yuba County Board of Supervisors may approve an offer to CONTRACTOR in writing for a third four (4) year extension of this Agreement for the period October 1, 2027 through September 30, 2031. Provision of such offer shall be at the sole discretion of the Yuba County Board of Supervisors. CONTRACTOR shall provide written notice to COUNTY as to whether CONTRACTOR accepts or rejects COUNTY's offer within twenty (20) Residential Service Work Days of the date of the offer. If CONTRACTOR fails to provide such notice to COUNTY within said twenty (20) Residential Service Work Days, COUNTY's offer shall be deemed withdrawn and COUNTY shall have no obligation to extend the term of this Agreement beyond September 30, 2027. If the term of this Agreement is extended, Maximum Service Rate provisions of Article 4 shall not be subject to negotiation. However, Maximum Service Rates shall be adjusted annually throughout the extended term as provided in Article 4.

2.05 Other Provisions. COUNTY may, at the end of the initial term or optional extended terms, as appropriate, either renegotiate the terms and conditions of the Agreement with the current CONTRACTOR or request proposals from qualified contractors to provide Collection Services.

### ARTICLE 3. Services Provided by Contractor

3.01 Grant of Exclusive Agreement. Except as otherwise provided in this Agreement, CONTRACTOR is hereby granted the exclusive right to provide Collection Services within the Service Area. No other services shall be exclusive to CONTRACTOR.

3.02 Limitations to Scope of Exclusive Agreement. The following services and materials shall be excluded from the scope of this Agreement.

3.02.1 Recyclable Materials or Bulky Items that are source separated from Solid Waste by a Service Recipient for which the waste generator sells or is otherwise compensated by a collector in a manner resulting in a net payment to the waste generator;

3.02.2 Solid Waste, Recyclable Materials, Bulky Items, Green Waste, or Construction and Demolition Debris which is removed from any SFD Service Unit, MFD Service Unit, Commercial Service Unit, or County Service Unit, and which is transported personally by the owner or occupant of such premises (or by his or her full-time employees) to a recycling, processing or Disposal Facility;

3.02.3 Recyclable Materials, Green Waste or Bulky Items which are source separated at any premises by the waste generator and donated to youth, civic or charitable organizations;

3.02.4 Containers delivered for recycling under the California Beverage Container Recycling Litter Reduction Act, Section 14500, et seq;



572 3.02.5 Green Waste removed from a premises by a gardening,  
573 landscaping, or tree trimming company as an incidental part of a total service offered by  
574 that company rather than as a hauling service;

575 3.02.6 Construction and Demolition Debris removed from a premises by  
576 a licensed construction or demolition company as an incidental part of a total service  
577 offered by that company rather than as a hauling service, where the company uses its  
578 own Fixed Body Vehicle and employees, and no Debris Box Containers are used for the  
579 Collection and transportation of such Construction and Demolition Debris;

580 3.02.7 Removal and transportation of White Goods, Bulky Items or  
581 other material as part of the services of providing a replacement item when such  
582 removal and transportation is provided by the vendor who sold the replacement item;

583 3.02.8 Bulky Items removed from a premises by a property clean-up or  
584 maintenance company, using a Fixed Body Vehicle, as an incidental part of the total  
585 clean-up or maintenance service offered by the company rather than as a hauling  
586 service;

587 3.02.9 Hazardous Waste regardless of its source; and

588 3.02.10 SFD Waste, MFD Waste, Commercial Waste, County Waste, or  
589 Construction and Demolition Debris that are removed from a premise by a company  
590 through the performance of a service that CONTRACTOR has requested and received  
591 written permission from the Contract Administrator not to provide.

592 3.03 Excluded Services. CONTRACTOR acknowledges and agrees that  
593 COUNTY may permit other persons besides CONTRACTOR to Collect any and all types  
594 of materials excluded from the scope of this Agreement, as set forth in Article 3.02,  
595 without seeking or obtaining approval of CONTRACTOR.

596 3.04 Exclusivity. In the event CONTRACTOR can produce pictorial evidence  
597 or other documentation that other persons are servicing Collection containers or are  
598 Collecting Solid Waste, Recyclable Materials, Green Waste, Bulky Items, or  
599 Construction and Demolition Debris in a manner that is not consistent with COUNTY's  
600 Ordinance Code or this Agreement, COUNTY shall cooperate with CONTRACTOR in  
601 the efforts of CONTRACTOR to enforce its rights under COUNTY Ordinance Code or  
602 this Agreement.

603 3.05 Applicable Law. The scope of this Agreement shall be interpreted to be  
604 consistent with applicable law, now and during the term of the Agreement. If future  
605 judicial interpretations of current law or new laws, regulations, or judicial interpretations  
606 (other than those of COUNTY or a Member Agency), limit the authority of COUNTY to  
607 lawfully grant CONTRACTOR an exclusive franchise to provide the scope of services as  
608 specifically set forth herein, CONTRACTOR agrees that the scope of the Agreement will  
609 be limited to those services and materials as to which COUNTY may lawfully grant an  
610 exclusive franchise, and that COUNTY shall not be responsible for any lost profits or  
611 losses claimed by CONTRACTOR to arise out of such limitations of the scope of the  
612 Agreement set forth herein. In such an event, it shall be the responsibility of  
613 CONTRACTOR to minimize the financial impact of such future judicial interpretations or  
614 new laws. Nothing in this Article 3.05 shall limit COUNTY's or CONTRACTOR's right to  
615 an adjustment of Maximum Service Rates for a Change in Law pursuant to Article 26.01.

616           3.06    Service Standards.   CONTRACTOR shall perform all Collection  
617 Services under this Agreement in a thorough and professional manner. Except for  
618 incidents of Force Majeure, Collection Services described in this Agreement shall be  
619 performed regardless of difficulty of Collection.

620           3.07    Additional Programs and Services.   CONTRACTOR shall provide  
621 additional services and programs as requested by COUNTY subject to Maximum  
622 Service Rates to be mutually agreed upon between CONTRACTOR and the Contract  
623 Administrator, as provided in Article 26.02. In the event CONTRACTOR and the  
624 Contract Administrator cannot reach mutually agreed upon Maximum Service Rates for  
625 the requested service or program, COUNTY shall have the right to procure the service of  
626 other vendors or contractors to provide the requested service, as provided in Article  
627 26.04.

628           3.08    Hours and Days of Collection.

629               3.08.1   SFD Collection Services shall be provided commencing no  
630 earlier than 5:00 a.m. and terminating no later than 5:00 p.m. Monday through Friday  
631 with no regularly scheduled service on Saturday or Sunday. The hours, days, or both of  
632 Collection may be temporarily extended due to extraordinary circumstances or  
633 conditions.

634               3.08.2   MFD, Commercial and County Collection Services shall be  
635 provided commencing no earlier than 4:00 a.m. and terminating no later than 5:00 p.m.  
636 Monday through Sunday. The hours of Collection may be temporarily extended due to  
637 extraordinary circumstances or conditions.

638           3.09    Manner of Collection. CONTRACTOR shall provide Collection Service  
639 with as little disturbance as possible and shall leave any Cart or Bin in an upright  
640 position at the same point it was collected without obstructing alleys, roadways,  
641 driveways, sidewalks or mail boxes.

642           3.10    Containers.

643               3.10.1   Purchase and Distribution of Carts and Bins. CONTRACTOR  
644 shall be responsible for the purchase and distribution of fully assembled and functional  
645 Carts and Bins to Service Units in the Service Area. CONTRACTOR shall also distribute  
646 Carts and Bins to new Service Units that are added to CONTRACTOR's Service Area  
647 during the term of this Agreement. The distribution shall be completed within three (3)  
648 Residential Service Work Days of receipt of notification from COUNTY or the Service  
649 Unit.

650               3.10.2   Replacement of Carts and Bins.

651                   3.10.2.1   CONTRACTOR's employees shall take care to prevent  
652 damage to Carts or Bins by unnecessary rough treatment. However, any Cart or Bin  
653 damaged by CONTRACTOR shall be replaced by CONTRACTOR, at the  
654 CONTRACTOR's expense, within three (3) Residential Service Work Days after  
655 notification by COUNTY or the Service Recipient, at no cost or inconvenience to the  
656 Service Recipient or to COUNTY.

657                   3.10.2.2   Upon notification to CONTRACTOR by COUNTY or a  
658 Service Recipient that the Service Recipient's Cart(s) or Bin(s) are faulty or have worn  
659 out, or have been stolen or damaged beyond repair through no fault of the Service  
660 Recipient, CONTRACTOR shall deliver a replacement Cart(s) or Bin(s) to such Service

Recipient within three (3) Residential Service Work Days. There shall be no charge to the Service Recipient for the delivery or replacement of the Cart(s) or Bin(s).

3.10.2.3 In those instances where CONTRACTOR can demonstrate that a Cart(s) or Bin(s) was damaged or stolen as the result or product of negligence on the part of the Service Recipient, CONTRACTOR shall be entitled to bill the Service Recipient the cost of the Cart(s) or Bin(s) plus the delivery charge in an amount not exceeding the applicable Maximum Service Rates set forth in Exhibit 1 to this Agreement.

3.10.2.4 CONTRACTOR shall maintain records documenting all Cart and Bin replacements occurring on a monthly basis. Such information shall be provided to the Contract Administrator upon written request.

3.10.3 Repair of Carts and Bins. CONTRACTOR shall be responsible for repair of Carts and Bins in the Service Area including but not be limited to, hinged lids, wheels and axles. Within three (3) Residential Service Work Days of notification by COUNTY or a Service Recipient of the need for such repairs, CONTRACTOR shall repair the Cart or Bin, or if necessary, remove the Cart or Bin for repairs and deliver a replacement Cart or Bin to the Service Recipient.

3.10.4 Cart or Bin Exchange. Upon notification to CONTRACTOR by COUNTY or a Service Recipient that a change in the size or number of Carts or Bins is required, CONTRACTOR shall deliver such Carts or Bins to such Service Recipient no later than the Service Recipient's next regularly scheduled Collection day. Each SFD Service Unit shall be entitled to receive one (1) free Solid Waste Cart exchange; one (1) free Recycling Cart exchange; and one (1) free Green Waste Cart exchange per Agreement Year during the term of this Agreement. Each MFD, Commercial or County Service Unit shall be entitled to receive one (1) free Solid Waste Cart or Bin exchange, and to the extent such Carts or Bins are provided by CONTRACTOR under the terms of this Agreement, one (1) free Recycling Cart or Bin exchange and one (1) free Green Waste Cart or Bin exchange per Agreement Year during the term of this Agreement. Accordingly, CONTRACTOR shall be entitled to charge for exchanges in excess of the limit set forth above per Agreement Year, at a rate not exceeding the "Cart or Bin Exchange" Maximum Service Rate as set forth in Exhibit 1, as adjusted under the terms of this Agreement.

3.10.5 Additional Solid Waste Capacity. Upon notification to CONTRACTOR by COUNTY or a Service Recipient that additional Solid Waste capacity is requested, CONTRACTOR shall comply by delivering a larger Cart, an additional Cart, larger Bin or an additional Bin, to such Service Recipient within ten (10) Residential Service Work Days. CONTRACTOR shall be entitled to charge for the cost of the additional Solid Waste capacity in an amount not exceeding the applicable Maximum Service Rate for the larger capacity or Additional Cart or Bin as set forth in Exhibit 1, as adjusted under the terms of this Agreement.

3.10.6 Additional Recycling Capacity. CONTRACTOR shall provide an unlimited amount of recycling capacity to SFD Service Units requesting such capacity, through the provision of larger or additional Carts within ten (10) Residential Service Work Days of the request at no additional cost provided that the additional capacity is used by the SFD Service Unit for the purposes of setting out additional Recyclable Materials that are generated by and at the SFD Service Unit for regular weekly

707 Recyclable Material Collection Service. CONTRACTOR shall not be entitled to charge  
708 extra for this service.

709 3.10.6.1 Pickup of Under-utilized Additional Recyclable  
710 Containers. If CONTRACTOR's vehicle driver reports, and CONTRACTOR's customer  
711 service representative enters into the Customer's account records, that the Customer  
712 does not set out an additional Recyclable Container more than once a month for two (2)  
713 consecutive months, then CONTRACTOR may leave a notice stating that  
714 CONTRACTOR will pick up the Customer's unused or under-utilized additional  
715 Recyclable Container(s) unless the Customer sets out that additional Container at least  
716 every other week.

717 3.10.7 Additional Green Waste Capacity. CONTRACTOR shall provide  
718 an unlimited amount of additional Green Waste capacity to SFD Service Units  
719 requesting such capacity within ten (10) Residential Service Work Days of the request at  
720 no additional cost provided that the additional capacity is used by the SFD Service Unit  
721 for the purposes of setting out additional Green Waste Materials that are generated by  
722 and at the SFD Service Unit for regular weekly Green Waste Collection Service.  
723 CONTRACTOR shall not be entitled to charge extra for this service.

724 3.10.7.1 Pickup of Under-utilized Additional Green Waste  
725 Containers. If CONTRACTOR's vehicle driver reports, and CONTRACTOR's customer  
726 service representative enters into Customer's account records, that Customer does not  
727 set out an additional Green Waste Container more than once a month for two (2)  
728 consecutive months, then CONTRACTOR may leave a notice stating that  
729 CONTRACTOR will pick up the Customer's unused or under-utilized additional Green  
730 Waste Container(s) unless Customer sets out that additional Container at least every  
731 other week.

732 3.10.8 Ownership of Carts. Ownership of Carts shall rest with  
733 CONTRACTOR, except that, in the case of the termination of this Agreement prior to the  
734 expiration of the initial term or optional extension terms due to the default of  
735 CONTRACTOR as set forth in Article 25 of this Agreement, COUNTY shall have the  
736 right to take possession of the Carts and retain such possession under the terms and  
737 conditions described in Article 25. Upon the receipt of written notice from COUNTY,  
738 CONTRACTOR shall submit to the Contract Administrator an inventory of Carts,  
739 including their locations.

740 3.10.9 Ownership of Bins. Ownership of Bins distributed by  
741 CONTRACTOR shall rest with CONTRACTOR except in the case of the termination of  
742 the Agreement prior to the expiration of the initial term or optional extension terms due to  
743 the default of CONTRACTOR as set forth in Article 25 of this Agreement. Under such  
744 circumstances, COUNTY shall have the right to take possession of the Bins and retain  
745 such possession under the terms and conditions described in Article 25. Upon the  
746 receipt of written notice from COUNTY, CONTRACTOR shall submit to the Contract  
747 Administrator an inventory of Bins, including their locations.

748 3.10.10 Ownership of Debris Box Containers. Ownership of Debris Box  
749 Containers distributed by CONTRACTOR shall rest with CONTRACTOR except in the  
750 case of the termination of the Agreement prior to the expiration of the initial term or  
751 optional extension terms due to the default of CONTRACTOR. Under such  
752 circumstances, COUNTY shall have the right to take possession of the containers and  
753 retain such possession under the terms and conditions described in Article 25. Upon the

754 receipt of written notice from COUNTY, CONTRACTOR shall submit to the Contract  
755 Administrator an inventory of Debris Box Containers, including their locations.

756 3.10.11 New Service Units.

757 3.10.11.1 Purchase and Distribution of Carts and Bins.

758 CONTRACTOR shall be responsible for the purchase and distribution of fully assembled  
759 and functional Carts and Bins to new Service Units that are added to CONTRACTOR's  
760 Service Area during the term of this Agreement. The distribution shall be completed  
761 within three (3) Residential Service Work Days of receipt of notification from COUNTY or  
762 the Service Unit, except that when the new Service Units are being added as the result  
763 of converting a Non-Program Area to a Program Area as set forth in Article 3.23,  
764 distribution shall be completed as set forth therein.

765 3.10.11.2 Collection Services.

766 CONTRACTOR shall provide  
767 Collection Services described in this Agreement to new Service Units on the next  
768 regularly scheduled Collection day following delivery of the Carts or Bins in accordance  
with Article 3.10.11.1 above.

769 3.10.12 Annual Inspection and Cleaning.

770 Once each Agreement Year, at  
771 no charge to COUNTY, MFD or Commercial Service Unit, CONTRACTOR shall provide,  
772 upon request or as deemed necessary, the cleaning of Bins. In the event a Customer  
773 requests CONTRACTOR to provide Bin cleaning more than one (1) time per Agreement  
774 Year, CONTRACTOR shall have the right to charge the Customer an amount not  
exceeding the Maximum Service Rate for Bin Cleaning set forth in Exhibit 1.

775 3.11 Labor and Equipment.

776 CONTRACTOR shall provide and maintain all  
777 labor, equipment, tools, facilities, and personnel supervision required for the  
778 performance of CONTRACTOR's obligations under this Agreement. CONTRACTOR  
779 shall at all times have sufficient backup equipment and labor to fulfill CONTRACTOR's  
780 obligations under this Agreement. No compensation for CONTRACTOR's services or  
781 for CONTRACTOR's supply of labor, equipment, tools, facilities or supervision shall be  
782 provided or paid to CONTRACTOR by COUNTY or by any Service Recipient except in  
accordance with this Agreement.

783 3.12 Holiday Service.

784 CONTRACTOR shall provide normal Collection  
Services without regard to any COUNTY holidays.

785 3.13 Disposal and Processing.

786 3.13.1 Solid Waste.

787 Except as set forth below, all Solid Waste  
788 Collected as a result of performing Collection Services shall be transported to the  
789 Transfer Station or the Disposal Facility and eventually disposed of at the Disposal  
790 Facility. In the event the Disposal Facility is closed on a Commercial Service Work Day,  
791 CONTRACTOR shall transport and dispose of the Solid Waste at such other legally  
permitted disposal facility as is approved by COUNTY.

792 3.13.2 Recyclable Materials.

793 All Recyclable Materials Collected as a  
794 result of performing Collection Services shall be delivered to the Materials Recovery  
795 Facility (MRF). In the event the MRF is closed on a Commercial Service Work Day,  
796 CONTRACTOR shall transport and deliver the Recyclable Material to such other legally  
797 permitted MRF as is approved by COUNTY. CONTRACTOR shall ensure that all  
798 Recyclable Materials Collected pursuant to this Agreement that are expressly listed in  
Article 1.65 (including those materials added by CONTRACTOR to such list from time to

time), except residue resulting from processing, are diverted from the Disposal Facility in accordance with current and subsequent legislation and regulations. Notwithstanding any other provision of this Agreement, if a MRF other than the Marysville Transfer Station is used (it being understood that such other MRF would need to be selected by CONTRACTOR and approved by COUNTY, or specifically designated by COUNTY), then CONTRACTOR's obligations hereunder will not include processing and marketing of Recyclable Materials (which will be the responsibility of the MRF operator).

3.13.3 Green Waste. All Green Waste Collected as a result of performing Collection Services shall be delivered to the Organic Waste Processing Facility. In the event the facility is closed on a Commercial Service Work Day, CONTRACTOR shall transport and deliver the Green Waste to such other legally permitted Organic Waste Processing Facility as is approved by COUNTY. CONTRACTOR shall ensure that all Green Waste Collected pursuant to this Agreement, except residue resulting from processing, is diverted from the Disposal Facility in accordance with current and subsequent legislation and regulations.

3.13.4 Bulky Items. CONTRACTOR shall cause to be processed and/or disposed all Bulky Items Collected from Service Units pursuant to this Agreement in accordance with the following hierarchy:

3.13.4.1 Reuse as is (where energy efficiency is not compromised);

3.13.4.2 Disassemble for reuse or recycling;

3.13.4.3 Recycle; or

3.13.4.4 Disposal.

3.13.5 Bulky Items Containing Freon. In the event CONTRACTOR Collects Bulky Items that contain Freon, CONTRACTOR shall handle such Bulky Items in a manner such that the Bulky Items are not subject to regulation as Hazardous Waste under applicable state and federal laws or regulations.

3.14 Solid Waste - Improper Procedure. Except as set forth below, CONTRACTOR shall not be required to Collect Solid Waste if the Service Recipient does not segregate the Solid Waste from Exempt Waste. If Solid Waste is contaminated through commingling with Exempt Waste, CONTRACTOR shall, if practical, separate the Solid Waste from the contaminants. The Solid Waste shall then be Collected and the contaminants shall be left in the Solid Waste Cart or Bin along with a Non-Collection Notice explaining why the contaminant(s) is not considered Solid Waste. However, in the event the Solid Waste and contaminants are commingled to the extent that they cannot easily be separated by CONTRACTOR or the nature of the contaminants renders the entire Solid Waste Cart or Bin contaminated, CONTRACTOR may; 1) Collect the Solid Waste and leave a Non-Collection Notice that contains instructions on the proper procedures for setting out Solid Waste or; 2) leave the Solid Waste Cart or Bin unemptied along with a Non-Collection Notice that contains instructions on the proper procedures for setting out Solid Waste. On the third (3<sup>rd</sup>) time that CONTRACTOR finds that a Service Unit has set out contaminated Solid Waste, CONTRACTOR may leave the Solid Waste Cart or Bin un-emptied along with a Non-Collection Notice that contains instructions on the proper procedures for setting out Solid Waste and reduce the service at that Service Unit to the minimum level available by exchanging the Solid Waste container without the authorization of the Customer.

845           3.15   Recycling - Improper Procedure.   Except as set forth below,  
846 CONTRACTOR shall not be required to Collect Recyclable Materials if the Residential or  
847 Commercial Service Recipient does not segregate the Recyclable Materials from Solid  
848 Waste, Green Waste, Exempt Waste or Construction and Demolition Debris. The first  
849 (1<sup>st</sup>) time Recyclable Materials are contaminated through commingling with Solid Waste,  
850 Green Waste, Exempt Waste or Construction and Demolition Debris, CONTRACTOR  
851 shall contact the Customer to discuss the contamination and shall Collect the container  
852 and cause the material contained therein to be disposed or processed in the most  
853 appropriate manner. On the second (2<sup>nd</sup>) time that CONTRACTOR finds that a Service  
854 Unit has set out contaminated Recyclable Materials, CONTRACTOR shall contact the  
855 Customer to discuss the contamination and shall Collect the container and cause the  
856 material contained therein to be disposed or processed in the most appropriate manner.  
857 In addition CONTRACTOR may, without the authorization of the Customer, remove the  
858 Recycling Cart(s) or Bin(s) and stop Collecting Recyclable Materials from that Residential  
859 or Commercial Service Unit.

860           3.15.1   Recycling - Changes to Work.   Should changes in law arise that  
861 necessitate any additions or deletions to the work described herein including the type of  
862 items included as Recyclable Materials, the parties shall negotiate any necessary cost  
863 changes and adjustment in Maximum Service Rates pursuant to Article 26.01 and shall  
864 enter into an Agreement amendment covering such modifications to the work to be  
865 performed and the adjustment to Maximum Service Rates before undertaking any  
866 changes or revisions to such work.

867           3.16   Green Waste - Improper Procedure.   Except as set forth below,  
868 CONTRACTOR shall not be required to Collect Green Waste if the Service Recipient  
869 does not segregate the Green Waste from Solid Waste, Recyclable Materials, Exempt  
870 Waste or Construction and Demolition Debris. The first (1<sup>st</sup>) time Green Waste is  
871 contaminated through commingling with Solid Waste, Recyclable Materials, Exempt  
872 Waste or Construction and Demolition Debris, CONTRACTOR shall contact the  
873 Customer to discuss the contamination and shall Collect the container and cause the  
874 material contained therein to be disposed or processed in the most appropriate manner.  
875 On the second (2<sup>nd</sup>) time that CONTRACTOR finds that a Service Unit has set out  
876 contaminated Green Waste, CONTRACTOR shall contact the Customer to discuss the  
877 contamination and shall Collect the container and cause the material contained therein  
878 to be disposed or processed in the most appropriate manner. In addition,  
879 CONTRACTOR may, without the authorization of the Customer, remove the Green  
880 Waste Cart(s) and Bin(s) and stop Collecting Green Waste from that Service Unit.

881           3.17   Commingling of Materials.

882           3.17.1   Solid Waste, Recyclable Materials and Green Waste.  
883 CONTRACTOR shall not commingle Solid Waste Collected pursuant to this Agreement  
884 with any Recyclable Materials or Green Waste separated for Collection pursuant to this  
885 Agreement prior to delivery to the Transfer Station, MRF, Organic Waste Processing  
886 Facility or Disposal Facility as appropriate, without the express prior written authorization  
887 of the Contract Administrator.

888           3.17.2   Solid Waste Material Collected in the Service Area.  
889 CONTRACTOR shall not commingle any Solid Waste Collected pursuant to this  
890 Agreement with any other material Collected by CONTRACTOR outside the RWMA  
891 Service Area prior to delivery to the Transfer Station, MRF, Organic Waste Processing

Facility or Disposal Facility as appropriate, unless CONTRACTOR has provided documentation that is satisfactory to the Contract Administrator explaining how the commingled material will be allocated.

3.17.3 Recyclable Materials Collected in the Service Area. CONTRACTOR shall not commingle Recyclable Materials Collected pursuant to this Agreement with any other material Collected by CONTRACTOR outside the RWMA Service Area prior to delivery to the Transfer Station, MRF, or Disposal Facility as appropriate, unless CONTRACTOR has provided documentation that is satisfactory to the Contract Administrator explaining how the commingled material will be allocated.

3.17.4 Green Waste Collected in the Service Area. CONTRACTOR shall not commingle Green Waste Collected pursuant to this Agreement with any other material Collected by CONTRACTOR outside the RWMA Service Area prior to delivery to the Transfer Station, Organic Waste Processing Facility or Disposal Facility as appropriate, unless CONTRACTOR has provided documentation that is satisfactory to the Contract Administrator explaining how the commingled material will be allocated.

3.17.5 Material Separation. Solid Waste, Recyclable Materials, Green Waste, Bulky Items and Construction and Demolition Debris shall not be mixed together in CONTRACTOR's Collection equipment unless such material has been deemed contaminated in which case it shall be Collected as Solid Waste. Each category of material Collected shall be kept separated according to type or classification except for such material that has been deemed contaminated in which case shall be classified as Solid Waste.

3.18 Spillage and Litter. CONTRACTOR shall not litter premises in the process of providing Collection Services or while its vehicles are on the road. CONTRACTOR shall transport all materials Collected under the terms of this Agreement in such a manner as to prevent the spilling or blowing of such materials from CONTRACTOR's vehicle. CONTRACTOR shall exercise all reasonable care and diligence in providing Collection Services so as to prevent spilling or dropping of any material and shall immediately, at the time of occurrence, clean up such spilled or dropped materials.

3.18.1 CONTRACTOR shall not be responsible for cleaning up unsanitary conditions caused by the carelessness of the Service Recipient; however, CONTRACTOR shall clean up any material or residue that are spilled or scattered by CONTRACTOR or its employees.

3.18.2 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris resulting from CONTRACTOR's operations or equipment repair shall be covered immediately with an absorptive material and removed from the street surface. When necessary, CONTRACTOR shall apply a suitable cleaning agent to the street surface to provide adequate cleaning. To facilitate such clean-up, CONTRACTOR's vehicles shall at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel. CONTRACTOR shall not be responsible for removing any stain that may remain after application of such absorbents and cleaning agents.

3.18.3 The above paragraphs notwithstanding, CONTRACTOR shall clean up any spillage or litter caused by CONTRACTOR within two (2) hours upon notice from COUNTY.



937 3.18.4 In the event where damage to COUNTY Streets (other than  
938 stains) is the result of a hydraulic oil spill caused by CONTRACTOR, CONTRACTOR  
939 shall be responsible for all repairs to return the street to the same condition prior to the  
940 spill. CONTRACTOR shall also be responsible for all clean-up activities related to the  
941 spill. Repairs and clean-up shall be performed in a manner satisfactory to the Contract  
942 Administrator and at no cost to COUNTY.

943 3.19 Ownership of Materials.

944 3.19.1 Title to Solid Waste, Recyclable Materials, Green Waste, Bulky  
945 Items, and Construction and Demolition Debris shall pass to CONTRACTOR at such  
946 time as said materials are properly containerized, bagged, or bundled and placed at the  
947 curb or other point of Collection in the manner as set forth herein or as agreed to by  
948 CONTRACTOR and the Customer. If materials are placed out for Collection without  
949 being properly containerized, bagged, or bundled, title shall pass to CONTRACTOR at  
950 the time the material is placed in CONTRACTOR's Collection vehicle. If Collected  
951 materials are delivered to a Transfer Station, Materials Recovery Facility, or Organic  
952 Waste Processing Facility other than one operated by CONTRACTOR, then title will  
953 again transfer from CONTRACTOR to the operator of the non-CONTRACTOR Transfer  
954 Station, Materials Recovery Facility, or Organic Waste Processing Facility upon such  
955 delivery.

956 3.19.2 Title to any material self-hauled to the Transfer Station, Materials  
957 Recovery Facility, Organic Waste Processing Facility or Disposal Facility shall pass to  
958 CONTRACTOR at the time the material is accepted at these facilities.

959 3.19.3 Title to material Collected as part of a County Clean-up Service  
960 or Special Event Collection Service shall pass to CONTRACTOR at the time the material  
961 is placed in the Debris Box Container, other Collection container provided by  
962 CONTRACTOR or CONTRACTOR's Collection vehicle if no containers are provided by  
963 CONTRACTOR.

964 3.20 Exempt Waste.

965 3.20.1 Under no circumstances shall CONTRACTOR's employees  
966 knowingly Collect Exempt Waste or remove unsafe or poorly containerized Exempt  
967 Waste from a Collection container. If CONTRACTOR determines that material placed in  
968 any container for Collection is Exempt Waste, or other material that may not legally be  
969 accepted at the Materials Recovery Facility, Transfer Station, Organic Waste Processing  
970 Facility or Disposal Facility, or presents a hazard to CONTRACTOR's employees,  
971 CONTRACTOR shall have the right to refuse to accept such material. The generator  
972 shall be contacted by CONTRACTOR and requested to arrange for proper disposal  
973 service. If the generator cannot be reached immediately, CONTRACTOR shall, before  
974 leaving the premises, leave a Non-Collection Notice which indicates the reason for  
975 refusing to collect the material and how the Exempt Waste can be properly disposed or  
976 recycled.

977 3.20.2 If Exempt Waste is found in a Collection container that poses an  
978 imminent danger to people or property, CONTRACTOR shall immediately notify the  
979 appropriate Fire Department and/or other emergency services departments as  
980 appropriate, as well as COUNTY.

981 3.20.3 If Exempt Waste is identified at the time of delivery to the  
982 Transfer Station, Materials Recovery Facility, Organic Waste Processing Facility or

Disposal Facility and the generator cannot be identified, CONTRACTOR shall be solely responsible for handling and arranging transport and disposition of the Exempt Waste.

3.21 Regulations and Record Keeping. CONTRACTOR shall comply with emergency notification procedures required by applicable laws and regulatory requirements. All records required by laws and regulations shall be maintained at CONTRACTOR's facility.

3.22 Re-designation of Non-Program Areas. COUNTY has designated those areas set forth in Exhibit 4 as Non-Program Areas. COUNTY may, at its sole discretion, elect to designate Non-Program Areas as Program Areas during the term of this Agreement pursuant to this Article 3.22. In the event COUNTY determines that the designation of an area as a Non-Program Area in Exhibit 4 should be removed, COUNTY shall confirm that intended change in designation to CONTRACTOR in writing. Prior to CONTRACTOR beginning to provide SFD Recycling and Green Waste Collection Service in the area, COUNTY and CONTRACTOR shall meet to determine if the area can be serviced by CONTRACTOR under the current Maximum Service Rate structure. In the event CONTRACTOR believes the current Maximum Service Rate structure should be modified to support the cost of providing such Collection Service in the area, CONTRACTOR shall provide COUNTY with documentation supporting those facts. COUNTY may request from CONTRACTOR such further information as it deems reasonably necessary to fully evaluate the request. COUNTY and CONTRACTOR shall utilize this and other data as needed to develop mutually agreed upon Maximum Service Rates, as provided in Article 26.02. Once the Maximum Service Rates have been agreed upon and taken effect, CONTRACTOR shall deliver additional Carts or Bins and begin to provide such Collection Services to the newly designated Program Area, at such time as is agreed to between CONTRACTOR and COUNTY.

## ARTICLE 4. Charges and Maximum Service Rates

4.01 Billing and Collection. CONTRACTOR shall be solely responsible for the billing and (except as provided below) collection of payments for all Collection Services, including billing of COUNTY for any services provided in excess of those County Collection Services specified in Article 9. CONTRACTOR shall charge Service Recipients an amount which shall not exceed the Maximum Service Rates attached in Exhibit 1 to this Agreement as adjusted under the terms of this Agreement. COUNTY or Contract Administrator shall have the right to review the format of all customer bills. CONTRACTOR shall be entitled to set rates for all services provided pursuant to this Agreement, provided that such rates do not exceed the Maximum Service Rates set forth in Exhibit 1, as adjusted under the terms of this Agreement. Unless otherwise expressly provided, all references to Exhibit 1 in this Agreement shall be deemed to refer to such exhibit as adjusted from time to time in accordance with the provisions of this Agreement.

4.01.1 Partial Month Service. If, during a month, a Service Unit is added to or deleted from CONTRACTOR's Service Area, CONTRACTOR's billing shall be pro-rated by dividing the monthly rate for the service provided to the Service Unit by four (4), and multiplying the result by the number of actual weeks in the month that service was provided to the Service Unit.

4.01.2 Billing Inserts. COUNTY may provide educational and other material to CONTRACTOR for inclusion in the invoices provided by CONTRACTOR to

SFD, MFD and Commercial Customers for Collection Services. CONTRACTOR may charge COUNTY for the insertion and any extra postage charges for educational or other materials provided for distribution in the invoices. Any such charge by CONTRACTOR to COUNTY shall be considered Pass-Through Expenses as defined in Exhibit 2 to this Agreement.

4.02 Delinquent Service Accounts. CONTRACTOR may take such action as is legally available to collect or cause collection of such past due amounts, including discontinuing any or all service and/or removing Carts, containers or Bins. However, CONTRACTOR may not discontinue providing Recycling, Green Waste, or Solid Waste Collection Services to a SFD Service Unit or a MFD Service Unit in a Mandatory Refuse Collection Area as described in the COUNTY Ordinance Code, Chapter 7.05, Article 2.

4.02.1 Collection Process. CONTRACTOR may submit to COUNTY annually prior to August 5<sup>th</sup> a list of delinquent accounts along with such other information as may be required by COUNTY. Following receipt of all necessary information from CONTRACTOR, COUNTY will assist CONTRACTOR in collecting the delinquent accounts for the prior twelve month period ending March 31<sup>st</sup> by adding delinquent unpaid amounts to the real property tax of the delinquent parcels, subject to the terms of the COUNTY Ordinance Code. Upon collection of any such delinquent accounts by COUNTY, all amounts so collected shall be accounted for and remitted to CONTRACTOR, except COUNTY shall retain any penalty or administrative handling charge portion of such collections.

4.03 Low-Income Senior Citizen Maximum Service Rates. CONTRACTOR shall provide SFD Collection Services to qualified low-income senior citizens at rates not exceeding the Maximum Service Rates for such services specified in Exhibit 1 upon request. The qualification requirements for the low-income senior citizen rates include all of the following: (i) head of household; (ii) minimum of 62 years of age; and, (iii) an adjusted gross income for the household at or below one hundred-fifty percent (150%) of the current Federal Poverty Guidelines for the 48 Contiguous States and the District of Columbia for the applicable size of family unit.

4.03.1 To demonstrate conformity with the qualification requirements, CONTRACTOR shall require applicants to complete an application form provided by CONTRACTOR and provide copies of photo identification showing proof of age and the first and second pages of Form 1040, U.S. Individual Income Tax Return for the previous calendar year, or other suitable documentation to verify household income.

4.03.2 Eligibility shall be granted for a specified period not to exceed two (2) years after which CONTRACTOR shall require applicant to re-certify as to their continued eligibility. CONTRACTOR shall require approved applicants to provide notification if and when their eligibility qualification status changes.

4.04 Maximum Service Rates. Maximum Service Rates shall consist of some combination of the following elements: a base service rate element, a franchise fee element, a surcharge fee element, and such other elements as may be added by COUNTY during the term of this Agreement to reflect new fees or charges imposed by COUNTY or the RWMA.

4.05 Adjustments to Base Service Rate Element. Beginning October 1, 2011, and annually thereafter, the base service rate element of the Maximum Service Rates shall be adjusted as set forth in Exhibit 2 – Maximum Service Rate Adjustment

Guidelines for Collection Service Agreement. Maximum Service Rates for the Rate Year October 1, 2011- September 30, 2012 shall be those set forth in Exhibit 1.

4.06 Host Fees Imposed by RWMA Member Agencies.

4.06.1 General. The City of Marysville, an RWMA Member Agency, imposes a business license fee ("host fee") of \$4.40 per ton (as of the date hereof) on CONTRACTOR for each ton of Solid Waste delivered to the Marysville Transfer Station. In addition, the County of Yuba, an RWMA Member Agency, imposes a host fee of \$4.40 per ton (as of the date hereof) on the Ostrom Road Landfill operator for each ton of Solid Waste delivered to the Ostrom Road Landfill. The amount of the Yuba County host fee is included in the per-ton tip fee paid by CONTRACTOR for Disposal of Solid Waste at the Ostrom Road Landfill. The Marysville business license (host) fee is not payable with respect to material designated by CONTRACTOR and accepted by the Marysville Transfer Station operator as Recyclable Materials, Green Waste, Alternative Daily Cover or inerts. The Yuba County host fee is not payable with respect to material designated by CONTRACTOR and accepted by the Ostrom Road Landfill operator as Recyclable Materials, Green Waste (diverted from landfill), Alternative Daily Cover or inerts.

4.06.2 Adjustment. If, at any time during the term of this Agreement, the City of Marysville or the County of Yuba increases its host fee, the host fee component of each Maximum Service Rate containing a host fee component shall be increased based on the following procedure:

(i) Calculate the difference between the old per ton host fee and the new per ton host fee and multiply the difference by the number of tons documented for the applicable RWMA Member Regulated Activity for the most current complete Rate Year;

(ii) Calculate the corresponding franchise fee and other fees for the subtotal calculated in (i) above, and add these amounts to the subtotal calculated in (i) above. This is the total revenue deficit;

(iii) Divide the total revenue deficit calculated in (ii) above by the total collection revenue for the applicable RWMA Member Regulated Activity in the most current Rate Year application (or, in the case of host fee increases that will take effect in a future Rate Year, in the Rate Year application for the Rate Year in which the new host fee is to become effective) to calculate the percentage adjustment for each of the affected Maximum Service Rates.

COUNTY shall adjust the Maximum Service Rates to incorporate any such changes in the host fee component prior to the time that the new host fee becomes effective.

4.07 Surcharge Fee. The surcharge fee is imposed by the Regional Waste Management Authority (RWMA) on CONTRACTOR through this Agreement to fund the programs and activities of the RWMA as authorized in the Joint Powers Agreement as it may be amended from time to time. These programs and activities currently include the funding, operation and/or maintenance of the household hazardous waste facility in Yuba City; the development, operation and/or maintenance of a proposed household hazardous waste facility in Yuba County; the Yuba-Sutter Local Enforcement Agency; Independent auditor, load checking activities at the Marysville Transfer Station; the disposition of used oil filters and sharps collected from the public at the Marysville Transfer Station; and, RWMA administration. CONTRACTOR shall make payment to the RWMA of the surcharge fee. Payment to the RWMA shall be due on the twentieth

(20<sup>th</sup>) day of each month with respect to revenue billed by CONTRACTOR in the preceding month. Each payment shall be accompanied by an accounting that sets forth the amount of surcharge fees attributable to each Service Area for the preceding month. No acceptance by the RWMA of any payment shall be construed as an accord that the amount is the correct amount, nor shall such acceptance of payment be construed as a release of any claim the RWMA may have against CONTRACTOR for any additional sums payable under the provisions of this Agreement. All amounts paid shall be subject to independent audit and recompilation by the RWMA. If, after an audit, such recompilation indicates an underpayment, CONTRACTOR shall pay to the RWMA the amount of the underpayment plus interest at the Wall Street Journal Prime Rate. If the underpayment is in excess of five (5) percent of the total fees due for the period of the audit, CONTRACTOR shall reimburse the RWMA for all reasonable costs and expenses incurred in connection with the audit and recompilation within ten (10) Residential Service Work Days of receipt of written notice from the RWMA that such is the case. If, after an audit, such recompilation indicates an overpayment, the RWMA shall notify CONTRACTOR in writing of the amount of the overpayment. CONTRACTOR may offset the amounts next due following receipt of such notice by the amount specified therein.

4.08 Franchise Fee. The parties acknowledge that certain solid waste management, recycling and associated services are provided by COUNTY in connection with this Agreement, which are part of a comprehensive program of activities designed to effectuate the purpose of this Agreement and the Act. To reimburse COUNTY for the costs of such services, including COUNTY's costs incurred in administering this Agreement, and in consideration of the exclusive franchise granted to CONTRACTOR by this Agreement, CONTRACTOR shall pay COUNTY a franchise fee. The franchise fee shall be a percentage of CONTRACTOR's gross revenue net of surcharge fees billed each month under the terms of this Agreement. For purposes of calculating franchise fees, gross revenue shall specifically include revenue received by CONTRACTOR for the provision of Collection Services by CONTRACTOR, and exclude surcharge fees and rates collected for the Ponderosa Landfill Transfer Station. In addition, revenue received by CONTRACTOR from the sale of recyclable materials and from related California Redemption Value (CRV) payments shall not be considered as gross revenues for purpose of the calculation of franchise fees. The franchise fee percentage shall be five percent (5%) unless otherwise adjusted by COUNTY. In the event that COUNTY adjusts the franchise fee percentage, COUNTY shall adjust the Maximum Service Rates to incorporate any such changes in the franchise fee percentage prior to the time that the new franchise fee percentage becomes effective. To give effect to the intent of the 3rd, 4th and 5th sentences of this paragraph, the parties agree that the franchise fee charged to CONTRACTOR shall be calculated by dividing the base service rate element of each Maximum Service Rate by one (1) minus the franchise fee percentage (for example  $1.00 - .05 = 0.95$ ); subtracting the base service rate element; and rounding the resulting figure to two (2) decimal places. If the base service rate element of a Maximum Service Rate changes for any reason, the franchise fee element will be recalculated.

4.09 Pass-Through Expenses. The fees set forth in Articles 4.06-4.08 shall be considered Pass-Through Expenses as defined in Exhibit 2 to this Agreement.

4.10 CONTRACTOR's Payments to COUNTY. CONTRACTOR shall make payment to COUNTY of the fees set forth in Article 4.08. Payment to COUNTY shall be

due quarterly on the twentieth (20<sup>th</sup>) day of the month following each three month period (quarter) during which revenues are billed. Each such payment shall be accompanied by an accounting that sets forth CONTRACTOR's gross billings during the preceding quarter. In the event CONTRACTOR begins invoicing Customers for Residential Collection Services on a monthly basis, fee payments shall be due on the twentieth (20<sup>th</sup>) day of the month following the month the revenues are billed. CONTRACTOR shall conduct regular billing audits, not less than annually, of all commercial customers, SFD and MFD in order to ensure the accuracy of CONTRACTOR's payments to COUNTY. CONTRACTOR shall provide a copy of said audit upon request of COUNTY. COUNTY maintains the right to engage a third party for an independent audit of the results of the billing audit.

4.10.1 No acceptance by COUNTY of any payment shall be construed as an accord that the amount is the correct amount, nor shall such acceptance of payment be construed as a release of any claim COUNTY may have against CONTRACTOR for any additional sums payable under the provisions of this Agreement. All amounts paid shall be subject to independent audit and recompilation by COUNTY. If, after an audit, such recompilation indicates an underpayment, CONTRACTOR shall pay to COUNTY the amount of the underpayment plus interest at the Wall Street Journal Prime Rate. If the underpayment is in excess of five percent (5%) of the total fees due for the period of the audit, CONTRACTOR shall reimburse COUNTY for all reasonable costs and expenses incurred in connection with the audit and recompilation within ten (10) Residential Service Work Days of receipt of written notice from COUNTY that such is the case. If, after an audit, such recompilation indicates an overpayment, COUNTY shall notify CONTRACTOR in writing of the amount of the overpayment. CONTRACTOR may offset the amounts next due following receipt of such notice by the amount specified therein.

4.11 Rate Stabilization and Capitalization Funds. CONTRACTOR and COUNTY agree that the Maximum Service Rates as set forth in Exhibit 1 include \$551,039 in surplus funds for Rate Year 2012 (the Surplus, \$523,487 plus \$27,552 in franchise fees) of which \$523,487 shall be remitted to the RWMA for retention as a Rate Stabilization and Capitalization Fund and deposited in an interest bearing Local Agency Investment Fund (LAIF) account. The Surplus shall be remitted to the RWMA in twelve equal monthly payments. The Surplus figure shall be adjusted by the Indexed Rate Adjustments for Rate Years 2013 through 2015, and the resulting figure shall be remitted to the RWMA in equal monthly payments. Funds deposited in the Rate Stabilization and Capitalization Fund, and any interest earned on these funds, shall be used at the discretion of the RWMA. CONTRACTOR shall remit the franchise fees billed on the funds remitted to the Rate Stabilization and Capitalization Fund in accordance with Articles 4.08, 4.10 and 4.11 of this Agreement.

4.12 Maximum Service Rate Adjustments.

For purposes of CONTRACTOR's rate applications, the following adjustments shall be applied:

4.12.1 Adjustment of Maximum Service Rates for Rate Year 2011 Ultra Low Sulfur Diesel Fuel Prices. CONTRACTOR and COUNTY agree that the Rate Year 2011 (October 1, 2010 – September 30, 2011) fuel allowance is set at 428,060 gallons of ultra-low-sulfur diesel (ULSD) fuel (445,432 gallons x 96.1% percent RWMA-related activities) at a cost of \$2.78 per gallon. The Rate Year 2013 Maximum Service Rates will

1216 be adjusted to reflect the difference between the pro-rated (9/12) fuel price difference for  
1217 the first nine (9) months of Rate Year 2011 and the fuel price difference for all of Rate  
1218 Year 2011.

1219 4.12.2 For Rate Year 2012, CONTRACTOR and COUNTY agree that  
1220 the diesel fuel allowance is set at \$3.369/gallon and 433,908 gallons diesel fuel (456,265  
1221 gallons x 95.1% RWMA-related activities).

1222 4.12.3 The Rate Year 2012 Maximum Service Rates will be adjusted to  
1223 reflect the removal of the diesel fuel true-ups for July through September 2010 and for  
1224 October 2010 through June 2011 prior to making Refuse Rate Index adjustments for  
1225 Rate Year 2013. The Rate Year 2013 Maximum Service Rates will be adjusted to reflect  
1226 the difference between the pro-rated (6/12) diesel fuel price difference for the first six (6)  
1227 months of Rate Year 2012.

1228 4.12.4 The Rate Year 2013 Maximum Service Rates will be adjusted to  
1229 reflect the removal of the diesel fuel true-up for October 2011 through March 2012 prior  
1230 to making Refuse Rate Index adjustments for Rate Year 2014. The Rate Year 2014  
1231 Maximum Service Rates will be adjusted to reflect the difference between the pro-rated  
1232 (6/12) diesel fuel price difference for the first six (6) months of Rate Year 2012 and the  
1233 diesel fuel price difference for all of Rate Year 2012.

1234 4.12.5 The Rate Year 2014 Maximum Service Rates will be adjusted to  
1235 reflect the removal of the diesel fuel true-up for April 2012 through September 2012 prior  
1236 to making Refuse Rate Index adjustments for Rate Year 2015.

1237 4.12.6 Adjustments of Maximum Service Rates for Removal of Vehicles  
1238 with Emissions Control Retrofit Equipment. If any of the vehicles retrofitted with  
1239 emissions control equipment are removed, for any reason, from CONTRACTOR's active  
1240 fleet within five (5) years of the date of retrofit, CONTRACTOR will credit the remaining  
1241 pro-rated lease cost (from the removal date to the effective date of the next detailed rate  
1242 application) of that vehicle's retrofit back to the rate payers in the next detailed rate  
1243 application, including the operating margin charged on these costs.

1244 4.12.7 Maximum Service Rate Adjustments for Vehicle Emissions  
1245 Control Retrofit Equipment. Maximum Service Rate adjustment applications including  
1246 proposed vehicle/engine retrofits shall be accompanied by current competitive quotes for  
1247 the cost to retrofit the vehicles identified for retrofit in the application.

1248 4.12.8 Maximum Service Rate Adjustments for Operating Margin Credit  
1249 on Marysville Transfer Station Business License Fee. The Rate Year 2013 Maximum  
1250 Service Rates will be adjusted to reflect the elimination of the operating margin on the  
1251 Marysville Transfer Station business license fee from the Rate Year 2012 Maximum  
1252 Service Rates as of January 1, 2012 and from the Maximum Service Rates for  
1253 subsequent years beginning with Rate Year 2013.

1254 4.13 Road Maintenance Fee. The parties acknowledge that certain solid  
1255 waste management, recycling and associated services are provided by COUNTY in  
1256 connection with this Agreement, which are part of a comprehensive program of activities  
1257 designed to effectuate the purpose of this Agreement and the Act. To reimburse  
1258 COUNTY for the costs of such services related to road maintenance, the  
1259 CONTRACTOR shall pay COUNTY a road maintenance fee. The road maintenance fee  
1260 shall be a percentage of CONTRACTOR's gross revenue net of surcharge fees billed  
1261 each month under the terms of this Agreement. For purposes of calculating the road

1262 maintenance fee, gross revenue shall specifically include revenue received by the  
1263 CONTRACTOR for the provision of Collection Services by the CONTRACTOR, and  
1264 exclude surcharge fees. In addition, revenue received by the CONTRACTOR from the  
1265 sale of recyclable materials and from related California Redemption Value (CRV)  
1266 payments shall not be considered as gross revenues for purpose of the calculation of the  
1267 road maintenance fee. The road maintenance fee shall be paid in accordance with the  
1268 above method, under the following conditions: (i) 0.5% for the months of January  
1269 through September 2012 and, (ii) 1.0% for each month thereafter.

1270 During the Initial Term and any extensions of the Initial Term of this  
1271 Agreement, the Road Maintenance Fees paid to COUNTY shall be a non-allowable  
1272 expense for purposes of determining CONTRACTOR's Revenue Requirement and  
1273 Maximum Service Rate adjustment pursuant to Exhibit 2 and shall not be included in the  
1274 expenses submitted for Refuse Rate Index adjustments.

## 1275 ARTICLE 5. Diversion Requirements

1276 5.01 Minimum Diversion Requirements. COUNTY requires CONTRACTOR  
1277 to use its best efforts to achieve a minimum annual diversion rate of thirty percent (30%),  
1278 or such other amount as may be set by request of all Member Agencies in accordance  
1279 with the provisions of Article 26.02 of this Agreement, during each Agreement Year  
1280 beginning October 1, 2011. The annual diversion rate will be calculated as "the tons of  
1281 materials Collected by CONTRACTOR from the provision of Collection Services in the  
1282 RWMA Service Area under the terms of this Agreement, plus those materials Collected  
1283 from Beale Air Force Base, that are shipped to the Materials Recovery Facility, the  
1284 Organic Waste Processing Facility, or other recycler or re-user, net of any residue  
1285 amounts, divided by the total tons of materials Collected by CONTRACTOR from the  
1286 provision of Collection Services in the RWMA Service Area under the terms of this  
1287 Agreement plus those materials Collected from Beale AFB in each Agreement Year."

1288 5.02 Failure to Meet Minimum Diversion Requirements. CONTRACTOR's  
1289 failure to meet the minimum diversion requirements set forth above in Article 5.01 may  
1290 result in the imposition of liquidated damages pursuant to Article 21. In determining  
1291 whether or not to assess liquidated damages, the RWMA will consider the good faith  
1292 efforts put forth by CONTRACTOR to meet the minimum diversion requirements. This  
1293 consideration will include documentation provided by CONTRACTOR regarding its  
1294 activities. The final decision whether or not to assess liquidated damages will remain  
1295 with the RWMA.

## 1296 ARTICLE 6. Single Family Dwelling (SFD) Collection 1297 Services

1298 6.01 SFD Collection Services. These services shall be governed by the  
1299 following terms and conditions:

1300 6.01.1 Conditions of Service. Except as set forth in the last sentence of  
1301 this Article 6.01.1, subject to the limitations set forth in Articles 3.14, 3.15 and 3.16,  
1302 CONTRACTOR shall provide SFD Collection Service to all SFD Service Units in the  
1303 Service Area whose Solid Waste, Recyclable Materials, and Green Waste is properly  
1304 containerized in Carts, except as set forth in Articles 6.03, 6.04, 6.05 and 6.06; where  
1305 the Solid Waste, Recyclable Material and Green Waste Carts have been placed within



three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to CONTRACTOR's Collection crew and vehicle. CONTRACTOR shall not be required to provide SFD Recycling Services or SFD Green Waste Collection Services to those Service Units located in Non-Program Areas as set forth in Exhibit 4.

**6.01.2 On-Premises Service.** Notwithstanding any term or definition set forth in this Agreement, CONTRACTOR shall provide on-premises Collection of Solid Waste, Recyclable Materials, and Green Waste to a SFD Service Unit if all adult Service Recipients residing therein have disabilities that prevent them from setting their Solid Waste, Recyclable Material or Green Waste Cart at the curb for Collection and if a request for on-premises service has been made to and approved by CONTRACTOR in the manner set forth in its written policy, which policy shall be provided to all residents requesting such on-premises service. CONTRACTOR shall provide on-premises Collection Service on the same Residential Service Work Day that curbside Collection would otherwise be provided to the SFD Service Unit. No additional monies shall be due to CONTRACTOR for the provision of on-premises service.

**6.01.3 Frequency and Scheduling of Service.** Except as set forth in Articles 6.06 and 6.07, SFD Collection Services shall be provided one (1) time per week on a scheduled route basis. SFD Collection Services shall be scheduled so that a SFD Service Unit receives SFD Solid Waste Collection Service, SFD Recycling Service, and SFD Green Waste Collection Service on the same Residential Service Work Day.

**6.02 Non-Collection.** Except as set forth in Articles 6.03, 6.04, 6.05 and 6.06, CONTRACTOR shall not be required to Collect any Solid Waste, Recyclable Material, or Green Waste that is not placed in a Cart where such Cart is placed out for Collection in the manner required herein. In the event of non-collection, CONTRACTOR shall affix to the Cart a Non-Collection Notice explaining why Collection was not made. CONTRACTOR shall maintain a copy of such notices for a period of three (3) years.

**6.03 Solid Waste Collection Service.** This service will be governed by the following additional terms and conditions:

**6.03.1 Overages.** CONTRACTOR shall Collect Solid Waste from SFD Service Units who have contacted CONTRACTOR's office in advance of the Collection Day and arranged for Collection of additional 32-gallon bags of Solid Waste. CONTRACTOR shall be entitled to charge for such service a rate not exceeding Maximum Service Rate for such service set forth in Exhibit 1.

**6.04 SFD Recycling Service.** This service will be governed by the following additional terms and conditions:

**6.04.1 Overages.** CONTRACTOR shall Collect Recyclable materials that will not fit inside the Recycling Cart but have been flattened, bagged and/or bundled and placed beside the Recyclable Materials Cart. CONTRACTOR shall also Collect corrugated cardboard that will not fit inside the Recycling Cart and has been reduced to a size not exceeding three feet by three feet (3' x 3') and placed beside the Cart for Collection.

**6.05 SFD Green Waste Collection Service.** This service will be governed by the following additional terms and conditions:

1351                   6.05.1 Overages. CONTRACTOR shall Collect Green Waste that will  
1352 not fit inside the Green Waste Cart but has been bagged or bundled and placed beside  
1353 the Green Waste Cart.

1354                   6.06 Curbside Holiday Tree Collection. CONTRACTOR shall Collect Holiday  
1355 Trees (without stands, flocking or ornamentation) that are set at the curb beside the  
1356 Green Waste Cart from all SFD Service Units as part of the Green Waste Collection  
1357 Service. CONTRACTOR shall provide this service beginning on the first Residential  
1358 Service Work Day after December 25<sup>th</sup> until January 15<sup>th</sup>.

1359                   6.06.1 Contaminated Holiday Trees. Holiday trees that are flocked or  
1360 contain tinsel or other decorations may be delivered to the Disposal Facility at the  
1361 discretion of CONTRACTOR.

1362                   6.07 Bulky Item Collection Service. This service will be governed by the  
1363 following terms and conditions:

1364                   6.07.1 Conditions of Service. CONTRACTOR shall provide Bulky Item  
1365 Collection Service to all SFD Service Units in the Service Area whose Bulky Items have  
1366 been placed within three (3) feet of the curb, swale, paved surface of the public roadway,  
1367 closest accessible roadway, or other such location agreed to by CONTRACTOR and  
1368 Service Recipient, that will provide safe and efficient accessibility to CONTRACTOR's  
1369 Collection crew and vehicle. Except as set forth below in Article 6.07.2, CONTRACTOR  
1370 shall be entitled to charge for Collecting Bulky Items at a rate not exceeding the "Bulky  
1371 Item Collection" Maximum Service Rate set forth in Exhibit 1, as adjusted under the  
1372 terms of this Agreement.

1373                   6.07.2 Free Bulky Item Collection Service. On or about January 1,  
1374 2012 and annually thereafter during the term of this Agreement, CONTRACTOR shall  
1375 distribute to each SFD Customer a "free bulky item collection service coupon" valid for  
1376 one (1) year that allows the coupon holder to receive one (1) free bulky item service.

1377                   6.07.3 Frequency of Service. Bulky Item Collection Service shall be  
1378 provided within two (2) Residential Service Work Days of receipt of the request or as  
1379 agreed upon between Customer and CONTRACTOR.

1380                   6.07.4 Free Dump Coupon Program. On or about January 1, 2012 and  
1381 annually thereafter during the term of this Agreement, CONTRACTOR shall distribute to  
1382 each SFD Customer (including without limitation those in Non-Program Areas) a "free  
1383 dump coupon" valid for one (1) year that allows the coupon holder to deliver up to one  
1384 (1) load in a non-commercial (no more than 1 ton) vehicle or trailer of Solid Waste,  
1385 Recyclable Materials, Green Waste, Bulky Items or Construction and Demolition Debris  
1386 to the Marysville Transfer Station. In lieu of delivery of materials to the Marysville  
1387 Transfer Station, Customers may use the free dump coupon for one (1) free Bulky Item  
1388 Collection Service subject to the conditions of that program.

1389                   6.07.5 The number of tires delivered to the Marysville Transfer Station  
1390 or Collected as part of each Bulky Item Collection shall be limited to four (4) passenger  
1391 car and light truck tires, in addition a charge of Ten Dollars (\$10.00) may be applied to  
1392 each Freon containing appliance.

1393                   6.08 Compost Give-Away. On or about April 1, 2012 and semi-annually  
1394 thereafter during the term of this Agreement, CONTRACTOR shall make available to  
1395 each Customer, except for COUNTY, a "free compost" program that provides up to fifty

1396 (50) gallons of compost material for Customer pick-up at the Marysville Transfer Station  
1397 or in a manner agreed upon by COUNTY and CONTRACTOR.

## 1398 ARTICLE 7. Multi-Family Dwelling (MFD) Collection 1399 Services

1400 7.01 Multi-Family Collection Services. These services shall be governed by  
1401 the following terms and conditions:

1402 7.01.1 Conditions of Service. CONTRACTOR shall provide MFD Solid  
1403 Waste Collection Service to all MFD Service Units in the Service Area whose Solid  
1404 Waste is properly containerized in Bins or Carts where the Bins or Carts are accessible  
1405 as set forth herein.

1406 7.01.2 Size and Frequency of Service. This service shall be provided as  
1407 deemed necessary and as determined between CONTRACTOR and the Customer, but  
1408 such service shall be received no less than one (1) time per week. Service may be  
1409 provided by Bin or Cart at the option of the Customer. The size of the container and the  
1410 frequency (above the minimum) of Collection shall be determined between the Customer  
1411 and CONTRACTOR. However, size and frequency shall be sufficient to provide that no  
1412 MFD Solid Waste need be placed outside the Bin or Cart. CONTRACTOR shall provide  
1413 containers at no additional charge as part of the MFD Collection Service however,  
1414 customers may provide their own Compactor provided that the customer is completely  
1415 responsible for its proper maintenance and that such Compactor shall be of a type that  
1416 can be serviced by CONTRACTOR's equipment.

1417 7.01.3 Non-Collection. CONTRACTOR shall not be required to Collect  
1418 any MFD Solid Waste that is not placed in a Solid Waste Bin or Cart. In the event of  
1419 non-collection, CONTRACTOR shall contact the Customer to discuss the reason for the  
1420 non-collection and shall affix to the Solid Waste Bin or Cart a Non-Collection Notice  
1421 explaining why Collection was not made.

1422 7.01.4 MFD Solid Waste Overflow. In the case of overflows of MFD  
1423 Solid Waste, CONTRACTOR may, at its option, Collect the overflow material. In the  
1424 event CONTRACTOR elects not to Collect the overflow material, CONTRACTOR shall  
1425 contact the MFD Service Unit management to inform them of the situation and request  
1426 that arrangements be made for the Customer's personnel to put the material in the  
1427 container. In the event of multiple occurrences of overflow, in which such overflow is  
1428 creating an undue health and safety concern, CONTRACTOR shall meet with the  
1429 Customer to arrange for an appropriate change in Solid Waste Bin or Cart size,  
1430 Collection frequency or both. In the event CONTRACTOR cannot reach an agreement  
1431 with the Customer regarding the change in service, CONTRACTOR shall provide the  
1432 additional services CONTRACTOR deems necessary to avoid future overflow or any  
1433 undue health and safety concerns and shall bill the Customer accordingly.

1434 7.02 Offer of Bulky Item Service. During the term of this Agreement  
1435 CONTRACTOR may offer to provide Bulky Item Collection Service to MFD Service Units  
1436 in the Service Area on a subscription basis at rates not exceeding the Maximum Service  
1437 Rates for such services set forth in Exhibit 1.

1438 7.03 Accessibility. CONTRACTOR shall Collect all Bins or Carts that are  
1439 readily accessible to CONTRACTOR's crew and vehicles and not blocked. However,

CONTRACTOR shall provide "push services" as necessary during the provision of MFD Collection Services. Push services shall include, but not be limited to dismounting from the Collection vehicle, moving the Bins or Carts from their storage location for Collection and returning the Bins or Carts to their storage location. CONTRACTOR shall be entitled to charge for "push services" at a rate not exceeding the Maximum Service Rates for such services set forth in Exhibit 1.

## ARTICLE 8. Commercial Collection Services

8.01 Commercial Collection Services. These services will be governed by the following terms and conditions:

8.01.1 Conditions of Service. CONTRACTOR shall provide Commercial Solid Waste Collection Service to all Commercial Service Units in the Service Area whose Solid Waste is properly containerized in Bins, Carts, Compactors, or Debris Box Containers, where the Bins, Carts, Compactors, or Debris Box Containers are accessible as set forth herein.

8.01.2 Size and Frequency of Service. This service shall be provided as deemed necessary and as determined between CONTRACTOR and the Customer, but such service shall be received no less than one (1) time per week. Service may be provided by Bin, Cart, Compactor, or Debris Box Containers at the option of the customer. The size of the container and the frequency (above the minimum) of Collection shall be determined between the Customer and CONTRACTOR. However, size and frequency shall be sufficient to provide that no Commercial Solid Waste need be placed outside the Bin, Cart, Compactor, or Debris Box Containers. CONTRACTOR shall provide containers at no additional charge as part of the Commercial Collection Service however, customers may provide their own Compactor provided that the Customer is completely responsible for its proper maintenance and that such Compactor shall be of a type that can be serviced by CONTRACTOR's equipment.

8.01.3 Non-Collection. CONTRACTOR shall not be required to Collect any Commercial Solid Waste that is not placed in a Solid Waste Bin, Cart, Compactor or Debris Box Container. In the event of non-collection, CONTRACTOR shall contact the Customer to discuss the reason for the non-collection and shall affix to the container a Non-Collection Notice explaining why Collection was not made.

8.01.4 Commercial Solid Waste Overflow. In the case of overflows of Commercial Solid Waste, CONTRACTOR may, at its option, collect the overflow material. In the event CONTRACTOR elects not to collect the overflow material, CONTRACTOR shall contact the Customer to inform them of the situation and request that arrangements be made for the Customer's personnel to put the material in the container. In the event of multiple occurrences of overflow, in which such overflow is creating an undue health and safety concern, CONTRACTOR shall meet with the Customer to arrange for an appropriate change in Solid Waste Bin, Cart, compactor or Debris Box Container size, Collection frequency or both. In the event CONTRACTOR cannot reach an agreement with the Customer regarding the change in service, CONTRACTOR shall provide the additional services CONTRACTOR deems necessary to avoid future overflow or any undue health and safety concern and shall bill the Customer accordingly.

8.02 Commercial Recycling Offer of Service.

1485                   8.02.1 Commercial Recycling Service. Subject to the limitations set  
1486 forth in Article 3.15, CONTRACTOR shall provide recycling services to all Commercial  
1487 Service Units in the Service Area requesting such service where such recyclables are  
1488 properly containerized, and uncontaminated by materials not included in the recycling  
1489 program, in Bins, Carts, Compactors, or Debris Box Containers, where the Bins, Carts,  
1490 Compactors, or Debris Box Containers are accessible as set forth herein. Subject to the  
1491 limitations set forth in Article 3.15, CONTRACTOR shall provide and actively promote  
1492 Commercial Recycling Service to all Commercial Service Units in the Service Area  
1493 requesting such service at no charge to the Customer or COUNTY.

1494                   8.02.2 Non-Collection. CONTRACTOR shall not be required to Collect  
1495 any cardboard or Recyclable Materials that are not placed in a Bin, Cart, Compactor, or  
1496 Debris Box Container where such container is placed out for Collection in the manner  
1497 required herein. In the event of non-collection, CONTRACTOR shall affix to the  
1498 container a Non-Collection Notice explaining why Collection was not made.  
1499 CONTRACTOR shall maintain a copy of such notices for a period of three (3) years.

1500                   8.03     Green Waste Offer of Service.

1501                   8.03.1 Green Waste Service. During the term of this Agreement  
1502 CONTRACTOR may offer to Collect Green Waste from Commercial Service Units in the  
1503 Service Area on a subscription basis at a rate not exceeding the Maximum Service Rate  
1504 for such service set forth in Exhibit 1. In the event CONTRACTOR offers Green Waste  
1505 Service, CONTRACTOR shall, subject to the limitations set forth in Article 3.16, provide  
1506 this service to all Commercial Service Units in the Service Area requesting such service  
1507 where such Green Waste is properly containerized in Bins, Carts, Compactors, or Debris  
1508 Box Containers, where the Bins, Carts, Compactors, or Debris Box Containers are  
1509 accessible as set forth herein.

1510                   8.04     Bulky Item Service. During the term of this Agreement, CONTRACTOR  
1511 may offer to provide Bulky Item Collection Service to Commercial Service Units in the  
1512 Service Area on a subscription basis at a rate not exceeding the Maximum Service Rate  
1513 for such service set forth in Exhibit 1.

1514                   8.04.1 Accessibility. CONTRACTOR shall Collect all Bins, Carts,  
1515 Compactors, or Debris Box Containers, that are readily accessible to CONTRACTOR's  
1516 crew and vehicles and not blocked. However, CONTRACTOR shall provide "push  
1517 services" as necessary during the provision of Commercial Collection Services. Push  
1518 services shall include, but not be limited to dismounting from the Collection vehicle,  
1519 moving the Bins, Carts or from their storage location for Collection and returning the Bins  
1520 or Carts to their storage location. CONTRACTOR shall be entitled to charge the  
1521 Customer for "push services" at a rate not exceeding the Maximum Service Rate for  
1522 such service set forth in Exhibit 1.

1523                   **ARTICLE 9. County Collection Services**

1524                   9.01     County Collection Services. These services shall be provided to  
1525 COUNTY and will be governed by the following terms and conditions:

1526                   9.01.1 Conditions of Service. CONTRACTOR shall provide County  
1527 Solid Waste Collection Service, County Recycling Service, County Green Waste  
1528 Collection Service and County Container Service to all County Service Units and public

litter containers where the Bins, Carts, Compactors, Debris Box Containers, and public litter containers are accessible as set forth in Article 9.01.3.

9.01.2 Frequency of Service. Each service shall be provided at least once every week on a scheduled route basis.

9.01.3 Accessibility. CONTRACTOR shall Collect all Bins, Carts, Compactors, and Debris Box Containers, that are readily accessible to CONTRACTOR's crew and vehicles and not blocked. However, CONTRACTOR shall provide "push services" as necessary during the provision of County Collection Services. Push services shall include, but not be limited to, dismounting from the Collection vehicle, moving the Bins or Carts from their storage location for Collection and returning the Bins or Carts to their storage location.

9.02 Offer of Service.

9.02.1 Bulky Item Service. During the term of this Agreement CONTRACTOR may offer to provide Bulky Item Collection Service to County Service Units in the Service Area on a subscription basis at a rate not exceeding the Maximum Service Rates for such service set forth in Exhibit 1.

9.03 County Clean-Up Service. CONTRACTOR, in response to a request from the Contract Administrator at least thirty (30) days in advance, shall provide Collection vehicles, Bins and/or Debris Box Containers and staff necessary for temporary clean-up programs at a centralized collection site. CONTRACTOR shall transport and deliver the Collected materials to the Disposal Facility, the Materials Recovery Facility, or such other facility as is appropriate for the disposition of the materials and approved by the Contract Administrator.

9.04 County Self-Haul Service. COUNTY employees in COUNTY vehicles may self-haul up to 1,100 tons of Solid Waste, Green Waste and Bulky Items, Construction and Demolition Debris and other non-Exempt materials regardless of size, to the Marysville Transfer Station per Agreement Year. CONTRACTOR may charge COUNTY for self-haul service in excess of the specified ton limit per Agreement Year at a rate not exceeding the Maximum Service Rate for such service set forth in Exhibit 1.

9.05 Special Event Collection Service. CONTRACTOR shall provide Solid Waste and Recycling services at COUNTY-sponsored events that are open to the public and that do not require paid admission or the purchase of a ticket. Such services shall be provided in such a manner that all Solid Waste and Recycling needs of the event are adequately and properly provided for by CONTRACTOR at no cost of any kind to COUNTY. In addition, CONTRACTOR shall provide the Recyclable Material Collection portion of the Special Event Collection Services to other non-COUNTY sponsored events at no charge to the Customer or COUNTY for as long as this program is funded by California Department of Conservation City/County Payment Program funds or successor programs. In the event that these funds are not available, CONTRACTOR may continue to offer the Recyclable Material Collection portion of the Special Event Collection Services at no charge to the Customer or COUNTY, may request an adjustment to Maximum Service Rates as provided for in Article 26.01 of this Agreement, and/or may terminate the program.

9.06 Recycling Rewards Program. This program shall consist of the selection by CONTRACTOR of one (1) SFD Customer in the Service Area each month whose Recyclable Materials and/or Green Waste Carts contain the designated materials

and one (1) Commercial Customer in the RWMA Service Area each month whose Recyclable Materials Cart(s) contain the designated materials and award each selected SFD Customer \$50.00 and each selected Commercial Customer \$100.00. CONTRACTOR shall provide the Recycling Rewards Program for as long as this program is funded by California Department of Conservation City/County Payment Program funds or successor programs. In the event that these funds are not available, CONTRACTOR may continue to offer the Recycling Rewards Program at no charge to COUNTY and/or may terminate the program.

## ARTICLE 10. Construction and Demolition Debris Collection Services

10.01 Construction and Demolition Debris Collection Services. The Construction and Demolition Debris Collection Services to be performed by CONTRACTOR shall include the following:

10.01.1 Collection of Construction and Demolition Debris from Service Units within the Service Area. CONTRACTOR shall respond no later than the second Commercial Work Day after receipt of the request for service and shall provide the appropriate container for such Collection according to the circumstances. However, no service shall be provided on Sunday;

10.01.2 Provision, maintenance, and replacement of all containers and receptacles required for the provision of all Construction and Demolition Debris Collection Services; and

10.01.3 Transport of Construction and Demolition Debris to the Transfer Station, Material Recovery Facility (MRF), or Organic Waste Processing Facility as appropriate under this Agreement for separation and processing.

10.02 Rates. The Maximum Service Rates for Construction and Demolition Debris Collection Service shall be as specified in Exhibit 1.

10.03 Records. CONTRACTOR will conduct proper record keeping to be sure that the Construction and Demolition Debris materials are Recycled to the extent possible and the amount disposed and amount diverted are properly recorded and reported.

## ARTICLE 11. Marysville Transfer Station Services

11.01 Public Dumping Services. CONTRACTOR shall provide a site at the Transfer Station for the public to deliver Solid Waste, Green Waste, Bulky Items and Construction and Demolition Debris at the Transfer Station, for tipping fees not exceeding the applicable Maximum Service Rates set forth in Exhibit 1.

11.02 Public Drop-Off Services. CONTRACTOR shall provide sites at the Transfer Station where COUNTY residents may drop-off used oil and used oil filters, fluorescent light tubes and bulbs and home-generated sharps at no charge to the resident or COUNTY. CONTRACTOR shall invoice the recycling/disposal costs for these items to the RWMA on behalf of COUNTY. COUNTY shall be responsible for the payment of all invoices for public drop-off services not paid by the RWMA. In the event COUNTY is required to pay for public drop-off services as set forth in this Article 11.02,

COUNTY or CONTRACTOR may terminate the provision of those services at the Transfer Station.

11.03 California Electronic Waste Recycling Act of 2003 Recovery Payments.  
The California Electronic Waste Recycling Act of 2003 (California Health and Safety Code commencing with Section 25214.9, California Public Resources Code Section 41516 and California Public Resources Code commencing with Section 42460) provides for per pound Recovery Payments to Authorized Collectors for Covered Electronic Waste (CEW). CONTRACTOR shall maintain its status as an Authorized Collector. CONTRACTOR, in its capacity as an Authorized Collector in the Covered Electronic Waste Recovery and Recycling Payment System, will be designated by the RWMA to handle CEW transferred directly to CONTRACTOR by California sources within the jurisdictional responsibility of the RWMA. Such designation is necessary so as to reduce the record keeping requirements established by the regulations promulgated under the California Electronic Waste Recycling Act of 2003.

11.03.1 CEW recovery activities provided by CONTRACTOR shall include, but are not limited to, CEW received from the public at the Marysville Transfer Station, including CEW picked-up at the request of Service Recipients (e.g., Bulky Item Service); Collected through County Clean-up Services; recovered from load checking; and received from the clean-up of illegal dumping activities by COUNTY's Public Works Department.

11.03.2 CONTRACTOR shall develop and maintain records required pursuant to the California Electronic Waste Recycling Act of 2003, as it may be amended, to support claims to the California Department of Resources Recycling and Recovery (CalRecycle) for Recovery Payments for all CEW received and recovered as described above. CONTRACTOR shall provide a site at the Transfer Station where COUNTY residents and businesses may drop-off CEW from California sources at no extra charge to the resident or business.

11.03.3 CONTRACTOR shall remit all Recovery Payment revenue received from the California Department of Resources Recycling and Recovery (CalRecycle) to the RWMA. Copies of the documents submitted to and received from the California Department of Resources Recycling and Recovery (CalRecycle) relative to Recovery Payments shall be provided to the RWMA.

## ARTICLE 12. Ponderosa Landfill Transfer Station

12.01 Services and Fees. CONTRACTOR shall provide services in accordance with Exhibit 6 and user fees in accordance with Exhibit 7 of this agreement.

## ARTICLE 13. Collection Routes

13.01 Collection Routes. Beginning not less than ninety (90) days prior to commencement of Collection Services, and continuing during the term of this Agreement, CONTRACTOR shall prepare and maintain maps precisely defining Collection routes, together with the days and the times at which Collection shall regularly commence. Such maps shall be made available to COUNTY for review upon request by the Contract Administrator.



1659           13.02   Subsequent Collection Route Changes. In the event of a route change  
1660 which will change the Collection day for a SFD Service Unit, CONTRACTOR shall notify  
1661 those Service Recipients in writing of the route change not less than thirty (30) days  
1662 before the proposed date of implementation. CONTRACTOR shall also provide the  
1663 Contract Administrator with a copy of the service change notification.

## 1664                   ARTICLE 14. Collection Equipment

1665           14.01   General Provisions. All equipment used by CONTRACTOR in the  
1666 performance of services under this Agreement shall be of a high quality. The vehicles  
1667 shall be designed and operated so as to prevent Collected materials from escaping from  
1668 the vehicles. Hoppers shall be closed on top and on all sides with screening material to  
1669 prevent Collected materials from leaking, blowing or falling from the vehicles. All trucks  
1670 and containers shall be watertight to the extent consistent with the original equipment  
1671 manufacturers' specifications and shall be operated so that liquids do not spill during  
1672 Collection or in transit.

1673           14.02   Clean Air Vehicles. During the term of this Agreement, to the extent  
1674 required by law, CONTRACTOR's Collection vehicles shall be in compliance with local,  
1675 State and federal clean air requirements. Contractor intends to begin transition of its  
1676 rolling stock to alternative fuel vehicles in rate year 2013, which begins October 1, 2012.

1677           14.03   Safety Markings. All Collection equipment used by CONTRACTOR  
1678 shall have appropriate safety markings including, but not limited to, highway lighting,  
1679 flashing and warning lights, clearance lights, and warning flags. All such safety  
1680 markings shall be in accordance with the requirements of the California Vehicle Code, as  
1681 may be amended from time to time.

1682           14.04   Vehicle Signage and Painting. Collection vehicles shall be painted and  
1683 numbered uniquely without repetition and shall have CONTRACTOR's name,  
1684 CONTRACTOR's customer service telephone number, and the number of the vehicle  
1685 painted in letters of contrasting color, at least six (6) inches high, on each side and the  
1686 rear of each vehicle. No advertising shall be permitted other than the name of  
1687 CONTRACTOR except promotional advertisement of the Recyclable Materials and  
1688 Green Waste programs or such other signage as may be approved by the Contract  
1689 Administrator in writing. CONTRACTOR shall repaint all vehicles (including vehicle  
1690 striping if appropriate) during the term of this Agreement as necessary to maintain a  
1691 positive public image.

1692           14.05   Bin and Debris Box Container Signage, Painting, and Cleaning. All  
1693 metal Bins and Debris Box Containers of any service type furnished by CONTRACTOR  
1694 shall be either painted or galvanized. All Bins and Debris Box Containers shall display  
1695 CONTRACTOR's name, CONTRACTOR's customer service telephone number, and a  
1696 unique Bin identification number and shall be kept in a clean and sanitary condition. No  
1697 advertising shall be permitted other than the name of CONTRACTOR except  
1698 promotional advertisement of the Recyclable Materials and Green Waste programs or  
1699 such other signage as may be approved by the Contract Administrator in writing.

1700           14.06   Vehicle Noise Level. All Collection operations shall be conducted as  
1701 quietly as possible and shall conform to applicable Federal, State, County, and COUNTY  
1702 noise level regulations. COUNTY may request CONTRACTOR to check any piece of  
1703 equipment for conformance with the noise limits when reasonable to do so.

1704           14.07 Vehicle Registration, Licensing and Inspection. CONTRACTOR shall  
1705 maintain documentation to verify that each of CONTRACTOR's Collection vehicles are  
1706 in compliance with all registration, licensing and inspection requirements of the California  
1707 Highway Patrol, the California Department of Motor Vehicles, and any other applicable  
1708 laws or regulations. Upon written request by the Contract Administrator, copies of such  
1709 documentation shall be provided to COUNTY within ten (10) Residential Service Work  
1710 Days of the request.

1711           14.08 Equipment Maintenance. CONTRACTOR shall maintain Collection  
1712 equipment in a clean condition and in good repair at all times. All parts and systems of  
1713 the Collection equipment shall operate properly and be properly maintained.  
1714 CONTRACTOR shall wash all Collection vehicles at least once a week.

1715           14.09 Reserve Equipment. CONTRACTOR shall have available to it, at all  
1716 times, a reasonable number of reserve Collection equipment which can, to the extent  
1717 needed to complete the Collection route, be dispatched within one (1) hour of any  
1718 breakdown. Such reserve equipment shall correspond in size and capacity to the  
1719 equipment used by CONTRACTOR to perform the contractual duties.

1720           14.10 Covering of Loads. All loads not in covered body trucks shall be tarped  
1721 or restrained to prevent spilling.

1722           14.11 Weight Restrictions. CONTRACTOR shall not load vehicles in excess  
1723 of the manufacturer's recommendations or limitations imposed by state or local weight  
1724 restrictions on vehicles. CONTRACTOR acknowledges that COUNTY may document  
1725 compliance with this provision of the Agreement through review of scale tickets and  
1726 records of the Transfer Station, Organic Waste Processing Facility and Disposal Facility  
1727 as part of the performance and operations review discussed in Article 16.03 of this  
1728 Agreement.

## 1729           ARTICLE 15. CONTRACTOR's Office

1730           15.01 CONTRACTOR's Office. CONTRACTOR shall maintain an office that  
1731 provides telephone access to residents and businesses of COUNTY and is staffed by  
1732 trained and experienced Customer Service Representatives (CSRs). Such office shall be  
1733 equipped with sufficient telephones so that all Collection Service related calls received  
1734 during normal business hours are answered by an employee within five (5) rings; shall  
1735 have responsible persons in charge during Collection hours; and shall be open during  
1736 normal business hours, which are currently 8:30 a.m. to 4:30 p.m., Monday through  
1737 Friday, except for Holidays. Office hours may be adjusted at the discretion of  
1738 CONTRACTOR only after appropriate notification is provided to all Customers and  
1739 provided that offices are open for business at least eight (8) hours per day Monday  
1740 through Friday, except for Holidays. CONTRACTOR shall provide either a telephone  
1741 answering service or a mechanical device to receive Service Recipient inquiries during  
1742 those times when the office is closed. Calls received after normal business hours shall  
1743 be addressed the next morning the office is open.

1744           15.02 Emergency Contact. CONTRACTOR shall provide the Contract  
1745 Administrator with an emergency phone number where CONTRACTOR can be reached  
1746 outside of the required office hours.

1747           15.03 Multilingual/TDD Service. CONTRACTOR shall at all times maintain the  
1748 capability of responding to telephone calls in English, Spanish and one (1) other

language as may be directed by COUNTY. CONTRACTOR shall also at all times maintain the capability of responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services.

15.04 Service Recipient Calls. During office hours, CONTRACTOR shall maintain a telephone answering system capable of accepting at least seven (7) incoming calls at one (1) time. CONTRACTOR shall document calls regarding inquiries, service requests and complaints through the use of CONTRACTOR's ticket report system.

15.05 Response to Calls. All incoming calls shall be answered by a Customer Service Representative within five (5) rings. Customers shall not be placed "on-hold" in excess of one and one half (1.5) minutes.

15.06 Website. CONTRACTOR shall develop and maintain a website dedicated to services provided in COUNTY that is accessible by the public. The website shall include answers to frequently asked questions; rates for Collection Services; Recyclable Materials and Green Waste specifications; proper Household Hazardous Waste disposal procedures; and other related topics. COUNTY shall arrange for COUNTY's website to include an e-mail link to CONTRACTOR and a link to CONTRACTOR's website. CONTRACTOR's website shall provide the public the ability to e-mail complaints to CONTRACTOR and request services or service changes.

15.07 Hazardous Waste Referrals. CONTRACTOR shall provide information regarding the Collection of Hazardous Waste to those Service Recipients requesting such information. The information shall, at a minimum include the names and phone numbers of those companies or agencies in the RWMA Service Area that are legally permitted to Collect and transport Hazardous Waste.

15.08 Automated Billing Payment. In an effort to reduce paper waste, CONTRACTOR shall make available to all Customers an automated billing and payment system at no additional charge. This system should be website based and allow customers to view and pay bills through CONTRACTOR's website. Through CONTRACTOR's website, Customers may request to cease paper billing and receive all bills through e-mail and/or CONTRACTOR's website. CONTRACTOR will ensure that the electronic billing and payment website conforms to industry-standard practices for electronic commerce security. CONTRACTOR must ensure that these Customers are compiled in a list to ensure that billing inserts are mailed directly. CONTRACTOR shall promote the website-based billing and payment system on all paper bills sent to Customers.

## ARTICLE 16. Other Services

16.01 Recycling Coordinator. CONTRACTOR shall provide a Recycling Coordinator whose time is dedicated to the RWMA Service Area during the term of the Agreement and whose function during normal business hours of each Residential Service Work Day shall be to provide services related to the Collection Service Agreement, including but not limited to, public education and outreach.

16.02 New Customer Packets. An information packet shall be provided to each new Customer throughout the Contract term. CONTRACTOR may attach these packets to the Carts and Bins upon initial Cart and Bin distribution. This packet shall: describe available services, including available Recycling and diversion programs; provide instructions for proper use of the Carts and Bins provided (such as how to place Carts or

other permitted items for Collection, the types of materials to be placed in each Cart); detail holiday Collection schedules; and provide billing and customer service telephone numbers. This packet shall contain updated information on how to use Containers, when, where and how to place Solid Waste for Collection, and who to contact with service or billing questions, and for Bulky Item Collection. The packet shall also clearly indicate what materials, such as syringes and other Household Hazardous Wastes (HHW), should not be disposed of in these Containers. This brochure shall include instructions on how Customers should dispose of HHW, such as information on the HHW drop-off facilities and other available programs.

16.03 Operations Review. Beginning with Agreement Year 2014, and every four (4) years thereafter during the term of this Agreement, COUNTY may request that an operations review be performed by a qualified consultant engaged by the RWMA. COUNTY and CONTRACTOR agree that if requested, the operations review would, at a minimum; i) meet the requirements set forth in Exhibit 3 Minimum Operations Review Guidelines, ii) be completed no later than March 31<sup>st</sup> of the Agreement Year, and iii) be utilized as part of a scheduled Maximum Service Rate review.

16.04 Special Services. In addition to the services described in this Agreement, CONTRACTOR shall provide to Customers in COUNTY such special services as may be agreed upon between COUNTY and CONTRACTOR from time to time in accordance with Article 26.02. The additional charge to the Customer for provision of such special services shall be determined between CONTRACTOR and the COUNTY prior to provision of the service, subject to the Maximum Service Rates for such service agreed to by COUNTY and CONTRACTOR. If CONTRACTOR is unwilling to provide such service, or COUNTY and CONTRACTOR are unable to agree on a price for such service, Customer can seek such service from another contractor, provided that such other contractor's provision of the service does not violate CONTRACTOR's exclusivity under Article 3.

16.05 Other Services. CONTRACTOR shall provide additional services and programs, such as pilot programs, special studies, etc., as requested by COUNTY at a price to be mutually agreed upon between CONTRACTOR and the Contract Administrator. In the event CONTRACTOR and the Contract Administrator cannot reach a mutually agreed upon price for the requested service or program, COUNTY shall have the right to procure the service of other vendors or contractors to provide the requested service.

## ARTICLE 17. Emergency Service Provisions

17.01 Emergency Situations. In the event of a flood, tornado, major storm, earthquake, fire, natural disaster, or other such event, the Contract Administrator may grant CONTRACTOR a variance from regular routes and schedules. As soon as practicable after such event, CONTRACTOR shall advise the Contract Administrator when it is anticipated that normal routes and schedules can be resumed. The Contract Administrator shall make an effort through the local news media to inform the public when regular services may be resumed.

17.02 Emergency Service Compensation. CONTRACTOR shall provide emergency services (i.e., special collections, transport, processing and disposal) at COUNTY 'S request in the event of major accidents, disruptions, or natural calamities. CONTRACTOR shall be capable of providing emergency services within twenty-four

(24) hours of notification by COUNTY or as soon thereafter as is reasonably practical in light of the circumstances. Emergency services which exceed the scope of work under this Agreement, and which are not compensated by charges to Customers (in accordance with the Maximum Service Rates on Exhibit 1) or as special services pursuant to Article 16.04 of this Agreement, will be billed by CONTRACTOR to COUNTY in accordance with the Maximum Service Rates on Exhibit 1, and may either be paid by COUNTY or treated as a County-Directed Change as set forth in Article 26.02 of this Agreement.

## ARTICLE 18. Record Keeping & Reporting Requirements

### 18.01 Record Keeping.

18.01.1 Accounting Records. CONTRACTOR shall maintain full, complete and separate financial, statistical and accounting records, pertaining to cash, billing, and provisions of all Collection Services provided under this Agreement, prepared on an accrual basis in accordance with generally accepted accounting principles. Such records shall be subject to audit, copy, and inspection. Gross revenues derived from provision of the Collection Services, including revenues from the sale of Recyclable Materials, including CRV revenue or revenue from the sale of Composted material, whether such services are performed by CONTRACTOR or by an approved subcontractor(s) as set forth in Exhibit 5, shall be recorded as revenues in the accounts of CONTRACTOR. These records shall be maintained separate from CONTRACTOR's records for services provided outside the RWMA Service Area. CONTRACTOR shall maintain and preserve all cash, billing and disposal records for a period of not less than eight (8) years following the close of each of CONTRACTOR's fiscal years.

18.01.2 Agreement Materials Records. CONTRACTOR shall maintain records of the quantities of (i) SFD, MFD, Commercial and County Waste and Construction and Demolition Debris Collected and disposed under the terms of this Agreement; (ii) Recyclable Materials, by type, Collected, purchased, processed, sold, donated or given for no compensation, and residue disposed; and (iii) Green Waste Collected, processed, sold, donated or given for no compensation, and residue disposed.

18.02 Reporting Requirements. Quarterly reports shall be submitted to the Contract Administrator no later than forty five (45) calendar days after the end of the reporting quarter and annual reports shall be submitted to the Contract Administrator no later than November 15th after the end of each preceding Agreement Year. Quarterly and annual reports shall be submitted in hard copy or provided electronically via e-mail if acceptable to COUNTY.

18.02.1 Quarterly Reports. Quarterly reports to COUNTY shall be on a calendar quarter basis and shall include:

18.02.1.1 Solid Waste Data. Quarterly reporting of Solid Waste disposal data and certain types of diversion data is governed by state law, and while COUNTY currently is a member of a regional agency as defined by state law that allows for the reporting of this data on a regional basis, CONTRACTOR shall continue to report these data specific to COUNTY.

18.02.1.2 Recycling and Green Waste Data and Alternative Daily Landfill Cover Diversion from the Marysville Transfer Station. COUNTY is a member of the Regional Waste Management Authority regional agency, and as long as COUNTY remains a member of this regional agency, data regarding Recycling, Green Waste and Alternative Daily Cover diversion from the Marysville Transfer Station will be reported in aggregate for all of the regional agency member jurisdictions. Furthermore, these aggregate data may include tonnage from Beale Air Force Base in Yuba County because these materials are commingled at the processing facilities and are also pertinent to the computation of the state mandated diversion requirement per the Act. Therefore, CONTRACTOR shall report on a region-wide basis, the amount of diversion calculated as follows:

18.02.1.2.1. The amount of Green Waste diverted to the composting facility minus the amount of such materials received from outside of the RWMA Service Area, and minus contaminants or residue disposed.

18.02.1.2.2. The amount of Green Waste diverted to other end uses minus the amount of such materials received from outside of the RWMA Service Area, and minus contaminants or residue disposed.

18.02.1.2.3. The amount of Recyclable Materials by specific material type, shipped by CONTRACTOR to recycling markets during the quarter, minus the amount of materials received from outside the RWMA Service Area, minus contaminants or residue disposed, and minus the amount of materials received at the buy-back center, through the Kiwanis and other newspaper collection projects and from outside of the RWMA jurisdictions (e.g. source separated recyclables, curbside recycling materials, construction and demolition debris, etc.) during the quarter, by specific material type. The materials from each of these activities shall be separately identified.

18.02.1.3 Disposal and Diversion Data Solely Attributable to COUNTY. In addition to reporting on a region-wide basis, CONTRACTOR shall also report to COUNTY on a calendar quarter basis, the disposal data and the types and amounts of diversion as provided in Articles 18.02.1.2, 18.02.1.2.1, 18.02.1.2.2 and 18.02.1.2.3 of this Agreement that are solely attributable to COUNTY, using an allocation method mutually agreed by COUNTY and CONTRACTOR.

18.02.1.4 Public Education and Information Activities. CONTRACTOR shall report on all public education and information activities undertaken during the period, including distribution of printed materials, ads, other notices, collection notification tags, community information and events, school visits, tours and other activities related to the provision of Collection Services.

18.02.1.5 Customer Base Data. CONTRACTOR shall provide customer base data consisting of the number of SFD, MFD, and Commercial Service Units and Construction and Demolition Debris Services billed and County Collection Services provided sorted by service type, container size, number of containers, and frequency of Collection.

18.02.1.6 Annual Account Data Report. The annual account data report to COUNTY shall include the number of SFD, MFD, Commercial and County Service Units, Bulky Item Collection Service and Construction and Demolition Debris Collection Service accounts serviced with the number of Solid Waste, Recycling and

1930 Green Waste Carts, Bins, Compactors and Debris Box Containers serviced for each  
1931 category.

1932 18.03 Non-RWMA Material Processing Activity. CONTRACTOR and  
1933 COUNTY agree that it is in the best interest of both parties that COUNTY be notified by  
1934 CONTRACTOR when non-RWMA materials are processed through the Marysville  
1935 Transfer Station, or if there is a material change in the volume of materials from Beale  
1936 Air Force Base or the City of Oroville processed through the Marysville Transfer Station.

1937 18.03.1 Receipt of Request to Process. In the event CONTRACTOR  
1938 receives a request to process non-RWMA materials through the Marysville Transfer  
1939 Station, including a Request for Proposals that CONTRACTOR intends to respond to, or  
1940 a request for or written notice of a material change in the volume of materials from Beale  
1941 Air Force Base or the City of Oroville processed through the Marysville Transfer Station,  
1942 then CONTRACTOR shall notify the Contract Administrator and the RWMA Contract  
1943 Administrator in writing within thirty (30) days of the details of the request or notice as  
1944 they are known at that time. These details may include, but not be limited to, the name  
1945 of the jurisdiction or entity making the request, the tons per day to be processed, the  
1946 types of material to be processed and the duration of the agreement. In addition,  
1947 CONTRACTOR shall provide the additional information to the Contract Administrator  
1948 and the RWMA Contract Administrator at such time as it is available but prior to entering  
1949 into a new or amended contract to provide such new or changed processing services.  
1950 Such additional information shall include, but not be limited to, the final processing fee to  
1951 be charged, an analysis of the impact of the processing activity on available processing  
1952 and transfer capacity and an analysis of the impact of the processing activity on the  
1953 costs allocated to the RWMA Jurisdictions and the overall Maximum Service Rates. If  
1954 the duration of the activity or agreement is such that it will terminate prior to the effective  
1955 date of the next scheduled Maximum Service Rate adjustment, then the duration of the  
1956 activity shall be factored into the analysis of the impact of the processing activity on the  
1957 costs allocated to the RWMA Jurisdictions and the overall Maximum Service Rates.

1958 18.03.2 Offer to Process. In the event CONTRACTOR makes an offer  
1959 to process non-RWMA materials through the Marysville Transfer Station, or to materially  
1960 change the volume of materials from Beale Air Force Base or the City of Oroville  
1961 processed through the Marysville Transfer Station, in each case other than an offer in  
1962 response to a request already noticed under Article 18.03.1, then CONTRACTOR shall  
1963 notify the Contract Administrator and the RWMA Contract Administrator in writing within  
1964 thirty (30) days of the details of the offer as they are known at that time. These details  
1965 may include, but not be limited to, the name of the jurisdiction or entity to whom the offer  
1966 is made, the tons per day to be processed, the types of material to be processed, the  
1967 rate to be charged and the duration of the agreement. In addition CONTRACTOR shall  
1968 provide additional information to the Contract Administrator and the RWMA Contract  
1969 Administrator at such time as it is available but prior to entering into a new or amended  
1970 contract or commitment to provide such new or changed processing services. Such  
1971 additional information shall include, but not be limited to, the final processing fee to be  
1972 charged, an analysis of the impact of the processing activity on available processing and  
1973 transfer capacity and an analysis of the impact of the processing activity on the costs  
1974 allocated to the RWMA Jurisdictions and the overall Maximum Service Rates. If the  
1975 duration of the agreement is such that it will terminate prior to the effective date of the  
1976 next scheduled Maximum Service Rate adjustment, then the duration of the agreement

1977 shall be factored into the analysis of the impact of the processing activity on the costs  
1978 allocated to the RWMA Jurisdictions and the overall Maximum Service Rates.

1979       18.04   Other Non-RWMA Activities. CONTRACTOR and COUNTY agree that  
1980 it is in the best interest of both parties that COUNTY be notified by CONTRACTOR  
1981 within thirty (30) days, if there is intent to provide collection or other solid waste or  
1982 recycling services to entities located outside the RWMA Service Area, or to materially  
1983 change the collection or other solid waste or recycling services provided on Beale Air  
1984 Force Base, when such services are provided under the terms of a contract, franchise  
1985 agreement, permit or other similar document or inter-company activity with a term of  
1986 more than one month.

1987       18.04.1   Receipt of Request for Services. In the event CONTRACTOR  
1988 receives a request to provide collection or other solid waste or recycling services to  
1989 entities located outside the RWMA Service Area, or to materially change the collection or  
1990 other solid waste or recycling services provided on Beale Air Force Base, including in  
1991 each case a Request for Proposals that CONTRACTOR intends to respond to, then  
1992 CONTRACTOR shall notify the Contract Administrator and the RWMA Contract  
1993 Administrator in writing within thirty (30) days of the details of the request as they are  
1994 known at that time. These details may include, but not be limited to, the name of the  
1995 jurisdiction or entity making the request, the type and scope of services being requested  
1996 and the duration of the agreement. In addition CONTRACTOR shall provide the  
1997 additional information to the Contract Administrator and the RWMA Contract  
1998 Administrator at such time as it is available but prior to entering into a new or amended  
1999 contract to provide such new or changed services. Such additional information shall  
2000 include, but not be limited to, an analysis of the impact of the service activity on  
2001 Collection Services provided to RWMA Jurisdictions and an analysis of the impact of the  
2002 services on the costs allocated to the RWMA Jurisdictions and the overall Maximum  
2003 Service Rates. If the duration of the agreement is such that it will terminate prior to the  
2004 effective date of the next scheduled Maximum Service Rate adjustment, then the  
2005 duration of the agreement shall be factored into the analysis of the impact of the service  
2006 activity on the costs allocated to the RWMA Jurisdictions and the overall Maximum  
2007 Service Rates.

2008       18.04.2   Offer to Provide Services. In the event CONTRACTOR makes  
2009 an offer to provide collection or other solid waste and recycling services to entities  
2010 located outside the RWMA Service Area, or to materially change the collection or other  
2011 solid waste or recycling services provided on Beale Air Force Base, in each case other  
2012 than an offer in response to a request already noticed under Article 18.04.1, then  
2013 CONTRACTOR shall notify the Contract Administrator and the RWMA Contract  
2014 Administrator in writing within thirty (30) days of the details of the offer as they are known  
2015 at that time. These details may include, but not be limited to, the name of the jurisdiction  
2016 or entity making the request, the type and scope of services being requested, and the  
2017 duration of the agreement. In addition, CONTRACTOR shall provide the additional  
2018 information to the Contract Administrator RWMA Contract Administrator at such time as  
2019 it is available but prior to entering into a new or amended contract to provide such new  
2020 or changed services. Such additional information shall include, but not be limited to, an  
2021 analysis of the impact of the service activity on Collection Services provided to RWMA  
2022 Jurisdictions and an analysis of the impact of the services on the costs allocated to the  
2023 RWMA Jurisdictions and the overall Maximum Service Rates. If the duration of the  
2024 agreement is such that it will terminate prior to the effective date of the next scheduled



2025 Maximum Service Rate adjustment, then the duration of the agreement shall be factored  
2026 into the analysis of the impact of the service activity on the costs allocated to the RWMA  
2027 Jurisdictions and the overall Maximum Service Rates.

2028 18.05 Additional Reporting. CONTRACTOR shall furnish COUNTY with any  
2029 additional reports as may reasonably be requested by COUNTY regarding  
2030 CONTRACTOR's operations hereunder, such reports to be prepared within a  
2031 reasonable time following the reporting period.

## 2032 ARTICLE 19. Nondiscrimination

2033 19.01 Nondiscrimination. In the performance of all work and services under  
2034 this Agreement, CONTRACTOR shall not discriminate against any person on the basis  
2035 of such person's race, sex, color, national origin, religion, marital status, age, disability or  
2036 sexual orientation. CONTRACTOR shall comply with all applicable local, state and  
2037 federal laws and regulations regarding nondiscrimination, including those prohibiting  
2038 discrimination in employment.

## 2039 ARTICLE 20. Service Inquiries and Complaints

2040 20.01 CONTRACTOR's Customer Service. All service inquiries and  
2041 complaints shall be directed to CONTRACTOR. A representative of CONTRACTOR  
2042 shall be available to receive the complaints during normal business hours. All service  
2043 complaints will be handled by CONTRACTOR in a prompt, courteous, and efficient  
2044 manner.

2045 20.02 Response Requirements. For those complaints related to missed  
2046 Collections that are received by 2:00 p.m. on a Residential Service Work Day,  
2047 CONTRACTOR will return to the Customer address and Collect the missed materials  
2048 before leaving the Service Area for the day. For those complaints related to missed  
2049 Collections that are received after 2:00 p.m. on a Residential Service Work Day,  
2050 CONTRACTOR shall have until the end of the following Residential Service Work Day to  
2051 resolve the complaint. For those complaints related to repair or replacement of Carts or  
2052 Bins, the appropriate Articles of this Agreement shall apply.

2053 20.03 Missed Collections. CONTRACTOR agrees that it is in the best interest  
2054 of COUNTY that all Solid Waste, Recyclable Materials and Green Waste be Collected  
2055 on the scheduled Collection day. Accordingly, missed Collections will normally be  
2056 Collected as set forth above regardless of the reason that the Collection was missed.  
2057 However, in the event a Customer requests missed Collection service more than two (2)  
2058 times during the term of this Agreement CONTRACTOR shall contact the Customer to  
2059 determine an appropriate resolution to that situation.

## 2060 ARTICLE 21. Quality of Performance of Contractor

2061 21.01 Intent. CONTRACTOR acknowledges and agrees that one of  
2062 COUNTY's primary goals in entering into this Agreement is to ensure that the Collection  
2063 Services provided are of the highest quality; that Service Recipient satisfaction remains  
2064 at the highest level; that maximum diversion levels are achieved in consideration of  
2065 economic benefit; that fees for service remain competitive; and that materials Collected  
2066 are put to the highest and best use to the extent feasible.

21.02 Liquidated Damages. The parties further acknowledge that consistent and reliable Collection Service is of utmost importance to COUNTY and that COUNTY has considered and relied on CONTRACTOR's representations as to its quality of service commitment in entering into this Agreement with it. 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 CONTRACTOR fails to achieve the performance standards, or fails to submit required documents in a timely manner, COUNTY and COUNTY's residents and businesses will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages. Therefore, without prejudice to COUNTY's right to treat such non-performance as an event of default under Article 25, the parties agree that the liquidated damages amount defined in this Article represent reasonable estimates of the amount of such damages considering all of the circumstances existing on the effective date of this Agreement, including the relationship of the sums to the range of harm to COUNTY, customers and the community as a whole 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 this Agreement was made.

21.03 COUNTY Initial Here \_\_\_\_\_ CONTRACTOR Initial Here \_\_\_\_\_

21.04 COUNTY and Regional Waste Management Authority Liquidated Damages. COUNTY and CONTRACTOR acknowledge that certain of the performance standards set forth in this Agreement affect COUNTY individually while other performance standards affect COUNTY as part of the RWMA. Those performance standards affecting COUNTY are set forth below under the heading "COUNTY Liquidated Damages" while those performance standards affecting COUNTY as part of the RWMA are set forth below under the heading "RWMA Liquidated Damages".

CONTRACTOR agrees to pay (as liquidated damages and not as penalty) the following amounts:

| COUNTY LIQUIDATED DAMAGES |   |  |
|---------------------------|---|--|
| Item                      |   | Amount   |
| A.                        | Failure or neglect to resolve a Customer complaint relating to missed Collection within the time set forth in Article 20.02, or failure to initially respond to any other type of Customer complaint within one (1) Work Day. | \$100.00 per incident per Service Recipient.   |
| B.                        | Failure to clean up spillage or litter caused by CONTRACTOR within the time set forth in Article 3.18.3.  | \$300.00 per incident per location.  |
| C.                        | Failure to repair damage to customer property caused by CONTRACTOR or its personnel.  | \$500.00 per incident per location in addition to the reasonable cost of repair if not paid by |

| COUNTY LIQUIDATED DAMAGES |   |   |
|---------------------------|---|---|
| Item                      |   | Amount  |
|                           |   | CONTRACTOR prior to the assessment of this liquidated damage.   |
| D.                        | Failure to repair, or reimburse COUNTY for, damage to COUNTY property, other than normal wear and tear from routine operations, caused by CONTRACTOR or its personnel, as provided in Article 24.09.  | \$500.00 per incident in addition to the reasonable cost of repair if not paid by CONTRACTOR prior to the assessment of this liquidated damage. |
| E.                        | Failure to maintain or timely submit to COUNTY all quarterly and annual reports by the deadlines set forth in Article 18.02.  | \$250.00 per incident per day for each day after the report(s) are due.   |
| F.                        | Failure or neglect to complete at least ninety percent (90%) of a route within COUNTY (i.e., collect at least 90% of properly set out Carts or Bins on the route) on the regular scheduled Collection Service day unless caused by Force Majeure. | \$1,000.00 for each route not completed.  |
| G.                        | Failure to notify Customers of changes in route days as required by Article 13.02.  | \$50.00 per Customer per day to a maximum of \$1,000.00 per occurrence.   |
| H.                        | Failure to repair or replace damaged Carts or Bins within the time required by Article 3.10.  | \$100.00 per incident per day to a maximum of \$ 500.00 per occurrence.   |
| I.                        | Failure to deliver or exchange Carts or Bins within the time required by Article 3.10.  | \$100.00 per incident per day to a maximum of \$ 500.00 per occurrence.   |
| J.                        | Failure to maintain or timely submit to RWMA on behalf of COUNTY all documents and reports required under the provisions of this Agreement.   | \$250.00 per incident per day.  |
| K.                        | Failure to display CONTRACTOR's name and customer service phone number on Collection vehicles for a period exceeding thirty (30) calendar days.   | \$100.00 per incident per day.  |
| L.                        | Failure to meet the minimum diversion requirements set forth in Article 5.01 (as may be amended pursuant to Article 26). (Calculated per Agreement Year.)   | Shortfall of 0.001 to 2 percentage points: \$5,000.00 per   |

| COUNTY LIQUIDATED DAMAGES |   |   |
|---------------------------|---|---|
| Item                      |   | Amount  |
|                           |   | Agreement Year.<br>Shortfall of 2.001 to 4 percentage points: \$10,000.00 per Agreement Year.<br>Shortfall of 4.001 or greater percentage points: \$15,000.00 per Agreement Year. |
| M.                        | Commingling Solid Waste with Recyclable Materials in Collection Vehicles.   | \$1,000.00 per incident.  |
| N.                        | Disposal of Recyclable Materials or Green Waste in the Disposal Facility except as provided in this Agreement.  | \$1,000.00 per load.  |
| O.                        | Failure to deliver any Collected materials to COUNTY approved Disposal Facility, Materials Recovery Facility, Transfer Station, or Organic Waste Processing Facility, as appropriate, except as otherwise expressly provided in this Agreement. | \$5,000.00 first failure<br>\$25,000.00 each subsequent failure.  |
| P.                        | Ceasing a program or part of a program for longer than thirty (30) days without written permission of the Contract Administrator, unless otherwise permitted under this Agreement.  | \$1,000 per day beginning with the 31 <sup>st</sup> day.  |
| Q.                        | Failure to report non-RWMA materials separately in the MRF diversion figures.   | \$5,000 per incident  |

2097                    21.05    Procedure for Assessing Liquidated Damages.

2098                    21.05.1    COUNTY may determine the occurrence of events giving rise to  
2099    liquidated damages through the observation of its own employees or representatives,  
2100    investigation of Customer complaints or self-reporting by CONTRACTOR.

2101                    21.05.2    COUNTY and CONTRACTOR acknowledge that RWMA  
2102    liquidated damages may only be assessed one time for each occurrence within the  
2103    RWMA Service Area (and not one time for each Member Agency).

2104                    21.05.3    Prior to assessing liquidated damages, and within thirty (30)  
2105    days of becoming aware of such violation, COUNTY or RWMA Contract Administrator  
2106    shall give CONTRACTOR notice of its intention to do so. The notice will include a brief  
2107    description of the incident(s)/non-performance. CONTRACTOR may review, and make  
2108    copies at its own expense, all information in the possession of COUNTY or RWMA  
2109    Contract Administrator relating to incident(s)/non-performance. CONTRACTOR shall not  
2110    be liable to pay liquidated damages with respect to any violation or incident of non-  
2111    performance that occurs more than thirty (30) days before notice is given to

CONTRACTOR except in those instances where COUNTY or RWMA Contract Administrator determines to its satisfaction that CONTRACTOR knowingly perpetrated the violation or incident of non-performance. CONTRACTOR may, within ten (10) working days after receiving notice, request a meeting with COUNTY or RWMA Contract Administrator to present evidence regarding the accuracy of the facts related to the incident. If a meeting is requested, it shall be held by the Contract Administrator or his/her designee. CONTRACTOR may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. The Contract Administrator or designee will provide CONTRACTOR with a written explanation of his or her determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of the Contract Administrator or designee may be appealed to COUNTY. The decision of COUNTY shall be final and CONTRACTOR shall have been deemed to have exhausted its administrative remedies and can thereafter challenge such ruling in court pursuant to California Code of Civil Procedure Section 1094.6. CONTRACTOR shall not be liable to pay liquidated damages with respect to any violation or incident of substandard performance resulting from Force Majeure or occurring after termination of this Agreement or while COUNTY (or any third party authorized by COUNTY) is performing interim Collection Services pursuant to Article 25.01.7, or except for items C., D., E., J., L., or Q., of Article 21.04 of this Agreement occurring after termination of this Agreement.

21.05.4 CONTRACTOR shall pay any liquidated damages assessed by COUNTY within ten (10) days after they are assessed. COUNTY liquidated damages shall be paid to COUNTY while RWMA liquidated damages shall be paid directly to the RWMA.

## ARTICLE 22. Performance Bond

22.01 Performance Bond. Unless waived by COUNTY in writing, CONTRACTOR shall furnish to COUNTY, and keep current, a performance bond in a form with language that is acceptable to COUNTY for the faithful performance of this Agreement and all obligations arising hereunder in an amount of equal to two (2) months gross revenue from the provision of Collection Services within COUNTY. In the event the performance bond is waived by COUNTY and CONTRACTOR takes any action, or allows any action to be taken, which falls under the provisions of Article 34.03 of Article 34 Assignment, waiver of the performance bond as set forth in Article 22.01 herein, is automatically and immediately rescinded and CONTRACTOR shall have ten (10) calendar days to obtain the performance bond required herein and provide proof of such performance bond to COUNTY.

22.01.1 The performance bond shall be executed by a surety company that is acceptable to COUNTY; an admitted surety company licensed to do business in the State of California; has an "A:VII" or better rating by A. M. Best or Standard and Poors; and is included on the list of surety companies approved by the Treasurer of the United States.

22.02 Letter of Credit. As an alternative to the performance bond discussed in Article 22.01, with COUNTY's approval, CONTRACTOR may deposit with COUNTY an irrevocable letter of credit in an amount as set forth in Article 22.01. If allowed, the letter of credit must be issued by an FDIC insured banking institution chartered to do business

2157 in the state of California, in COUNTY's name, and be callable at the discretion of  
2158 COUNTY.

## 2159 ARTICLE 23. Insurance

2160 23.01 CONTRACTOR shall procure, maintain and keep in full force and effect  
2161 during the life of this Agreement, commercial general liability insurance in an amount not  
2162 less than One Million Two Hundred and Fifty Thousand Dollars (\$1,250,000) for each  
2163 occurrence, including damage to rented premises, personal and advertising ("ADV")  
2164 injury, with a general aggregate and Products/Completed Operations Aggregates  
2165 ("Comp/OP AGG") liability coverage of not less than Two Million Dollars (\$2,000,000).  
2166 CONTRACTOR's self-insured retention for commercial general liability shall be no more  
2167 than Seven Hundred and Fifty Thousand Dollars (\$750,000). CONTRACTOR shall  
2168 procure, maintain and keep in full force and effect during the life of this Agreement,  
2169 automobile liability insurance for owned, leased, hired or borrowed automobiles in an  
2170 amount not less than One Million Two Hundred and Fifty Thousand Dollars (\$1,250,000)  
2171 combined single limit bodily injury and property damage for each accident.  
2172 CONTRACTOR's self-insured retention for automobile liability shall be no more than  
2173 Seven Hundred and Fifty Thousand Dollars (\$750,000). CONTRACTOR shall provide  
2174 and maintain the required MCS-90 endorsement to the automobile liability policy for  
2175 hazardous material/waste transporters. CONTRACTOR shall procure, maintain and  
2176 keep in full force and effect during the life of this Agreement an umbrella and/or excess  
2177 policies that covers general liability and automobile liability in an amount not less than  
2178 Thirty Million Dollars (\$30,000,000). CONTRACTOR shall procure, maintain and keep in  
2179 full force and effect during the life of this Agreement Workers' Compensation Coverage  
2180 in an amount not less than the State statutory limits and employers liability insurance in  
2181 an amount not less than One Million Dollars (\$1,000,000), both subject to no more than  
2182 One Million Dollars (\$1,000,000) self-insured retention. CONTRACTOR shall procure,  
2183 maintain and keep in full force and effect during the life of this Agreement, Pollution and  
2184 Remediation Legal Liability insurance in an amount not less than Fifteen Million  
2185 (\$15,000,000), with a self-insured retention of no more than Two Hundred and Fifty  
2186 Thousand Dollars (\$250,000). Said Pollution and Remediation Legal Liability insurance  
2187 shall be on a claims-made form and shall be retroactive to the date CONTRACTOR first  
2188 began providing services in COUNTY as the exclusive franchisee for solid waste  
2189 collection services. Said Pollution and Remediation Legal Liability insurance must be  
2190 maintained and evidence of insurance must be provided for at least five (5) years after  
2191 completion of this Agreement. If pollution liability insurance coverage is canceled or  
2192 non-renewed, and not replaced with another claims-made policy form with a "Retro  
2193 Date" prior to the contract effective date, CONTRACTOR must purchase "extended  
2194 reporting" coverage for a minimum of five (5) years after completion of this Agreement.  
2195 CONTRACTOR shall procure, maintain and keep in full force and effect during the life of  
2196 this Agreement, any other insurance required by law. The limits of insurance herein  
2197 shall not limit the liability of CONTRACTOR.

2198 23.02 The policy or policies shall be issued by an insurer licensed to do  
2199 business in the State of California. Minimum insurance company ratings as determined  
2200 by the most current edition of the Best's Key Rating Guide/Property-casualty/United  
2201 States should be A- (Secure Best's Rating) and VIII (Financial Size Category).

2202 23.03 For the self-insured layers, upon request by COUNTY, CONTRACTOR  
2203 shall provide an annual statement to COUNTY advising that CONTRACTOR has

sufficient assets to fund its Workers' Compensation, general liability, automobile liability and pollution liability cost obligations for the past three years and that sufficient assets are available to fund no less than 65% confidence level actuarially estimated Workers' Compensation, general liability, automobile liability and Pollution and Remediation Legal Liability loss costs for the next 12 months. Said annual statement shall be accompanied by statistical information to illustrate the accuracy of the comments and shall be prepared by a Fellow of the Actuarial Society.

23.04 The type and amount of coverage, including the amount of the self-insured retentions, required hereunder may be amended in the future to limits reasonably required by COUNTY (such amendment to be considered a County-Directed Change and handled pursuant to Article 26). CONTRACTOR shall provide COUNTY an endorsement to its insurance policies specifically naming COUNTY, its officers, officials, agents, independent contractors, employees and volunteers as additional insureds under the commercial general liability and automobile liability policies, providing coverage for claims that arise out of the work or operations performed by or on behalf of CONTRACTOR or that in any way concerns this Collection Service Agreement and include coverage for the additional insureds for both ongoing and completed operations so long as the liability of an additional insured arises out of the work of the named insured, or so long as an additional insured's liability arises out of the named insured's performance of this Agreement. CONTRACTOR shall not utilize an omnibus endorsement, but shall provide an endorsement that specifically names COUNTY, its officers, officials, agents, independent contractors, employees and volunteers as additional insureds under the policy.

Furthermore the commercial general liability policy will contain a separation of insureds provision specifying that the policy will apply separately to COUNTY and each additional insured against whom claim is made or suit is brought. Upon request from COUNTY, CONTRACTOR shall provide COUNTY a copy of all policies of insurance (including all endorsements) within ten (10) business days following receipt of a written request from COUNTY for the same. The required insurance Policy Endorsement shall be filed by CONTRACTOR with the Yuba County Clerk of the Board and the County Risk Manager prior to the commencement of CONTRACTOR's operations under this Agreement, which Endorsement shall reflect the coverage as set forth herein. Following the binding of any policy of insurance, CONTRACTOR shall deliver a new Policy Endorsement from the insurance company to the County Clerk. The general liability, Pollution and Remediation Legal Liability, excess liability, umbrella liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

23.04.1 COUNTY, its officers, officials, employees, agents, independent contractors, and volunteers are to be covered as additional insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of CONTRACTOR; and with respect to liability arising out of work or operations performed by or on behalf of CONTRACTOR including materials, parts or equipment furnished in connection with such work or operations. General Liability coverage shall be provided in the form of an Additional Insured endorsement (CG 20 10 11 85 or reasonable equivalent) to CONTRACTOR's insurance policy.

23.04.2 For any claims related to this Agreement CONTRACTOR's insurance coverage shall be primary insurance as respects COUNTY, its officers, officials, agents, independent contractors, employees, and volunteers. Any insurance or

self-insurance maintained by COUNTY, its officers, officials, employees, or volunteers shall be excess of CONTRACTOR's insurance and shall not contribute with it.

23.04.3 CONTRACTOR is required to notify COUNTY by certified mail, return receipt requested, of the cancellation of any insurance coverage or policy immediately upon receiving notice of cancellation.

23.04.4 CONTRACTOR waives any right of subrogation or recovery against COUNTY which might arise because of any Workers' Compensation payments CONTRACTOR makes for injury in connection with work performed by CONTRACTOR under this Agreement. The Workers' Compensation coverage placed in excess of CONTRACTOR Retained Limit shall be endorsed with a Waiver of Subrogation endorsement.

23.05 Subcontractors. Any subcontractor(s), independent contractor(s) or any type of agent(s) performing or hired to perform any term or condition of this Agreement on behalf of CONTRACTOR, or as may be allowed by this Agreement, hereinafter referred to as "SECONDARY PARTIES," shall comply with each term and condition of this Agreement, including each term and condition of this Article entitled "INSURANCE." Furthermore, CONTRACTOR shall be responsible for the SECONDARY PARTIES' acts, omissions and satisfactory performance of the terms and conditions of this Agreement. All subcontractors, independent contractors and agents to CONTRACTOR are disclosed on Exhibit 5, attached hereto.

23.06 Thirty Day Notice. Except for the pollution liability policy, which is written on a claims-made basis, each insurance policy required by this clause shall be occurrence-based or an alternate form as approved by COUNTY and endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been received by COUNTY.

23.07 Proof of Insurance. Proof of insurance shall be mailed to the following address or any subsequent address as may be directed in writing by COUNTY.

Yuba County  
Office of the County Administrator  
915 8<sup>th</sup> Street  
Marysville, CA 95901

23.08 Modification of Insurance Requirements. The insurance requirements provided in this Agreement may be modified or waived by COUNTY, in writing, upon the request of CONTRACTOR if COUNTY determines such modification or waiver is in the best interest of COUNTY considering all relevant factors, including exposure to COUNTY.

23.09 Rights of Subrogation. All required insurance policies shall preclude any underwriter's rights of recovery or subrogation against COUNTY with the express intention of the parties being that the required insurance coverage protects both parties as the primary coverage for any and all losses covered by the above-described insurance. CONTRACTOR shall ensure that any companies issuing insurance to cover the requirements contained in this Agreement agree that they shall have no recourse against COUNTY for payment or assessments in any form on any policy of insurance. The clauses 'Other Insurance Provisions' and 'Insured Duties in the Event of an



Occurrence, Claim or Suit' as it appears in any policy of insurance in which COUNTY is named as an additional insured shall not apply to COUNTY.

**23.10 Failure to Obtain Insurance.** The failure of CONTRACTOR to obtain and maintain any required insurance shall not relieve CONTRACTOR of any liability under this Agreement (and CONTRACTOR may be answerable to COUNTY for damages or any other remedy on account of such breach) nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations of CONTRACTOR concerning indemnification.

**23.11 No Limitation of Liability.** The coverage types and limits required pursuant to this Agreement shall in no way limit the liability of CONTRACTOR.

## ARTICLE 24. Indemnification

**24.01 Indemnification of COUNTY.** CONTRACTOR shall defend, with counsel reasonably acceptable to COUNTY, indemnify and hold harmless, to the fullest extent allowed by law, COUNTY, its officers, officials, employees, volunteers, agents and assignees (collectively, "Indemnitees"), from and against any and all causes of action, claims, costs (including but not limited to reasonable attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or enforcing this indemnity which fees and costs shall be reasonable if incurred by COUNTY and reimbursed by CONTRACTOR), loss, damages (including but not limited to special and consequential damages), liability, penalties (including attorneys' fees for the adverse party), forfeitures, demands, proceedings or suits, in law or in equity, of 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) arising or resulting from claims by third parties alleging: (i) the negligence or willful misconduct of CONTRACTOR, its agents, employees and/or subcontractors, in exercising the privileges granted to it by this Agreement; (ii) the failure of CONTRACTOR, its agents, employees and/or subcontractors in the performance of this Agreement to comply in all respects with the provisions and requirements of this Agreement, applicable laws, ordinances and regulations, and/or applicable permits and licenses; (iii) the acts of CONTRACTOR, its agents, employees and/or subcontractors in performing services under this Agreement for which strict liability is imposed by law; and (iv) claims that arise out of or result from the performance of this Agreement by COUNTY, its agents, directors or employees or CONTRACTOR, its agents, directors or employees, whether such claims, liens, demands, damages or losses or expenses are based upon a contract or upon a claim for personal injury, death or property damage or upon any other legal or equitable theory, whatsoever.

**24.02 Evaluation of Liability.** CONTRACTOR's obligation to defend, hold harmless, and indemnify under Article 24.01 and 24.03 shall not be excused because of CONTRACTOR's inability to evaluate an Indemnitee's liability or because CONTRACTOR evaluates such liability and determines that the Indemnitee is not liable to the claimant. Within twenty (20) days of receiving written notice from COUNTY of a claim for which COUNTY is entitled to indemnity, CONTRACTOR shall confirm to COUNTY in writing that CONTRACTOR will provide a defense to the claim and shall take appropriate actions to provide such defense.

**24.03 Hazardous Substances Indemnification.** CONTRACTOR shall indemnify, defend with counsel acceptable to COUNTY, and hold harmless COUNTY, its

2344 officers, officials, employees, agents, assigns and any successor or successors to  
2345 COUNTY's interest from and against all claims, damages (including but not limited to  
2346 special, consequential and natural resources damages) injuries, hazardous materials  
2347 response, remediation and removal costs, losses, demands, liens, liabilities, causes of  
2348 action, suits (including citizen's suits), legal or administrative proceedings, interest, fines,  
2349 charges, penalties (including attorneys' fees for the adverse party), and expenses  
2350 (including but not limited to attorneys' and expert witness fees and costs incurred in  
2351 connection with defending against any of the foregoing or enforcing this indemnity) of  
2352 any kind whatsoever paid, incurred or suffered by, or asserted against COUNTY or its  
2353 officers, officials, employees, agents, assigns, or contractors arising or resulting from  
2354 any repair, cleanup or detoxification, or preparation and implementation of any removal,  
2355 remedial, response, closure or other plan (regardless of whether undertaken due to  
2356 governmental action) concerning (i) any hazardous substance or hazardous wastes at  
2357 any facility owned or operated by CONTRACTOR or an Affiliate of CONTRACTOR  
2358 where CONTRACTOR transports, stores, or causes to be disposed Solid Waste  
2359 pursuant to this Agreement; (ii) CONTRACTOR's discharge of a pollutant in violation of  
2360 the state Porter-Cologne Water Quality Act or federal Clean Water Act; (iii)  
2361 CONTRACTOR's violation of any state or federal air quality standard, law or regulation;  
2362 (iv) CONTRACTOR's violation of any other state or federal environmental law, including  
2363 the Resource Conservation and Recovery Act or its state law corollary; or (v)  
2364 CONTRACTOR's discharge of any hazardous substance or hazardous waste that  
2365 causes injury to person(s) or property(ies) in each of clauses (ii) through (v), during the  
2366 term of this Agreement and subject to Article 24.10. The foregoing indemnity is intended  
2367 to operate as an agreement to indemnify, defend, insure, protect and hold COUNTY  
2368 harmless from liability, pursuant to Section 107(e) of CERCLA, 42 U.S.C. section  
2369 9607(e) and California Health and Safety Code Section 25364, and other applicable  
2370 state and federal environmental laws. For the avoidance of doubt, nothing in this  
2371 Article 24 shall be deemed to limit the provisions of Exhibit 2 relating to Post  
2372 Closures Expenses, and vice-versa.

2373       24.04 Separate Counsel. COUNTY may elect to have and consult separate  
2374 legal counsel from CONTRACTOR at any time during the pendency of any claim at its  
2375 sole discretion. COUNTY shall be responsible for paying its separate counsel unless:  
2376 (i) COUNTY reasonably determines and notifies CONTRACTOR that separate counsel  
2377 is required to represent COUNTY during the resolution of any claim; or (ii) a court of  
2378 competent jurisdiction rules that CONTRACTOR has refused to satisfy its obligations  
2379 under this Article 24. Notwithstanding the preceding sentence or the first sentence of  
2380 Article 24.01, with respect to a particular claim, if CONTRACTOR confirms to COUNTY  
2381 in writing CONTRACTOR's obligation to indemnify and defend COUNTY, without  
2382 reserving a right to later seek reimbursement from COUNTY with respect to such claim,  
2383 COUNTY shall not object to the counsel representing it being the same counsel that  
2384 represents CONTRACTOR in the defense of such claim and shall, if permitted by law,  
2385 provide such written conflict-of-interest waiver as may be required for such joint  
2386 representation. If CONTRACTOR provides the aforementioned confirmation, but  
2387 COUNTY declines to consent to such joint representation, COUNTY may retain its own  
2388 counsel at its own expense, COUNTY shall have no right of defense or reimbursement  
2389 of defense costs with respect to such claim (but COUNTY shall still be entitled to  
2390 indemnity), COUNTY shall reasonably cooperate with CONTRACTOR in the defense  
2391 and settlement of such claim. If CONTRACTOR does not provide the aforementioned  
2392 confirmation, or if CONTRACTOR provides such confirmation and COUNTY is

prohibited by law from providing such waiver, then CONTRACTOR shall reimburse COUNTY for the reasonable attorneys' fees and costs of COUNTY's separate counsel with respect to such claim.

24.05 Consideration. It is specifically understood and agreed that the consideration inuring to CONTRACTOR for the execution of this Agreement consists of the promises, payments, covenants, rights and responsibilities contained in this Agreement.

24.06 Obligation. The execution of this Agreement by CONTRACTOR shall obligate CONTRACTOR to comply with the foregoing indemnification provisions; however, the collateral obligation of providing insurance must also be fully complied with as set forth in Article 23 above.

24.07 Subcontractors. CONTRACTOR shall require all subcontractors performing Collection Services under the terms of this Agreement to enter into an agreement containing the provisions set forth in Articles 23 and 24 in their entirety and the subcontractor shall fully indemnify COUNTY in accordance with this Agreement. Such agreement, however, will not relieve CONTRACTOR of its obligations under this Article 24, unless COUNTY expressly agrees in writing to so relieve CONTRACTOR.

24.08 Exception. Notwithstanding any other provision of this Article 24, CONTRACTOR's obligation to indemnify, hold harmless and defend under this Article 24 shall not extend to any loss, liability, penalty, damage, cause of action, suit, forfeiture, claim, demand, proceeding, injury, cost, lien, interest, fine, charge or expense (i) as to which CONTRACTOR is precluded by law from indemnifying the Indemnitee, (ii) which arose or resulted from the sole negligence or willful misconduct of any Indemnitee, (iii) pertaining to any Indemnitee's actual or alleged violation of Article XIIC or XIID of the California Constitution, or (iv) pertaining to the process by which CONTRACTOR was selected, the exclusive franchise hereunder was granted, or this Agreement was entered into or approved by COUNTY, or COUNTY's authority to do any of the same.

24.09 Damage by CONTRACTOR. If CONTRACTOR's employees or subcontractors cause any injury, damage or loss to COUNTY property, including but not limited to COUNTY streets or curbs, other than normal wear and tear from routine operations and as set forth in Article 3.18.2, CONTRACTOR shall reimburse COUNTY for COUNTY's cost of repairing such injury, damage or loss. Such reimbursement is not in derogation of any right of COUNTY to be indemnified by CONTRACTOR for any such injury, damage or loss. With the prior written approval of COUNTY, CONTRACTOR may repair the damage at CONTRACTOR's sole cost and expense.

24.10 Survival. CONTRACTOR's indemnity obligations shall survive the expiration or termination of this Agreement and continue until such obligations have been fully satisfied by the resolution of all claims for which indemnity obligations are owed to COUNTY.

## ARTICLE 25. Default of Agreement

25.01 Termination. COUNTY may terminate this Agreement, except as otherwise provided below in this Article, by giving CONTRACTOR thirty (30) calendar days advance written notice, to be served as provided in Article 38, upon the happening of any one of the following events:

25.01.1 CONTRACTOR shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy (court) or a petition or answer seeking an arrangement for its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any other law or statute of the United States or any state thereof, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

25.01.2 By order or decree of a Court of competent jurisdiction, CONTRACTOR shall be adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of the stockholders of CONTRACTOR, seeking its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any law or statute of the United States or of any state thereof, provided that if any such judgment or order is stayed or vacated within sixty (60) calendar days after the entry thereof, any notice of default shall be and become null, void and of no effect; unless such stayed judgment or order is reinstated in which case, said default shall be deemed immediate; or

25.01.3 By, or pursuant to, or under the authority of any legislative act, resolution or rule or any order or decree of any Court of competent jurisdiction or governmental board, agency or officer having jurisdiction, a receiver, trustee or liquidator has taken possession or control of all or substantially all of the property of CONTRACTOR, and such possession or control shall continue in effect for a period of sixty (60) calendar days; or

25.01.4 CONTRACTOR has defaulted, by failing or refusing to pay in a timely manner the liquidated damages or other monies due COUNTY and said default is not cured within thirty (30) calendar days of receipt of written notice by COUNTY to do so; or

25.01.5 CONTRACTOR has defaulted by allowing any final judgment for the payment of money to stand against it unsatisfied and said default is not cured within thirty (30) calendar days of receipt of written notice by COUNTY to do so; or

25.01.6 In the event that the monies due COUNTY under Article 25.01.4 above or an unsatisfied final judgment under Article 25.01.5 above is the subject of a judicial proceeding, COUNTY may, at its option call the Performance Bond, or hold CONTRACTOR in default of this Agreement; or

25.01.7 CONTRACTOR has defaulted, by failing or refusing to perform or observe the terms, conditions or covenants in this Agreement, including satisfactory conformance with the service levels prescribed herein, or has wrongfully failed or refused to comply with the instructions of the Contract Administrator relative thereto that are consistent with and pursuant to this Agreement; provided that said default, failure or refusal is not cured within thirty (30) calendar days of receipt of written notice by COUNTY to do so, or if by reason of the nature of such default, failure or refusal, the same cannot be remedied within thirty (30) calendar days following receipt by CONTRACTOR of written demand from COUNTY to do so, CONTRACTOR fails to commence the remedy of such default within said thirty (30) calendar days following such written notice or having so commenced shall fail thereafter to continue with diligence the curing thereof. In any dispute concerning failure to remedy or diligence in pursuing a cure, CONTRACTOR shall have the burden of proof to demonstrate (a) that the default cannot be cured within thirty (30) calendar days, and (b) that it is proceeding

with diligence to cure said default, and such default can be cured. However, notwithstanding anything contained herein to the contrary, if CONTRACTOR fails to provide all or a substantial portion of Collection Services for a period of three (3) consecutive Residential Service Work Days for any reason other than Force Majeure then, on the fourth (4th) Residential Service Work Day, COUNTY may secure CONTRACTOR's equipment, records and other property used in providing such Collection Services in order to provide interim Collection Services until such time as the matter is resolved and CONTRACTOR is again able to perform such Collection Services; provided, however, if CONTRACTOR is unable for any reason or cause to resume performance of such Collection Services at the end of thirty (30) calendar days of COUNTY providing such Collection Services, this Agreement may be deemed terminated by COUNTY, and COUNTY shall be allowed to continue to use equipment, records and other property used in providing Collection Services on an interim basis until COUNTY has made other suitable arrangements for the provision of Collection Services, which may include award of the exclusive franchise to another contractor. During the first six (6) months of use COUNTY shall not be obligated to CONTRACTOR for any fee for the use of CONTRACTOR's Collection equipment including Carts, Bins, Debris Box Containers and vehicles (which shall be deemed "equipment" for purposes of this section). Thereafter, COUNTY shall pay CONTRACTOR a monthly rental fee equal to the unamortized cost of the equipment divided by the remaining life used to calculate amortization as documented in the most recent detailed rate review. Such monthly equipment rental amount shall be recalculated monthly to take into account actual unamortized life of the equipment. In the event the equipment is fully amortized, the monthly rental shall be calculated by dividing the salvage value of the equipment, which shall be twenty (20) percent of the original value, by the estimated remaining useful life of the equipment which shall be five (5) years unless a different estimated useful life is mutually agreed to between CONTRACTOR and COUNTY.

25.01.8 CONTRACTOR shall not be in default of its obligations under this Agreement in the event, and for so long as, it is impossible or extremely impracticable for it to perform its obligations due to an event of Force Majeure or the effect thereof.

25.01.9 In the event that the Agreement is terminated pursuant to this Article 25, CONTRACTOR shall furnish COUNTY with immediate access to all of its non-confidential business records related to its customer and billing accounts for Collection Services.

25.02 Effective Date. In the event of the aforesaid events specified above, and except as otherwise provided in said subsections, termination shall be effective upon the date specified in COUNTY's written notice to CONTRACTOR and upon said date this Agreement shall be deemed immediately terminated and upon such termination all liability of COUNTY under this Agreement to CONTRACTOR shall cease, and COUNTY shall have the right to call the performance bond and shall be free to negotiate with other contractors for the operation of the herein specified services. CONTRACTOR for failure to perform shall reimburse COUNTY all reasonable direct and indirect costs of providing interim Collection Services in excess of any amounts collected by COUNTY from Customers in connection with the provision of interim Collection Services, and other than the rental fee (if any) payable by COUNTY pursuant to Article 25.01.7.

25.03 Immediate Termination. COUNTY may terminate this Agreement immediately upon written notice to CONTRACTOR in the event CONTRACTOR fails to

provide and maintain the performance bond or letter of credit, if required by this Agreement, or if CONTRACTOR fails to obtain or maintain insurance policies and endorsements as required by this Agreement, or if Contractor assigns all or a portion of this Agreement in violation of Article 34.

25.04 Termination Cumulative. COUNTY's right to terminate this Agreement is cumulative to any other rights and remedies provided by law or by this Agreement.

## ARTICLE 26. Modifications to the Agreement

26.01 Agreement Modifications and Changes in Law. COUNTY and CONTRACTOR understand and agree that the California Legislature has the authority to make comprehensive changes in Solid Waste, Recyclable Materials, or Green Waste management legislation and that these and other Changes in Law in the future which mandate certain actions or programs for counties or municipalities may require changes or modifications to some of the terms, conditions or obligations under this Agreement. CONTRACTOR further agrees that the terms and provisions of the COUNTY Ordinance Code as it now exists or as it may be amended in the future, shall apply to all of the provisions of this Agreement and the Service Recipients of CONTRACTOR located within the Service Area. In the event any future Change in Law, including any modifications to the County Ordinance Code alters the obligations of CONTRACTOR so as to increase or decrease CONTRACTOR's cost of or revenue from performing its obligations under this Agreement, then the Maximum Service Rates as established under this Agreement shall be adjusted. Nothing contained in this Agreement shall require any party to perform any act or function contrary to law. In addition, COUNTY and CONTRACTOR agree to enter into good faith negotiations regarding modifications to the operational and service provisions of this Agreement which may be required in order to implement changes in the interest of the public welfare, or otherwise, due to Change in Law. When such adjustments or modifications are required to be made to this Agreement, COUNTY and CONTRACTOR shall negotiate in good faith a reasonable and appropriate adjustment of Maximum Service Rates for any increase or decrease in the services or other obligations required of CONTRACTOR, or in revenues to CONTRACTOR, due to the Change in Law. COUNTY and CONTRACTOR shall not unreasonably withhold agreement to such adjustment of Maximum Service Rates. If a Change in Law increases or decreases CONTRACTOR's costs or increases or decreases its revenues, then such adjustment will be sufficient to enable CONTRACTOR or ratepayers, as appropriate, to recover all reasonable and necessary increased or decreased costs or increased or decreased revenues incurred by CONTRACTOR with respect to such Change in Law (including an operating margin on non-Pass Through Costs) even if incurred before the date of the adjustment. Adjustments in Maximum Service Rates due to a Change in Law will be made no later than the next annual adjustment of Maximum Service Rates.

26.02 County-Directed Changes. COUNTY may, in accordance with this Article 26.02, direct CONTRACTOR to perform additional services (including new diversion programs, additional public education activities, etc.), eliminate programs established pursuant to this Article 26.02, or modify the manner in which it performs existing services (all such changes collectively, "County-Directed Changes"). Changes in the minimum diversion requirement set forth in Article 5 of this Agreement (if directed by all Member Agencies); direction of SFD Waste, MFD Waste, Commercial Waste, County Waste or Construction and Demolition Debris to a Disposal Facility, Transfer

Station, Materials Recovery Facility or Organic Waste Processing Facility other than that originally designated by CONTRACTOR and approved by COUNTY; addition of MFD Recycling Service, MFD Bulky Item Collection Service and/or MFD Green Waste Collection Service; pilot programs and innovative services, which may entail new collection methods, targeted routing, different kinds of services, different types of collection vehicles, and/or new requirements for Service Recipients are included among the kinds of changes which COUNTY may direct. CONTRACTOR shall be entitled to a positive or negative adjustment in the Maximum Service Rates for providing such additional or modified services, but not for the preparation of its proposal to perform such services. CONTRACTOR may, but will not be required to, implement a County-Directed Change before the Maximum Service Rate adjustment with respect thereto has been agreed between COUNTY and CONTRACTOR and has taken effect.

26.03 County-Directed Changes – Service Proposal. Within thirty (30) calendar days of receipt of a request by COUNTY for the additional or modified service, CONTRACTOR shall submit a proposal to provide such service. If the service change involves a new program, new service or modified service at a minimum the proposal shall contain a complete description of the following:

26.03.1 Program objectives and goals to be used in measuring the success of the program as discussed in Article 26.06 below;

26.03.2 Collection methodology to be employed (equipment, manpower, etc.);

26.03.3 Equipment to be utilized (vehicle number, types, capacity, age, etc.);

26.03.4 Labor requirements (number of employees by classification);

26.03.5 Type of Carts or Bins to be utilized;

26.03.6 Provision for program publicity, education, and marketing; and

26.03.7 Five (5) year projection of the 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, giving full effect to the savings or costs to existing services.

26.04 New Services or New Programs – Other Contractors. If COUNTY requests a new service or new program not contemplated by this Agreement, COUNTY's request to CONTRACTOR pursuant to Article 26.03 shall contain detailed specifications of the new service or new program. COUNTY and CONTRACTOR shall negotiate in good faith CONTRACTOR's provision of the new service or new program for a period of one hundred twenty (120) days from the date of such request. COUNTY and CONTRACTOR shall not unreasonably withhold agreement to a proposal by CONTRACTOR that satisfies the requirements of Article 26.03. If the parties nonetheless fail to reach agreement, then after such 120-day period, COUNTY may (i) enter into an exclusive contract with a third party for the provision of the new service or new program according to the same specifications presented to CONTRACTOR (including, but not limited to, the same franchise fees or other fees or charges imposed by COUNTY), or (ii) grant one or more non-exclusive licenses to third parties to provide the new service or new program (in which event CONTRACTOR shall be entitled to such a license on terms and conditions no less favorable than any license granted to a third

party). COUNTY shall not enter into discussions with or consider proposals from third parties regarding the proposed new service or new program until COUNTY has complied with the foregoing obligations.

26.05 New Services or New Programs – Monitoring and Evaluation. At COUNTY's request, CONTRACTOR shall meet with COUNTY to describe the progress of each new service or new program and other service issues. At each meeting, COUNTY and CONTRACTOR shall have the opportunity to discuss revisions to the new service or new program. If applicable, CONTRACTOR shall document the results of the new services or new programs on a monthly basis, including at a minimum the tonnage diverted by material type, the end use or processor of the diverted materials and the cost per ton for transporting and processing each type of material and other such information requested by COUNTY necessary to evaluate the performance of the new service or new program.

26.06 New Services or New Programs –Termination for Cause. COUNTY shall have the right to terminate a new service or new program, or assign a new service or new program to a third party, for cause at no cost to COUNTY or COUNTY's ratepayers if CONTRACTOR is not achieving the new service or new program's agreed to and defined goals and objectives. Prior to such termination or assignment, COUNTY shall meet and confer with CONTRACTOR for a period of ninety (90) calendar days to resolve COUNTY's concerns. Thereafter, COUNTY may terminate the new service or new program or utilize a third party to perform the new service or new program if COUNTY reasonably believes CONTRACTOR cannot meet or is not meeting the agreed to and defined new service or new program goals and objectives. Notwithstanding these changes, CONTRACTOR shall continue the program during the ninety (90) calendar day period and, in the event COUNTY elects to utilize a third party to continue the program, thereafter until the third party takes over the program.

26.07 New Services or New Programs – Termination without Cause. COUNTY shall also have the right to terminate a new service or new program without cause. As a condition of the termination, COUNTY shall reimburse CONTRACTOR for all costs incurred for implementation and performance of the service or program that were identified in the service or program proposal prepared and submitted by CONTRACTOR and agreed to by COUNTY which will have not been funded or otherwise recovered through service or program fees at the time the service or program is terminated.

## ARTICLE 27. Legal Representation

27.01 Acknowledgement. It is acknowledged that each party was, or had the opportunity to be, represented by counsel in the preparation of and contributed equally to the terms and conditions of this Agreement and, accordingly, the rule that a contract or Agreement shall be interpreted strictly against the party preparing the same shall not apply herein due to the joint contributions of both parties.

## ARTICLE 28. Financial Interest

28.01 Representation. CONTRACTOR warrants and represents that no elected official, officer, agent or employee of COUNTY has a financial interest, directly or indirectly, in this Agreement or the compensation to be paid under it and, further, that no



COUNTY employee who acts as a "purchasing agent" for COUNTY as defined in the appropriate Section of California Statutes, nor any elected or appointed officer of COUNTY, nor any spouse or child of such purchasing agent, employee or elected or appointed officer, is a partner, officer, director or proprietor of CONTRACTOR and, further, that no such COUNTY employee, purchasing agent, COUNTY elected or appointed officer, or the spouse or child of any of them, alone or in combination, has a material interest in CONTRACTOR. Material interest means direct or indirect ownership of more than five percent (5%) of the total assets or capital stock of CONTRACTOR.

## ARTICLE 29. CONTRACTOR's Personnel

29.01 Personnel Requirements. CONTRACTOR shall employ and assign qualified personnel to perform all services set forth herein. CONTRACTOR shall be responsible for ensuring that its employees comply with all applicable laws and regulations and meet all federal, state and local requirements related to their employment and position.

## ARTICLE 30. CONTRACTOR Not Officer, Employee or Agent

30.01 It is understood and agreed, and it is the intention of the parties hereto, that CONTRACTOR is an independent contractor, and is not an officer, employee or agent of COUNTY for any purpose whatsoever. COUNTY shall have no right to and shall not control the manner and method by which the franchise services are performed by CONTRACTOR herein, except as otherwise provided in this Agreement. CONTRACTOR shall be entirely and solely responsible for its acts and the acts of its agents, employees, subcontractors engaged in the performance of services hereunder. CONTRACTOR shall have no claim under this Agreement or otherwise against COUNTY for vacation pay, sick leave, retirement benefits, social security, workers' compensation, disability, or unemployment insurance benefits or other employee benefits of any kind. The parties acknowledge that COUNTY shall not withhold from CONTRACTOR's compensation any funds for income tax, FICA, disability insurance, unemployment insurance, or similar withholding and CONTRACTOR is solely responsible for the timely payment of all such taxes and related payments to the state and federal government for itself and its employees, agents, and subcontractors who might render services in connection with this Agreement. CONTRACTOR shall inform all entities or persons who perform any services pursuant to this Agreement of the provisions of this section.

30.02 CONTRACTOR shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if any. Neither CONTRACTOR nor its officers, employees, agents, contractors, or subcontractors shall obtain any right to retirement benefits, workers' compensation benefits, or any other compensation or benefits which accrue to COUNTY employees and CONTRACTOR expressly waives any claim it may have or acquire to such compensation or benefits.

## ARTICLE 31. Laws to Govern

31.01 The law of the State of California shall govern the rights, obligations, duties and liabilities of COUNTY and CONTRACTOR under this Agreement and shall govern the interpretation of this Agreement.

## ARTICLE 32. Litigation

32.01 Attorneys' Fees and Costs. In the event of any litigation arising out of this Agreement, the prevailing party in such action shall be entitled to recover its reasonable costs and expenses including, without limitation, reasonable attorneys' fees and costs paid or incurred in good faith. The "prevailing party," for purposes of this Agreement, shall be deemed to be that party who obtains substantially the result sought, whether by settlement, dismissal or judgment.

## ARTICLE 33. Consent to Jurisdiction

33.01 The parties agree that any litigation between COUNTY and CONTRACTOR concerning or arising out of this Agreement shall be filed and maintained exclusively in the Superior Court of the State of California, County of Yuba (Yuba Superior Court) to the fullest extent permissible by law. Each party consents to service of process in any manner authorized by California law.

## ARTICLE 34. Assignment

34.01 No assignment of this Agreement or any right occurring under this Agreement shall be made in whole or in part by CONTRACTOR without the express written consent of COUNTY. COUNTY shall have full discretion to approve or deny, with or without cause, any proposed or actual assignment by CONTRACTOR, however, such consent will not be un-reasonably withheld. Any assignment of this Agreement made by CONTRACTOR without the express written consent of COUNTY shall be null and void and shall be grounds for COUNTY to declare a default of this Agreement and immediately terminate this Agreement by giving written notice to CONTRACTOR and, upon the date of such notice, this Agreement shall be deemed immediately terminated and, upon such termination, all liability of COUNTY under this Agreement to CONTRACTOR shall cease and COUNTY shall have the right to call the performance bond, if required, and shall be free to negotiate with other contractors, CONTRACTOR, or any other person or company for the service which is the subject of this Agreement. In the event of any assignment, the assignee shall fully assume all the liabilities and obligations of CONTRACTOR.

34.02 The use of a subcontractor to perform services under this Agreement shall not constitute delegation of CONTRACTOR's duties provided that CONTRACTOR has received prior written authorization from the Contract Administrator to subcontract such services and the Contract Administrator has approved a subcontractor who will perform such services. CONTRACTOR shall be responsible for directing the work of CONTRACTOR's subcontractors and any compensation due or payable to CONTRACTOR's subcontractor shall be the sole responsibility of CONTRACTOR. The Contract Administrator shall have the right to require the removal of any approved subcontractor for reasonable cause. The subcontractors listed in Exhibit 5 to this Agreement are hereby approved by COUNTY.

2751           34.03 For purposes of this Article when used in reference to CONTRACTOR,  
2752 "assignment" shall include, but not be limited to, (i) a sale, exchange or other transfer of  
2753 at least fifty-one percent (51%) of CONTRACTOR's assets dedicated to service under  
2754 this Agreement to a third party; (ii) a sale, exchange or other transfer of outstanding  
2755 common stock of CONTRACTOR to a third party provided said sale, exchange or  
2756 transfer results in a change of control of CONTRACTOR (with change of control being  
2757 defined as ownership of more than fifty percent (50%) of CONTRACTOR's voting  
2758 securities; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization,  
2759 stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement,  
2760 liquidation, subcontracting or lease-back payments, or other transaction which results in  
2761 a change of control of CONTRACTOR; (iv) any assignment by operation of law,  
2762 including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of  
2763 attachment for an execution being levied against this Agreement, appointment of a  
2764 receiver taking possession of CONTRACTOR's property, or transfer occurring in the  
2765 event of a probate proceeding; and (v) any combination of the foregoing whether or not  
2766 in related or contemporaneous transactions which has the effect of any such transfer or  
2767 change of control of CONTRACTOR.

2768           34.04 CONTRACTOR acknowledges that this Agreement involves rendering a  
2769 vital service to COUNTY's residents and businesses, and that COUNTY has selected  
2770 CONTRACTOR to perform the services specified herein based on (i) CONTRACTOR's  
2771 experience, skill and reputation for conducting its Solid Waste, recycling and organic  
2772 waste management operations in a safe, effective and responsible fashion, at all times in  
2773 keeping with applicable environmental laws, regulations and best Solid Waste, recycling  
2774 and organic waste management practices, and (ii) CONTRACTOR's financial resources  
2775 to maintain the required equipment and to support its indemnity obligations to COUNTY  
2776 under this Agreement. COUNTY has relied on each of these factors, among others, in  
2777 choosing CONTRACTOR to perform the services to be rendered by CONTRACTOR  
2778 under this Agreement.

## 2779           ARTICLE 35. Compliance with Laws

2780           35.01 In the performance of this Agreement, CONTRACTOR shall comply with  
2781 all applicable laws, regulations, ordinances and codes of the federal, state and local  
2782 governments, including without limitation the COUNTY's Ordinance Code. Nothing  
2783 contained in this Agreement shall require any party to perform any act or function  
2784 contrary to law, or limit the laws with which the party must comply.

2785           35.02 COUNTY shall provide written notice to CONTRACTOR of any planned  
2786 amendment of the COUNTY Ordinance Code that would substantially affect  
2787 CONTRACTOR's obligations or the performance of CONTRACTOR's services pursuant  
2788 to this Agreement. Such notice shall be provided at least thirty (30) calendar days prior  
2789 to approval of such an amendment by the Yuba County Board of Supervisors'.

## 2790           ARTICLE 36. Permits and Licenses

2791           36.01 CONTRACTOR shall obtain, at its own expense, all permits, licenses  
2792 and approvals required by law or the County Ordinance Code, and shall maintain such  
2793 permits, licenses and approvals in full force and effect throughout the term of this  
2794 Agreement. CONTRACTOR shall provide proof of such permits, licenses or approvals

2795 and shall demonstrate compliance with the terms and conditions of such permits,  
2796 licenses and approvals upon the request of the Contract Administrator.

## 2797 ARTICLE 37. Waiver

2798 37.01 Waiver by COUNTY or CONTRACTOR of any breach for violation of  
2799 any term covenant or condition of this Agreement shall not be deemed to be a waiver of  
2800 any other term, covenant or condition or any subsequent breach or violation of the same  
2801 or of any other term, covenant or condition. The subsequent acceptance by COUNTY of  
2802 any fee, tax, or any other monies which may become due from CONTRACTOR to  
2803 COUNTY shall not be deemed to be a waiver by COUNTY of any breach for violation of  
2804 any term, covenant or condition of this Agreement.

## 2805 ARTICLE 38. Notices

2806 38.01 Notices. Except as provided herein, whenever either party desires to  
2807 give notice to the other, it must be given by written notice addressed to the party for  
2808 whom it is intended, at the place last specified as the place for giving of notice in  
2809 compliance with the provisions of this paragraph. For the present, the parties designate  
2810 the following as the respective persons and places for giving of notice:

2811 As to COUNTY:

2812  
2813 Yuba County  
2814 Office of the County Administrator  
2815 915 8<sup>th</sup> Street  
2816 Marysville, CA 95901  
2817

2818 As to CONTRACTOR:

2819 Recology Yuba-Sutter  
2820 General Manager  
2821 3001 N. Levee Road  
2822 Marysville, CA 95901  
2823 Office – 530.743.6933  
2824 Fax – 530.741.2433  
2825

2826 38.01.1 Notices shall be effective when received at the address as  
2827 specified above. Changes in the respective address to which such notice is to be  
2828 directed may be made by written notice only. Facsimile transmission is acceptable  
2829 notice, effective when received, however, facsimile transmissions received (i.e. printed)  
2830 after 4:30 p.m. or on weekends or holidays, will be deemed received on the next  
2831 business day. Receipt is deemed to have taken place within three (3) Residential  
2832 Service Work Days of notice mailed by U.S. Postal Service return receipt requested.  
2833 The original of items that are transmitted by facsimile equipment must also be mailed as  
2834 required herein.

2835 38.01.2 Notice by COUNTY to CONTRACTOR of a Collection or other  
2836 Service Recipient problem or complaint may be given to CONTRACTOR orally by  
2837 telephone at CONTRACTOR's local office with confirmation sent as required above by  
2838 the end of the Residential Service Work Day.

## ARTICLE 39. Transition to Next Contractor

39.01 In the event CONTRACTOR is not awarded an Agreement to continue to provide Collection Services following the expiration or early termination of this Agreement, CONTRACTOR shall cooperate fully with COUNTY and any subsequent contractor(s) to assure a smooth transition of services described in this Agreement. Unless otherwise agreed by COUNTY and CONTRACTOR, such cooperation shall consist of: (a) providing the following information to the subsequent contractor: routing information, route maps, vehicle fleet information (if the subsequent contractor buys CONTRACTOR's vehicle fleet), a list of Service Recipients contact information and their respective Service Levels, and a complete inventory of all Carts and Bins (if the subsequent contractor buys CONTRACTOR's Carts and Bins); and (b) providing adequate labor and equipment to complete performance of all Collection Services required under this Agreement. CONTRACTOR shall not be eligible for the recovery of any costs associated with these transition activities. However, if CONTRACTOR is requested to provide additional transition services outside the scope of this Collection Service Agreement CONTRACTOR shall be compensated for such services at an amount to be agreed upon between COUNTY and CONTRACTOR prior to the provision of those services.

## ARTICLE 40. CONTRACTOR's Records

40.01 CONTRACTOR shall maintain any and all letters, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Service Recipients for a minimum period of five (5) years, or for any longer period required by law, from the date of final payment to CONTRACTOR pursuant to this Agreement.

40.02 CONTRACTOR shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of five (5) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

40.03 Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit at any time during regular business hours upon written request by the Contract Administrator, the County Attorney, County Auditor, County Administrator or a designated representative of any of these officers. Copies of such documents shall be provided to COUNTY for inspection at COUNTY offices when it is practical to do so. Otherwise, unless an alternative site is mutually agreed upon, the records shall be available at CONTRACTOR's address indicated for receipt of notices in this Agreement.

40.04 Where COUNTY has reason to believe that such records or documents may be lost or discarded due to the dissolution, disbandment or termination of CONTRACTOR's business, COUNTY may, by written request or demand of any of the above named officers, require that custody of the records be given to COUNTY and that the records and documents be maintained in County Administrative Office. Within ten (10) business days after receiving such written request or demand, CONTRACTOR shall provide COUNTY all requested records and documents. COUNTY shall make those records and documents available to CONTRACTOR, CONTRACTOR's representatives,

2883 or CONTRACTOR's successor-in-interest at County Administrative Office during regular  
2884 operating hours.

## 2885 **ARTICLE 41. Entire Agreement**

2886 41.01 This Agreement and the Exhibits attached hereto constitute the entire  
2887 Agreement and understanding between the parties hereto, and it shall not be considered  
2888 modified, altered, changed or amended in any respect unless in writing and signed by  
2889 the parties hereto.

## 2890 **ARTICLE 42. Severability**

2891 42.01 If any provision of this Agreement or the application of it to any person  
2892 or situation shall to any extent be held invalid or unenforceable, the remainder of this  
2893 Agreement and the application of such provisions to persons or situations other than  
2894 those as to which it shall have been held invalid or unenforceable, shall not be affected,  
2895 shall continue in full force and effect, and shall be enforced to the fullest extent permitted  
2896 by law.

## 2897 **ARTICLE 43. Right to Require Performance**

2898 43.01 The failure of COUNTY at any time to require performance by  
2899 CONTRACTOR of any provision hereof shall in no way affect the right of COUNTY  
2900 thereafter to enforce same. Nor shall waiver by COUNTY of any breach of any provision  
2901 hereof be taken or held to be a waiver of any succeeding breach of such provision or as  
2902 a waiver of any provision itself.

## 2903 **ARTICLE 44. All Prior Agreements Superseded**

2904 44.01 This document incorporates and includes all prior negotiations,  
2905 correspondence, conversations, agreements, contracts and understandings applicable  
2906 to the matters contained in this Agreement and the parties agree that there are no  
2907 commitments, agreements, contracts or understandings concerning the subject matter of  
2908 this Agreement that are not contained in this document. Accordingly, it is agreed that no  
2909 deviation from the terms of this Agreement shall be predicated upon any prior  
2910 representations, agreements or contracts, whether oral or written.

## 2911 **ARTICLE 45. Headings**

2912 45.01 Headings in this document are for convenience of reference only and  
2913 are not to be considered in any interpretation of this Agreement.

## 2914 **ARTICLE 46. Exhibits**

2915 46.01 Each Exhibit referred to in this Agreement forms an essential part of this  
2916 Agreement. Each such Exhibit is a part of this Agreement and each is incorporated by  
2917 this reference.

## ARTICLE 47. Effective Date

47.01 This Agreement shall become effective at such time as it is properly executed by COUNTY and CONTRACTOR and CONTRACTOR shall begin Collection Services, as covered herein, as of January 1, 2012.

## ARTICLE 48. COUNTY's Option to Incorporate Additional or Modified Provisions

48.01 Incorporation of Additional or Modified Provisions. COUNTY is a member of the Regional Waste Management Authority which is a joint powers authority consisting of the cities of Marysville, Wheatland, Live Oak and Yuba City and the Counties of Yuba and Sutter ("Authority Members"). The Authority Members are in the process of entering into a new collection service agreements with CONTRACTOR similar to this Agreement. COUNTY and CONTRACTOR (as well as other Authority Members) have used a model collection service agreement provided by the Regional Waste Management Authority for the consideration of the parties ("Model Agreement"). Use of the Model Agreement is not mandatory. During the term and any extended term of this Agreement, in the event that CONTRACTOR or affiliate enters into an agreement with another Authority Member that contains additional or different terms from those set forth in this Agreement, COUNTY shall have the option, upon written notice to CONTRACTOR, to incorporate such additional or different terms into this Agreement, effective upon the giving of such notice. Stated differently, should CONTRACTOR or affiliate enter into an agreement with another Authority Member, and should such agreement contain additional or different terms from this Agreement, COUNTY may give written notice to CONTRACTOR electing to incorporate such additional or different terms into this Agreement. Upon the giving of such notice this Agreement shall be deemed amended to incorporate such additional or different terms.

2944 IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this Agreement  
2945 on the day and year first written above.

2946

2947

2948 COUNTY OF YUBA

CONTRACTOR

2949

2950

2951

2952 Roger Abe, Chairman  
2953 Board of Supervisors

Date

Signature

Date

2954

2955

2956

Insert Name

2957

2958

2959

Insert title.

2960

2961

2962

2963 **The foregoing Agreement has been reviewed and approval is recommended:**

2964

2965 Resolution No. Approved by Yuba County Board of Supervisors

2966

2967

2968 **Approved as to Form:**

2969

2970

2971

2972

2973 Angil Morris-Jones  
2974 County Counsel

Date

2975



## Exhibit 1 Maximum Service Rates

(October 1, 2011 – September 30, 2012)

|  |          |           |
|--|----------|-----------|
| <b>Cart and Bin Exchange Service Rate (Exchanges in excess of 1 time per year)</b>   |          |           |
| Any Cart Exchange or Replacement   | \$20.00  | Each      |
| Bins 1 through 7 Cu. Yds. Exchange or Replacement  | \$75.00  | Each      |
| Debris Boxes 9 through 40 Cu. Yds. Exchange or Replacement   | \$120.00 | Each      |
| <b>Bin Cleaning Rate (Cleaning in excess of 1 time per year)</b>   |          |           |
| Bins 1 through 7 Cu. Yds.  | \$120.00 | Each      |
| Debris Boxes 9 through 40 Cu. Yds.   | \$120.00 | Each      |
| Compactors   | \$120.00 | Each      |
| <b>Push Rates</b>  |          |           |
| Less than 20 Feet  | \$10.00  | Per Month |
| 20 Feet  | \$20.00  | Per Month |
| Each additional 10 feet over 20 feet   | \$10.00  | Per Month |
| <b>Bulky Item Collection</b>   |          |           |
| Small Item (Equivalent to ½ Cu. Yd. such as microwave, radios, speakers)   | \$5.00   | Each      |
| Large Item (Equivalent to 1 Cu. Yd. such as stove, washing machine, dryer, refrigerator, freezer)  | \$10.00  | Each      |
| Freon Removal (in addition to item charge) – Except that the maximum Freon removal charge for the Free Bulky Item Collection Service under Article 6.07.2 and the Free Dump Coupon Program under Article 6.07.4 of this Agreement shall be \$10.00 each. | \$20.00  | Each      |
| <b>Emergency Service Rates</b>   |          |           |
| Vehicle  |          |           |
| Labor  |          |           |
|  |          |           |
|  |          |           |



**Residential Rates**

**Program Areas \*\***

| Service Description                              | Rates Effective 10/1/2010 |                |                          |                                |  |                         | Rates Effective 10/1/2011 |                |                          |                                |  |                         |
|--|---------------------------|----------------|--------------------------|--------------------------------|--|-------------------------|---------------------------|----------------|--------------------------|--------------------------------|--|-------------------------|
|  | Base Rate                 | Franchise Fees | Including Franchise Fees | Ponderosa Transfer Station *** | Household Hazardous Waste / RWMA Surcharge | Total Rate for Services | Base Rate                 | Franchise Fees | Including Franchise Fees | Ponderosa Transfer Station *** | Household Hazardous Waste / RWMA Surcharge | Total Rate for Services |
| Standard 32 - Gallon Refuse Cart*                | \$22.58                   | \$1.19         | \$23.77                  | \$0.27                         | \$0.50                                     | \$24.54                 | \$22.58                   | \$1.19         | \$23.77                  | \$0.25                         | \$0.75                                     | \$24.77                 |
| Low-Income Senior Citizen 32-Gallon Refuse Cart* | \$16.94                   | \$0.89         | \$17.83                  | \$0.20                         | \$0.50                                     | \$18.53                 | \$16.94                   | \$0.89         | \$17.83                  | \$0.19                         | \$0.75                                     | \$18.77                 |
| 64 - Gallon Refuse Cart*                         | \$33.87                   | \$1.78         | \$35.65                  | \$0.42                         | \$0.50                                     | \$36.57                 | \$33.87                   | \$1.78         | \$35.65                  | \$0.38                         | \$0.75                                     | \$36.78                 |
| 96 - Gallon Refuse Cart*                         | \$45.15                   | \$2.38         | \$47.53                  | \$0.55                         | \$0.50                                     | \$48.58                 | \$45.15                   | \$2.38         | \$47.53                  | \$0.50                         | \$0.75                                     | \$48.78                 |
| Extra 32 - Gallon Refuse Cart                    | \$11.29                   | \$0.59         | \$11.88                  | \$0.14                         |  | \$12.02                 | \$11.29                   | \$0.59         | \$11.88                  | \$0.13                         |  | \$12.01                 |
| Extra 64 - Gallon Refuse Cart                    | \$22.58                   | \$1.19         | \$23.77                  | \$0.27                         |  | \$24.04                 | \$22.58                   | \$1.19         | \$23.77                  | \$0.25                         |  | \$24.02                 |
| Extra 96 - Gallon Refuse Cart                    | \$33.87                   | \$1.78         | \$35.65                  | \$0.42                         |  | \$36.07                 | \$33.87                   | \$1.78         | \$35.65                  | \$0.38                         |  | \$36.03                 |
| Extra Bag of Refuse (Per Pickup Rate)            | \$3.75                    | \$0.20         | \$3.95                   | \$0.04                         |  | \$3.99                  | \$3.75                    | \$0.20         | \$3.95                   | \$0.04                         |  | \$3.99                  |

\* Customers will be supplied 1 blue 64 - gallon cart for recycling and 1 green 96 - gallon cart for green yard waste.  
The cost of these services is included in the price for refuse service.

\*\* Program areas are within the mandatory collection area and include the communities of Linda, Olivehurst, and the Plumas Lake Specific Plan area. Areas outside Linda, Olivehurst, and the Plumas Lake Specific Plan area are in the non-program area.

\*\*\* Includes franchise fee impact on the Ponderosa Transfer Station fee.

**Non-Program Areas \*\***

| Service Description                               | Rates Effective 10/1/2010 |                |                          |                                |  |                         | Rates Effective 10/1/2011 |                |                          |                                |  |                         |
|---|---------------------------|----------------|--------------------------|--------------------------------|--|-------------------------|---------------------------|----------------|--------------------------|--------------------------------|--|-------------------------|
|   | Base Rate                 | Franchise Fees | Including Franchise Fees | Ponderosa Transfer Station *** | Household Hazardous Waste / RWMA Surcharge | Total Rate for Services | Base Rate                 | Franchise Fees | Including Franchise Fees | Ponderosa Transfer Station *** | Household Hazardous Waste / RWMA Surcharge | Total Rate for Services |
| 32 - Gallon Refuse Cart (Limited)                 | \$19.21                   | \$1.01         | \$20.22                  | \$0.23                         | \$0.50                                     | \$20.95                 | \$19.21                   | \$1.01         | \$20.22                  | \$0.21                         | \$0.75                                     | \$21.18                 |
| Low-Income Senior Citizen 32 - Gallon Refuse Cart | \$14.41                   | \$0.76         | \$15.17                  | \$0.17                         | \$0.50                                     | \$15.84                 | \$14.41                   | \$0.76         | \$15.17                  | \$0.16                         | \$0.75                                     | \$16.08                 |
| 96 - Gallon Refuse Cart                           | \$25.37                   | \$1.34         | \$26.71                  | \$0.31                         | \$0.50                                     | \$27.52                 | \$25.37                   | \$1.34         | \$26.71                  | \$0.28                         | \$0.75                                     | \$27.74                 |
| Low-Income Senior Citizen 96 - Gallon Refuse Cart | \$19.02                   | \$1.00         | \$20.02                  | \$0.23                         | \$0.50                                     | \$20.75                 | \$19.02                   | \$1.00         | \$20.02                  | \$0.21                         | \$0.75                                     | \$20.98                 |
| Additional 96 - Gallon Refuse Cart                | \$11.53                   | \$0.61         | \$12.14                  | \$0.14                         |  | \$12.28                 | \$11.53                   | \$0.61         | \$12.14                  | \$0.13                         |  | \$12.27                 |

Commercial Container Rates

| Service Description | Rates Effective 10/1/2010 |                |                                    |                             |                                  |                         | Rates Effective 10/1/2011 |                |                                    |                             |                                  |                         |
|---------------------|---------------------------|----------------|------------------------------------|-----------------------------|----------------------------------|-------------------------|---------------------------|----------------|------------------------------------|-----------------------------|----------------------------------|-------------------------|
|                     | Base Rate                 | Franchise Fees | Base Rate Including Franchise Fees | Ponderosa Transfer Station* | Hazardous Waste / RWMA Surcharge | Total Rate for Services | Base Rate                 | Franchise Fees | Base Rate Including Franchise Fees | Ponderosa Transfer Station* | Hazardous Waste / RWMA Surcharge | Total Rate for Services |
| <b>1 Yard</b>       |                           |                |                                    |                             |                                  |                         |                           |                |                                    |                             |                                  |                         |
| 1 Time per Week     | \$104.52                  | \$5.50         | \$110.02                           | \$1.27                      | \$2.10                           | \$113.39                | \$104.52                  | \$5.50         | \$110.02                           | \$1.17                      | \$3.15                           | \$114.34                |
| 2 Times per Week    | \$176.65                  | \$9.30         | \$185.95                           | \$2.16                      | \$3.60                           | \$191.71                | \$176.65                  | \$9.30         | \$185.95                           | \$1.97                      | \$5.40                           | \$193.32                |
| 3 Times per Week    | \$260.58                  | \$13.71        | \$274.29                           | \$3.17                      | \$5.30                           | \$282.76                | \$260.58                  | \$13.71        | \$274.29                           | \$2.91                      | \$7.95                           | \$285.15                |
| 4 Times per Week    | \$320.92                  | \$16.89        | \$337.81                           | \$3.92                      | \$6.50                           | \$348.23                | \$320.92                  | \$16.89        | \$337.81                           | \$3.58                      | \$9.75                           | \$351.14                |
| 5 Times per Week    | \$397.44                  | \$20.92        | \$418.36                           | \$4.84                      | \$8.10                           | \$431.30                | \$397.44                  | \$20.92        | \$418.36                           | \$4.44                      | \$12.15                          | \$434.95                |
| 6 Times per Week    | \$509.29                  | \$26.80        | \$536.09                           | \$6.22                      | \$10.40                          | \$552.71                | \$509.29                  | \$26.80        | \$536.09                           | \$5.69                      | \$15.60                          | \$557.38                |
| <b>1.5 Yard</b>     |                           |                |                                    |                             |                                  |                         |                           |                |                                    |                             |                                  |                         |
| 1 Time per Week     | \$139.85                  | \$7.36         | \$147.21                           | \$1.71                      | \$2.90                           | \$151.82                | \$139.85                  | \$7.36         | \$147.21                           | \$1.56                      | \$4.35                           | \$153.12                |
| 2 Times per Week    | \$241.46                  | \$12.71        | \$254.17                           | \$2.94                      | \$4.90                           | \$262.01                | \$241.46                  | \$12.71        | \$254.17                           | \$2.70                      | \$7.35                           | \$264.22                |
| 3 Times per Week    | \$331.27                  | \$17.44        | \$348.71                           | \$4.04                      | \$6.80                           | \$359.55                | \$331.27                  | \$17.44        | \$348.71                           | \$3.70                      | \$10.20                          | \$362.61                |
| 4 Times per Week    | \$429.73                  | \$22.62        | \$452.35                           | \$5.24                      | \$8.80                           | \$466.39                | \$429.73                  | \$22.62        | \$452.35                           | \$4.80                      | \$13.20                          | \$470.35                |
| 5 Times per Week    | \$528.43                  | \$27.81        | \$556.24                           | \$6.45                      | \$10.80                          | \$573.49                | \$528.43                  | \$27.81        | \$556.24                           | \$5.90                      | \$16.20                          | \$578.34                |
| 6 Times per Week    | \$678.64                  | \$35.72        | \$714.36                           | \$8.28                      | \$13.80                          | \$736.44                | \$678.64                  | \$35.72        | \$714.36                           | \$7.58                      | \$20.70                          | \$742.64                |
| <b>2 Yard</b>       |                           |                |                                    |                             |                                  |                         |                           |                |                                    |                             |                                  |                         |
| 1 Time per Week     | \$167.90                  | \$8.84         | \$176.74                           | \$2.04                      | \$3.40                           | \$182.18                | \$167.90                  | \$8.84         | \$176.74                           | \$1.87                      | \$5.10                           | \$183.71                |
| 2 Times per Week    | \$267.81                  | \$14.10        | \$281.91                           | \$3.27                      | \$5.50                           | \$290.68                | \$267.81                  | \$14.10        | \$281.91                           | \$2.99                      | \$8.25                           | \$293.15                |
| 3 Times per Week    | \$367.97                  | \$19.37        | \$387.34                           | \$4.49                      | \$7.50                           | \$399.33                | \$367.97                  | \$19.37        | \$387.34                           | \$4.11                      | \$11.25                          | \$402.70                |
| 4 Times per Week    | \$471.02                  | \$24.79        | \$495.81                           | \$5.75                      | \$9.60                           | \$511.16                | \$471.02                  | \$24.79        | \$495.81                           | \$5.26                      | \$14.40                          | \$515.47                |
| 5 Times per Week    | \$575.54                  | \$30.29        | \$605.83                           | \$7.02                      | \$11.70                          | \$624.55                | \$575.54                  | \$30.29        | \$605.83                           | \$6.43                      | \$17.55                          | \$629.81                |
| 6 Times per Week    | \$731.62                  | \$38.51        | \$770.13                           | \$8.92                      | \$14.90                          | \$793.95                | \$731.62                  | \$38.51        | \$770.13                           | \$8.17                      | \$22.35                          | \$800.65                |
| <b>3 Yard</b>       |                           |                |                                    |                             |                                  |                         |                           |                |                                    |                             |                                  |                         |
| 1 Time per Week     | \$203.22                  | \$10.70        | \$213.92                           | \$2.48                      | \$4.10                           | \$220.50                | \$203.22                  | \$10.70        | \$213.92                           | \$2.27                      | \$6.15                           | \$222.34                |
| 2 Times per Week    | \$337.20                  | \$17.75        | \$354.95                           | \$4.11                      | \$6.90                           | \$365.96                | \$337.20                  | \$17.75        | \$354.95                           | \$3.77                      | \$10.35                          | \$369.07                |
| 3 Times per Week    | \$491.63                  | \$25.88        | \$517.51                           | \$5.99                      | \$10.00                          | \$533.50                | \$491.63                  | \$25.88        | \$517.51                           | \$5.49                      | \$15.00                          | \$538.00                |
| 4 Times per Week    | \$609.41                  | \$32.07        | \$641.48                           | \$7.44                      | \$12.40                          | \$661.32                | \$609.41                  | \$32.07        | \$641.48                           | \$6.81                      | \$18.60                          | \$666.89                |
| 5 Times per Week    | \$747.82                  | \$39.36        | \$787.18                           | \$9.12                      | \$15.20                          | \$811.50                | \$747.82                  | \$39.36        | \$787.18                           | \$8.35                      | \$22.80                          | \$818.33                |
| 6 Times per Week    | \$956.77                  | \$50.36        | \$1,007.13                         | \$11.67                     | \$19.50                          | \$1,038.30              | \$956.77                  | \$50.36        | \$1,007.13                         | \$10.68                     | \$29.25                          | \$1,047.06              |
| <b>4 Yard</b>       |                           |                |                                    |                             |                                  |                         |                           |                |                                    |                             |                                  |                         |
| 1 Time per Week     | \$244.32                  | \$12.86        | \$257.18                           | \$2.98                      | \$5.00                           | \$265.16                | \$244.32                  | \$12.86        | \$257.18                           | \$2.73                      | \$7.50                           | \$267.41                |
| 2 Times per Week    | \$410.63                  | \$21.61        | \$432.24                           | \$5.00                      | \$8.40                           | \$445.64                | \$410.63                  | \$21.61        | \$432.24                           | \$4.59                      | \$12.60                          | \$449.43                |
| 3 Times per Week    | \$579.95                  | \$30.52        | \$610.47                           | \$7.07                      | \$11.80                          | \$629.34                | \$579.95                  | \$30.52        | \$610.47                           | \$6.48                      | \$17.70                          | \$634.65                |
| 4 Times per Week    | \$750.66                  | \$39.51        | \$790.17                           | \$9.15                      | \$15.30                          | \$814.62                | \$750.66                  | \$39.51        | \$790.17                           | \$8.38                      | \$22.95                          | \$821.50                |
| 5 Times per Week    | \$924.47                  | \$48.66        | \$973.13                           | \$11.27                     | \$18.80                          | \$1,003.20              | \$924.47                  | \$48.66        | \$973.13                           | \$10.32                     | \$28.20                          | \$1,011.65              |
| 6 Times per Week    | \$1,189.39                | \$62.60        | \$1,251.99                         | \$14.51                     | \$24.20                          | \$1,290.70              | \$1,189.39                | \$62.60        | \$1,251.99                         | \$13.28                     | \$36.30                          | \$1,301.57              |

\* Includes franchise fee impact on the Ponderosa Transfer Station fee.

Commercial Container Rates

| Service Description | Rates Effective 10/1/2010 |                |                                    |                              |                             |                     | Rates Effective 10/1/2011 |                |                                    |                              |                             |                     |
|---------------------|---------------------------|----------------|------------------------------------|------------------------------|-----------------------------|---------------------|---------------------------|----------------|------------------------------------|------------------------------|-----------------------------|---------------------|
|                     | Base Rate                 | Franchise Fees | Base Rate Including Franchise Fees | Ponderosa Transfer Station * | Hazardous Waste / Surcharge | Household Surcharge | Base Rate                 | Franchise Fees | Base Rate Including Franchise Fees | Ponderosa Transfer Station * | Hazardous Waste / Surcharge | Household Surcharge |
| <b>5 Yard</b>       |                           |                |                                    |                              |                             |                     |                           |                |                                    |                              |                             |                     |
| 1 Time per Week     | \$253.08                  | \$13.32        | \$266.40                           | \$3.08                       | \$5.20                      | \$274.68            | \$253.08                  | \$13.32        | \$266.40                           | \$2.83                       | \$7.80                      | \$277.03            |
| 2 Times per Week    | \$448.87                  | \$23.62        | \$472.49                           | \$5.47                       | \$9.20                      | \$487.16            | \$448.87                  | \$23.62        | \$472.49                           | \$5.01                       | \$13.80                     | \$491.30            |
| 3 Times per Week    | \$647.69                  | \$34.09        | \$681.78                           | \$7.90                       | \$13.20                     | \$702.88            | \$647.69                  | \$34.09        | \$681.78                           | \$7.23                       | \$19.80                     | \$708.81            |
| 4 Times per Week    | \$850.88                  | \$44.78        | \$895.66                           | \$10.38                      | \$17.30                     | \$923.34            | \$850.88                  | \$44.78        | \$895.66                           | \$9.50                       | \$25.95                     | \$931.11            |
| 5 Times per Week    | \$1,052.56                | \$55.40        | \$1,107.96                         | \$12.84                      | \$21.50                     | \$1,142.30          | \$1,052.56                | \$55.40        | \$1,107.96                         | \$11.75                      | \$32.25                     | \$1,151.96          |
| 6 Times per Week    | \$1,363.01                | \$71.74        | \$1,434.75                         | \$16.62                      | \$27.80                     | \$1,479.17          | \$1,363.01                | \$71.74        | \$1,434.75                         | \$15.22                      | \$41.70                     | \$1,491.67          |
| <b>6 Yard</b>       |                           |                |                                    |                              |                             |                     |                           |                |                                    |                              |                             |                     |
| 1 Time per Week     | \$260.58                  | \$13.71        | \$274.29                           | \$3.17                       | \$5.30                      | \$282.76            | \$260.58                  | \$13.71        | \$274.29                           | \$2.91                       | \$7.95                      | \$285.15            |
| 2 Times per Week    | \$485.76                  | \$25.57        | \$511.33                           | \$5.92                       | \$9.90                      | \$527.15            | \$485.76                  | \$25.57        | \$511.33                           | \$5.42                       | \$14.85                     | \$531.60            |
| 3 Times per Week    | \$715.32                  | \$37.65        | \$752.97                           | \$8.73                       | \$14.60                     | \$776.30            | \$715.32                  | \$37.65        | \$752.97                           | \$7.99                       | \$21.90                     | \$782.86            |
| 4 Times per Week    | \$948.01                  | \$49.90        | \$997.91                           | \$11.57                      | \$19.30                     | \$1,028.78          | \$948.01                  | \$49.90        | \$997.91                           | \$10.59                      | \$28.95                     | \$1,037.45          |
| 5 Times per Week    | \$1,183.54                | \$62.29        | \$1,245.83                         | \$14.43                      | \$24.10                     | \$1,284.36          | \$1,183.54                | \$62.29        | \$1,245.83                         | \$13.22                      | \$36.15                     | \$1,295.20          |
| 6 Times per Week    | \$1,533.73                | \$80.72        | \$1,614.45                         | \$18.71                      | \$31.30                     | \$1,664.46          | \$1,533.73                | \$80.72        | \$1,614.45                         | \$17.13                      | \$46.95                     | \$1,678.53          |
| <b>7 Yard</b>       |                           |                |                                    |                              |                             |                     |                           |                |                                    |                              |                             |                     |
| 1 Time per Week     | \$291.52                  | \$15.34        | \$306.86                           | \$3.55                       | \$5.90                      | \$316.31            | \$291.52                  | \$15.34        | \$306.86                           | \$3.26                       | \$8.85                      | \$318.97            |
| 2 Times per Week    | \$541.67                  | \$28.51        | \$570.18                           | \$6.60                       | \$11.00                     | \$587.78            | \$541.67                  | \$28.51        | \$570.18                           | \$6.05                       | \$16.50                     | \$592.73            |
| 3 Times per Week    | \$794.86                  | \$41.83        | \$836.69                           | \$9.69                       | \$16.20                     | \$862.58            | \$794.86                  | \$41.83        | \$836.69                           | \$8.88                       | \$24.30                     | \$869.87            |
| 4 Times per Week    | \$1,052.56                | \$55.40        | \$1,107.96                         | \$12.84                      | \$21.50                     | \$1,142.30          | \$1,052.56                | \$55.40        | \$1,107.96                         | \$11.75                      | \$32.25                     | \$1,151.96          |
| 5 Times per Week    | \$1,310.03                | \$68.95        | \$1,378.98                         | \$15.98                      | \$26.70                     | \$1,421.66          | \$1,310.03                | \$68.95        | \$1,378.98                         | \$14.63                      | \$40.05                     | \$1,433.66          |
| 6 Times per Week    | \$1,701.62                | \$89.56        | \$1,791.18                         | \$20.75                      | \$34.70                     | \$1,846.63          | \$1,701.62                | \$89.56        | \$1,791.18                         | \$19.00                      | \$52.05                     | \$1,862.23          |
| <b>8 Yard</b>       |                           |                |                                    |                              |                             |                     |                           |                |                                    |                              |                             |                     |
| 1 Time per Week     | \$332.61                  | \$17.51        | \$350.12                           | \$4.06                       | \$6.80                      | \$360.98            | \$332.61                  | \$17.51        | \$350.12                           | \$3.71                       | \$10.20                     | \$364.03            |
| 2 Times per Week    | \$594.70                  | \$31.30        | \$626.00                           | \$7.25                       | \$12.10                     | \$645.35            | \$594.70                  | \$31.30        | \$626.00                           | \$6.64                       | \$18.15                     | \$650.79            |
| 3 Times per Week    | \$886.02                  | \$46.63        | \$932.65                           | \$10.80                      | \$18.10                     | \$961.55            | \$886.02                  | \$46.63        | \$932.65                           | \$9.89                       | \$27.15                     | \$969.69            |
| 4 Times per Week    | \$1,177.54                | \$61.98        | \$1,239.52                         | \$14.36                      | \$24.00                     | \$1,277.88          | \$1,177.54                | \$61.98        | \$1,239.52                         | \$13.15                      | \$36.00                     | \$1,288.67          |
| 5 Times per Week    | \$1,461.70                | \$76.93        | \$1,538.63                         | \$17.82                      | \$29.80                     | \$1,586.25          | \$1,461.70                | \$76.93        | \$1,538.63                         | \$16.32                      | \$44.70                     | \$1,599.65          |
| 6 Times per Week    | \$1,794.35                | \$94.44        | \$1,888.79                         | \$21.88                      | \$36.60                     | \$1,947.27          | \$1,794.35                | \$94.44        | \$1,888.79                         | \$20.04                      | \$54.90                     | \$1,963.73          |

\* Includes franchise fee impact on the Ponderosa Transfer Station fee.

**Commercial Container Rates**

| Service Description                            | Rates Effective 10/1/2010 |                |                                    |                              |  |                         | Rates Effective 10/1/2011 |                |                                    |                              |  |                         |
|--|---------------------------|----------------|------------------------------------|------------------------------|--|-------------------------|---------------------------|----------------|------------------------------------|------------------------------|--|-------------------------|
|  | Base Rate                 | Franchise Fees | Base Rate Including Franchise Fees | Ponderosa Transfer Station * | Household Hazardous Waste / RWMA Surcharge | Total Rate for Services | Base Rate                 | Franchise Fees | Base Rate Including Franchise Fees | Ponderosa Transfer Station * | Household Hazardous Waste / RWMA Surcharge | Total Rate for Services |
| 1 Yard Bin - Extra Service Only                | \$28.40                   | \$1.49         | \$29.89                            | \$0.35                       |  | \$30.24                 | \$28.40                   | \$1.49         | \$29.89                            | \$0.32                       |  | \$30.21                 |
| 1.5 Yard Bin - Extra Service Only              | \$31.48                   | \$1.66         | \$33.14                            | \$0.39                       |  | \$33.53                 | \$31.48                   | \$1.66         | \$33.14                            | \$0.35                       |  | \$33.49                 |
| 2 Yard Bin - Extra Service Only                | \$37.88                   | \$1.99         | \$39.87                            | \$0.46                       |  | \$40.33                 | \$37.88                   | \$1.99         | \$39.87                            | \$0.42                       |  | \$40.29                 |
| 3 Yard Bin - Extra Service Only                | \$44.15                   | \$2.32         | \$46.47                            | \$0.54                       |  | \$47.01                 | \$44.15                   | \$2.32         | \$46.47                            | \$0.49                       |  | \$46.96                 |
| 4 Yard Bin - Extra Service Only                | \$50.42                   | \$2.65         | \$53.07                            | \$0.61                       |  | \$53.68                 | \$50.42                   | \$2.65         | \$53.07                            | \$0.56                       |  | \$53.63                 |
| 5 Yard Bin - Extra Service Only                | \$53.61                   | \$2.82         | \$56.43                            | \$0.65                       |  | \$57.08                 | \$53.61                   | \$2.82         | \$56.43                            | \$0.60                       |  | \$57.03                 |
| 6 Yard Bin - Extra Service Only                | \$56.82                   | \$2.99         | \$59.81                            | \$0.69                       |  | \$60.50                 | \$56.82                   | \$2.99         | \$59.81                            | \$0.63                       |  | \$60.44                 |
| 7 Yard Bin - Extra Service Only                | \$63.09                   | \$3.32         | \$66.41                            | \$0.77                       |  | \$67.18                 | \$63.09                   | \$3.32         | \$66.41                            | \$0.70                       |  | \$67.11                 |
| 8 Yard Bin - Extra Service Only                | \$69.35                   | \$3.65         | \$73.00                            | \$0.84                       |  | \$73.84                 | \$69.35                   | \$3.65         | \$73.00                            | \$0.77                       |  | \$73.77                 |
| Temporary 7 Yard Bin (available to residences) | \$136.23                  | \$7.17         | \$143.40                           | \$1.66                       | \$2.00                                     | \$147.06                | \$136.23                  | \$7.17         | \$143.40                           | \$1.52                       | \$3.00                                     | \$147.92                |

\* Includes franchise fee impact on the Ponderosa Transfer Station fee.

**Front Load Compactor Rates**

| Service Description | Rates Effective 10/1/2010 |                |                                    |                                |   |                         | Rates Effective 10/1/2011 |                |                                    |                                |   |                         |
|---------------------|---------------------------|----------------|------------------------------------|--------------------------------|---|-------------------------|---------------------------|----------------|------------------------------------|--------------------------------|---|-------------------------|
|                     | Base Rate *               | Franchise Fees | Base Rate Including Franchise Fees | Ponderosa Transfer Station *** | Household Hazardous Waste / RWMA Surcharge ** | Total Rate for Services | Base Rate *               | Franchise Fees | Base Rate Including Franchise Fees | Ponderosa Transfer Station *** | Household Hazardous Waste / RWMA Surcharge ** | Total Rate for Services |
| 1.3 Yd Compactor    |                           |                |                                    |                                |   |                         |                           |                |                                    |                                |   |                         |
| 1 time per week     | \$221.85                  | \$11.68        | \$233.53                           | \$2.71                         | \$2.90  | \$239.14                | \$221.85                  | \$11.68        | \$233.53                           | \$2.48                         | \$4.35  | \$240.36                |
| 2 times per week    | \$443.70                  | \$23.35        | \$467.05                           | \$5.41                         | \$4.90  | \$477.36                | \$443.70                  | \$23.35        | \$467.05                           | \$4.95                         | \$7.35  | \$479.35                |
| 3 times per week    | \$665.54                  | \$35.03        | \$700.57                           | \$8.12                         | \$6.80  | \$715.49                | \$665.54                  | \$35.03        | \$700.57                           | \$7.43                         | \$10.20                                       | \$718.20                |
| 4 times per week    | \$887.39                  | \$46.70        | \$934.09                           | \$10.82                        | \$8.80  | \$953.71                | \$887.39                  | \$46.70        | \$934.09                           | \$9.91                         | \$13.20                                       | \$957.20                |
| 5 times per week    | \$1,109.22                | \$58.38        | \$1,167.60                         | \$13.53                        | \$10.80                                       | \$1,191.93              | \$1,109.22                | \$58.38        | \$1,167.60                         | \$12.39                        | \$16.20                                       | \$1,196.19              |
| 6 times per week    | \$1,331.09                | \$70.06        | \$1,401.15                         | \$16.23                        | \$13.80                                       | \$1,431.18              | \$1,331.09                | \$70.06        | \$1,401.15                         | \$14.86                        | \$20.70                                       | \$1,436.71              |
| 2 Yd Compactor      |                           |                |                                    |                                |   |                         |                           |                |                                    |                                |   |                         |
| 1 time per week     | \$341.31                  | \$17.96        | \$359.27                           | \$4.16                         | \$3.40  | \$366.83                | \$341.31                  | \$17.96        | \$359.27                           | \$3.81                         | \$5.10  | \$368.18                |
| 2 times per week    | \$682.58                  | \$35.93        | \$718.51                           | \$8.32                         | \$5.50  | \$732.33                | \$682.58                  | \$35.93        | \$718.51                           | \$7.62                         | \$8.25  | \$734.38                |
| 3 times per week    | \$1,023.90                | \$53.89        | \$1,077.79                         | \$12.49                        | \$7.50  | \$1,097.78              | \$1,023.90                | \$53.89        | \$1,077.79                         | \$11.43                        | \$11.25                                       | \$1,100.47              |
| 4 times per week    | \$1,365.21                | \$71.85        | \$1,437.06                         | \$16.65                        | \$9.60  | \$1,463.31              | \$1,365.21                | \$71.85        | \$1,437.06                         | \$15.24                        | \$14.40                                       | \$1,466.70              |
| 5 times per week    | \$1,706.50                | \$89.82        | \$1,796.32                         | \$20.81                        | \$11.70                                       | \$1,828.83              | \$1,706.50                | \$89.82        | \$1,796.32                         | \$19.06                        | \$17.55                                       | \$1,832.93              |
| 6 times per week    | \$2,047.79                | \$107.78       | \$2,155.57                         | \$24.97                        | \$14.90                                       | \$2,195.44              | \$2,047.79                | \$107.78       | \$2,155.57                         | \$22.87                        | \$22.35                                       | \$2,200.79              |
| 3 Yd Compactor      |                           |                |                                    |                                |   |                         |                           |                |                                    |                                |   |                         |
| 1 time per week     | \$511.96                  | \$26.95        | \$538.91                           | \$6.25                         | \$4.10  | \$549.26                | \$511.96                  | \$26.95        | \$538.91                           | \$5.72                         | \$6.15  | \$550.78                |
| 2 times per week    | \$1,023.91                | \$53.89        | \$1,077.80                         | \$12.49                        | \$6.90  | \$1,097.19              | \$1,023.91                | \$53.89        | \$1,077.80                         | \$11.43                        | \$10.35                                       | \$1,099.58              |
| 3 times per week    | \$1,535.87                | \$80.84        | \$1,616.71                         | \$18.73                        | \$10.00                                       | \$1,645.44              | \$1,535.87                | \$80.84        | \$1,616.71                         | \$17.15                        | \$15.00                                       | \$1,648.86              |
| 4 times per week    | \$2,047.80                | \$107.78       | \$2,155.58                         | \$24.97                        | \$12.40                                       | \$2,192.95              | \$2,047.80                | \$107.78       | \$2,155.58                         | \$22.87                        | \$18.60                                       | \$2,197.05              |
| 5 times per week    | \$2,559.77                | \$134.72       | \$2,694.49                         | \$31.22                        | \$15.20                                       | \$2,740.91              | \$2,559.77                | \$134.72       | \$2,694.49                         | \$28.58                        | \$22.80                                       | \$2,745.87              |
| 6 times per week    | \$3,071.72                | \$161.67       | \$3,233.39                         | \$37.46                        | \$19.50                                       | \$3,290.35              | \$3,071.72                | \$161.67       | \$3,233.39                         | \$34.30                        | \$29.25                                       | \$3,296.94              |
| 4 Yd Compactor      |                           |                |                                    |                                |   |                         |                           |                |                                    |                                |   |                         |
| 1 time per week     | \$682.59                  | \$35.93        | \$718.52                           | \$8.32                         | \$5.00  | \$731.84                | \$682.59                  | \$35.93        | \$718.52                           | \$7.62                         | \$7.50  | \$733.64                |
| 2 times per week    | \$1,365.22                | \$71.85        | \$1,437.07                         | \$16.65                        | \$8.40  | \$1,462.12              | \$1,365.22                | \$71.85        | \$1,437.07                         | \$15.24                        | \$12.60                                       | \$1,464.91              |
| 3 times per week    | \$2,047.80                | \$107.78       | \$2,155.58                         | \$24.97                        | \$11.80                                       | \$2,192.35              | \$2,047.80                | \$107.78       | \$2,155.58                         | \$22.87                        | \$17.70                                       | \$2,196.15              |
| 4 times per week    | \$2,730.41                | \$143.71       | \$2,874.12                         | \$33.29                        | \$15.30                                       | \$2,922.71              | \$2,730.41                | \$143.71       | \$2,874.12                         | \$30.49                        | \$22.95                                       | \$2,927.56              |
| 5 times per week    | \$3,413.01                | \$179.63       | \$3,592.64                         | \$41.62                        | \$18.80                                       | \$3,653.06              | \$3,413.01                | \$179.63       | \$3,592.64                         | \$38.11                        | \$28.20                                       | \$3,658.95              |
| 6 times per week    | \$4,095.63                | \$215.56       | \$4,311.19                         | \$49.94                        | \$24.20                                       | \$4,385.33              | \$4,095.63                | \$215.56       | \$4,311.19                         | \$45.73                        | \$36.30                                       | \$4,393.22              |
| 5 Yd Compactor      |                           |                |                                    |                                |   |                         |                           |                |                                    |                                |   |                         |
| 1 time per week     | \$853.24                  | \$44.91        | \$898.15                           | \$10.41                        | \$5.20  | \$913.76                | \$853.24                  | \$44.91        | \$898.15                           | \$9.53                         | \$7.80  | \$915.48                |
| 2 times per week    | \$1,706.52                | \$89.82        | \$1,796.34                         | \$20.81                        | \$9.20  | \$1,826.35              | \$1,706.52                | \$89.82        | \$1,796.34                         | \$19.06                        | \$13.80                                       | \$1,829.20              |
| 3 times per week    | \$2,559.77                | \$134.72       | \$2,694.49                         | \$31.22                        | \$13.20                                       | \$2,738.91              | \$2,559.77                | \$134.72       | \$2,694.49                         | \$28.58                        | \$19.80                                       | \$2,742.87              |
| 4 times per week    | \$3,413.01                | \$179.63       | \$3,592.64                         | \$41.62                        | \$17.30                                       | \$3,651.56              | \$3,413.01                | \$179.63       | \$3,592.64                         | \$38.11                        | \$25.95                                       | \$3,656.70              |
| 5 times per week    | \$4,266.28                | \$224.54       | \$4,490.82                         | \$52.03                        | \$21.50                                       | \$4,564.35              | \$4,266.28                | \$224.54       | \$4,490.82                         | \$47.64                        | \$32.25                                       | \$4,570.71              |
| 6 times per week    | \$5,119.53                | \$269.45       | \$5,388.98                         | \$62.44                        | \$27.80                                       | \$5,479.22              | \$5,119.53                | \$269.45       | \$5,388.98                         | \$57.17                        | \$41.70                                       | \$5,487.85              |
| 6 Yd Compactor      |                           |                |                                    |                                |   |                         |                           |                |                                    |                                |   |                         |
| 1 time per week     | \$1,023.91                | \$53.89        | \$1,077.80                         | \$12.49                        | \$5.30  | \$1,095.59              | \$1,023.91                | \$53.89        | \$1,077.80                         | \$11.43                        | \$7.95  | \$1,097.18              |
| 2 times per week    | \$2,047.80                | \$107.78       | \$2,155.58                         | \$24.97                        | \$9.60  | \$2,190.45              | \$2,047.80                | \$107.78       | \$2,155.58                         | \$22.87                        | \$14.85                                       | \$2,193.30              |
| 3 times per week    | \$3,071.72                | \$161.67       | \$3,233.39                         | \$37.46                        | \$14.60                                       | \$3,285.45              | \$3,071.72                | \$161.67       | \$3,233.39                         | \$34.30                        | \$21.90                                       | \$3,289.59              |
| 4 times per week    | \$4,095.63                | \$215.56       | \$4,311.19                         | \$49.94                        | \$19.30                                       | \$4,380.43              | \$4,095.63                | \$215.56       | \$4,311.19                         | \$45.73                        | \$28.95                                       | \$4,385.87              |
| 5 times per week    | \$5,119.53                | \$269.45       | \$5,388.98                         | \$62.44                        | \$24.10                                       | \$5,475.52              | \$5,119.53                | \$269.45       | \$5,388.98                         | \$57.17                        | \$36.15                                       | \$5,482.30              |
| 6 times per week    | \$6,143.43                | \$323.34       | \$6,466.77                         | \$74.92                        | \$31.30                                       | \$6,572.99              | \$6,143.43                | \$323.34       | \$6,466.77                         | \$68.60                        | \$46.95                                       | \$6,582.32              |

\* Base Rate is based on 4.3333 pick-ups per month at \$39.38/cu.yd. or \$170.65 per month times the compactor size and frequency of pick-ups per week.

\*\* Household Hazardous Waste / RWMA Surcharge Rates are based on rates for the same size of commercial containers and service frequency. Rates for the 1.3 Yard Compactor are based on the rates for the 1.5 Yard Commercial Container.

\*\*\* Includes franchise fee impact on the Ponderosa Transfer Station fee.

**Commercial Can and Cart Rates**

| Service Description        | Rates Effective 10/1/2010 |                |                                    |                              |  |                         | Rates Effective 10/1/2011 |                |                                    |                              |  |                         |
|----------------------------|---------------------------|----------------|------------------------------------|------------------------------|--|-------------------------|---------------------------|----------------|------------------------------------|------------------------------|--|-------------------------|
|                            | Base Rate                 | Franchise Fees | Base Rate Including Franchise Fees | Ponderosa Transfer Station * | Household Hazardous Waste / RWMA Surcharge | Total Rate for Services | Base Rate                 | Franchise Fees | Base Rate Including Franchise Fees | Ponderosa Transfer Station * | Household Hazardous Waste / RWMA Surcharge | Total Rate for Services |
| Commercial Can             | \$23.52                   | \$1.24         | \$24.76                            | \$0.28                       | \$0.50                                     | \$25.54                 | \$23.52                   | \$1.24         | \$24.76                            | \$0.26                       | \$0.75                                     | \$25.77                 |
| Additional Commercial Can  | \$21.77                   | \$1.15         | \$22.92                            | \$0.26                       | \$0.50                                     | \$23.68                 | \$21.77                   | \$1.15         | \$22.92                            | \$0.24                       | \$0.75                                     | \$23.91                 |
| Commercial Cart            | \$47.17                   | \$2.48         | \$49.65                            | \$0.58                       | \$1.00                                     | \$51.23                 | \$47.17                   | \$2.48         | \$49.65                            | \$0.53                       | \$1.50                                     | \$51.68                 |
| Additional Commercial Cart | \$47.17                   | \$2.48         | \$49.65                            | \$0.58                       | \$1.00                                     | \$51.23                 | \$47.17                   | \$2.48         | \$49.65                            | \$0.53                       | \$1.50                                     | \$51.68                 |

\* Includes franchise fee impact on the Ponderosa Transfer Station fee.



**Debris Box Rates**

| Service Description            | Rates Effective 10/1/2010 |                |                                    |                              |  |                         | Rates Effective 10/1/2011 |                |                                    |                              |  |                         |
|--------------------------------|---------------------------|----------------|------------------------------------|------------------------------|--|-------------------------|---------------------------|----------------|------------------------------------|------------------------------|--|-------------------------|
|                                | Base Rate                 | Franchise Fees | Base Rate Including Franchise Fees | Ponderosa Transfer Station * | Household Hazardous Waste / RWMA Surcharge | Total Rate for Services | Base Rate                 | Franchise Fees | Base Rate Including Franchise Fees | Ponderosa Transfer Station * | Household Hazardous Waste / RWMA Surcharge | Total Rate for Services |
| 09Yd Dirt/Concrete Debris      | \$362.41                  | \$19.07        | \$381.48                           | \$4.41                       | 5.00                                       | \$390.89                | \$362.41                  | \$19.07        | \$381.48                           | \$4.05                       | 7.50                                       | \$393.03                |
| 15 Yd Debris Box               | \$291.90                  | \$15.36        | \$307.26                           | \$3.56                       | 4.20                                       | \$315.02                | \$291.90                  | \$15.36        | \$307.26                           | \$3.26                       | 6.30                                       | \$316.82                |
| 20 Yd Debris Box               | \$336.80                  | \$17.73        | \$354.53                           | \$4.11                       | 5.00                                       | \$363.64                | \$336.80                  | \$17.73        | \$354.53                           | \$3.76                       | 7.50                                       | \$365.79                |
| 25 Yd Debris Box               | \$362.49                  | \$19.08        | \$381.57                           | \$4.42                       | 5.40                                       | \$391.39                | \$362.49                  | \$19.08        | \$381.57                           | \$4.05                       | 8.10                                       | \$393.72                |
| 30 Yd Debris Box               | \$397.82                  | \$20.94        | \$418.76                           | \$4.85                       | 6.00                                       | \$429.61                | \$397.82                  | \$20.94        | \$418.76                           | \$4.44                       | 9.00                                       | \$432.20                |
| 40 Yd Debris Box               | \$468.39                  | \$24.65        | \$493.04                           | \$5.72                       | 7.20                                       | \$505.96                | \$468.39                  | \$24.65        | \$493.04                           | \$5.23                       | 10.80                                      | \$509.07                |
| Compactor Rate Per Cubic Yard  | \$41.02                   | \$2.16         | \$43.18                            | \$0.50                       | \$0.60                                     | \$44.28                 | \$41.02                   | \$2.16         | \$43.18                            | \$0.46                       | \$0.90                                     | \$44.54                 |
| Wood Debris Box                | \$158.78                  | \$8.36         | \$167.14                           | \$1.93                       |  | \$169.07                | \$158.78                  | \$8.36         | \$167.14                           | \$1.77                       |  | \$168.91                |
| 15 Yard Tires                  | \$535.28                  | \$28.17        | \$563.45                           | \$6.53                       | \$6.80                                     | \$576.78                | \$535.28                  | \$28.17        | \$563.45                           | \$5.98                       | \$10.20                                    | \$579.63                |
| 20 Yard Tires                  | \$678.04                  | \$35.69        | \$713.73                           | \$8.27                       | \$8.60                                     | \$730.60                | \$678.04                  | \$35.69        | \$713.73                           | \$7.57                       | \$12.90                                    | \$734.20                |
| 25 Yard Tires                  | \$811.27                  | \$42.70        | \$853.97                           | \$9.90                       | \$10.30                                    | \$874.17                | \$811.27                  | \$42.70        | \$853.97                           | \$9.06                       | \$15.45                                    | \$878.48                |
| 30 Yard Tires                  | \$944.55                  | \$49.71        | \$994.26                           | \$11.51                      | \$12.00                                    | \$1,017.77              | \$944.55                  | \$49.71        | \$994.26                           | \$10.55                      | \$18.00                                    | \$1,022.81              |
| 40 Yard Tires                  | \$1,132.55                | \$59.61        | \$1,192.16                         | \$13.81                      | \$14.30                                    | \$1,220.27              | \$1,132.55                | \$59.61        | \$1,192.16                         | \$12.65                      | \$21.45                                    | \$1,226.26              |
| Trip Charge / Same Day Service | \$66.28                   | \$3.49         | \$69.77                            |                              |  | \$69.77                 | \$66.28                   | \$3.49         | \$69.77                            |                              |  | \$69.77                 |
| Demurrage Charge               | \$16.32                   | \$0.86         | \$17.18                            |                              |  | \$17.18                 | \$16.32                   | \$0.86         | \$17.18                            |                              |  | \$17.18                 |

\* Includes franchise fee impact on the Ponderosa Transfer Station fee.

## **EXHIBIT 2**

### **MAXIMUM SERVICE RATE ADJUSTMENT GUIDELINES FOR COLLECTION SERVICE AGREEMENT**

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## Attachments

1. Total Income and Expense Data and Variance Analysis
  - 1A. Service Type Income and Expense Data and Variance Analysis Collection Services
  - 1B. Service Type Income and Expense Data and Variance Analysis – Recycling
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- 2A. Member Agency Specific Income and Expense Data and Variance Analysis – Street Sweeping – Marysville
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- 2D. Member Agency Specific Income and Expense Data and Variance Analysis – Ponderosa Transfer Station (Servicing Yuba County and Beale Air Force Base)
- 2E. Member Agency Specific Income and Expense Data and Variance Analysis – Non-RWMA Activities
- 3. Member Agency and Non-Member Agency Revenues by Category and Maximum Service Rate Adjustment Calculation (Page 1)
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# I. OVERVIEW OF THE RATE ADJUSTMENT PROCESS

## DEFINITIONS

**Activities** – CONTRACTOR's operations are divided between those provided within the RWMA Service Area, which are subject to this Exhibit 2 (RWMA Member Regulated Activities), and those provided outside the RWMA Service Area (e.g., to Beale Air Force Base), which are not (Non-RWMA Member Regulated Activities).

**Annual Average** – The Annual Average of a given index for a given 12-month period equals the sum of the published index values for such period divided by 12 (in the case of indices published monthly), 6 (in the case of indices published bi-monthly), or 4 (in the case of indices published quarterly).

**Current Year** – The Fiscal Year during which the Application is submitted for review. (For example, if the Application is submitted in 2013, the Current Year is October 1, 2012 to September 30, 2013.)

**Fiscal Year** – The period October 1 to September 30, which is CONTRACTOR's fiscal year.

**Initial Rate Year** – The period October 1, 2011 through September 30, 2012

**Member Agency(ies)** – COUNTY and any other City or County in the Regional Waste Management Authority (RWMA), a joint powers authority<sup>1</sup>

**Pass-Through Expenses** – CONTRACTOR's costs to which no Operating Margin is applied. Pass-Through Expenses consist of: (i) fees paid by CONTRACTOR for disposal at the Disposal Facility; (ii) fees paid by CONTRACTOR for processing of Green Waste at the Organic Waste Processing Facility; (iii) Franchise Fees imposed on CONTRACTOR by any Member Agency; (iv) Surcharge Fees imposed on CONTRACTOR by the RWMA; and (v) any other government-mandated regulatory fees, charges or surcharges imposed on CONTRACTOR by any Member Agency, the RWMA or any other governmental authority [the amount of which is a function of CONTRACTOR's revenues. For the avoidance of doubt, any government-mandated regulatory fee, charge or surcharge payable by CONTRACTOR the amount of which is not a function of CONTRACTOR's revenues, except for the City of Marysville Business License "host" fee, shall not be a Pass-Through Expense and shall be included in CONTRACTOR's Allowed Annual Cost of Operations.] Notwithstanding any other provision of this Agreement, if COUNTY directs that Solid Waste (or any portion thereof, e.g. Residential, SFD, City, etc.) be disposed of at a Disposal Facility other than the Ostrom Road Landfill, or a Disposal Facility owned or operated by CONTRACTOR or an Affiliate, then the fees paid by CONTRACTOR for disposal at such alternative Disposal

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<sup>1</sup> The parties acknowledge that a Member Agency or Member Agencies may permit the Regional Waste Management Authority, and/or a consultant engaged by such Member Agency(ies) or the RWMA, to perform the review of and reporting on CONTRACTOR's applications contemplated by Sections I, IV and V of this Exhibit 2, on behalf of such Member Agency or Member Agencies.

Facility shall not be Pass-Through Expenses and shall instead be included in CONTRACTOR's Annual Cost of Operations; and if COUNTY directs that Green Waste (or any portion thereof) be processed at an Organic Waste Processing Facility other than the Feather River Organics Processing Facility and other than any such facility located at the Ostrom Road Landfill, or an Organics Waste Processing Facility owned or operated by the CONTRACTOR or an Affiliate, then the fees paid by CONTRACTOR for disposal at such alternative Organic Waste Processing Facility shall not be Pass-Through Expenses and shall instead be included in CONTRACTOR's Annual Cost of Operations.

**Prior Year** – The Fiscal Year prior to the year of submission of the Application. (For example, if the Application is being submitted in 2013, the Prior Year is October 1, 2011 to September 30, 2012.)

**Rate Adjustment Cycle** – A four (4) year period during which the Maximum Service Rates will be adjusted in the first, second and third Rate Years using the Refuse Rate Index Methodology set forth in Section I and in the fourth Rate Year using the Detailed Rate Review methodology set forth in Section II. However, Maximum Service Rates for the October 1, 2011 to September 30, 2012 Rate Year shall be those set forth in Exhibit 1. Maximum Service Rates for the October 1, 2012 to September 30, 2013 Rate Year and October 1, 2013 to September 30, 2014 Rate Year will be adjusted by the Refuse Rate Index Methodology. Rates for the October 1, 2014 to September 30, 2015 will be adjusted using the Detailed Rate Review Methodology.

**Rate Year** – The Fiscal Year following the Current Year and for which Maximum Service Rates are set. (For example, if the Current Year is October 1, 2012 to September 30, 2013, the Rate Year is October 1, 2013 to September 30, 2014.)

**Revenue Requirement** – The sum of CONTRACTOR's actual Allowed Annual Cost of Operations, Pass-Through Expenses, operating margin and other adjustments as described in Section II.

**Service Types** – Collection Services (comprising the sub-categories of SFD Collection Service, MFD Collection Service, County Collection Service, Commercial Collection Service and Construction and Demolition Debris Collection Service)<sup>2</sup>, Diversion Programs, Transfer Station and MRF Operations, Hazardous Waste Operations, and Member Agency Specific Programs.

## RATE ADJUSTMENT PROCESS

Rate Adjustment Cycle. The Maximum Service Rate adjustment process is comprised of multiple four (4) year cycles consisting of Refuse Rate Index (RRI) Adjustments in the first, second and third Rate Years followed by a Detailed Rate Review Adjustment in the fourth Rate Year (provided, however, that Maximum Service Rates for the Initial Rate Year shall be those set forth in Exhibit 1).

Elements of Maximum Service Rates. Each Maximum Service Rate shall consist of some combination of the following elements: a base service rate element, a franchise fee element, a surcharge fee element, and such other elements as may be added by COUNTY during the term

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<sup>2</sup> Unless requested by the Member Agency(ies), these sub-categories shall be consolidated into Collection Services," as provided below under the heading "Submission of Detailed Application."

of this Agreement to reflect new fees or charges imposed by COUNTY or the RWMA that are Pass-Through Expenses.

## REFUSE RATE INDEX (RRI) RATE ADJUSTMENT

Adjustments to Base Service Rate Element Using the (RRI). Beginning on October 1, 2012, and annually thereafter, during the first three (3) years of each four (4) year Rate Adjustment Cycle, CONTRACTOR shall, subject to compliance with all provisions of this Article, receive an annual Refuse Rate Index (RRI) adjustment in the base service rate element of all Maximum Service Rates set forth in Exhibit 1 to this Agreement.

Submission of Application. On or before May 1 of each calendar year in which an annual Refuse Rate Index (RRI) adjustment is to occur, CONTRACTOR shall submit an application to COUNTY for such adjustment. The application shall contain CONTRACTOR's calculation (in accordance with this section) of the percentage weighting of each cost category set forth in Table 1 below, the RRI adjustment for each such cost category using the applicable index set forth in Table 1, the percentage adjustment to each Maximum Service Rate, and a revised Maximum Service Rate sheet reflecting such adjustments. The application shall be accompanied by the financial information described under the heading "Financial Information" below.

RRI Adjustment. The RRI adjustment shall be the sum of the weighted percentage changes calculated using the RRI methodology included in Table 1. The percentage change calculated for each index set forth in Table 1 shall be the change in the Annual Average of such index between the 12-month period ending on March 31 of the calendar year in which the RRI adjustment is to occur, and the preceding 12-month period, as contained in the most recent release of the source documents listed in Table 1. Therefore, the first RRI adjustment (to take effect on October 1, 2012) will be based on the percentage changes between the Annual Averages of the RRI indices for the 12 months ending March 31, 2012 and the Annual Averages of the RRI indices for the 12 months ending March 31, 2011. The change in each index will be multiplied by the weighted percentage factor calculated (as set forth under the heading "Financial Information" below) for each cost category based on the proportionate share of the total of the costs for all cost categories. In any year that the calculation of the RRI results in a negative number, the adjustment shall not be applied. Instead the negative RRI number shall be added to the result of the subsequent year's Maximum Service Rate adjustment calculation and the result shall be the Maximum Service Rate adjustment for that subsequent year.

Financial Information. On or before May 1, 2012, and each first, second or third year of each four year Rate Adjustment Cycle thereafter, CONTRACTOR shall deliver to COUNTY unaudited, internally prepared financial information showing all costs for the services performed under this Agreement for the twelve (12) month fiscal period ended on the preceding March 31, with the first such fiscal period being April 1, 2011 through March 31, 2012 (for the application to adjust Maximum Service Rates on October 1, 2012). The purpose of submitting such financial information shall be to determine the percentage weighting of each cost category set forth in Table 1. Accordingly, the financial information shall allocate such costs to cost categories as provided in Table 1 under the heading "RRI Financial Statement Format."

Failure to Submit. If CONTRACTOR fails to submit the application and financial information required above in the required format by the May 1<sup>st</sup> deadline, it is agreed that CONTRACTOR shall be deemed to have waived the RRI adjustment for that year. CONTRACTOR's failure to provide the application and financial information shall not preclude COUNTY from applying the RRI using the prior year's financial data, or pro forma data if no prior year financial data is

available, if that application would result in a negative RRI. Notwithstanding the foregoing, if CONTRACTOR's failure to submit the application and financial information is the result of extraordinary or unusual circumstances as demonstrated by CONTRACTOR to the satisfaction of the Contract Administrator, COUNTY, at its sole discretion, may consider the request for the RRI adjustment.

Rounding. Annual adjustments to Maximum Service Rates shall be made only in units of one cent (\$0.01). Fractions of less than one cent (\$0.01) shall be rounded to two (2) decimal places by rounding the third decimal. The weighted percentages for each cost category, referred to in item 2 of Table 1, shall be rounded to two (2) decimal places by rounding the third decimal. The indices set forth in Table 1 shall be rounded to four (4) decimal places for the adjustment calculations by rounding the fifth decimal. The percentage change in each cost category, referred to in item 4 of Table 1, shall be rounded to two (2) decimal places by rounding the third decimal. In each of the above cases, rounding shall be down if the decimal to be rounded, as set forth above, is five (5) or less and up if the decimal to be rounded, as set forth above, is six (6) or more.



## Table 1 RRI ADJUSTMENT METHODOLOGY

The "Refuse Rate Index" adjustment to the base service rate element shall be calculated in the following manner:

1. The expenses of providing Collection Services in the Service Area for the designated 12-month period ending March 31 shall be prepared in the format set forth in the Operating Cost Statement - Description on the following page of this Table.
2. The expenses of providing Collection Services in the Service Area shall be broken down into one of the following six cost categories: Labor; Fuel; Vehicle and Equipment Replacement; Vehicle and Equipment Maintenance, Disposal and All Other. Each cost category is assigned a weighted percentage factor, rounded as set forth above, based on that cost category's proportionate share of the total of the costs shown for all cost categories.
3. The following indices are used to calculate the adjustment for each cost category. The change in each index is calculated for the designated 12 month period ending March 31, in accordance with the terms of the Agreement. If any of the indices set forth below is discontinued, it shall be replaced with a comparable index that most closely approximates the discontinued index, as agreed to in writing by COUNTY.
4. The percentage weight for each cost category is multiplied by the percentage change in each appropriate index to calculate a weighted percentage change for each cost category, which is rounded as set forth above.
5. The weighted percentage changes for all the cost categories are added together, and the sum shall be the Refuse Rate Index. Each base service rate shall be adjusted by the Refuse Rate Index percentage.

| <u>Cost Category</u>                      | <u>Index</u>  |
|---|---|
| <b>Labor:</b>                             | Series ID CIU201S000000510I (B,H) Employment Cost Index not seasonally adjusted, total compensation, private industry, union, service providing industries (Bureau of Labor Statistics) (the "RRI Labor Index") |
| <b>Fuel:</b>                              | Energy Information Administration (U.S. Department of Energy) California #2 Diesel Fuel, Retail sales by all sellers. (DDR007)  |
| <b>Vehicle and Equipment Replacement:</b> | Series ID: wpu141301 Truck and Bus Bodies sold separately (Bureau of Labor Statistics)  |
| <b>Vehicle and Equipment Maintenance:</b> | Series ID: pcu333924333924 Parts & attachments for Industrial work trucks & tractors (Bureau of Labor Statistics)   |

**Table 1**  
**RRI ADJUSTMENT METHODOLOGY (CONTINUED)**

**Disposal:** Percentage change in the disposal rate (including any surcharge(s) which apply to RWMA jurisdictions but less any surcharge(s) which only apply to non-RWMA jurisdictions) payable by CONTRACTOR at the Disposal Facility. The percentage change shall be calculated by comparing the rate per ton as of April 1 of the year in which the application is submitted to the rate on April 1 of the previous year. The disposal rate shall be subject to the "most favored nation" clause set forth in Section II, Step 3 under the heading "Disposal and Green Waste Processing Expenses" below.

NOTE: For the Rate Year 2013 Refuse Rate Index adjustment comparison, if the disposal fee received by Nevada County is used relative to the "most favored nations" comparison, the following provisions will apply when determining the percent change. The Nevada County rate per ton as of April 1, 2011 will be increased by \$0.12 per ton for the disposal tipping fee increase requested in April 2011 for the State Water Quality Control Board annual fee; included in the RWMA member jurisdictions' Rate Year 2012 service rates; but, not approved by Nevada County as of April 1, 2011. The resulting Nevada County disposal fee of \$28.00 per ton (\$27.88 + \$0.12) will be the figure used for the disposal fee on April 1, 2011 for comparison with the disposal fee on April 1, 2012.

**All Other:** Series ID: cuurx400sa0 Consumer Price Index, All Urban Consumers, All Items, West-Size Class B/C (U.S. Department of Labor, Bureau of Labor Statistics) ("CPI").

**RRI Financial Statement Format**

**Operating Cost Statement - Description**

**Labor:** List all administrative, officer, operation and maintenance salary accounts (i.e., costs).

List payroll tax accounts, employee group medical and life insurance accounts and employee retirement or profit sharing accounts directly related to the above salary accounts.

List actual cost of Workers Compensation insurance.

**Fuel:** List all fuel costs.

**Vehicle and Equipment Replacement:** List all Collection and Collection related equipment depreciation accounts.

List all vehicle or equipment lease or rental accounts related to Collection, processing or transfer.

**Vehicle and Equipment  
Maintenance:**

List all Collection, processing or transfer equipment parts accounts.

**Disposal:**

List all disposal costs.

**All Other:**

List all other expense accounts related to the services provided under this Agreement. This category includes all other insurance including general liability, fire, truck damage, and extended coverage; rent on property, truck licenses and permits; real and personal property taxes; telephone and other utilities; employee uniforms; safety equipment; general yard repairs and maintenance; office supplies; postage; trade association dues and subscription; advertising; and miscellaneous other expenses.

Annual Notification. The Contract Administrator shall check the calculations in CONTRACTOR's application and shall promptly notify CONTRACTOR of any errors. If any such errors have occurred, CONTRACTOR shall have the opportunity to submit a corrected application. By July 15, 2012, and annually thereafter during the term of this Agreement, the Contract Administrator shall notify CONTRACTOR that the RRI adjustment to the Maximum Service Rates set forth in CONTRACTOR's application (as so corrected) shall become effective on the subsequent October 1<sup>st</sup>.

Rate Sheets. If there has been any change in the Maximum Service Rate sheet from that submitted by CONTRACTOR with its application, then by July 31, 2012, and annually thereafter during the term of this Agreement, CONTRACTOR shall provide rate sheets to COUNTY reflecting the revised RRI adjusted Maximum Service Rates to be adopted by COUNTY Board of Supervisors (or accepted by the delegated authority if COUNTY Board of Supervisors has made such a delegation by resolution) subsequent August 31<sup>st</sup> and become effective on the subsequent October 1<sup>st</sup>.

## DETAILED APPLICATION, REVIEW AND RATE ADJUSTMENT

Adjustments to Maximum Service Rates Using the Detailed Rate Review Process. Beginning on October 1, 2015, and October 1 of every fourth (4<sup>th</sup>) year thereafter during each four (4) year Rate Adjustment Cycle, CONTRACTOR shall, subject to compliance with all provisions of this Agreement, receive an adjustment in the base service rate element of all Maximum Service Rates as set forth in Exhibit 1 to this Agreement based on the results of a Detailed Rate Review as set forth in Section II of this Exhibit.

Submission of Detailed Application. On or before April 1 (or May 1, as provided below) of each calendar year in which an annual Detailed Rate Review adjustment is to occur, CONTRACTOR shall submit a Detailed Application as described in Section III of this Exhibit. It is the intent of all parties that in the Detailed Applications, CONTRACTOR shall not be required to include Collection Service information broken down by sub-category (i.e., SFD Collection Service, MFD Collection Service, County Collection Service, Commercial Collection Service and Construction and Demolition Debris Collection Service. However, if the Member Agency(ies) so request in advance, CONTRACTOR shall include such sub-category information, and in such event the Detailed Application shall be due on May 1 of the calendar year in which the Detailed Rate

Review is to occur. In addition to the information required to be included in the Detailed Application pursuant to Section II of this Exhibit, CONTRACTOR will provide all information reasonably requested by a Member Agency as part of its review of CONTRACTOR's Detailed Application, including, but not limited to, all information related to transactions between CONTRACTOR and any Related Party Entity.

Review of Application and Adjustment of Rates. Each Member Agency shall use its best efforts to complete its review of the Detailed Application and adopt any necessary adjustments to Maximum Service Rates by August 31 to become effective by October 1 of the same year the Detailed Application is submitted. However, the Member Agency shall not make any retroactive adjustments to compensate for any delay in adjusting Maximum Service Rates which results in whole or in part from: 1.) The failure of CONTRACTOR to submit its request by April 1 (May 1 for years in which Collection Service sub-category detail is requested), and/or, 2.) The failure of CONTRACTOR to reasonably cooperate with the requests of the Member Agency for information related to any of the calculations required by this Exhibit 2.

Delay in Adjustment. Should a Member Agency not set Maximum Service Rates by October 1 at no fault of CONTRACTOR, then the Member Agency shall make a retroactive adjustment sufficient to enable CONTRACTOR to recover the same additional amount as if Maximum Service Rates were adjusted October 1 of the Rate Year with an interest adjustment equal to the Wall Street Journal Prime Rate as of October 1 of the Rate Year for the period of recovery to compensate CONTRACTOR for the time value of money. Furthermore, if CONTRACTOR is at fault for any delay in the setting of Maximum Service Rates for a Rate Year in which the adjustment is determined to be negative (i.e., a reduction in Maximum Service Rates), then the same retroactive adjustment procedures shall be used to compensate the Member Agency for the time value of money.

## EXTRAORDINARY ADJUSTMENT

In the event of an extraordinary or unanticipated event not contemplated by the parties at the time of this Agreement (other than a Change in Law or a County-directed change, which are covered by Article 26 of this Agreement) which satisfies all of the following conditions: (i) would cause a change in the Total Operating Expenses, as reported in CONTRACTOR's most current audit report, of at least a) two and one half (2.5) percent if occurring in the first year of a Rate Adjustment Cycle, b) five (5) percent if occurring in the second year of a Rate Adjustment Cycle, c) seven and one half (7.5) percent if occurring in the third year of a Rate Adjustment Cycle, and d) ten (10) percent if occurring in the fourth year of a Rate Adjustment Cycle; (ii) could not reasonably have been foreseen by the party requesting the extraordinary adjustment; and (iii) by all reasonable expectations will continue for a period of at least six (6) months, then either party shall promptly notify the other party, and all other Member Agency(ies), of such party's intent to seek a Maximum Service Rate adjustment, and may thereafter submit a request for an extraordinary adjustment of Maximum Service Rates (an "Extraordinary Adjustment").

In such case, CONTRACTOR shall meet and confer with the Member Agency(ies) on whether CONTRACTOR shall prepare an application presenting the net impact on its Revenue Requirement (including any revenue impact), or a Detailed Application; the schedule for consideration of the Extraordinary Adjustment; and any consideration provided to either CONTRACTOR or the rate payers for the time required to process the Extraordinary Adjustment. In the event that CONTRACTOR and the Member Agency(ies) do not agree on the type of application, then CONTRACTOR shall prepare a Detailed Application. Each Member Agency shall review the accuracy of the submittal and prepare a Maximum Service Rate

adjustment recommendation to its Council or Board for consideration. Such adjustment to the Maximum Service Rates shall be sufficient to enable CONTRACTOR to recover its additional costs incurred from the event from the date the event commenced (or, in the case of an event that decreases CONTRACTOR's costs, to enable the ratepayers to recover the total decrease in CONTRACTOR's costs from the date the event commenced). No Extraordinary Adjustment shall be provided due to CONTRACTOR's use of any facility that is not approved by the applicable Member Agency.

## NON-RWMA ACTIVITY ADJUSTMENT

The Contract Administrator or the RWMA Administrator may, as a result of reviewing the information required to be provided by CONTRACTOR as set forth in Articles 18.03 and 18.04 of this Agreement, request an adjustment of Maximum Service Rates under this section (a "Non-RWMA Activity Adjustment") if CONTRACTOR engages in any activity as to which CONTRACTOR is required to provide notice under such sections (a "Non-RWMA Activity"). In addition, CONTRACTOR may request a Non-RWMA Activity Adjustment if the provision by CONTRACTOR of collection and other solid waste and recycling services to Beale Air Force Base, or the processing by CONTRACTOR through the Marysville Transfer Station of materials from Beale Air Force Base and the City of Oroville, ceases or materially changes through no fault of CONTRACTOR.

If a Non-RWMA Activity Adjustment is requested, CONTRACTOR shall meet and confer with the Member Agency(ies) on whether CONTRACTOR's application with respect thereto shall provide only additional details of the net impact of the Non-RWMA Activity or the ceased activity on its Revenue Requirement (including any revenue impact), or shall be a Detailed Application; the schedule for consideration of the Non-RWMA Activity Adjustment; and any consideration provided to the rate payers for the time required to process the Non-RWMA Activity Adjustment. In the event that CONTRACTOR and the Member Agency(ies) do not agree on the type of application, then CONTRACTOR shall prepare a Detailed Application. The Member Agency(ies) shall review the accuracy of the submittal and prepare a Maximum Service Rate adjustment recommendation to the Member Agency(ies') Council(s) or Board(s) for consideration. Such adjustment to the Maximum Service Rates shall be made to have the same net effect as if the Maximum Service Rates were adjusted as of the date the Non-RWMA Activity commenced or the ceased activity ceased. CONTRACTOR's application with respect to a Non-RWMA Activity Adjustment shall be considered at the same time as CONTRACTOR's next application for an annual adjustment of Maximum Service Rates.

## II. CALCULATION OF DETAILED RATE REVIEW - CONTRACTOR'S REVENUE REQUIREMENT AND MAXIMUM SERVICE RATE ADJUSTMENT

|                        |  |
|------------------------|--|
| <b>Responsibility:</b> | CONTRACTOR Prepares Initial Calculation for Review by Member Agency  |
| <b>Timing:</b>         | Performed During the Detailed Application Review and Maximum Service Rate Adjustment Process   |
| <b>Tasks:</b>          | <ul style="list-style-type: none"> <li>▪ Determine Actual Expenses (Prior Year)</li> <li>▪ Project CONTRACTOR Expenses (Current Year)</li> <li>▪ Forecast CONTRACTOR Expenses (Rate Year)</li> </ul> |

This Section II sets forth the Detailed Rate Review methodology for calculating Maximum Service Rate adjustments submitted in Detailed Rate Applications.

### COMPONENTS OF THE REVENUE REQUIREMENT

CONTRACTOR's Revenue Requirement shall be determined by calculating the sum of the following components:

1. Allowed Annual Costs of Operations
  - a. Labor Expense
  - b. Vehicle and Container Operating and Maintenance Expense
  - c. Transfer Station and MRF Operating Expense
  - d. Hazardous Waste Operating Expense (in excess of that paid for by the RWMA)
  - e. Liability Insurance
  - f. Recycling Purchases (from third parties) Expense
  - g. Other Operating Expense (e.g., special programs, etc.)
  - h. Depreciation and Other Fixed Costs
  - i. Lease Expense
  - j. General and Administrative Expense
  - k. Regulatory Fees and Other Regulatory Requirements to Comply with Laws (excluding Pass-Through Expenses)
  - l. Regional and Corporate Overhead and Other Corporate Charges (excluding charges and credits for community-specific and shared employees, which must be accounted for as labor expense)
  - m. Post Closure Expense as calculated under Step 2 – Adjustment of Actual Expenses and Step 3 – Forecasting Expenses below

2. Operating Margin as expressed in dollars
3. Pass-Through Expenses
4. Adjustments to the above operation costs for any Non-RWMA Activity not reported to the Contract Administrator and the RWMA Contract Administrator in the time and manner set forth in Articles 18.03 and 18.04 of this Agreement. The adjustments shall be set at an amount equal to 110% of the expenses for the duration of the Non-RWMA Activity from commencement to the last month of the year prior to the Detailed Rate Year.

The sum of these components shall equal CONTRACTOR's Revenue Requirement.

## DETERMINING THE REVENUE REQUIREMENT AND FORECASTED REVENUES FOR THE RATE YEAR

In order to determine the Revenue Requirement and forecasted revenues for the Rate Year, the following six steps are to be taken:

### Step 1 - Determine Actual Expenses

CONTRACTOR's audited financial statements including footnotes for the most recently completed fiscal year and CONTRACTOR-prepared supplemental schedules will be reviewed to determine CONTRACTOR's actual expenses by cost categories and Service Types (as described in 1.a.-l., 3. and 4. above) for the Prior Year.

### Step 2 - Adjustment of Actual Expenses

The actual expenses determined above shall be adjusted for each of the following:

#### **A. Non-Allowable Expenses**

Expenses that are non-allowable consist of the following:

- Promotional expense (unrelated to customer education or written request by the Member Agency(ies));
- Entertainment and travel expenses not pertaining to employee training programs or directly related to and necessary for the management of the franchise;
- Fines;
- Liquidated damages;
- Income taxes;
- Charitable or political donations;
- Long-term rental or lease charges for collection vehicles, containers and other equipment which exceed the inter-company rental charge or lease rate, and other adjustments set forth in the "Depreciation, Leases and Other Fixed Costs" provision below.
- Attorney's fees related to lawsuits by CONTRACTOR against the RWMA or its Member Agencies (unless CONTRACTOR is the prevailing party and awarded attorney's fees by the court. These expenses become allowed expenses only to the Member Agency(ies) involved in such lawsuit[s]);
- Goodwill;

- Regional and Corporate Overhead and Other Corporate Charges which exceed 0.76% and 6.09% respectively of Total Operating Expenses (not including Pass-Through Expenses).
- ESOP expenses which exceed 5% of wages and salaries. For example, for the fiscal year ending 9/30/98, ESOP expenses were \$673,977 and wages and salaries were \$3,117,675. This equaled 21.6% of wages and salaries while 5% would have been \$153,884. Therefore, \$520,093 (\$673,977 - \$153,884) would be non-allowable;
- CONTRACTOR's payments to the RWMA for charges invoiced for Yuba-Sutter Local Enforcement Agency expenses related to non-RWMA activities associated with the Ostrom Road Landfill;
- Road Maintenance Fees;
- Interest associated with corporate debt structuring; and
- Expenses related to Non-RWMA Member Regulated Activities.

#### **B. Un-Reasonable and Un-Necessary Expenses**

Actual allowable expenses shall be reduced to exclude any expenses which were not reasonably and necessarily incurred in the performance of the services provided in accordance with this Agreement.

#### **C. Other Expenses Allowed/Disallowed**

Additional expenses, not set forth in this Exhibit 2, may be allowed as part of CONTRACTOR's expenses when a Member Agency directs CONTRACTOR in writing to perform additional services or disallowed when CONTRACTOR incurs additional costs for which it has no written authorization.

### **Step 3 - Forecasting Expenses**

The allowable, reasonable and necessary expenses of operations for the Prior Year, and Current Year through December 31, will form the basis for forecasting the expenses associated with the Current Year (year-end) and the Rate Year. Each component of the Revenue Requirement, as set forth in the section "Revenue Requirement" above, shall be forecasted as follows:

*Vehicle and Container Operations and Maintenance; Transfer Station and MRF Operations; Hazardous Waste Operations; Recycling Purchases; Other Operating Expense; General and Administrative Expense; Regulatory Fees and Other Regulatory Requirements to Comply with Laws (excluding Pass-Through Expenses)*

These expenses will be projected for the Current Year, using Prior Year and Current Year actual data up through December 31 and CONTRACTOR's plans for the remainder of the Current Year and the Rate Year. The basis for calculating the current year-end total expense shall be fully explained in writing. The expenses for the Rate Year will be forecasted by adjusting the estimated expenses for the Current Year according to documented assumptions (e.g., governmental forecasts, budgeted anticipated increases [such as staff increases due to projected tonnage growth from RWMA Member jurisdictions], etc.).

#### **Labor Expense**

Labor Expense for the Rate Year shall be projected as set forth above, subject to the following limitations:



Workers Compensation Insurance expense for the Rate Year shall not exceed the average of actual Workers Compensation Insurance expense as documented in the audited financial statements in the three (3) Fiscal Years prior to the Current Year.

For all Labor Expense other than Workers Compensation Insurance expense, such Labor Expense for the Rate Year shall not exceed the total Labor Expense (other than Workers Compensation Insurance expense) for the Prior Year, multiplied by the rolling average of the RRI Labor Index for the Prior Years of all previous Rate Adjustment Cycles including Detailed Rate Review Years, and adjusted for any changes in the composition of CONTRACTOR's labor force (i.e., the number and type of employees). "Rolling average" means the average year-over-year percentage increase in the RRI Labor Index calculated using the Annual Averages of such index over 12-month periods ending on March 31. The ESOP portion of all labor expense shall be limited to 5% of wages and salaries as set forth in Step 2 A above.

#### *Liability Insurance Expense*

Liability Insurance expense for the Rate Year shall not exceed the total of the actual liability insurance expense for the Prior Year multiplied by the rolling average of the percentage change in the actual Liability Insurance expenses for the Prior Years of all rate cycles including Detailed Rate Review Years.

#### *Depreciation, Leases and Other Fixed Costs*

Depreciation expense for existing assets will be based on CONTRACTOR's audited financial statements and the related depreciation schedule. Depreciation expense for new assets will be calculated by dividing the actual asset expense by the number of years of its economic life.

Inter-company rental or lease costs will be determined by amortizing the actual acquisition cost, using the Wall Street Journal Prime Rate in effect at the time of acquisition, over ninety-six (96) monthly periods. The Wall Street Journal Prime Rate in effect on March 1st of the Current Year will be used to project leases for anticipated acquisitions in the Current Year and in the Rate Year. A "Projected Lease Expense Schedule" will be provided which lists the actual acquisition cost, the actual or anticipated lease start date, the applicable Wall Street Journal Prime Rate, the monthly lease cost and the anticipated total lease cost for the Rate Year for each leased item and anticipated Current Year and Rate Year acquisitions. Total lease costs for the Rate Year, as determined above, will be adjusted for the reconciliation of projected lease expenses against actual lease expenses from the prior Detailed Application to the last day of the Current Year using the following procedure:

- i. For leased items acquired since the prior Detailed Application, add total lease payment amounts from the actual lease start date(s) through the last month of the Current Year;
- ii. For leased items removed from the lease schedule since the prior Detailed Application, subtract the sum of the monthly lease payment amounts for each item multiplied by the number of months since the actual lease end date for each item and the last month of the Current Year;
- iii. For anticipated acquisitions on the prior Detailed Application "Projected Lease Expense Schedule" that were not actually acquired, subtract the lease amount included in the prior Detailed Application for the prior Detailed Rate Year and for each of the three indexed Rate Years through the Current Year;
- iv. For anticipated acquisitions on the prior Detailed Application "Projected Lease Expense Schedule" that were actually acquired, add or subtract as appropriate the difference between lease amount included in the prior Detailed Application for the prior

Detailed Rate Year and for each of the three indexed Rate Years through the Current Year and total lease payment amounts from the actual lease start date(s) through the last month of the Current Year;

- v. Total net value of the RRI adjustments for vehicle and equipment replacements in the three indexed Rate Years should be credited to CONTRACTOR or to the Base Service Rate Element, as appropriate;
- vi. Adjust the net of the above five factors to account for the four (4)-year Rate Adjustment Cycle; and,
- vii. Acquisitions added to the lease schedule costing \$25,000 or more per individual item require advance written authorization from the Contract Administrator (i.e. computer, printer, cart would not require advanced authorization).

#### *Fuel Expense*

Fuel expense shall be projected by multiplying the volume of RWMA Diesel fuel, agreed to between the RWMA and CONTRACTOR by the annual average of the RRI fuel index (Energy Information Administration (U.S. Department of Energy) California #2 Diesel Fuel, Retail sales by all sellers) for the twelve (12) month period beginning on April 1<sup>st</sup> of the Prior Year and ending on March 31<sup>st</sup> of the Current Year. The projected fuel expenses shall then be adjusted for the projected fuel tax rebate associated with off-road vehicles.

#### *Regional and Corporate Overhead and Other Corporate Expenses*

All regional and corporate overhead and other corporate charges (e.g., data processing) shall be identified. CONTRACTOR shall subtract from this amount all expenses not otherwise allowed under this agreement including, but not limited to, fines paid for failure to maintain regulatory compliance; settlements of legal actions over \$5,000; investor relations; mergers and acquisitions; and, corporate promotions. In addition, charges and credits for community-specific and shared employees must be accounted for as labor expenses and Regional and Corporate Overhead and Other Corporate Charges shall not exceed 0.76% and 6.09% respectively of Total Operating Expenses (not including Pass-Through Expenses).

#### *Post Closure Expense*

Post Closure Expense, which represents the unfunded portion of post closure expenses for CONTRACTOR's Marysville Landfill, shall be supported by a written agreement between CONTRACTOR and the Member Agencies describing the method for their calculation.

#### *Operating Margin*

The Operating Margin for each Rate Year shall be calculated by dividing the Rate Year's Allowed Annual Cost of Operations (defined as total allowable and reasonable and necessary expenses net of Pass-Through Expenses) by ninety percent (90%) and subtracting the Allowed Annual Costs of Operations for the Rate Year from the result.

#### *Pass-Through Expense*

Pass-Through Expenses for the Rate Year shall be calculated as the sum of the following items:

##### **A. Disposal and Green Waste Processing Expenses**

Disposal and Green Waste Processing Expenses for the Rate Year shall be calculated by multiplying the projected tonnage of Solid Waste and Green Waste to be disposed or processed from the Member Agencies at the Disposal Facility and the Organic Waste Processing Facility by the disposal and processing rates per ton for such facilities for the Rate Year.

To the extent the Member Agencies use the Ostrom Road Landfill for Disposal and Green Waste processing, the Disposal and Green Waste processing rates as determined by the Ostrom Road Landfill and charged to the Member Agency(ies) shall be the lower of the following rates:

- i) The Disposal or Green Waste processing rate per ton as determined by the Ostrom Road Landfill; or
- ii) The Disposal or Green Waste processing rate per ton, including any surcharge(s) which apply to RWMA jurisdictions but less any surcharge(s) which only apply to non-RWMA jurisdictions, that the Ostrom Road Landfill receives for Solid Waste Disposal or Green Waste processing, respectively, from a non-RWMA member (i.e., "most favored nation"), excluding any disposal or processing rate that the Ostrom Road Landfill may temporarily provide to a customer for a waste stream which is less than one year in duration.

#### **B. Franchise Fees**

The Franchise Fees for the Rate Year shall be calculated in accordance with the appropriate methodology for each Member Agency for the relevant fees using Rate Year values.

#### **C. Surcharge Fees**

Surcharge Fees for the Rate Year shall be calculated in accordance with the methodology established by the Member Agency(ies) and/or the RWMA using Rate Year values.

#### **D. Marysville Transfer Station Business License Fee**

Business License Fees assessed on the Marysville Transfer Station for the Rate Year using Rate Year values.

#### **E. Other Revenue-Driven Governmental Fees**

Any other government-mandated regulatory fees, charges or surcharges imposed on CONTRACTOR by any Member Agency, the RWMA or any other governmental authority, the amount of which is a function of CONTRACTOR's revenues, shall be forecasted in accordance with the methodologies for such fees, charges or surcharges using Rate Year values.

### ***Step 4 - Determine Actual Revenues***

CONTRACTOR's audited financial statements (including footnotes), for the most recently completed fiscal year, and CONTRACTOR-prepared supplemental schedules will be reviewed to determine CONTRACTOR's actual revenues by the revenue categories (as described in a. - j. below) for the Prior Year.

- a. SFD Collection Service<sup>3</sup>
- b. MFD Collection Service<sup>3</sup>
- c. County Collection Service<sup>3</sup>
- d. Commercial Collection Service (including multi-family bin service)<sup>3</sup>
- e. Construction and Demolition Debris Collection Service<sup>3</sup>

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<sup>3</sup> Unless requested by the Member Agency(ies), these categories shall be consolidated into "Collection Services," as provided above under the heading "Submission of Detailed Application."

- f. Diversion Programs (e.g., sale of diverted material & California Department of Resources Recycling and Recovery payments)
- g. Transfer Station and MRF Operations
- h. Hazardous Waste Operations (including revenue from the RWMA)
- i. Member Agency Specific Programs (e.g., street sweeping)
- j. Other Income

### **Step 5 - Adjustment of Actual Revenues**

The actual revenues determined above shall be adjusted for each of the following:

- Interest income
- Revenues associated with Non-RWMA Member Regulated Activities.

### **Step 6 - Forecasting Revenues**

The adjusted actual revenues from operations for the Prior Year, and Current Year through December 31, will form the basis for forecasting the revenues associated with the Current Year (year-end) and the Rate Year.

## **CALCULATING THE MAXIMUM SERVICE RATE ADJUSTMENT**

The sum of CONTRACTOR's forecasted Allowed Annual Cost of Operations, forecasted Operating Margin as expressed in dollars, and forecasted Pass-Through Expenses, shall equal CONTRACTOR's forecasted Revenue Requirement for the Rate Year.

Unless a separate agreement exists that provides the guidelines for handling Member Agency specific programs, revenues and expenses for programs that are Member Agency specific (e.g., Marysville Street Sweeping) shall be projected using the same methods described above and separately reported as shown on Attachment(s) 2A...2E...

The sum of CONTRACTOR's total forecasted revenues for the Rate Year shall be subtracted from CONTRACTOR's forecasted Revenue Requirement for the Rate Year. The difference will be divided by the total forecasted revenues for the Rate Year to determine the percentage adjustment to Maximum Service Rates.

## **MODIFICATION OF MAXIMUM SERVICE RATE STRUCTURE**

Each Member Agency reserves the right to adjust Maximum Service Rates in any manner so long as those maximums can reasonably be expected to enable CONTRACTOR to collect rate revenues in the amount of the forecasted Revenue Requirement for the Rate Year as determined by this Exhibit 2. If a Member Agency adopts a modified Maximum Service Rate structure (e.g., adjusting the relative Maximum Service Rate relationship among customer classes) that CONTRACTOR believes will not enable it to collect the forecasted Revenue Requirement for the Rate Year, then CONTRACTOR may submit a written protest to the Member Agency no later than five (5) workdays from the date on which the modified Maximum Service Rate structure was adopted.

Such written protest shall identify the basis for the protest including an estimate of the projected annual rate revenue shortfall and the manner in which the Maximum Service Rate structure

could be amended to eliminate the shortfall. The Member Agency shall have thirty (30) calendar days from the receipt of the written protest to repeal the protested action and adopt another Maximum Service Rate structure adequate to eliminate the shortfall. If the protested action is not amended, the protest shall remain an unresolved protest until the next Rate Year for which a Detailed Application is presented that includes actual revenue figures for the protested Rate Year. If the Member Agency amends a protested action within the allowed time period, that action is also subject to further protest according to the above procedures.

In the event of an unresolved protest of a modified Maximum Service Rate structure, then in the next Detailed Application submitted by CONTRACTOR, CONTRACTOR's Revenue Requirement for the applicable Rate Year shall be increased (or decreased) by an amount equal to the amount by which CONTRACTOR's actual rate revenues were less than (or in excess of) those that CONTRACTOR would have been able to collect had the Member Agency not adopted the modified Maximum Service Rate structure. Such deficit (or surplus) amount shall be calculated by comparing CONTRACTOR's forecasted Revenue Requirement for the protested Rate Year to the actual rate revenue received for that Rate Year as determined by the audited financial statements. The adjustment to CONTRACTOR's Revenue Requirement in the Detailed Application shall include an interest adjustment equal to the Wall Street Journal Prime Rate as of October 1 of the protested Rate Year for the period of recovery, to compensate CONTRACTOR or the Member Agency for the time value of money.

For example, if CONTRACTOR's forecasted Revenue Requirement for the protested Rate Year was \$2 million and the audited financial statement for that year showed \$1.9 million in actual rate revenues, then \$100,000 would be added to the Revenue Requirement for the Rate Year for which the Detailed Application is being submitted. Conversely, if the audited financial statements revealed the collection of \$2.1 million, then \$100,000 would be subtracted from the Revenue Requirement for the Rate Year for which the Detailed Application is being submitted.

Any protest of a modified Maximum Service Rate structure, and any resulting future Revenue Requirement adjustment, shall apply only to the Rate Year for which the protest was filed. However, CONTRACTOR may submit protests in accordance with these procedures for any and all years in which the Member Agency adopts or maintains a Maximum Service Rate structure that CONTRACTOR believes is inadequate to enable it to collect its Revenue Requirement as determined by this Exhibit 2.

### III. PREPARATION OF DETAILED APPLICATION

|                        |  |
|------------------------|--|
| <b>Responsibility:</b> | Prepared by CONTRACTOR   |
| <b>Timing:</b>         | Submitted No Later than April 1 of Every Fourth Year (e.g., 2015, 2019, etc.)  |
| <b>Tasks:</b>          | <ul style="list-style-type: none"><li>▪ Preparation of Audited Financial Statements</li><li>▪ Preparation of Management Representation Letter</li><li>▪ Preparation of Expense Projections</li><li>▪ Preparation of Supporting Documentation</li></ul> |

This Section III sets forth the contents of Detailed Applications.

#### REPORTING OF OPERATIONAL INFORMATION

CONTRACTOR shall submit Attachment 4 (Operational Data) which will contain data to be used during the Detailed Rate Review. Operational information shall be prepared for each Service Type and for the entire RWMA service area. The operational information to be provided shall be as of the preceding September 30 and shall include, but not be limited to, the following or its equivalent:

- Tonnage collected, disposed, recycled (sold, composted, and/or used as Alternate Daily Cover [ADC]);
- Number of accounts by frequency and type;
- Set-out rates for Diversion programs from quarterly surveys;
- Number of residential, commercial and diversion routes by route day equivalent;
- Number and type of vehicles; and
- Number of personnel (based on average full-time equivalents).

As part of preparing its Detailed Application, CONTRACTOR is encouraged to discuss with the Member Agencies any new operations (e.g., the phasing in of new programs) and how its current operations could be altered as a result.

Audited annual financial statements (including footnotes) for the Prior Year shall be submitted to the Member Agency(ies). The audited financial statements provide assurance that the financial records fairly present the financial results of CONTRACTOR's operations and serve as the underlying document for the Application. Should the financial statements include Non-RWMA Member Regulated Activities, CONTRACTOR will prepare a reconciling schedule of revenues and expenses contained in the Detailed Application to those contained in the audited financial statements.

#### PREPARATION OF MANAGEMENT REPRESENTATION LETTER

The Detailed Application shall include a management representation letter stating that:

- Management accepts responsibility for the Detailed Application;
- The Detailed Application is based upon management's best judgment of the most likely future conditions and management's planned course of action; and

- All significant information and documents relevant to the Maximum Service Rate adjustment process are available for review.

## PREPARATION OF REVENUE INFORMATION

As part of the Detailed Application, CONTRACTOR shall report revenue information for three years, the Prior Year (which shall be actual revenues), the Current Year (which shall combine actual revenue through December 31 and projected revenue for the remainder of the Current Year), and the Rate Year (which shall be projected revenues). Such actual and projected revenues shall be reported on Attachments 1... and 1A... (Attachments 1A-1...1A-3... which replace 1A will be provided when Collection Service sub-category detail is required), 1C... and 2A...2E... On Attachment 3, actual revenue for the Member Agency for the Prior Year and projected revenue for the Rate Year shall be reported in the following separate categories as appropriate:

- SFD Collection Service<sup>4</sup>
- MFD Collection Service<sup>4</sup>
- County Collection Service<sup>4</sup>
- Commercial Collection Service (including multi-family bin service)<sup>4</sup>
- Construction and Demolition Debris Collection Service<sup>4</sup>
- Diversion Programs (e.g., sale of diverted material & California Department of Resources Recycling and Recovery payments)
- Transfer Station and MRF Operations
- Hazardous Waste Operations (including revenue from the RWMA)
- Member Agency Specific Programs (e.g., street sweeping)
- Other Income

CONTRACTOR shall attribute actual and forecasted revenues between RWMA Member Regulated or Non-RWMA Member Regulated Activities and among Member Agencies. Revenues in the Current Year shall be projected (for the period from January 1 to September 30) giving full effect to Maximum Service Rate adjustments implemented or to be implemented part way through the Current Year. Rate revenue projections for the Current Year and Rate Year shall be prepared based on the Prior Year and Current Year trends through December 31<sup>st</sup>. As an indication of the reasonableness of the results, CONTRACTOR shall provide existing Maximum Service Rates and the current number of customers by size container and collection frequency as of preceding September 30 (see reporting of operational information requirements). CONTRACTOR shall describe variations among Prior Year, Current Year and Rate Year revenues. CONTRACTOR shall provide supporting documentation describing sources of Other Income.

## PREPARATION OF EXPENSE INFORMATION

Attachments 1 and 1A (Attachments 1A-1...1A-3... which replace 1A... will be provided when Collection Service sub-category detail is requested), 1C... and 2A...2E... are revenue and

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<sup>4</sup> Unless requested by the Member Agency(ies) these categories shall be consolidated into "Collection Services," as provided above under the heading "Submission of Detailed Application."

expense worksheets that are to be completed and included as part of the Detailed Application. CONTRACTOR shall submit revenue and expense information for a total of three rate years:

- Attachment 1 - Actual total revenue and expense information for the Prior Year estimated total revenue and expense information for the Current Year for shared Member Agencies activities (i.e., not Member Agency-specific), and projected total revenue and expenses for the Rate Year for shared Member Agencies activities;
- Attachments 1A...1C... – Actual revenue and expenses information for the Prior Year by Service Type, estimated revenue and expense information for the Current Year by Service Type for shared Member Agencies activities, and projected revenue and expenses for the Rate Year by Service Type for shared Member Agencies activities; and
- Attachments 2A...2E... - Actual revenue and expense information for the Prior Year for Member Agency specific programs, estimated revenue and expense information for the Current Year for Member Agency specific programs and projected revenue and expenses for the Rate Year for Member Agency specific programs. As of September 2011, Member Agency specific programs shall include Yuba City Sludge Hauling, Disposal and Drying. Additional Member Agency specific programs will be added, as necessary.

Attachment 1A... is a revenue and expense worksheet for Collection Services that is to be completed and included as part of the Detailed Application unless a request has been made by a Member Agency(ies) that Collection Service sub-category detail be provided on Attachments 1A-1 through 1A-3 which will replace 1A.

An overview of the expense projection methodology is included in Section II of this Exhibit 2. As part of these projections, in Detail Rate Years CONTRACTOR is required to prepare the following three variance analyses: (1) Comparing the actual Prior Year results with the estimated Current Year; (2) Comparing the Rate Year forecasts with the Current Year estimated results with explanations by expense line item for variances of 5% or \$5,000 whichever is greater (See Attachments 1, 1A...1C..., and 2A...2E...); and (3) Comparing the Rate Year projections from the previous Detailed Application to actual results for that same year, (Attachment 5).

CONTRACTOR is encouraged to identify in its Detailed Application, any areas where productivity improvements can decrease expenses. These improvements should be segregated from other expenses and supporting documentation should be provided.

## EXPENSE ASSIGNMENTS

Expenses are assigned in a three-step process. First, expenses are assigned to RWMA Member Regulated and Non-RWMA Member Regulated Activities (e.g., Beale AFB). Second, RWMA Member Regulated Activity expenses are assigned to Service Types as required. Third, expenses that are specific to a particular Member Agency shall be assigned either through direct attribution or allocation (e.g., Ponderosa Transfer Station to Yuba County and street sweeping to Marysville and Live Oak).

When CONTRACTOR cannot directly attribute an expense between a RWMA Member Regulated and Non-RWMA Member Regulated Activity, it will allocate these expenses. In addition, if an expense cannot be directly attributed to a specific RWMA Member Regulated Service Type, these expenses will be allocated.



The following describes the methodology to be used in allocating those expenses that cannot be directly assigned:

**A. Labor Expenses**

These expenses will be allocated based on the actual number of employees assigned to each Activity. For employees servicing multiple Activities or multiple Service Types, these expenses will be allocated based on subscription volumes.

**B. Truck and Container Operating and Maintenance Expenses**

These expenses will be allocated between Activities and among Service Types based on route days used to service that Activity and Service Type.

**C. Transfer and Disposal Expense**

For routes that do not overlap Activities, expenses shall be directly assigned between the Activities and Service Types based on actual tonnage. For routes that overlap Activities and Service Types, these expenses will be allocated based on the proportionate subscription volumes.

**D. Hazardous Waste Expense**

Hazardous waste expenses, which are not compensated for by the RWMA, shall be allocated based on Transfer and Disposal Expense by Activity and Service Type.

**E. Insurance Expense (Liability and Auto Premiums, and Deductibles)**

Insurance Expense will be allocated between Activities and Service Types based on Prior Year revenues.

**F. General and Administrative Expense**

General and Administrative expense will be allocated between Activities and among Service Types based on Prior Year revenues.

**G. Overhead Expense**

Corporate and regional overhead expense will be allocated between Activities and among Service Types based on Prior Year revenues.

**H. Fees**

Franchise Fees and Other Regulatory Fees will be directly assigned to each Activity and allocated among Service Types based on forecasted Rate Year revenue.

**I. Other Expenses**

Other expenses will be allocated between Activities and among Service Types based on Prior Year revenue.

The above allocation methods are subject to future review and refinement by CONTRACTOR and the Member Agencies. If alternative allocation methods are identified to provide better accountability, then CONTRACTOR and the Member Agencies shall meet to discuss the alternative methods and amend the above method in writing.

## **PREPARATION OF SUPPORTING DOCUMENTATION**

CONTRACTOR will be expected to provide upon request, supporting documentation for all revenue and expense categories. For each such expense, CONTRACTOR must make

appropriate supporting documentation available to the Member Agency during the Detailed Application review process. Typical supporting documents that should be provided/made available include, but are not limited to:

- Audited Financial Statements for the Most Recently Completed Fiscal Year (including footnotes and reconciling schedule)
- Labor Agreements
- Access to General Ledger
- Company's Internal Income Statements
- Accounts Payable Records
- Purchase Orders/Invoices/Cash Receipts
- Payroll Records/Timecards/Payroll Tax Documents
- Dump Tickets (transfer, disposal and processing)/Monthly Disposal Reports
- Recyclable Material and Green Waste Processing/Invoices

The Member Agency may request other information, based on unusual or unexpected variances in expenses and revenues.

## IV. REVIEW OF DETAILED APPLICATION

|                        |  |
|------------------------|--|
| <b>Responsibility:</b> | Member Agency  |
| <b>Timing:</b>         | Completed No Later than the end of June  |
| <b>Tasks:</b>          | <ul style="list-style-type: none"><li>▪ Verify Completeness of Application</li><li>▪ Perform Detailed Review</li></ul> |

### VERIFICATION OF COMPLETENESS OF DETAILED APPLICATION

#### A. Overview

The Member Agency shall ensure that the Detailed Application has been submitted and that the data is provided in a manner consistent with this Exhibit 2. The Member Agency shall request, in writing, from CONTRACTOR, any missing information necessary to complete the Detailed Application. The Member Agency shall participate in meetings with CONTRACTOR to discuss the Application.

#### B. Compliance Review

The Member Agency should review the Application to determine if it is complete and ready for analysis. The Member Agency shall determine:

- Whether CONTRACTOR included all required forms and financial statements.
- Whether all forms are complete.
- Whether all calculations are mathematically correct.

#### C. Verify Operations

The Member Agency should review the operating statistics provided by CONTRACTOR to gain an understanding of trends as they relate to revenue and expense projections. The Member Agency should investigate unusual trends to determine their cause and effect on future revenues and expenses. This step is critical to ascertaining the reasonableness of projected expenses because it places these expenses in the context of the actual services being provided.

The Member Agency shall perform an on-site review of CONTRACTOR's operations to verify vehicle types, numbers of personnel, and operations, and compare and contrast Current Year and Rate Year operations to CONTRACTOR's Prior Year operations.

#### D. Verify Supporting Documents and Schedules

Various documents will be included in the Application to support the Revenue Requirement calculation. The purpose of each supporting document shall be clearly identified by CONTRACTOR and any missing supporting information will be requested by the Member Agency from CONTRACTOR.

#### E. Notify CONTRACTOR

If the Application is incomplete, the Member Agency will request, in writing, from CONTRACTOR the necessary additional information. Upon its receipt, the Member Agency will notify CONTRACTOR that the Application is complete.

## DETAILED REVIEW OF MAXIMUM SERVICE RATE ADJUSTMENT APPLICATION

CONTRACTOR is entitled to recover actual, reasonable and necessary expenses that are incurred in servicing the RWMA Member Regulated Activities and earn a reasonable operating margin. The Maximum Service Rate review process is intended to allow the Member Agency to determine whether the expenses set forth in CONTRACTOR's Detailed Application meet this "actual, reasonable and necessary" standard.

### Application Review Process

The Member Agency will take the following steps during its review of CONTRACTOR's Application:

#### **A. Rate Application Reconciliation**

Test CONTRACTOR's reconciliation of the Prior Year actual results contained in the Detailed Application to CONTRACTOR's audited financial statements.

#### **B. Projections**

Review CONTRACTOR's documented assumptions used in preparing the estimates and forecasts of revenues and expenses and the support for those assumptions for reasonableness. This could involve reviewing historical trends (i.e., growth in customer base or changes in subscription levels), management's plans for new or revised diversion programs or collection methodologies, and governmental indices (e.g., the CPI). The Member Agency should also ensure that these assumptions are consistently applied (e.g., if collection expenses are projected to increase due to growth in the number of customers, revenue should also be increased to reflect the additional rate revenue generated by these customers).

#### **C. Review of Revenues**

Review Prior Year, Current Year and Rate Year revenues for reasonableness. Any unusual trend will be identified and reasonable explanations obtained from CONTRACTOR's management. Any adjustments to CONTRACTOR's reported Prior Year, Current Year or Rate Year revenues will be documented and discussed with CONTRACTOR's management.

#### **D. Review of Expenses**

Based on CONTRACTOR's audited financial statements provided in accordance with these guidelines, review historical expenses to determine that they are necessary and reasonable. The Member Agency shall select a judgmental sample of expense transactions from the Prior Year or Current Year for testing. The selected transactions should be tested by reviewing supporting documents (e.g., invoices, time cards, dump tickets, recyclable processing invoices, etc.) for reasonableness of amount and necessity for the provision of service. CONTRACTOR will assemble the source documents related to the selected transactions for the Member Agency's review.

Also, review expense account amounts from year to year (including projected information) and obtain explanations for significant variances from CONTRACTOR management. Expense variations will be correlated for reasonableness with the revenues and operating statistics contained in the Detailed Application. (For example, the Member Agency may wish to correlate changes in the numbers of route personnel to customer counts and disposal volumes.) Any adjustments to CONTRACTOR's Prior Year, Current Year or Rate Year expenses shall be documented and discussed with CONTRACTOR's management.

#### **E. Calculation of Operating Margin**

Following the adjustment of allowed expenses resulting from the review, the operating ratio will be calculated in accordance with Section II.

#### **F. Review of Assignment of Revenues and Expenses**

Review the assignment of revenues and expenses between RWMA Member Regulated and Non-RWMA Member Regulated Activities and among Service Types. The Member Agency should compare the basis for the assignment to those established in this Exhibit 2 to ensure that they are consistently applied. The Member Agency shall also review the support for the direct attribution of revenues and expenses as well as the statistics underlying the allocation of expenses to identify any unusual or inconsistent trends and to ensure that they are being accumulated and calculated correctly. The Member Agency should review and test the underlying reports and management systems used to generate these allocation statistics to ensure that the data is consistently recorded and reported.

## V. PREPARATION AND REVIEW OF DETAILED RATE REVIEW REPORTS

|                        |  |
|------------------------|--|
| <b>Responsibility:</b> | Member Agency Prepares Reports<br>Member Agency, CONTRACTOR and Public Review Reports  |
| <b>Timing:</b>         | July-August Board Meeting  |
| <b>Tasks:</b>          | <ul style="list-style-type: none"> <li>▪ Prepare 1<sup>st</sup> Draft Report</li> <li>▪ Prepare 2<sup>nd</sup> Draft Report</li> <li>▪ Prepare Final Report</li> </ul> |

The reporting of the Detailed Rate Review findings by the Member Agency will be conducted in a manner that will allow for maximum input from the Member Agency staff, CONTRACTOR and the public.

### REPORT CONTENTS

The results of the Detailed Rate Review shall be summarized by the Member Agency in a draft report, which shall include:

- An Executive Summary;
- A summary of CONTRACTOR's Application;
- A description of and the basis for all recommended adjustments to CONTRACTOR's Application;
- Adjusted revenue projections;
- Adjusted expense projections;
- Calculated operating margin;
- Pass-Through Expense projections;
- Calculation of Revenue Requirement;
- Anticipated surplus/shortfall;
- Calculation of the required adjustment to the then-current Maximum Service Rates for the Rate Year stated as a percent;
- A discussion of outstanding issues for Member Agency consideration.

Unless otherwise directed by the Member Agency, all Maximum Service Rate adjustment calculations shall assume that the Current Year Maximum Service Rate structure will remain the same.

### DRAFT REPORTS

The Member Agency shall distribute a draft report for review by CONTRACTOR (the 1<sup>st</sup> Draft Report). Thereafter, a 2<sup>nd</sup> Draft Report will be prepared for the Member Agency and the public, reflecting any appropriate adjustments to the 1<sup>st</sup> Draft Report identified by CONTRACTOR. The 2<sup>nd</sup> Draft Report should be distributed by mid-June. All comments on the 2<sup>nd</sup> Draft Report should be submitted to the Member Agency, in writing, by late June. As appropriate, the Member Agency shall incorporate written comments and be prepared to issue its final report by mid-July.

## FINAL REPORT

The Final Report should incorporate comments, as appropriate, and be prepared in a timely manner so as to be included on the agenda for the August Member Agency meeting. At that meeting, the Member Agency will obtain any other public comments and use the report as a basis for adjusting Maximum Service Rates.

**Total Income and Expense Data and Variance Analysis**  
**Attachment 1**

|   | FY 2008          | Member Agency<br>Specific Programs<br>and Non-RVMA | Excluded<br>Revenues /<br>Expenses | FY 2008<br>Adjusted<br>Prior Year | Adjustments   | Escalation    | FY 2009<br>Current Year<br>Projection | %<br>Var | Adjustments    | Escalation    | FY 2010<br>Rate Year<br>Projection | %<br>Var  |
|---|------------------|--|------------------------------------|-----------------------------------|---------------|---------------|---------------------------------------|----------|----------------|---------------|------------------------------------|-----------|
| <b>Revenues</b>                           |                  |  |                                    |                                   |               |               |                                       |          |                |               |                                    |           |
| Collection Revenue                        | \$24,802,223 (1) | (\$1,025,751) (2)                                  |                                    | \$23,776,472                      | \$592,713     |               | \$24,669,185                          | 2.5      | (3)            |               | \$24,669,185                       |           |
| Member Agency Specific Programs           | 633,787 (1)      | (633,787) (2)                                      |                                    | 3,606,329                         | (1,771,926)   |               | 1,834,403                             | (49.1)   | (4)            |               | 1,834,403                          |           |
| Sale of Diverted Material & DOC Payments  | 4,347,450 (1)    | (\$741,121) (2)                                    |                                    | 1,753,089                         | (173,407)     |               | 1,579,682                             | (9.9)    | (5)            |               | 1,579,682                          |           |
| Transfer Station Operations               | 1,753,089 (1)    |  |                                    | 0                                 |               |               | 0                                     |          |                |               | 0                                  |           |
| Other Income                              | 13,470 (1)       | (7,262) (2)  | (6,208) (6)                        |                                   |               |               |                                       |          |                |               |                                    |           |
| Total Revenue                             | \$31,550,019     | (\$2,407,921)                                      | (\$6,208)                          | \$29,135,890                      | (\$1,352,620) |               | \$27,783,270                          | (4.6)    |                |               | \$27,783,270                       |           |
| <b>Operating Expense</b>                  |                  |  |                                    |                                   |               |               |                                       |          |                |               |                                    |           |
| Labor and Related Expense                 | \$10,148,311     | (\$348,989) (2)                                    |                                    | \$9,799,322                       | (\$90,052)    | \$328,815 (8) | \$10,038,085                          | 2.4      |                | \$603,912 (8) | \$10,641,997                       | 6.0       |
| Truck and Container Expense               | 3,642,490        | (10,089) (2)                                       |                                    | 3,632,401                         | (687,246)     |               | 2,945,155                             | (18.9)   |                |               | 3,047,862                          | 3.5       |
| Truck and Container Dept. Allocation      |                  | (198,830) (2)                                      |                                    |                                   | 24,087        |               | (174,743)                             | (12.1)   |                |               | (182,458)                          | 4.4       |
| Insurance Expense                         | 630,917          | (1,041) (2)  |                                    | 629,876                           |               |               | 629,876                               |          |                |               | 629,876                            |           |
| Equipment Lease                           | 3,189,445        | (136,628) (2)                                      | 201,791 (11)                       | 3,254,608                         | (133,706)     |               | 3,100,902                             | (4.7)    | (908,212) (11) |               | 2,192,690                          | (29.3)    |
| Depreciation                              | 382,881          | (2,313) (2)  | (31,677) (12)                      | 348,890                           | 18,096        |               | 366,986                               | 5.2      | (2,606) (12)   |               | 364,380                            | (0.7)     |
| Amortization                              |                  |  |                                    |                                   | (12)          |               |                                       |          |                |               |                                    |           |
| Recycling Material Purchases              | 653,086          | (15,674) (2)                                       |                                    | 637,412                           |               |               | 591,616                               | (7.2)    |                |               | 591,616                            |           |
| Transfer Station / MRF Operation          | 215,282          | (489) (2)  |                                    | 214,793                           | 12,073        |               | 214,793                               |          | (25,168) (14)  |               | 214,793                            | 4.5       |
| Transfer Station / MRF Dept. Allocation   |                  | (573,660) (2)                                      |                                    |                                   |               |               | (561,587)                             | (2.1)    |                |               | (586,755)                          |           |
| Hazardous Waste Operations                | 8,873            | (8,873) (2)  |                                    |                                   |               |               |                                       |          |                |               |                                    |           |
| Other Operating Expense                   | (132,993)        | 598,466 (2)  |                                    | 465,473                           | 20,574        |               | 486,047                               | 4.4      | 20,574 (15)    |               | 506,621                            | 4.2       |
| General & Administrative                  | 1,433,091        | (7,304) (2)  | (152,857) (16)                     | 1,272,930                         | 29,725        |               | 1,302,655                             | 2.3      | 6,115 (16)     |               | 1,308,770                          | 0.5       |
| General & Administrative Dept. Allocation |                  | (170,525) (2)                                      |                                    |                                   | (3,169)       |               | (4,235)                               | (1.9)    | (4,235) (17)   |               | (177,929)                          | 2.4       |
| Regional & Corporate Overhead/Charges     | 1,276,185        | (101,509) (2)                                      |                                    | 1,174,676                         | (6,782)       |               | 1,167,894                             | (0.6)    | 35,037 (18)    |               | 1,202,931                          | 3.0       |
| Regulatory (non pass-through)             | 1,212,905        | (156,149) (2)                                      | (324,367) (19)                     | 732,389                           | (49,167)      |               | 683,222                               | (6.7)    | 168,884 (19)   |               | 852,106                            | 24.7      |
| Total Operating Expense                   | \$22,660,474     | (\$1,133,607)                                      | (\$307,111)                        | \$21,219,756                      | (\$931,364)   | \$328,815     | \$20,617,207                          | (2.8)    | (\$614,619)    | \$603,912     | \$20,606,500                       | (0.1)     |
| Operating Margin @ 90%                    |                  |  |                                    |                                   |               |               |                                       |          |                |               |                                    | 2,289,610 |
| <b>Pass-through Expense</b>               |                  |  |                                    |                                   |               |               |                                       |          |                |               |                                    |           |
| Disposal - Ostrom Road LF                 | \$3,646,664      | (\$32,195) (2)                                     |                                    | \$3,614,468                       | (\$168,507)   |               | \$3,445,961                           | (4.7)    | \$103,368 (20) |               | \$3,549,329                        | 3.0       |
| Green Waste Processing - Ostrom Road LF   | 123,129          |  |                                    | 123,129                           | (21,495)      |               | 101,634                               | (17.5)   | 3,030 (21)     |               | 104,664                            | 3.0       |
| Regulatory Fees (pass-through)            | 403,019          |  |                                    | 403,019                           | 13,340        |               | 416,359                               | 3.3      | (416,359) (22) |               |                                    | (100.0)   |
| Member Agency Fees (pass-through)         |                  |  |                                    |                                   | (22)          |               |                                       |          | (774) (23)     |               |                                    |           |
| Franchise Fees                            | 1,239,455        | (49,970) (2)                                       |                                    | 1,189,485                         |               |               | 1,218,459                             | 2.4      |                |               | 1,217,685                          | (0.1)     |
| Total Pass-through Expense                | \$5,412,267      | (\$82,165)   |                                    | \$5,330,102                       | (\$147,689)   |               | \$5,182,413                           | (2.8)    | (\$310,735)    |               | \$4,871,678                        | (6.0)     |
| Total Revenue Requirement                 |                  |  |                                    |                                   |               |               |                                       |          |                |               | \$27,767,788                       |           |
| Rate Year Shortfall/(Surplus)             |                  |  |                                    |                                   |               |               |                                       |          |                |               | (\$15,482)                         |           |
| Required Revenue Adjustments %            |                  |  |                                    |                                   |               |               |                                       |          |                |               | -0.06% (24)                        |           |

**Illustration only - not intended to represent actual results of a detailed review.**



**Service Type Income and Expense Data and Variance Analysis**  
**Refuse Collection Services**  
**Attachment 1A**

|   | FY 2008             | Excluded Revenues / Expenses | Allocations         | FY 2008 Adjusted Prior Year | Adjustments        | Escalation      | FY 2009 Current Year Projection | % Var        | Adjustments        | Escalation       | FY 2010 Rate Year Projection | % Var         |
|---|---------------------|------------------------------|---------------------|-----------------------------|--------------------|-----------------|---------------------------------|--------------|--------------------|------------------|------------------------------|---------------|
| <b>Revenues</b>                           |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Collection Revenue                        | Prior Year          |                              |                     | Prior Year                  |                    |                 |                                 |              |                    |                  |                              |               |
| Member Agency Specific Programs           | \$23,776,472        |                              |                     | \$23,776,472                | \$592,713 (3)      |                 | \$24,369,185                    | 2.5          |                    |                  | \$24,369,185                 |               |
| Sale of Diverted Material & DOC Payments  |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Transfer Station Operations               |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Other Income                              | 6,183               | (6,183) (6)                  |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Total Revenue                             | <u>\$23,782,655</u> | <u>(\$6,183)</u>             |                     | <u>\$23,776,472</u>         | <u>\$592,713</u>   |                 | <u>\$24,369,185</u>             | <u>2.5</u>   |                    |                  | <u>\$24,369,185</u>          |               |
| <b>Operating Expense</b>                  |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Labor and Related Expense                 | \$2,616,912         |                              |                     | \$2,616,912                 | (\$15,556) (7)     | \$77,145 (8)    | \$2,678,501                     | 2.4          |                    | \$166,055 (8)    | \$2,844,556                  | 6.2           |
| Truck and Container Expense               | 126,998             |                              |                     | 126,998                     | (266,343) (10)     |                 | 126,998                         |              |                    |                  | 126,998                      |               |
| Truck and Container Dept. Allocation      |                     |                              | 2,309,489 (11)      | 2,309,489                   |                    |                 | 2,043,146                       | (11.5)       | 90,213 (10)        |                  | 2,133,359                    | 4.4           |
| Insurance Expense                         |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Equipment Lease                           | 2,106,641           | 35,629 (11)                  |                     | 2,142,270                   | (69,398) (11)      |                 | 2,072,872                       | (3.2)        | (559,935) (11)     |                  | 1,512,937                    | (27.0)        |
| Depreciation                              |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Amortization                              |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Recycling Material Purchases              |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Transfer Station / MRF Operation          |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Transfer Station / MRF Dept. Allocation   |                     |                              | 7,687,568 (17)      | 7,687,568                   | (252,935) (14)     |                 | 7,434,633                       | (3.3)        | 71,452 (14)        |                  | 7,506,085                    | 1.0           |
| Hazardous Waste Operations                |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Other Operating Expense                   | 145                 |                              |                     | 145                         | 1 (15)             |                 | 146                             | 0.7          | 1 (15)             |                  | 147                          | 0.7           |
| General & Administrative                  | 80,996              |                              |                     | 80,996                      |                    |                 | 80,996                          |              |                    |                  | 80,996                       |               |
| General & Administrative Dept. Allocation |                     |                              | 3,274,882 (18)      | 3,274,882                   | 347,235 (17)       |                 | 3,622,117                       | 10.6         | 88,314 (17)        |                  | 3,710,431                    | 2.4           |
| Regional & Corporate Overhead/Charges     |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Regulatory (non pass-through)             |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Total Operating Expense                   | <u>\$4,931,692</u>  | <u>\$35,629</u>              | <u>\$13,271,939</u> | <u>\$18,239,260</u>         | <u>(\$256,996)</u> | <u>\$77,145</u> | <u>\$18,059,409</u>             | <u>(1.0)</u> | <u>42,210 (19)</u> | <u>\$166,055</u> | <u>\$17,957,719</u>          | <u>(0.6)</u>  |
| Operating Margin @ 90%                    |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  | 1,995,302                    |               |
| <b>Pass-through Expense</b>               |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Disposal - Ostrom Road LF                 | \$120,192           |                              |                     | \$120,192                   | (\$11,519) (20)    |                 | \$108,673                       | (9.6)        | \$3,259 (20)       |                  | \$111,932                    | 3.0           |
| Green Waste Processing - Ostrom Road LF   |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Regulatory Fees (pass-through)            | 403,019             |                              |                     | 403,019                     | 13,340 (22)        |                 | 416,359                         | 3.3          | (416,359) (22)     |                  |                              | (100.0)       |
| Member Agency Fees (pass-through)         |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Franchise Fees                            | 1,189,485           |                              |                     | 1,189,485                   | 28,974 (23)        |                 | 1,218,459                       | 2.4          | (774) (23)         |                  | 1,217,685                    | (0.1)         |
| Total Pass-through Expense                | <u>\$1,712,696</u>  |                              |                     | <u>\$1,712,696</u>          | <u>\$30,796</u>    |                 | <u>\$1,743,491</u>              | <u>1.8</u>   | <u>(\$413,874)</u> |                  | <u>\$1,329,617</u>           | <u>(23.7)</u> |
|   |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  | <u>\$21,282,638</u>          |               |
| Total Revenue Requirement                 |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
| Rate Year Shortfall/(Surplus)             |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  |                              |               |
|   |                     |                              |                     |                             |                    |                 |                                 |              |                    |                  | <u>(\$3,086,547)</u>         |               |

**Illustration only - not intended to represent actual results of a detailed review.**

**Service Type Income and Expense Data and Variance Analysis**  
**Recycling**  
**Attachment 1B**

|   | FY 2008     | Excluded Revenues / Expenses | Allocations    | FY 2008 Adjusted Prior Year | Adjustments     | Escalation   | FY 2009 Current Year Projection | % Var  | Adjustments    | Escalation    | FY 2010 Rate Year Projection | % Var  |
|---|-------------|------------------------------|----------------|-----------------------------|-----------------|--------------|---------------------------------|--------|----------------|---------------|------------------------------|--------|
| <b>Revenues</b>                           |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Collection Revenue                        |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Member Agency Specific Programs           |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Sale of Diverted Material & DOC Payments  | 3,606,329   |                              |                | 3,606,329                   | (1,771,926) (4) |              | 1,834,403                       | (49.1) |                |               | 1,834,403                    |        |
| Transfer Station Operations               |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Other Income                              |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Total Revenue                             | \$3,606,329 |                              |                | \$3,606,329                 | (\$1,771,926)   |              | \$1,834,403                     | (49.1) |                |               | \$1,834,403                  |        |
| <b>Operating Expense</b>                  |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Labor and Related Expense                 | \$1,700,110 |                              |                | \$1,700,110                 |                 | \$60,347 (8) | \$1,760,457                     | 3.5    |                | \$108,081 (8) | \$1,868,538                  | 6.1    |
| Truck and Container Expense               | 13,815      |                              |                | 13,815                      |                 |              | 13,815                          |        |                |               | 13,815                       |        |
| Truck and Container Dept. Allocation      |             |                              | 1,315,338 (11) | 1,315,338                   | (141,425) (10)  |              | 1,173,913                       | (10.8) | 51,833 (10)    |               | 1,225,746                    | 4.4    |
| Insurance Expense                         |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Equipment Lease                           | 378,611     | 56,112 (11)                  |                | 434,723                     | (62,104) (11)   |              | 372,619                         | (14.3) | (171,518) (11) |               | 201,101                      | (46.0) |
| Depreciation                              | 2,061       |                              |                | 2,061                       | (4) (12)        |              | 2,057                           | (0.2)  |                |               | 2,057                        |        |
| Amortization                              |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Recycling Material Purchases              |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Transfer Station / MRF Operation          | 637,412     |                              |                | 637,412                     | (45,796) (13)   |              | 591,616                         | (7.2)  |                |               | 591,616                      |        |
| Hazardous Waste Operations                |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Other Operating Expense                   | 86,750      |                              |                | 86,750                      | 494 (15)        |              | 87,244                          | 0.6    | 494 (15)       |               | 87,738                       | 0.6    |
| General & Administrative                  | 64,466      |                              |                | 64,466                      |                 |              | 64,466                          |        |                |               | 64,466                       |        |
| General & Administrative Dept. Allocation |             |                              | 496,722 (18)   | 496,722                     | (224,065) (17)  |              | 272,657                         | (45.1) | 6,648 (17)     |               | 279,305                      | 2.4    |
| Regional & Corporate Overhead/Charges     | 93,415      |                              |                | 93,415                      | (15,221) (18)   |              | 78,194                          | (16.3) | 2,346 (18)     |               | 80,540                       |        |
| Regulatory (non pass-through)             |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Total Operating Expense                   | \$2,976,641 | \$56,112                     | \$1,812,060    | \$4,844,813                 | (\$488,122)     | \$60,347     | \$4,417,039                     | (8.8)  | (\$110,197)    | \$108,081     | \$4,414,923                  | (0.0)  |
| Operating Margin @ 90%                    |             |                              |                |                             |                 |              |                                 |        |                |               | 490,547                      |        |
| <b>Pass-through Expense</b>               |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Disposal - Ostrom Road LF                 |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Green Waste Processing - Ostrom Road LF   |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Regulatory Fees (pass-through)            |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Member Agency Fees (pass-through)         |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Franchise Fees                            |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Total Pass-through Expense                |             |                              |                |                             |                 |              |                                 |        |                |               |                              |        |
| Total Revenue Requirement                 |             |                              |                |                             |                 |              |                                 |        |                |               | \$4,905,470                  |        |
| Rate Year Shortfall/(Surplus)             |             |                              |                |                             |                 |              |                                 |        |                |               | \$3,071,067                  |        |

**Illustration only - not intended to represent actual results of a detailed review.**

**Service Type Income and Expense Data and Variance Analysis Transfer**  
**Station & MRF Operations**  
**Attachment 1C**

|   | FY 2008     |                              | FY 2008             |                  | FY 2009                 |        | FY 2010        |                      |
|---|-------------|------------------------------|---------------------|------------------|-------------------------|--------|----------------|----------------------|
|   | Prior Year  | Excluded Revenues / Expenses | Adjusted Prior Year | Adjustments      | Current Year Projection | % Var  | Adjustments    | Rate Year Projection |
| <b>Revenues</b>                           |             |                              |                     |                  |                         |        |                |                      |
| Collection Revenue                        | 1,753,089   | (25) (6)                     | 1,753,089           | (173,407) (5)    | 1,579,682               | (9.9)  |                | 1,579,682            |
| Member Agency Specific Programs           | 25          |                              |                     |                  |                         |        |                |                      |
| Sale of Diverted Material & DOC Payments  | 1,753,114   | (\$25)                       | \$1,753,089         | (\$173,407)      | \$1,579,682             | (9.9)  |                | \$1,579,682          |
| Transfer Station Operations               |             |                              |                     |                  |                         |        |                |                      |
| Other Income                              |             |                              |                     |                  |                         |        |                |                      |
| Total Revenue                             |             |                              |                     |                  |                         |        |                |                      |
| <b>Operating Expense</b>                  |             |                              |                     |                  |                         |        |                |                      |
| Labor and Related Expense                 | \$2,861,030 |                              | \$2,861,030         | (\$74,496) (7)   | \$2,878,352             | 0.6    |                | \$3,060,271          |
| Truck and Container Expense               | 25,703      |                              | 25,703              | (185,770) (10)   | 25,703                  | (14.6) |                | 25,703               |
| Truck and Container Dept. Allocation      |             |                              | 1,274,552           | (185,770) (10)   | 1,088,782               | (14.6) | 48,074 (10)    | 1,136,856            |
| Insurance Expense                         | 490,668     | 96,916 (11)                  | 587,584             | (35,096) (11)    | 552,488                 | (6.0)  | (173,486) (11) | 379,002              |
| Equipment Lease                           | 293,854     | (31,677) (12)                | 262,177             | 10,749 (12)      | 272,926                 | 4.1    |                | 272,926              |
| Depreciation                              |             |                              |                     |                  |                         |        |                |                      |
| Amortization                              |             |                              |                     |                  |                         |        |                |                      |
| Recycling Material Purchases              |             |                              |                     |                  |                         |        |                |                      |
| Transfer Station / MRF Operation          | 214,793     |                              | 214,793             |                  | 214,793                 |        |                | 214,793              |
| Transfer Station / MRF Dept. Allocation   |             |                              | (8,261,228) (17)    | 265,008 (14)     | (7,996,220)             | (3.2)  | (96,620) (14)  | (8,092,840)          |
| Hazardous Waste Operations                |             |                              |                     |                  |                         |        |                |                      |
| Other Operating Expense                   | 176,509     |                              | 176,509             | 813 (15)         | 177,322                 | 0.5    | 813 (15)       | 178,135              |
| General & Administrative                  | 9,578       |                              | 9,578               |                  | 9,578                   |        |                | 9,578                |
| General & Administrative Dept. Allocation |             |                              | 241,464             | (6,668) (17)     | 234,796                 | (2.8)  | 5,725 (17)     | 240,521              |
| Regional & Corporate Overhead/Charges     | 12,114      |                              | 12,114              | (12,114) (18)    | (100.0)                 |        |                |                      |
| Regulatory (non pass-through)             | 1,035,774   | (324,367) (19)               | 731,407             | (49,167) (19)    | 682,240                 | (6.7)  | 126,674 (19)   | 808,914              |
| Total Operating Expense                   | \$5,140,024 | (\$259,129)                  | (\$1,864,317)       | (\$86,741)       | (\$1,859,240)           | (0.3)  | (\$88,820)     | (\$1,766,141)        |
| Operating Margin @ 90%                    |             |                              |                     |                  | \$91,818                |        |                | 808,914              |
|   |             |                              |                     |                  |                         |        |                | 18.6                 |
|   |             |                              |                     |                  |                         |        |                | (5.0)                |
|   |             |                              |                     |                  |                         |        |                | (196,238)            |
| <b>Pass-through Expense</b>               |             |                              |                     |                  |                         |        |                |                      |
| Disposal - Ostrom Road LF                 | \$3,494,277 |                              | \$3,494,277         | (\$156,989) (20) | \$3,337,288             | (4.5)  | \$100,109 (20) | \$3,437,397          |
| Green Waste Processing - Ostrom Road LF   | 123,129     |                              | 123,129             | (\$21,495) (21)  | 101,634                 | (17.5) | \$3,030 (21)   | 104,664              |
| Regulatory Fees (pass-through)            |             |                              |                     |                  |                         |        |                |                      |
| Member Agency Fees (pass-through)         |             |                              |                     |                  |                         |        |                |                      |
| Franchise Fees                            |             |                              |                     |                  |                         |        |                |                      |
| Total Pass-through Expense                | \$3,617,406 |                              | \$3,617,406         | (\$178,484)      | \$3,438,922             | (4.9)  | \$103,139      | \$3,542,061          |
|   |             |                              |                     |                  |                         |        |                | 3.0                  |
|   |             |                              |                     |                  |                         |        |                | 3.0                  |
|   |             |                              |                     |                  |                         |        |                | \$1,579,682          |
|   |             |                              |                     |                  |                         |        |                |                      |
| <b>Total Revenue Requirement</b>          |             |                              |                     |                  |                         |        |                |                      |
| Rate Year Shortfall/(Surplus)             |             |                              |                     |                  |                         |        |                | \$0                  |

**Illustration only - not intended to represent actual results of a detailed review.**

**Total Income and Expense Data and Variance Analysis**  
**Truck and Container Repair**  
**Attachment ID**

|   | FY 2008     | Excluded Revenues / Expenses | Allocations      | FY 2008 Adjusted Prior Year | Adjustments   | Escalation   | FY 2009 Current Year Projection | % Var  | Adjustments    | Escalation   | FY 2010 Rate Year Projection | % Var |
|---|-------------|------------------------------|------------------|-----------------------------|---------------|--------------|---------------------------------|--------|----------------|--------------|------------------------------|-------|
| <b>Revenues</b>                           |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Collection Revenue                        |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Member Agency Specific Programs           |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Sale of Diverted Material & DOC Payments  |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Transfer Station Operations               |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Other Income                              |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Total Revenue                             |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| <b>Operating Expense</b>                  |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Labor and Related Expense                 | \$1,210,391 |                              |                  | \$1,210,391                 |               | \$33,298 (8) | \$1,243,689                     | 2.8    | 102,707 (9)    | \$76,808 (8) | \$1,320,497                  | 6.2   |
| Truck and Container Expense               | 3,450,283   |                              |                  | 3,450,283                   | (687,246) (9) |              | 2,763,037                       | (19.9) |                |              | 2,865,744                    | 3.7   |
| Truck and Container Dept. Allocation      |             |                              | (5,098,209) (11) | (5,098,209)                 | 617,625 (10)  |              | (4,480,584)                     | (12.1) | (197,835) (10) |              | (4,678,419)                  | 4.4   |
| Insurance Expense                         | 252,436     |                              |                  | 252,436                     |               |              | 252,436                         |        |                |              | 252,436                      |       |
| Equipment Lease                           | 61,389      |                              |                  | 64,800                      | 13,703 (11)   |              | 78,503                          | 21.1   | 1,026 (11)     |              | 79,529                       |       |
| Depreciation                              | 23,811      | 3,411 (11)                   |                  | 23,811                      | 5,946 (12)    |              | 29,757                          | 25.0   |                |              | 29,757                       | 1.3   |
| Amortization                              |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Recycling Material Purchases              |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Transfer Station / MRF Operation          |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Transfer Station / MRF Dept. Allocation   |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Hazardous Waste Operations                |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Other Operating Expense                   | 19,432      |                              |                  | 19,432                      | 17,294 (15)   |              | 36,726                          | 89.0   | 17,294 (15)    |              | 54,020                       | 47.1  |
| General & Administrative                  | 75,453      |                              |                  | 75,453                      |               |              | 75,453                          |        |                |              | 75,453                       |       |
| General & Administrative Dept. Allocation |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Regional & Corporate Overhead/Charges     | 621         |                              |                  | 621                         | (621) (18)    |              | (100.0)                         |        |                |              |                              |       |
| Regulatory (non pass-through)             | 982         |                              |                  | 982                         |               |              | 982                             |        |                |              | 982                          |       |
| Total Operating Expense                   | \$5,094,798 | \$3,411                      | (\$5,098,209)    | (\$0)                       | (\$33,298)    | \$33,298     | (\$0)                           | 66.1   | (\$76,808)     | \$76,808     | (\$0)                        |       |
| Operating Margin @ 90%                    |             |                              |                  |                             |               |              |                                 |        |                |              | 0                            |       |
| <b>Pass-through Expense</b>               |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Disposal - Ostrom Road L.F.               |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Green Waste Processing - Ostrom Road L.F. |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Regulatory Fees (pass-through)            |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Member Agency Fees (pass-through)         |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Franchise Fees                            |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Total Pass-through Expense                |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Total Revenue Requirement                 |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |
| Rate Year Shortfall/(Surplus)             |             |                              |                  |                             |               |              |                                 |        |                |              |                              |       |

**Illustration only - not intended to represent actual results of a detailed review.**

**Total Income and Expense Data and Variance Analysis**  
**General and Administrative**  
**Attachment 1E**

|   | FY 2008     | Excluded Revenues / Expenses | Allocations      | FY 2008 Adjusted Prior Year | Adjustments    | Escalation   | FY 2009 Current Year Projection | % Var | Adjustments    | Escalation   | FY 2010 Rate Year Projection | % Var  |
|---|-------------|------------------------------|------------------|-----------------------------|----------------|--------------|---------------------------------|-------|----------------|--------------|------------------------------|--------|
| <b>Revenues</b>                           |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Collection Revenue                        |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Member Agency Specific Programs           |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Sale of Diverted Material & DOC Payments  |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Transfer Station Operations               |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Other Income                              |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Total Revenue                             |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| <b>Operating Expense</b>                  |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Labor and Related Expense                 | \$1,410,879 |                              |                  | \$1,410,879                 |                | \$66,207 (8) | \$1,477,086                     | 4.7   |                | \$71,049 (8) | \$1,548,135                  | 4.8    |
| Truck and Container Expense               | 15,602      |                              |                  | 15,602                      |                |              | 15,602                          |       |                |              | 15,602                       |        |
| Insurance Expense                         | 377,440     |                              |                  | 377,440                     |                |              | 377,440                         |       |                |              | 377,440                      |        |
| Equipment Lease                           | 15,508      |                              |                  | 25,231                      | (811) (11)     |              | 24,420                          | (3.2) | (4,299) (11)   |              | 20,121                       | (17.6) |
| Depreciation                              | 60,841      | 9,723 (11)                   |                  | 60,841                      | 1,405 (12)     |              | 62,246                          | 2.3   | (2,606) (12)   |              | 59,640                       | (4.2)  |
| Amortization                              |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Recycling Material Purchases              |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Transfer Station / MRF Operation          |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Transfer Station / MRF Dept. Allocation   |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Hazardous Waste Operations                | 182,636     |                              |                  | 182,636                     | 1,972 (15)     |              | 184,608                         | 1.1   | 1,972 (15)     |              | 186,580                      | 1.1    |
| Other Operating Expense                   | 1,195,294   | (152,857) (16)               |                  | 1,042,437                   | 29,725 (16)    |              | 1,072,162                       | 2.9   | 6,115 (16)     |              | 1,078,277                    | 0.6    |
| General & Administrative                  |             |                              | (4,183,593) (20) | (4,183,593)                 | (119,671) (17) |              | (4,303,264)                     | 2.9   | (104,922) (17) |              | (4,408,186)                  | 2.4    |
| General & Administrative Dept. Allocation |             |                              |                  |                             | 21,174 (18)    |              | 1,089,700                       | 2.0   | 32,691 (18)    |              | 1,122,391                    |        |
| Regional & Corporate Overhead/Charges     | 1,068,526   |                              |                  | 1,068,526                   |                |              |                                 |       |                |              |                              |        |
| Regulatory (non pass-through)             |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Total Operating Expense                   | \$4,326,727 | (\$143,134)                  | (\$4,183,593)    |                             | (\$66,207)     | \$66,207     |                                 |       | (\$71,049)     | \$71,049     |                              |        |
| Operating Margin @ 90%                    |             |                              |                  |                             |                |              |                                 |       |                |              | 0                            |        |
| <b>Pass-through Expense</b>               |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Disposal - Ostrom Road L.F.               |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Green Waste Processing - Ostrom Road L.F. |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Regulatory Fees (pass-through)            |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Member Agency Fees (pass-through)         |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Franchise Fees                            |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Total Pass-through Expense                |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Total Revenue Requirement                 |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |
| Rate Year Shortfall/(Surplus)             |             |                              |                  |                             |                |              |                                 |       |                |              |                              |        |

**Illustration only - not intended to represent actual results of a detailed review.**

Member Agency Specific Income and Expense Data and Variance Analysis

Street Sweeping - Marysville  
Attachment 2A

|   | FY 2008    |             | FY 2008             |             |             | FY 2009                 |        |             | FY 2010     |                      |
|---|------------|-------------|---------------------|-------------|-------------|-------------------------|--------|-------------|-------------|----------------------|
| Revenues                                  | Prior Year | Adjustments | Adjusted Prior Year | Adjustments | Escalation  | Current Year Projection | % Var  | Adjustments | Escalation  | Rate Year Projection |
| Collection Revenue                        |            |             |                     |             |             |                         |        |             |             |                      |
| Member Agency Specific Programs           | 179,730    |             | 179,730             | (5,873) (1) |             | 173,857                 | (3.3)  |             |             | 173,857              |
| Sale of Diverted Material & DOC Payments  |            |             |                     |             |             |                         |        |             |             |                      |
| Transfer Station Operations               |            |             |                     |             |             |                         |        |             |             |                      |
| Other Income                              |            |             |                     |             |             |                         |        |             |             |                      |
| Total Revenue                             | \$179,730  |             | \$179,730           | (\$5,873)   |             | \$173,857               | (3.3)  |             |             | \$173,857            |
| Operating Expense                         |            |             |                     |             |             |                         |        |             |             |                      |
| Labor and Related Expense                 | \$76,258   |             | \$76,258            |             | \$2,081 (2) | \$78,339                | 2.7    |             | \$4,871 (2) | \$83,210 6.2         |
| Truck and Container Expense               | 1,783      |             | 1,783               |             |             | 1,783                   |        |             |             | 1,783                |
| Truck and Container Dept. Allocation      |            |             | 45,884 (3)          | (5,559) (3) |             | 40,325                  | (12.1) | 1,781 (3)   |             | 42,106 4.4           |
| Insurance Expense                         |            |             |                     |             |             |                         |        |             |             |                      |
| Equipment Lease                           | 29,661     | 4,632 (5)   | 34,294              |             |             | 34,294                  |        | (8,544) (4) |             | 25,750 ####          |
| Depreciation                              |            |             |                     |             |             |                         |        |             |             |                      |
| Amortization                              |            |             |                     |             |             |                         |        |             |             |                      |
| Recycling Material Purchases              |            |             |                     |             |             |                         |        |             |             |                      |
| Transfer Station / MRF Operation          |            |             |                     |             |             |                         |        |             |             |                      |
| Hazardous Waste Operations                | 1,883      |             | 1,883               |             |             | 1,883                   |        |             |             | 1,883                |
| General & Administrative                  |            |             |                     |             |             |                         |        |             |             |                      |
| General & Administrative Dept. Allocation |            |             |                     |             |             |                         |        |             |             |                      |
| Regional & Corporate Overhead/Charges     |            |             |                     |             |             |                         |        |             |             |                      |
| Regulatory (non pass-through)             |            |             |                     |             |             |                         |        |             |             |                      |
| Total Operating Expense                   | \$109,585  | \$4,632     | \$160,102           | (\$5,559)   | \$2,081     | \$156,624               | (2.2)  | (\$6,763)   | \$4,871     | \$154,732 (1.2)      |
| Operating Margin @ 90%                    |            |             |                     |             |             |                         |        |             |             | 17,192               |
| Pass-through Expense                      |            |             |                     |             |             |                         |        |             |             |                      |
| Disposal - Ostrom Road L/F                |            |             |                     |             |             |                         |        |             |             |                      |
| Green Waste Processing - Ostrom Road L/F  |            |             |                     |             |             |                         |        |             |             |                      |
| Regulatory Fees (pass-through)            |            |             |                     |             |             |                         |        |             |             |                      |
| Member Agency Fees (pass-through)         |            |             |                     |             |             |                         |        |             |             |                      |
| Franchise Fees                            |            |             |                     |             |             |                         |        |             |             |                      |
| Total Pass-through Expense                |            |             |                     |             |             |                         |        |             |             |                      |
| Total Revenue Requirement                 |            |             |                     |             |             |                         |        |             |             | \$171,924            |
| Rate Year Shortfall/(Surplus)             |            |             |                     |             |             |                         |        |             |             | (\$1,933)            |

Illustration only - not intended to represent actual results of a detailed review.

**Member Agency Specific Income and Expense Data and Variance Analysis Street Sweeping - Live Oak  
Attachment 2B**

|   | FY 2008           |                    |                    | FY 2008<br>Adjusted<br>Prior Year |
|---|-------------------|--------------------|--------------------|-----------------------------------|
| <b>Revenues</b>                           | <u>Prior Year</u> | <u>Adjustments</u> | <u>Allocations</u> |                                   |
| Collection Revenue                        |                   |                    |                    |                                   |
| Member Agency Specific Programs           | 23,869            |                    |                    | 23,869                            |
| Sale of Diverted Material & DOC Payments  |                   |                    |                    |                                   |
| Transfer Station Operations               |                   |                    |                    |                                   |
| Other Income                              |                   |                    |                    |                                   |
| Total Revenue                             | <u>\$23,869</u>   |                    |                    | <u>\$23,869</u>                   |
| <b>Operating Expense</b>                  |                   |                    |                    |                                   |
| Labor and Related Expense                 | \$10,894          |                    |                    | \$10,894                          |
| Truck and Container Expense               | 255               |                    |                    | 255                               |
| Truck and Container Dept. Allocation      |                   |                    | 5,098 (10)         | 5,098                             |
| Insurance Expense                         |                   |                    |                    |                                   |
| Equipment Lease                           | 4,237             | 662 (11)           |                    | 4,899                             |
| Depreciation                              |                   |                    |                    |                                   |
| Amortization                              |                   |                    |                    |                                   |
| Recycling Material Purchases              |                   |                    |                    |                                   |
| Transfer Station / MRF Operation          |                   |                    |                    |                                   |
| Transfer Station / MRF Dept. Allocation   |                   |                    |                    |                                   |
| Hazardous Waste Operations                | 269               |                    |                    | 269                               |
| Other Operating Expense                   |                   |                    |                    |                                   |
| General & Administrative                  |                   |                    |                    |                                   |
| General & Administrative Dept. Allocation |                   |                    |                    |                                   |
| Regional & Corporate Overhead/Charges     |                   |                    |                    |                                   |
| Regulatory (non pass-through)             |                   |                    |                    |                                   |
| Total Operating Expense                   | <u>\$15,655</u>   | <u>\$662</u>       | <u>\$5,098</u>     | <u>\$21,415</u>                   |
| Operating Margin @ 90%                    |                   |                    |                    |                                   |
| <b>Pass-through Expense</b>               |                   |                    |                    |                                   |
| Disposal - Ostrom Road L.F.               |                   |                    |                    |                                   |
| Green Waste Processing - Ostrom Road L.F. |                   |                    |                    |                                   |
| Regulatory Fees (pass-through)            |                   |                    |                    |                                   |
| Member Agency Fees (pass-through)         |                   |                    |                    |                                   |
| Franchise Fees                            |                   |                    |                    |                                   |
| Total Pass-through Expense                |                   |                    |                    |                                   |
| Total Revenue Requirement                 |                   |                    |                    |                                   |
| Rate Year Shortfall/(Surplus)             |                   |                    |                    |                                   |

FY 2008 is provided for balancing purposes so that the amount in the Non-RWMA and Member Agency Specific column on Attachment 1 can be reconciled. This service is under a separate contract and does not fall under the rate setting methodology.

**Illustration only - not intended to represent actual results of a detailed review.**

**Member Agency Specific Income and Expense Data and Variance Analysis**  
**Hazardous Waste - All Member Agencies**  
**Attachment 2C**

|   | FY 2008    |             | FY 2008             |             |             | FY 2009                 |       |             | FY 2010     |                      |       |
|---|------------|-------------|---------------------|-------------|-------------|-------------------------|-------|-------------|-------------|----------------------|-------|
|   | Prior Year | Adjustments | Adjusted Prior Year | Adjustments | Escalation  | Current Year Projection | % Var | Adjustments | Escalation  | Rate Year Projection | % Var |
| <b>Revenues</b>                           |            |             |                     |             |             |                         |       |             |             |                      |       |
| Collection Revenue                        |            |             |                     |             |             |                         |       |             |             |                      |       |
| Member Agency Specific Programs*          | 338,885    |             | 338,885             | 17,826 (1)  |             | 356,711                 | 5.3   | 8,894 (1)   |             | 365,605              | 2.5   |
| Sale of Diverted Material & DOC Payments  |            |             |                     |             |             |                         |       |             |             |                      |       |
| Transfer Station Operations               |            |             |                     |             |             |                         |       |             |             |                      |       |
| Other Income                              |            |             |                     |             |             |                         |       |             |             |                      |       |
| Total Revenue                             | \$338,885  |             | \$338,885           | \$17,826    |             | \$356,711               | 5.3   | \$8,894     |             | \$365,605            | 2.5   |
| <b>Operating Expense</b>                  |            |             |                     |             |             |                         |       |             |             |                      |       |
| Labor and Related Expense                 | \$80,233   |             | \$80,233            |             | \$2,479 (2) | \$82,712                | 3.1   |             | \$4,547 (2) | \$87,259             | 5.5   |
| Truck and Container Expense               | 153        |             | 153                 |             |             | 153                     |       |             |             | 153                  |       |
| Truck and Container Dept. Allocation      |            |             |                     |             |             |                         |       |             |             |                      |       |
| Insurance Expense                         | 1,041      |             | 1,041               |             |             | 1,041                   |       |             |             | 1,041                |       |
| Equipment Lease                           |            |             |                     |             |             |                         |       |             |             |                      |       |
| Depreciation                              |            |             |                     |             |             |                         |       |             |             |                      |       |
| Amortization                              |            |             |                     |             |             |                         |       |             |             |                      |       |
| Recycling Material Purchases              |            |             |                     |             |             |                         |       |             |             |                      |       |
| Transfer Station / MRF Operation          |            |             |                     |             |             |                         |       |             |             |                      |       |
| Transfer Station / MRF Dept. Allocation   |            |             |                     |             |             |                         |       |             |             |                      |       |
| Hazardous Waste Operations                | 8,873      |             | 8,873               | 85 (3)      |             | 8,873                   | 0.8   | 85 (3)      |             | 8,873                | 0.8   |
| Other Operating Expense                   | 10,824     |             | 10,824              |             |             | 10,909                  |       |             |             | 10,994               |       |
| General & Administrative                  | 1,683      |             | 1,683               |             |             | 1,683                   |       |             |             | 1,683                |       |
| General & Administrative Dept. Allocation |            |             |                     |             |             |                         |       |             |             |                      |       |
| Regional & Corporate Overhead/Charges     | 98,603     |             | 98,603              | 13,826 (4)  |             | 112,429                 | 14.0  | 3,373 (4)   |             | 115,802              |       |
| Regulatory (non pass-through)             | 103,240    |             | 103,240             |             |             | 103,240                 |       |             |             | 103,240              |       |
| Total Operating Expense                   | \$304,649  |             | \$304,649           | \$13,911    | \$2,479     | \$321,040               | 5.4   | \$3,458     | \$4,547     | \$329,045            | 2.5   |
| Operating Margin @ 90%                    |            |             |                     |             |             |                         |       |             |             | 36,561               |       |
| <b>Pass-through Expense</b>               |            |             |                     |             |             |                         |       |             |             |                      |       |
| Disposal - Ostrom Road LF                 |            |             |                     |             |             |                         |       |             |             |                      |       |
| Green Waste Processing - Ostrom Road LF   |            |             |                     |             |             |                         |       |             |             |                      |       |
| Regulatory Fees (pass-through)            |            |             |                     |             |             |                         |       |             |             |                      |       |
| Member Agency Fees (pass-through)         |            |             |                     |             |             |                         |       |             |             |                      |       |
| Franchise Fees                            |            |             |                     |             |             |                         |       |             |             |                      |       |
| Total Pass-through Expense                |            |             |                     |             |             |                         |       |             |             | \$365,606            |       |
| Total Revenue Requirement                 |            |             |                     |             |             |                         |       |             |             | \$1                  |       |
| Rate Year Shortfall/(Surplus)             |            |             |                     |             |             |                         |       |             |             |                      |       |

**Illustration only - not intended to represent actual results of a detailed review.**

\* Revenue represents the amount billed to the RWMA for hazardous waste. The amount collected from the ratepayers \$492,108 for FY 2008 was remitted to the RWMA for the purpose of funding the hazardous waste program and the Authority's administration.



**Member Agency Specific Income and Expense Data and Variance Analysis**  
**Ponderosa Transfer Station (Serving Yuba County and Beale Air Force Base)**  
**Attachment 2D**

|   | FY 2008           |                    | FY 2008<br>Adjusted<br>Prior Year |                    |                   | FY 2009<br>Current Year<br>Projection | %<br>Var           |                   | FY 2010<br>Rate Year<br>Projection | %<br>Var   |
|---|-------------------|--------------------|-----------------------------------|--------------------|-------------------|---------------------------------------|--------------------|-------------------|------------------------------------|------------|
| <b>Revenues</b>                           | <b>Prior Year</b> | <b>Adjustments</b> | <b>Allocations</b>                | <b>Adjustments</b> | <b>Escalation</b> | <b>Projection</b>                     | <b>Adjustments</b> | <b>Escalation</b> | <b>Projection</b>                  | <b>Var</b> |
| Collection Revenue                        |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Member Agency Specific Programs           | 91,303            |                    | 91,303                            | 1,809 (1)          |                   | 93,112                                | 2.0                |                   | 93,112                             |            |
| Sale of Diverted Material & DOC Payments  |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Transfer Station Operations               |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Other Income                              |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Total Revenue                             | \$91,303          |                    | \$91,303                          | \$1,809            |                   | \$93,112                              | 2.0                |                   | \$93,112                           |            |
| <b>Operating Expense</b>                  |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Labor and Related Expense                 | \$13,073          |                    | \$13,073                          |                    | \$274 (2)         | \$13,347                              | 2.1                | \$698 (2)         | \$14,045                           | 5.2        |
| Truck and Container Expense               | 1,680             |                    | 1,680                             |                    |                   | 1,680                                 |                    |                   | 1,680                              |            |
| Truck and Container Dept. Allocation      |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Insurance Expense                         |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Equipment Lease                           |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Depreciation                              | 2,262             | (2,262) (3)        |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Amortization                              |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Recycling Material Purchases              |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Transfer Station / MRF Operation          | 489               |                    | 489                               | (2,072) (4)        |                   | 489                                   | (7.5)              | 244 (4)           | 489                                | 1.0        |
| Hazardous Waste Operations                |                   |                    | 27,536 (4)                        |                    |                   | 25,464                                |                    |                   | 25,708                             |            |
| Other Operating Expense                   | 10,244            |                    | 10,244                            | 9 (5)              |                   | 10,253                                | 0.1                | 9 (5)             | 10,262                             | 0.1        |
| General & Administrative                  | 239               |                    | 239                               |                    |                   | 239                                   |                    |                   | 239                                |            |
| General & Administrative Dept. Allocation |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Regional & Corporate Overhead/Charges     | 609               |                    | 609                               | (466) (6)          |                   | 143                                   | (76.5)             | 5 (6)             | 148                                |            |
| Regulatory (non pass-through)             | \$2,909           |                    | \$2,909                           |                    | \$274             | \$2,909                               |                    |                   | \$2,909                            |            |
| Total Operating Expense                   | \$81,306          | (\$2,262)          | \$27,536                          | (\$2,529)          |                   | \$104,525                             | (2.1)              | \$258             | \$105,481                          | 0.9        |
| Operating Margin @ 90%                    |                   |                    |                                   |                    |                   |                                       |                    |                   | 11,720                             |            |
| <b>Pass-through Expense</b>               |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Disposal - Ostrom Road LF                 | \$2,940           |                    | \$2,940                           | \$408 (7)          |                   | \$3,348                               | 13.9               | \$101 (7)         | \$3,449                            | 3.0        |
| Green Waste Processing - Ostrom Road LF   |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Regulatory Fees (pass-through)            |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Member Agency Fees (pass-through)         |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Franchise Fees                            |                   |                    |                                   |                    |                   |                                       |                    |                   |                                    |            |
| Total Pass-through Expense                | \$2,940           |                    | \$2,940                           | \$408              |                   | \$3,348                               | 13.9               | \$101             | \$3,449                            | 3.0        |
| Total Revenue Requirement                 |                   |                    |                                   |                    |                   |                                       |                    |                   | \$120,650                          |            |
| Rate Year Shortfall/(Surplus)             |                   |                    |                                   |                    |                   |                                       |                    |                   | \$27,538                           |            |

**Illustration only - not intended to represent actual results of a detailed review.**

) Member Agency Specific Income and Expense Data and Variance Analysis  
Non-RWMA Activities  
Attachment 2E

|   | FY 2008                          | Excluded Revenues / Expenses | Allocations      | FY 2008 Prior Year |
|---|----------------------------------|------------------------------|------------------|--------------------|
| <b>Revenues</b>                           |                                  |                              |                  |                    |
| Collection Revenue                        | <u>Prior Year</u><br>\$1,025,751 |                              |                  | \$1,025,751        |
| Member Agency Specific Programs           | 741,121                          |                              |                  | 741,121            |
| Sale of Diverted Material & DOC Payments  |                                  |                              |                  |                    |
| Transfer Station Operations               | 7,262                            |                              |                  | 7,262              |
| Other Income                              | <u>\$1,774,134</u>               |                              |                  | <u>\$1,774,134</u> |
| Total Revenue                             |                                  |                              |                  |                    |
| <b>Operating Expense</b>                  |                                  |                              |                  |                    |
| Labor and Related Expense                 | \$168,530                        |                              |                  | \$168,530          |
| Truck and Container Expense               | 6,219                            |                              |                  | 6,219              |
| Truck and Container Dept. Allocation      |                                  |                              | 147,848 (10)     | 147,848            |
| Insurance Expense                         |                                  |                              |                  |                    |
| Equipment Lease                           | 102,729                          | (9,072) (11)                 |                  | 93,657             |
| Depreciation                              | 51                               |                              |                  | 51                 |
| Amortization                              |                                  |                              |                  |                    |
| Recycling Material Purchases              | 15,674                           |                              |                  | 15,674             |
| Transfer Station / MRF Operation          |                                  |                              |                  |                    |
| Transfer Station / MRF Dept. Allocation   |                                  |                              | 546,124 (14)     | 546,124            |
| Hazardous Waste Operations                |                                  |                              |                  |                    |
| Other Operating Expense                   | (621,686)                        |                              |                  | (621,686)          |
| General & Administrative                  | 5,382                            |                              |                  | 5,382              |
| General & Administrative Dept. Allocation |                                  |                              | 170,525 (17)     | 170,525            |
| Regional & Corporate Overhead/Charges     | 2,297                            |                              |                  | 2,297              |
| Regulatory (non pass-through)             |                                  |                              |                  |                    |
| Total Operating Expense                   | <u>(\$320,805)</u>               | <u>(\$9,072)</u>             | <u>\$864,497</u> | <u>\$534,621</u>   |
| Operating Margin @ 90%                    |                                  |                              |                  |                    |
| <b>Pass-through Expense</b>               |                                  |                              |                  |                    |
| Disposal - Ostrom Road LF                 | \$29,255                         |                              |                  | \$29,255           |
| Green Waste Processing - Ostrom Road LF   |                                  |                              |                  |                    |
| Regulatory Fees (pass-through)            |                                  |                              |                  |                    |
| Member Agency Fees (pass-through)         |                                  |                              |                  |                    |
| Franchise Fees                            | 49,970                           |                              |                  | 49,970             |
| Total Pass-through Expense                | <u>\$79,225</u>                  |                              |                  | <u>\$79,225</u>    |
| Total Revenue Requirement                 |                                  |                              |                  |                    |
| Rate Year Shortfall/(Surplus)             |                                  |                              |                  |                    |

**Illustration only - not intended to represent actual results of a detailed review.**

FY 2008 is provided for balancing purposes so that the amount in the Non-RWMA and Member Agency Specific column on Attachment 1 can be reconciled. This service is under a separate contract and does not fall under the rate setting methodology.

**Member Agency and Non-Member Agency Revenues by Category and Rate Adjustment Calculation**  
Attachment 3 (Page 1)

| Prior Year Revenue                       | Total      |           |           |             |               |          | Non-RWMA   | Total      |
|--|------------|-----------|-----------|-------------|---------------|----------|------------|------------|
|  | Marysville | Yuba City | Wheatland | Yuba County | Sutter County | Live Oak |            |            |
| <b>Collection Revenue</b>                |            |           |           |             |               |          |            |            |
| Residential Refuse Collection            | 881,401    | 4,615,444 | 282,498   | 3,979,174   | 1,817,142     | 541,548  | 12,117,207 | 364,311    |
| Commercial Refuse Collection             | 1,064,947  | 3,619,349 | 136,528   | 1,725,103   | 1,234,483     | 261,131  | 8,041,541  | 451,157    |
| Debris Box                               | 282,392    | 1,642,665 | 15,943    | 1,010,839   | 595,833       | 70,052   | 3,617,724  | 210,283    |
| Total Collection Revenue                 | 2,228,740  | 9,877,458 | 434,969   | 6,715,116   | 3,647,458     | 872,731  | 23,776,472 | 1,025,751  |
| Percent of Total Collection Revenue      | 9.4%       | 41.5%     | 1.8%      | 28.2%       | 15.3%         | 3.7%     | 100.0%     | 24,802,223 |
| <b>Member Agency Specific Programs</b>   |            |           |           |             |               |          |            |            |
| Street Sweeping Revenue                  | 179,730    |           |           |             |               | 23,869   | 203,599    | 203,599    |
| Percent of Total Street Sweeping Revenue | 88.3%      |           |           |             |               | 11.7%    | 100.0%     | -          |
| <b>Hazardous Waste Revenue</b>           |            |           |           |             |               |          |            |            |
| Percent of Hazardous Waste Revenue       |            |           |           |             |               |          |            | 338,885    |
| Ponderosa Transfer Station               |            |           |           | 83,872      |               |          | 83,872     | 7,431      |
| Percent of Ponderosa Transfer Station    |            |           |           | 91.9%       |               |          | 91.9%      | 8.1%       |
| Total Member Agency Specific Programs    | 179,730    | -         | -         | 83,872      | -             | 23,869   | 287,471    | 346,316    |
| <b>Shared Revenue</b>                    |            |           |           |             |               |          |            |            |
| Sale of Diverted Material & DOC Payments |            |           |           |             |               |          | 3,606,329  | 741,121    |
| Transfer Station                         |            |           |           |             |               |          |            | 4,347,450  |
| Total Shared Revenue                     |            |           |           |             |               |          |            | 1,753,089  |
| <b>Other Revenue</b>                     |            |           |           |             |               |          |            |            |
| Other Income                             |            |           |           |             |               |          |            | 13,470     |
| Total Other Income                       |            |           |           |             |               |          |            | 13,470     |
| Total Prior Year Revenue                 |            |           |           |             |               |          |            | 31,550,019 |

**Illustration only - not intended to represent actual results of a detailed review.**

**Member Agency and Non-Member Agency Rate Year Rate Revenues by Category and Rate Adjustment Calculation**  
Attachment 3 (Page 2)

**Illustration only - not intended to represent actual results of a detailed review.**

|  | Marysville   | Yuba City    | Wheatland  | Yuba County  | Sutter County | Live Oak   | Total<br>RWMA |
|--|--------------|--------------|------------|--------------|---------------|------------|---------------|
| <b>Collection and Member Agency Specific Revenue Projected for the Rate Year</b> |              |              |            |              |               |            |               |
| Total Prior Year Revenue   | \$ 2,228,740 | \$ 9,877,458 | \$ 434,969 | \$ 6,715,116 | \$ 3,647,458  | \$ 872,731 | \$ 23,776,472 |
| Adjustments  | 123,555      | 353,031      | (1,034)    | 98,824       | 52,691        | (34,354)   | 592,713       |
| Total Current Year Revenue   | 2,352,295    | 10,230,489   | 433,935    | 6,813,940    | 3,700,149     | 838,377    | 24,369,185    |
| Adjustments  | -            | -            | -          | -            | -             | -          | -             |
| Total Collection Revenue Rate Year   | 2,352,295    | 10,230,489   | 433,935    | 6,813,940    | 3,700,149     | 838,377    | 24,369,185    |
| <b>Member Agency Specific Revenue Rate Year</b>                                  |              |              |            |              |               |            |               |
| Street Sweeping  | 173,857      | -            | -          | -            | -             | -          | 173,857       |
| Hazardous Waste  | -            | -            | -          | -            | -             | -          | -             |
| Ponderosa Transfer Station   | -            | -            | -          | 85,534       | -             | -          | 85,534        |
| Total Member Agency Specific Programs  | 173,857      | -            | -          | 85,534       | -             | -          | 259,391       |
| Total Rate Year and Member Agency Specific Revenue                               | 2,526,152    | 10,230,489   | 433,935    | 6,899,474    | 3,700,149     | 838,377    | 24,628,576    |
| <b>Rate Year Revenue Shortfall/(Surplus)</b>                                     |              |              |            |              |               |            |               |
| Rate Year Shortfall/(Surplus) from Shared Programs                               | (1,451)      | (6,432)      | (283)      | (4,373)      | (2,375)       | (568)      | (15,482)      |
| <b>Member Agency Specific Programs - Shortfall/(Surplus)</b>                     |              |              |            |              |               |            |               |
| Street Sweeping  | (1,933)      | -            | -          | -            | -             | -          | (1,933)       |
| Hazardous Waste  | -            | -            | -          | -            | -             | -          | -             |
| Ponderosa Transfer Station   | -            | -            | -          | 25,296       | -             | -          | 25,296        |
| Franchise Fee Impact on Member Agency Specific Programs                          | -            | -            | -          | 1,331        | -             | -          | 1,331         |
| Total Member Agency Specific Programs  | (1,933)      | -            | -          | 26,627       | -             | -          | 24,694        |
| Total Rate Year Revenue Shortfall/(Surplus)                                      | (3,384)      | (6,432)      | (283)      | 22,254       | (2,375)       | (568)      | 9,212         |
| Percent Increase/(Decrease) in Collection Revenue Required                       | -0.13%       | -0.06%       | -0.07%     | 0.32%        | -0.06%        | -0.07%     |               |

Operational Data  
Attachment 4

*Illustration only - not intended to represent actual results of a detailed review.*

| 1   | 2   | 3   | 4  |
|---|---|---|--|
| <p><b>Tons Collected</b></p> <p>Residential<br/>Commercial<br/>Debris Box<br/>Public Tonnage<br/>Non-RWMA Collection Tons<br/>Green Waste<br/>Residential Recycling<br/>Commercial Recycling<br/>Other Material</p> | <p><b>Tons Collected</b></p> <p>Residential<br/>Commercial<br/>Debris Box<br/>Public Tonnage<br/>Non-RWMA Collection Tons<br/>Green Waste<br/>Residential Recycling<br/>Commercial Recycling<br/>Other Material</p> | <p><b>Collection Routes per Day</b></p> <p>Residential Routes<br/>Commercial Routes<br/>Green Waste Routes<br/>Residential Recycling Routes<br/>Commercial Recycling Routes</p> | <p><b>Personnel Information (FTE)</b></p> <p>Residential Drivers and Helpers<br/>Commercial Drivers and Helpers<br/>Debris Box Drivers and Helpers<br/>Residential Recycling Drivers and Helpers<br/>Commercial Recycling Drivers and Helpers<br/>Green Waste Drivers and Helpers<br/>Transfer Station / MRF Workers<br/>Route Supervisors<br/>Shop Mechanics<br/>Other Truck &amp; Container Repair Staff<br/>Administrative Staff<br/>Management Staff</p> |
| <p>Prior Year</p> <p>36,424<br/>35,299<br/>29,951<br/>40,028<br/>10,810<br/>26,209<br/>16,462<br/>3,741<br/>635</p>   | <p>Current Year</p> <p>36,069<br/>33,544<br/>25,702<br/>34,360<br/>10,546<br/>26,157<br/>16,369<br/>3,569<br/>592</p>   | <p>Rate Year</p> <p>36,069<br/>33,544<br/>25,702<br/>34,360<br/>10,546<br/>26,157<br/>16,369<br/>3,569<br/>592</p>  | <p>Prior Year</p> <p>199,559<br/>135,851<br/>63,708</p>  |
| <p><b>Account Information</b></p> <p>Number of Residential Accounts<br/>Number of Commercial Accounts<br/>Recycling set-out rates<br/>Green Waste set-out rates</p>   | <p>Current Year</p> <p>42,415<br/>3,201<br/>93%<br/>73%</p>   | <p>Rate Year</p> <p>42,415<br/>3,201<br/>93%<br/>73%</p>  | <p>Prior Year</p> <p>42,500<br/>3,366<br/>93%<br/>73%</p>  |

**Prior Year's Results Compared to Equivalent Rate Year Projections**  
**Attachment 5**

**Illustration only - not intended to represent actual results of a detailed review.**

|   | FY 2008<br>Prior Year<br>Actuals | FY 2008<br>Rate Year<br>Projection | %<br>Var    |
|---|----------------------------------|------------------------------------|-------------|
| <b>Revenues</b>                           |                                  |                                    |             |
| Collection Revenue                        | \$23,776,472                     | \$25,198,355                       | (5.6) (1)   |
| Member Agency Specific Programs           | 0                                | 0                                  |             |
| Sale of Diverted Material & DOC Payments  | 3,606,329                        | 3,635,529                          | (0.8)       |
| Transfer Station Operations               | 1,753,089                        | 1,980,023                          | (11.5) (2)  |
| Other Income                              | 0                                | 0                                  |             |
| Total Revenue                             | \$29,135,890                     | \$30,813,907                       | (5.4)       |
| <b>Operating Expense</b>                  |                                  |                                    |             |
| Labor and Related Expense                 | \$9,799,322                      | \$10,791,638                       | (9.2) (3)   |
| Truck and Container Expense               | 3,632,401                        | 3,979,044                          | (8.7) (4)   |
| Truck and Container Dept. Allocation      | (198,830)                        | (217,369)                          | (8.5) (5)   |
| Insurance Expense                         | 629,876                          | 619,977                            | 1.6         |
| Equipment Lease                           | 3,254,608                        | 3,313,524                          | (1.8)       |
| Depreciation                              | 348,890                          | 340,416                            | 2.5         |
| Amortization                              | 0                                | 0                                  |             |
| Recycling Material Purchases              | 637,412                          | 560,166                            | 13.8 (6)    |
| Transfer Station / MRF Operation          | 214,793                          | 101,299                            | 112.0 (7)   |
| Transfer Station / MRF Dept. Allocation   | (573,660)                        | (274,036)                          | 109.3 (8)   |
| Hazardous Waste Operations                | 0                                | 0                                  |             |
| Other Operating Expense                   | 465,473                          | 381,803                            | 21.9 (9)    |
| General & Administrative                  | 1,272,930                        | 1,280,695                          | (0.6)       |
| General & Administrative Dept. Allocation | (170,525)                        | (151,550)                          | 12.5 (10)   |
| Regional & Corporate Overhead/Charges     | 1,174,676                        | 1,226,398                          | (4.2)       |
| Regulatory (non pass-through)             | 732,389                          | 827,268                            | (11.5) (11) |
| Total Operating Expense                   | \$21,219,756                     | \$22,779,273                       | (6.8)       |
| Operating Margin @ 90%                    | 2,357,751                        | 2,531,030                          | (6.8)       |
| <b>Pass-through Expense</b>               |                                  |                                    |             |
| Disposal - Ostrom Road Lf                 | \$3,614,468                      | \$3,559,241                        | 1.6         |
| Green Waste Processing - Ostrom Road Lf   | 123,129                          | 281,426                            | (56.2) (12) |
| Regulatory Fees (pass-through)            | 403,019                          | 403,019                            | 0.0         |
| Member Agency Fees (pass-through)         | 0                                | 0                                  |             |
| Franchise Fees                            | 1,189,485                        | 1,259,918                          | (5.6) (13)  |
| Total Pass-through Expense                | \$5,330,102                      | \$5,503,604                        | (3.2)       |
| Total Revenue Requirement                 | \$28,907,609                     | \$30,813,907                       | (6.2)       |
| Current Year Shortfall/(Surplus)          | (\$228,281)                      | \$0                                |             |
| Required Revenue Adjustments %            | -0.96%                           | 0.00%                              |             |

## Exhibit 3 Minimum Operation Review Guidelines

The Operations Review set forth in Article 16.03 shall meet the following minimum guidelines.

### 1. Examination of the Recology Yuba-Sutter Collection System

- A. Verification of the number of average daily and weekly collection routes by Route type;
- B. Documentation of how Recology Yuba-Sutter schedules and monitors the efficiency of its collection routes;
- C. Determination of how Recology Yuba-Sutter accommodates changes and growth in its service system;
- D. Determination and verification of vehicle and staff availability;
- E. Determination and evaluation of how Recology Yuba-Sutter responds to daily collection issues such as missed pickups, drivers absences, equipment breakdowns and traffic problems, including an evaluation of the amount and use of overtime; and
- F. Preparation of findings on the efficiency and effectiveness of Recology Yuba-Sutter's existing route management system and practices, and identification of specific and practical recommendations to address any deficiencies identified.

### 2. Examination of Recology Yuba-Sutter's MRF Operations

- A. Examination of Recology Yuba-Sutter's records to include documentation of the number of full and part-time laborers and labor hours allocated to the recyclable material and C&D debris sort lines during the past 12 months;
- B. Evaluation of the method by which Recology Yuba-Sutter determines how labor is to be allocated to each of the sort lines;
- C. Evaluation of how Recology Yuba-Sutter monitors the effectiveness and performance of the two sort lines;
- D. Evaluation of the accuracy of Recology Yuba-Sutter's measurement of the recovery efficiency of each of the sort lines; and
- E. Preparation of findings on the efficiency of Recology Yuba-Sutter's existing material recovery activities, including labor scheduling, labor availability, and material recovery efficiency.

### 3. Examination of Recology Yuba-Sutter's Composting Operations

- A. Examination of the composting operation records to include documentation of the number of full and part-time laborers and labor hours allocated to this operation;
- B. Evaluation of the operating method and equipment utilized in this operation; and
- C. Preparation of findings on the efficiency of Recology Yuba-Sutter's existing composting activities.

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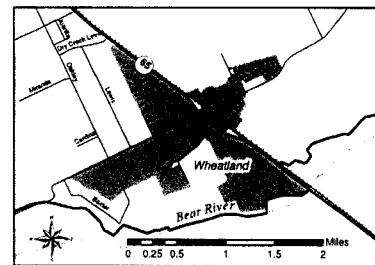
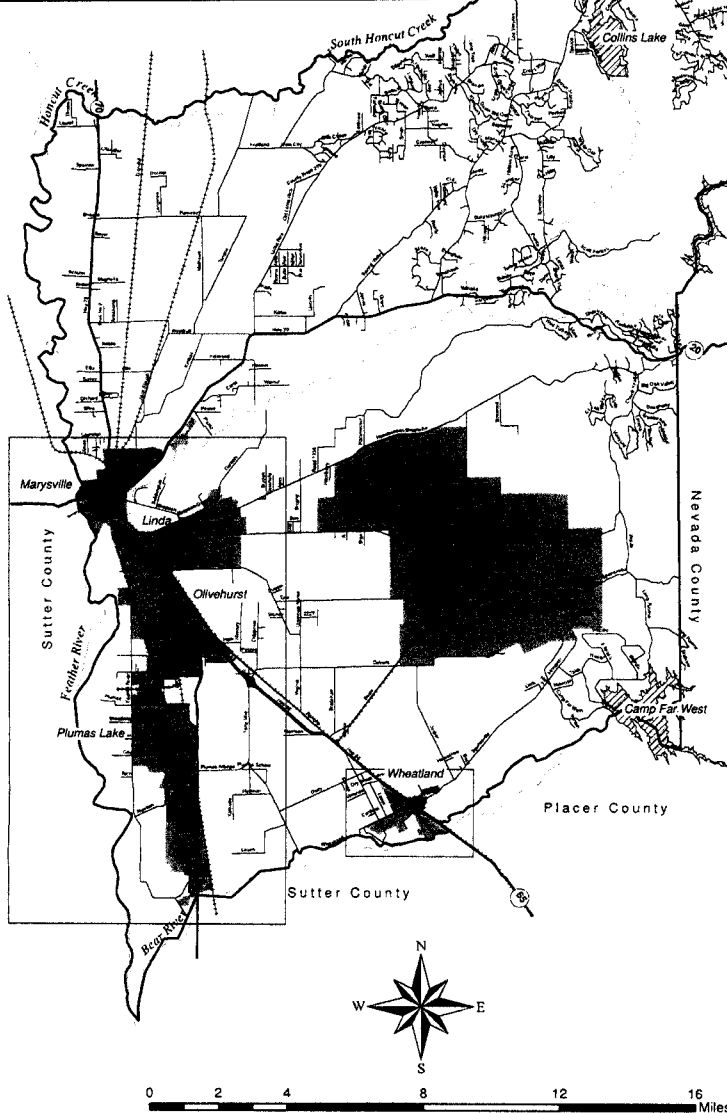
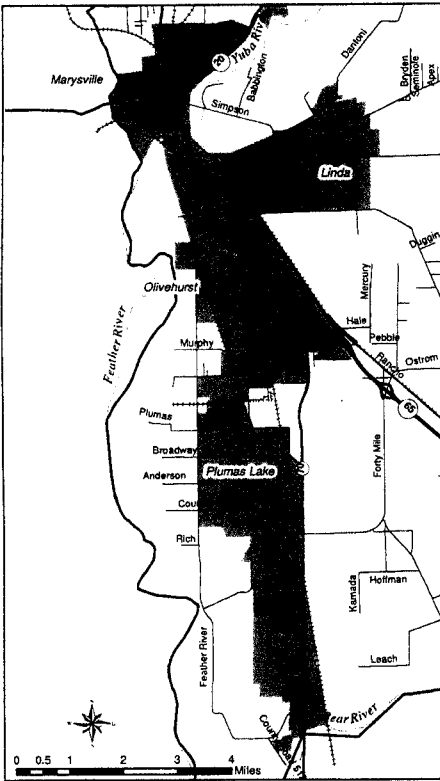
Exhibit 4 Non-Program Areas

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


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# County of Yuba California



## Yuba County Non-Program Areas

-  Program Areas
-  Non-Program Areas
-  Roads
-  Highways
-  Railways
-  Reservoirs
-  Rivers

## Exhibit 5 Approved Subcontractors

| Company Name | Service |
|--------------|---------|
| None.        |         |
|              |         |

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## Exhibit 6 Ponderosa Landfill Closure and Transfer Station Services

1. Ponderosa Landfill Closure. CONTRACTOR shall provide, under COUNTY's supervision, all services necessary for the proper post-closure of the Ponderosa Landfill. Services shall include developing and executing to the satisfaction of the COUNTY and any state or federal permitting agencies, an annual work plan. The work plan shall include but not be limited to ground water and landfill gas monitoring, monthly inspections, and maintenance projects needed to keep the facility in satisfactory condition. COUNTY agrees that CONTRACTOR will not be responsible for anything that has already been disposed of in the landfill or for the cost of correction of anything that is required by law or regulation because of material already dumped at the landfill or work done improperly at the landfill unless such dumping or work was done by CONTRACTOR. CONTRACTOR agrees to close the landfill as required by law and regulations now in existence or as may be enacted in the future and following the supervision of COUNTY. To the extent that CONTRACTOR is not responsible for improper dumping necessitating cleanup, COUNTY agrees to hold CONTRACTOR harmless from any claims of improper dumping prior to the closure and for any cleanup necessitated or determined to be necessary by any of the monitoring to be done by CONTRACTOR, or otherwise.

2. Ponderosa Transfer Station Services. CONTRACTOR shall construct, supervise, operate and maintain a transfer station to be located at the Ponderosa Landfill. CONTRACTOR shall obtain an Operating Permit and operate the Transfer Station in compliance with it. Nothing in this Agreement shall limit CONTRACTOR'S rights under the Operating Permit, including the right to reject any materials not permitted to be accepted at the Transfer Station, the right to provide separate containers for collection of certain types of materials, and the right to operate a buy-back center. Persons delivering materials to the Transfer Station shall be responsible for dumping the materials into the CONTRACTOR-provided transfer trailer, or, if applicable, the CONTRACTOR-provided containers for certain types of materials. Persons delivering materials to the Transfer Station shall be required to comply with CONTRACTOR'S rules and regulations and the reasonable instructions of CONTRACTOR'S personnel.

3. Contractor's Compensation. The parties acknowledge that the closure of the landfill is to be accomplished without profit accruing to CONTRACTOR. The parties further acknowledge that CONTRACTOR will separately keep track of funds received by it as a result of the Reimbursement Amount, initially set at 1.1167% of the Base Service Rate Element (see Exhibit 1 for more detail) and Ponderosa Transfer Station User Fees (see Exhibit 3 for more detail) received by CONTRACTOR at the commencement of the term of the Franchise Agreement for the operation of the transfer station and the activities associated with the closer of the Ponderosa Landfill. The Reimbursement Amount and Ponderosa Transfer Station User Fees may be modified as set forth in Article 4. of the Collection Services Agreement.

4. Hours of Operation. The Ponderosa Landfill Transfer Station shall be open and operating on each Saturday, Sunday and Monday during the term hereof between the hours of 9:00 a.m. and 4:00 p.m. on each said day.

## Exhibit 7 Ponderosa Transfer Station User Fees

|                                      |                    |
|--------------------------------------|--------------------|
| <b>Minimum Charge</b>                | <b>\$11.60</b>     |
| Up to 2 Barrels                      | <b>\$11.60</b>     |
| Up to 3 Cans                         | <b>\$11.60</b>     |
|                                      |                    |
| <b>Each Additional:</b>              |                    |
| Barrel                               | <b>\$4.35</b>      |
| Can                                  | <b>\$3.25</b>      |
| Yard                                 | <b>\$10.10</b>     |
|                                      |                    |
| <b>Station Wagon</b>                 | <b>\$13.60</b>     |
|                                      |                    |
| <b>Small Pick up:</b>                |                    |
| Level                                | <b>\$17.35</b>     |
| Over Bed                             | <b>By the Yard</b> |
|                                      |                    |
| <b>Large Pick up:</b>                |                    |
| Level                                | <b>\$23.15</b>     |
| Over Bed                             | <b>By the yard</b> |
|                                      |                    |
| <b>Furniture / Appliances (Each)</b> | <b>\$17.35</b>     |
| <b>Appliances with Freon</b>         | <b>\$31.75</b>     |
|                                      |                    |
| <b>Wire</b>                          |                    |
| Per Approx. Yard                     | <b>\$13.05</b>     |
|                                      |                    |
| <b>Tires:</b>                        |                    |
| Car                                  | <b>\$6.25</b>      |
| Truck                                | <b>\$19.85</b>     |
| Tractor                              | <b>\$93.50</b>     |
| Euclid                               | <b>\$194.60</b>    |
|                                      |                    |
| <b>Stumps - Per Root Foot</b>        | <b>\$15.20</b>     |

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# The County of Yuba

## Office of Clerk of the Board of Supervisors



To: Board of Supervisors

From: Donna Stottlemeyer, Clerk of the Board *[Signature]*

Subject: Yuba County Resource/Development Code Advisory Committee

Date: December 6, 2011

### Recommendation

Appoint one individual from each supervisory district to the Yuba County Resource/Development Code Advisory Committee with term ending upon adoption of the Development Code update (approximately 2 years – December 2013).

### Background and Discussion

The Local Appointment List of all Boards/Commissions/Committees is continually posted indicating vacancies, appointees, terms of office, qualifications and meeting information and is updated regularly. This is a new Advisory Committee that was created for the purpose of providing additional public input in the preparation of a Resource Efficiency Plan and comprehensive Development Code update. Attached is a detailed summary of the purpose and required qualifications for the Advisory Committee.

The Advisory Committee will have a total of seven (7) members. One member will be appointed from each supervisory district and two members from the Planning Commission. The following Planning Commissioners have been appointed to the Advisory Committee: Jon Messick (current Chair), Alyssa Lindman, and Jim Rippey (Alternate).

Applications have been received from (Districts with more than one application are listed by date application was received): District 1: Richard Reiss; District 2: G. Michael Paine; District 3: Victor Cuate and Paul B. Myers; District 4: Keith Brown District 5: Elden Fowler and Charles Sharp

Each application has been attached for your review and consideration. In light of the expressed interest, it would be appropriate to make an appointment at this time.

### Fiscal Impact

None. Members of the Advisory Committee serve without compensation.

### Committee Action

Brought directly to the Board for consideration.

12/6/11:BOS:Continued District 3 appoint to 12/13/11; Appointed District One:Richard Reiss, District 2:G. Michael Paine, District 4: Keith Brown, District 5: Chailie Sexton

# YUBA COUNTY RESOURCE/DEVELOPMENT CODE ADVISORY COMMITTEE

**[www.yubazoningupdate.org](http://www.yubazoningupdate.org)**

- Purpose:** The Resource/Development Code Advisory Committee is expected to act as a sounding board to respond and comment upon information brought to them by County staff and project consultants (Project Team). The Project Team will present information such as issues lists, concepts, and focused items for the Advisory Committee's consideration, discussion and comment. The Committee will not be asked to offer final direction on any key policy matters as this is the role of the Board of Supervisors. The Committee members will, through their comments and suggestions, assist the preparers of the Resource Efficiency Plan and Development Code (Project Team) to formulate recommendations to the Planning Commission and Board of Supervisors. The Committee will enable a meaningful planning and environmental dialogue with locally knowledgeable residents regarding development and job creation in the County..
- Qualifications:** Permanent Resident of Yuba County (required)  
Additional consideration given to applicants with personal or professional experience in the fields of planning, land use, building, environmental sciences
- Terms:** Through Adoption of the Resource Efficiency Plan and Development Code  
(Anticipated to be a two year term – December 2013)
- Appointees:** 5 representatives (one from each supervisory district) and 2 Planning Commissioners
- Meeting Info:** As needed (generally during regular business hours)
- Compensation:** None / Voluntary

\* \* \* \* \*

## Contact information:

Yuba County Planning Department (CDSA)  
Wendy W. Hartman, Director of Planning  
915 8<sup>th</sup> Street, Suite 123  
(530) 749-5470

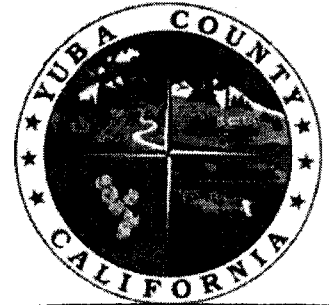
Application for vacancies may be obtained  
from and should be returned to:

Clerk of the Board of Supervisors  
915 – 8<sup>th</sup> Street, Suite 109  
Marysville, California 95901  
(530) 749-7510



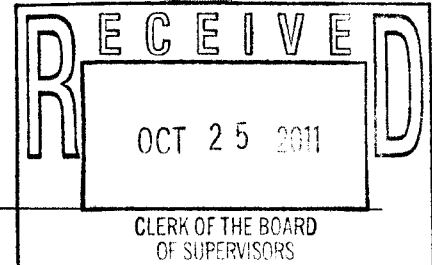
# The County of Yuba

Application for RESOURCE/DEVELOPMENT CODE ADVISORY COMMITTEE  
Appointed by the Board of Supervisors



RETURN APPLICATION WITH ORIGINAL SIGNATURE TO:

CLERK OF THE BOARD OF SUPERVISORS  
YUBA COUNTY GOVERNMENT CENTER  
915 EIGHTH STREET, SUITE 109  
MARYSVILLE, CA 95901  
(530) 749-7510



APPLICANT NAME:

Victor Cuate

MAILING ADDRESS:

[REDACTED]

PHYSICAL ADDRESS:

(same as above)

TELEPHONE:

HOME:

[REDACTED]

WORK:

[REDACTED]

EMAIL ADDRESS:

[REDACTED]

OCCUPATION/PROFESSION:

Educator (part-time) / Urban Planning & Studies Graduate Student

SUPERVISOR DISTRICT NUMBER:

3

*Use additional sheets if necessary to address the next 3 questions*

REASONS YOU WISH TO  
SERVE ON THIS BODY:

I wish to gain a practical experience to help me in my future career as an urban planner. As a resident of Olivehurst I wish to assist my community.

EXPERIENCE WITH  
ZONING/SUBDIVISION/  
DEVELOPMENT CODE  
REGULATIONS:

I have not practiced or been on a project team dealing with zoning/subdivision/development code regulations, but am educated in them.

LIST PAST AND CURRENT  
PUBLIC POSITIONS HELD:

Advisory Committee for O.S.C.E.R

DO YOU HAVE ANY CRIMINAL CONVICTION THAT MAY BE CONSIDERED A CONFLICT OF INTEREST WITH THE COMMITTEE YOU WISH TO SERVE UPON?

☐ YES ☒ NO

IF YES, PLEASE EXPLAIN. NOTE: THAT A FELONY CONVICTION SHALL PRECLUDE YOU FROM SERVICE.

I UNDERSTAND THAT IF APPOINTED TO THE ADVISORY COMMITTEE AND WHAT MAY BE CONSIDERED A CONFLICT OF INTEREST ARISES, THAT I HAVE A DUTY TO GIVE WRITTEN NOTICE OF SUCH TO THE COUNTY.

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

SIGNATURE

Victor Cuate

DATE

10/25/2011

## THIS SECTION FOR OFFICE USE ONLY

☐ NO VACANCY CURRENTLY EXISTS ON ABOVE-MENTIONED BODY. APPLICANT NOTIFIED.

☐ APPLICANT APPOINTED: \_\_\_\_\_

☐ OTHER: \_\_\_\_\_

RECEIVED

OCT 25 2011

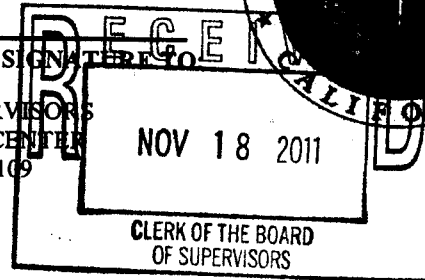
Community Development &  
Services Agency

# The County of Yuba

Application for RESOURCE/DEVELOPMENT CODE ADVISORY COMMITTEE  
Appointed by the Board of Supervisors

RETURN APPLICATION WITH ORIGINAL SIGNATURE TO

CLERK OF THE BOARD OF SUPERVISORS  
YUBA COUNTY GOVERNMENT CENTER  
915 EIGHTH STREET, SUITE 109  
MARYSVILLE, CA 95901  
(530) 749-7510



APPLICANT NAME:

Paul B Myers

MAILING ADDRESS:

[REDACTED]

PHYSICAL ADDRESS:

Same

TELEPHONE:

HOME:

[REDACTED]

WORK:

Same

EMAIL ADDRESS:

[REDACTED]

OCCUPATION/PROFESSION:

Small Business owner Docu Shred-

SUPERVISOR DISTRICT NUMBER:

3

*Use additional sheets if necessary to address the next 3 questions*

REASONS YOU WISH TO  
SERVE ON THIS BODY:

I would like to serve the 3rd District  
To Stream line new Sustainable Development

EXPERIENCE WITH  
ZONING/SUBDIVISION/  
DEVELOPMENT CODE  
REGULATIONS:

For 35 years in Yuba County I have worked  
with a licensed CA Architect and General Contractors  
in all aspects of Home Construction

LIST PAST AND CURRENT  
PUBLIC POSITIONS HELD:

None

DO YOU HAVE ANY CRIMINAL CONVICTION THAT MAY BE CONSIDERED A CONFLICT OF INTEREST WITH THE COMMITTEE YOU  
WISH TO SERVE UPON? ☐ YES ☒ NO

IF YES, PLEASE EXPLAIN. NOTE: THAT A FELONY CONVICTION SHALL PRECLUDE YOU FROM SERVICE.

I UNDERSTAND THAT IF APPOINTED TO THE ADVISORY COMMITTEE AND WHAT MAY BE CONSIDERED A CONFLICT OF  
INTEREST ARISES, THAT I HAVE A DUTY TO GIVE WRITTEN NOTICE OF SUCH TO THE COUNTY.

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT TO THE BEST OF  
MY KNOWLEDGE.

Paul B Myers  
SIGNATURE

11-18-2011  
DATE

#### THIS SECTION FOR OFFICE USE ONLY

☐ NO VACANCY CURRENTLY EXISTS ON ABOVE-MENTIONED BODY. APPLICANT NOTIFIED.

☐ APPLICANT APPOINTED: \_\_\_\_\_

☐ OTHER: \_\_\_\_\_

cc CFS

## REPAYMENT AGREEMENT BETWEEN THE COUNTY OF YUBA AND THE CITY OF MARYSVILLE

This Agreement is hereby made and entered into by and between the COUNTY OF YUBA (hereinafter referred to as "COUNTY") and the CITY OF MARYSVILLE.

- A. Background/History:** In 2010 the Office of the California State Controller, Audit Division, conducted an audit for traffic fines collected in fiscal years 2004-2005 through 2008-2009 by the Yuba County Superior Court. Through the audit, it was determined that several government entities, including the State of California were owed a portion of the total fines collected or needed to pay back amounts from fines inappropriately credited to their respective agency.
- B. Purpose of Agreement:** The purpose of this agreement is to establish a repayment plan for the CITY OF MARYSVILLE to pay the COUNTY the amount owed due to misallocation of court fines from Fiscal Year 2004/2005 through Fiscal Year 2008/2009.

In addition, the Office of the California State Controller has recommended that amounts owed for fiscal year 2009-2010 also be determined and remitted to the appropriate agency(ies). That amount is still to be determined and IS NOT part of this agreement. The COUNTY will notify the CITY OF MARYSVILLE of the amount for 2009-2010 as soon as it is determined and both parties will determine a method of repayment.

- C. Amount Owed:** Due to the misallocation of court fines, the CITY OF MARYSVILLE currently owes the County of Yuba \$ 222,386 for fiscal years 2004-2005 through 2008-2009.
- D. Repayment:** Repayment will be based on the following terms:
- a. **Interest Rate:** The CITY OF MARYSVILLE will be charged an agreed upon interest rate of 2% that will also be collected monthly.
  - b. **Monthly Installment:** The CITY OF MARYSVILLE will make 36 equal uninterrupted monthly installments in the amount of six thousand three hundred and sixty nine dollars and seventy one cents (\$6,369.71) which includes principal and interest beginning in September 2011 and ending in August 2014 as detailed in the attached payment worksheet (referred to as Attachment A).
  - c. **Method of Repayment:** The CITY OF MARYSVILLE agrees to have the Yuba County Auditor-Controller's Office withhold the agreed upon monthly payment amount of six thousand three hundred and sixty nine dollars and seventy one cents (\$6,369.71), which includes principal

and interest, stated in Attachment A, from the monthly distribution of fines normally provided monthly to the CITY OF MARYSVILLE.

- d. **Amortization Schedule:** The Amortization Schedule for this agreement is included herein as Attachment A.
- e. **Additional Payments:** Additional payments during the course of this agreement may be made by the CITY OF MARYSVILLE at their discretion. These payments will be sent and addressed as follows:

County of Yuba  
Attention: Yuba County Auditor-Controller  
915 8<sup>th</sup> Street, Suite 105  
Marysville, CA 95901

- E. **Prepayment:** The CITY OF MARYSVILLE has the right to prepay the outstanding amount at anytime.
- F. **Default:** If for any reason the CITY OF MARYSVILLE fails to make any payment on time, the CITY OF MARYSVILLE shall be in default. The COUNTY can then demand immediate payment of the entire remaining unpaid balance without giving further notice.
- G. **Modification:** Modifications within the scope of this agreement shall be made by mutual and written consent of all parties. All modifications must be made in writing and agreed upon by all parties as evidenced by their signature.
- H. **Notices:** Any notice required or permitted to be given under this Agreement shall be in writing and shall be served by certified mail, return receipt requested, or personal service upon the other party.

Notices shall be addressed as follows:

If to the COUNTY: County of Yuba  
Dean Sellers, Auditor-Controller  
915 8<sup>th</sup> Street, Suite 105  
Marysville, CA 95901

If to the CITY OF MARYSVILLE: City of Marysville  
Steve Casey, City Manager  
P.O. Box 150  
Marysville, CA 95901

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as follows

CITY OF MARYSVILLE

By: \_\_\_\_\_  
Bill Harris, Mayor  
City of Marysville

Date: \_\_\_\_\_

COUNTY OF YUBA

By: \_\_\_\_\_  
Roger Abe, Chairman  
Yuba County Board of Supervisors

Date: 11-15-11

ATTEST: DONNA STOTTLEMEYER  
Clerk of the Board of Supervisors

\_\_\_\_\_  
*Donna Stottlemeier*

RECOMMENDED FOR APPROVAL

By: \_\_\_\_\_  
Robert Bendorf, County Administrator

APPROVED AS TO FORM  
Angil P. Morris-Jones  
County Counsel

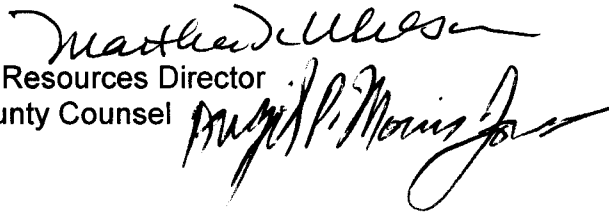
By: \_\_\_\_\_  
Angil P. Morris-Jones

## Amortization Schedule

| Payment Period Specific |             |           |             | Cumulative  |               | Outstanding Amounts |               |
|-------------------------|-------------|-----------|-------------|-------------|---------------|---------------------|---------------|
| Date                    | Payment     | Interest  | Principal   | Interest    | Principal     | Interest            | Principal     |
| 9/15/2011               | \$ 6,369.71 | \$ 370.64 | \$ 5,999.06 | \$ 370.60   | \$ 5,999.06   | \$ 6,552.90         | \$ 216,386.90 |
| 10/15/2011              | \$ 6,369.71 | \$ 360.64 | \$ 6,009.06 | \$ 731.24   | \$ 12,008.12  | \$ 6,192.20         | \$ 210,377.90 |
| 11/15/2011              | \$ 6,369.71 | \$ 350.63 | \$ 6,019.08 | \$ 1,081.87 | \$ 18,027.20  | \$ 5,841.60         | \$ 204,358.80 |
| 12/15/2011              | \$ 6,369.71 | \$ 340.60 | \$ 6,029.11 | \$ 1,422.47 | \$ 24,056.31  | \$ 5,501.00         | \$ 198,329.70 |
| 1/15/2012               | \$ 6,369.71 | \$ 330.55 | \$ 6,039.16 | \$ 1,753.02 | \$ 30,095.47  | \$ 5,170.40         | \$ 192,290.50 |
| 2/15/2012               | \$ 6,369.71 | \$ 320.48 | \$ 6,049.22 | \$ 2,073.50 | \$ 36,144.69  | \$ 4,850.00         | \$ 186,241.30 |
| 3/15/2012               | \$ 6,369.71 | \$ 310.40 | \$ 6,059.31 | \$ 2,383.90 | \$ 42,204.00  | \$ 4,539.60         | \$ 180,181.99 |
| 4/15/2012               | \$ 6,369.71 | \$ 300.30 | \$ 6,069.41 | \$ 2,684.20 | \$ 48,273.41  | \$ 4,239.30         | \$ 174,112.58 |
| 5/15/2012               | \$ 6,369.71 | \$ 290.19 | \$ 6,079.52 | \$ 2,974.39 | \$ 54,352.93  | \$ 3,949.11         | \$ 168,033.06 |
| 6/15/2012               | \$ 6,369.71 | \$ 280.06 | \$ 6,089.65 | \$ 3,254.45 | \$ 60,442.58  | \$ 3,669.05         | \$ 161,943.41 |
| 7/15/2012               | \$ 6,369.71 | \$ 269.91 | \$ 6,099.80 | \$ 3,524.36 | \$ 66,542.38  | \$ 3,399.14         | \$ 155,843.61 |
| 8/15/2012               | \$ 6,369.71 | \$ 259.74 | \$ 6,109.97 | \$ 3,784.10 | \$ 72,652.35  | \$ 3,139.40         | \$ 149,733.64 |
| 9/15/2012               | \$ 6,369.71 | \$ 249.56 | \$ 6,120.15 | \$ 4,033.66 | \$ 78,772.50  | \$ 2,889.84         | \$ 143,613.49 |
| 10/15/2012              | \$ 6,369.71 | \$ 239.36 | \$ 6,130.35 | \$ 4,273.02 | \$ 84,902.85  | \$ 2,650.48         | \$ 137,483.14 |
| 11/15/2012              | \$ 6,369.71 | \$ 229.14 | \$ 6,140.57 | \$ 4,502.16 | \$ 91,043.42  | \$ 2,421.34         | \$ 131,342.57 |
| 12/15/2012              | \$ 6,369.71 | \$ 218.90 | \$ 6,150.80 | \$ 4,721.06 | \$ 97,194.22  | \$ 2,202.44         | \$ 125,191.77 |
| 1/15/2013               | \$ 6,369.71 | \$ 208.65 | \$ 6,161.06 | \$ 4,929.71 | \$ 103,355.28 | \$ 1,993.79         | \$ 119,030.71 |
| 2/15/2013               | \$ 6,369.71 | \$ 198.38 | \$ 6,171.32 | \$ 5,128.09 | \$ 109,526.60 | \$ 1,795.41         | \$ 112,859.39 |
| 3/15/2013               | \$ 6,369.71 | \$ 188.10 | \$ 6,181.61 | \$ 5,316.19 | \$ 115,708.21 | \$ 1,607.31         | \$ 106,677.78 |
| 4/15/2013               | \$ 6,369.71 | \$ 177.80 | \$ 6,191.91 | \$ 5,493.99 | \$ 121,900.12 | \$ 1,429.51         | \$ 100,485.87 |
| 5/15/2013               | \$ 6,369.71 | \$ 167.48 | \$ 6,202.23 | \$ 5,661.47 | \$ 128,102.35 | \$ 1,262.03         | \$ 94,283.64  |
| 6/15/2013               | \$ 6,369.71 | \$ 157.14 | \$ 6,212.57 | \$ 5,818.61 | \$ 134,314.92 | \$ 1,104.89         | \$ 88,071.07  |
| 7/15/2013               | \$ 6,369.71 | \$ 146.79 | \$ 6,222.92 | \$ 5,965.40 | \$ 140,537.84 | \$ 958.10           | \$ 81,848.15  |
| 8/15/2013               | \$ 6,369.71 | \$ 136.41 | \$ 6,233.29 | \$ 6,101.81 | \$ 146,771.13 | \$ 821.69           | \$ 75,614.86  |
| 9/15/2013               | \$ 6,369.71 | \$ 126.02 | \$ 6,243.68 | \$ 6,227.83 | \$ 153,014.81 | \$ 695.67           | \$ 69,371.18  |
| 10/15/2013              | \$ 6,369.71 | \$ 115.62 | \$ 6,254.09 | \$ 6,343.45 | \$ 159,268.90 | \$ 580.05           | \$ 63,117.09  |
| 11/15/2013              | \$ 6,369.71 | \$ 105.20 | \$ 6,264.51 | \$ 6,448.65 | \$ 165,533.41 | \$ 474.85           | \$ 56,852.58  |
| 12/15/2013              | \$ 6,369.71 | \$ 94.75  | \$ 6,274.95 | \$ 6,543.40 | \$ 171,808.36 | \$ 380.10           | \$ 50,577.63  |
| 1/15/2014               | \$ 6,369.71 | \$ 84.30  | \$ 6,285.41 | \$ 6,627.70 | \$ 178,093.77 | \$ 295.80           | \$ 44,292.22  |
| 2/15/2014               | \$ 6,369.71 | \$ 73.82  | \$ 6,295.89 | \$ 6,701.52 | \$ 184,389.66 | \$ 221.98           | \$ 37,996.33  |
| 3/15/2014               | \$ 6,369.71 | \$ 63.33  | \$ 6,306.38 | \$ 6,764.85 | \$ 190,696.04 | \$ 158.65           | \$ 31,689.95  |
| 4/15/2014               | \$ 6,369.71 | \$ 52.82  | \$ 6,316.89 | \$ 6,817.67 | \$ 197,012.93 | \$ 105.83           | \$ 25,373.06  |
| 5/15/2014               | \$ 6,369.71 | \$ 42.29  | \$ 6,327.42 | \$ 6,859.96 | \$ 203,340.35 | \$ 63.54            | \$ 19,045.64  |
| 6/15/2014               | \$ 6,369.71 | \$ 31.74  | \$ 6,337.97 | \$ 6,891.70 | \$ 209,678.32 | \$ 31.80            | \$ 12,707.67  |
| 7/15/2014               | \$ 6,369.71 | \$ 21.18  | \$ 6,348.53 | \$ 6,912.88 | \$ 216,026.85 | \$ 10.62            | \$ 6,359.14   |
| 8/15/2014               | \$ 6,369.71 | \$ 10.60  | \$ 6,359.11 | \$ 6,923.48 | \$ 222,385.96 | \$ 0.02             | \$ 0.03       |

**YUBA COUNTY**  
**HUMAN RESOURCES & ORGANIZATIONAL**  
**SERVICES DEPARTMENT**  
*915 8TH STREET, SUITE 113, MARYSVILLE, CA 95901*

**DATE:** December 13, 2011  
**TO:** Board of Supervisors  
**FROM:** Martha Wilson, Human Resources Director  
Angil Morris-Jones, County Counsel



**RECOMMENDATION**

Approve the establishment of the Legal Services Coordinator classification. Adopt a resolution amending the Classification System – Basic Salary / Hourly Schedule and Position Allocation as it relates to the County Counsel Department, effective December 1, 2011.

**BACKGROUND**

The County Counsel Department currently has allocated one Paralegal as the sole support for six attorneys.

**DISCUSSION**

Historically, the County Counsel department has had three support positions, including a Legal Secretary, Office Specialist and Paralegal. Budget constraints necessitated a reduction in staff and staffing hours in June 2010 and again in May 2011, which has resulted in a shift of duties and a strain on the remaining support function of the office.

Current workload demands require additional support and unique types of duties to be performed which cannot be performed by the current Paralegal classification. In order to be efficient and allow legal staff to devote their time to their specialty areas, these duties must be shifted back to a support classification. The classification of Legal Services Coordinator has been developed to meet this critical need, allowing the Department to function more efficiently in a financially responsible manner.

**COMMITTEE**

This item has bypassed committee due to a severe staffing shortage in the County Counsel Department and a limited number of Board of Supervisors meetings before the end of the year.

**FISCAL IMPACT**

The cost of the position will be offset by salary savings from recently vacated positions, one of which will not be filled for the remainder of the fiscal year.

**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF YUBA**

**IN RE:**

RESOLUTION AMENDING THE  
CLASSIFICATION SYSTEM – BASIC SALARY  
SCHEDULE

RESOLUTION NO. \_\_\_\_\_

BE IT RESOLVED that the Classification System – Basic Salary Schedule is amended as follows effective **December 1, 2011**,

**ADD:**

| Code | Classification             | Unit | Base<br>A | OT<br>Code | WC<br>Code |
|------|----------------------------|------|-----------|------------|------------|
| LSCO | Legal Services Coordinator | 11   | 3,416     | 06         | 8810.1     |

PASSED AND ADOPTED by the Board of Supervisors of the County of Yuba, State of California,  
on the \_\_\_\_\_ day of \_\_\_\_\_, 2011 by the following votes:

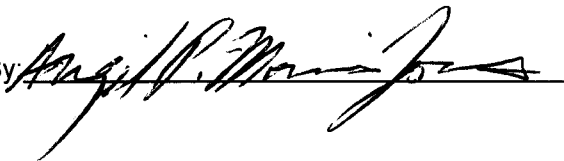
AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
CHAIRMAN

ATTEST: Donna Stottlemeyer  
Clerk of the Board

APPROVED AS TO FORM: Angil Morris-Jones  
County Counsel

By: \_\_\_\_\_

By: 



**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF YUBA**

**IN RE:**

RESOLUTION AMENDING THE  
DEPARTMENTAL POSITION ALLOCATION  
SCHEDULE NO.

)  
)  
)  
)  
)

RESOLUTION NO. \_\_\_\_\_

BE IT RESOLVED that the Departmental Position Allocation Schedule as it relates to the following department(s) is amended effective **December 1, 2011** as follows:

**ADD:**

| DEPARTMENT     | CLASSIFICATION             | # OF POSITIONS |
|----------------|----------------------------|----------------|
| County Counsel | Legal Services Coordinator | 1              |

PASSED AND ADOPTED by the Board of Supervisors of the County of Yuba, State of California, on the \_\_\_\_\_ day of \_\_\_\_\_, 2011 by the following votes:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
CHAIRMAN

ATTEST: Donna Stottlemeyer  
Clerk of the Board

APPROVED AS TO FORM: Angil Morris-Jones  
County Counsel

By: \_\_\_\_\_

By: \_\_\_\_\_

## CLASSIFICATION SPECIFICATION



**CLASSIFICATION:** Legal Services Coordinator  
**ALLOCATION:** County Counsel  
**FLSA STATUS:** Non-Exempt  
**UNION AFFILIATION:** Confidential

**ESTABLISHED:** December 2011  
**REVISED:**

### **JOB SUMMARY:**

Under general direction, plan, organize, oversee and coordinate the legal and general administrative support functions within the County Counsel Office; provide technical, confidential and specialized legal support to staff attorneys and the County Counsel; assist with the administrative and fiscal functions of the department including budget development and monitoring, payroll, and personnel related issues; perform difficult, technical, complex and specialized legal office support work as well as duties in support of departmental fiscal, purchasing and personnel related functions and perform other duties as assigned.

This is a stand-alone confidential classification in the legal services series.

### **CLASS CHARACTERISTICS:**

This position reports directly to the County Counsel. This class is distinguished from Supervising Legal Office Assistant in that the latter is responsible for supervising the legal office support functions within an assigned department. This class is further distinguished from Legal Services Supervisor in that it supports a small department and functions as specialized, confidential, legal and administrative support with oversight of legal para-professionals and other support staff rather than solely legal clerical staff.

### **EXAMPLES OF DUTIES:**

#### **Essential:**

- Perform the more complex, technical, difficult and/or specialized legal office support work within the department and perform the full range of legal office support duties on a relief or day-to-day basis.
- Evaluate operations and activities of assigned responsibilities; recommend improvements and modifications; prepare various reports on operations and activities.
- Coordinate, organize, assist and review work flow and products of the office, including the work of volunteers and other support staff.
- Recommend and assist in the implementation of goals and objectives; implement policies and procedures.
- Assist with the coordination, preparation and monitoring of the department budget; track expenditures; provide current and accurate budget information to the Department Head.
- Purchase office supplies and equipment; receive, review and process invoices for payment; maintain inventory.
- Maintain and process department payroll; track leave information; calculate salary and benefit projections for budgeting purposes.
- Prepare a variety of technical reports.
- Coordinate application of electronic case management system within the office and between the office and other County departments.
- Answer questions and provide information to County employees requiring the use of judgment and interpretation of policies and procedures; investigate complaints and recommend corrective action as necessary to resolve complaints.
- Research and compile operational and statistical data and information from various sources; maintain records and prepare special and periodic reports.
- Build and maintain positive working relationships with co-workers, County employees and the public using principles of good customer service.

#### **Important:**

- Comply with all County equipment and safety policies and procedures, and California Occupational Safety and Health Administration (CalOSHA) rules and regulations.
- May supervise assigned staff on a project or day-to-day basis.
- Use standard office equipment, including a computer, in the course of work.

## **EMPLOYMENT STANDARDS:**

### **Knowledge of:**

- Principles and practices of legal office support.
- Pertinent local, State and Federal rules, regulations and laws, legal codes, court procedures, precedents, government regulations, executive orders, agency rules, and the democratic political process.
- Principles and practices of budget monitoring.
- Business and management principles, involved in strategic planning, resource allocation, human resources modeling, leadership techniques, production methods, and coordination of people and resources.
- Modern office equipment, methods, procedures and computer hardware and software.
- Economic and accounting principles and practices, budgeting, contract administration and the analysis and reporting of financial data.
- Business arithmetic, algebra, statistics and their applications.
- Office administrative practices and procedures.
- Basic budgetary and financial practices and terminology.
- Principles of records management.
- The structure and content of the English language including the meaning and spelling of words, rules of composition and grammar.
- Principles and processes for providing customer and personnel services; including customer needs assessment, meeting quality standards for services and evaluation of customer satisfaction.
- Techniques for dealing with individuals of various ethnic and socio-economic groups, often in situations which may be difficult or confrontational.

### **Skill in:**

- Motivating, developing, and directing people as they work, identifying the best people for the job.
- Identifying the development needs of others and coaching, mentoring, or otherwise helping others to improve their knowledge or skills.
- Organizing, implementing, and directing legal office support operations/activities.
- Interpreting and explaining pertinent legal support and department policies and procedures.
- Developing and recommending policies and procedures related to assigned operations.
- Preparing clear and accurate reports, correspondence and other written materials.
- Analyzing budget, technical reports, financial statements and spreadsheets.
- Organizing, researching and maintaining accurate accounting and office files.
- Assisting in the development and monitoring of departmental budget.
- Effectively using tact, patience, courtesy, discretion and prudence in dealing with those contacted in the course of the work.
- Understanding the implications of new information for both current and future problem-solving and decision-making.
- Considering the relative costs and benefits of potential actions to choose the most appropriate one.
- Monitoring/assessing performance of self, other individuals, or organizations to make improvements or take corrective action.
- Making accurate arithmetic and statistical calculations.
- Inputting varied data into a computer database system with speed and accuracy.
- Communicating clearly and concisely, both orally and in writing.

### **Ability to:**

- On a continuous basis, know and understand all aspects of the job and relevant laws, both currently in effect and in pending legislation.
- Give full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate and not interrupting at inappropriate times.
- Read and understand technical and legal information and ideas presented in writing.
- Maintain composure, keep emotions in check, control anger, and avoid aggressive behavior, even in very difficult situations.
- Perform calmly, purposefully and appropriately in emergency and stressful situations.
- Exercise sound, independent judgment within general procedural guidelines.
- Apply general rules to specific problems to produce answers that make sense.
- Combine pieces of information to form general rules or conclusions (includes finding a relationship among seemingly unrelated events).

- Work cooperatively with other departments, divisions, County officials and outside agencies.
- Establish and maintain effective working relationships with those contacted in the course of work.
- Type at a net rate of 40 words per minute.

**Physical Demands:** The physical demands and work environment described here are representative of those that must be met by an employee to successfully perform the essential functions of the job, with or without accommodation. Prospective employees must complete a pre-employment medical exam (Occupational Group IV) which will measure the ability to:

- See well enough to read fine print and view a computer screen; speak and hear well enough to understand, respond, and communicate clearly in person and on the telephone; independent body mobility sufficient to stand, sit, walk, stoop and bend to access the work environment and a standard office environment; manual dexterity and sufficient use of hands, arms and shoulders to repetitively operate a keyboard and to write; and the ability to sit or walk for prolonged periods of time.

Accommodation may be made for some of these physical demands for otherwise qualified individuals who require and request such accommodation.

**Work Environment:**

- Generally a typical office environment.

**QUALIFICATIONS:**

The minimum and preferred requirements are listed below. While the following requirements outline the minimum qualifications, Human Resources reserves the right to select applicants for further consideration who demonstrate the best qualifications match for the job. Meeting the minimum qualifications does not guarantee further participation in selection procedures.

**Licenses and Certification:**

- The ability to obtain a valid California Class C driver's license within ten (10) days of employment; maintain throughout employment.
- Typing Certificate: Min: Net 40 wpm. Typing Certificate must indicate result from a five (5) minute test of at least the minimum net wpm required.

**Special Requirements:**

- Must successfully complete an extensive and thorough background investigation which may include Live Scan fingerprinting prior to hire.
- Will be required to perform disaster service activities pursuant to Government Code 3100-3109.

**Education and Experience:**

**MINIMUM:** An Associate's degree from an accredited college or university with course work in legal assisting, business administration, public administration, accounting, bookkeeping, or a related field. Four years of experience researching laws, regulations and legal documents; preparing/drafting reports, resolutions, ordinances and legal memos; and monitoring the status of assigned projects. Additional related education may substitute for some or all of the experience.

Candidates with strong experience who lack the degree are encouraged to apply.

**PREFERRED:** In addition to the minimum, a Bachelor's degree in a related field, experience directing and reviewing the work of others, Certification as a Paralegal, Law Student or Legal Assistant, or Juris Doctorate coursework from an accredited school of law.

**This class specification lists the major duties and requirements of the job. Incumbent may be expected to perform job-related duties other than those contained in this document.**

County Counsel Approval  
Angi Morris-Jones  
Date

EEOC: F  
WC: 8810.1

Human Resources Approval: Iva Seaberg  
Date

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_



*ORDINANCES  
AND  
PUBLIC HEARINGS*

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# Yuba County Sheriff's Department

*Steven L. Durfor, Sheriff - Coroner*

**215 5th Street, Suite 150, Marysville, CA 95901**

**Ph: 530-749-7777 • Fax: 530-741-6445**

DECEMBER 6, 2011

TO: YUBA COUNTY BOARD OF SUPERVISOR'S

FR: STEVEN L. DURFOR, SHERIFF-CORONER

RE: MASTER FEE SCHEDULE

## **RECOMMENDATION:**

Approve the following changes to the Master Fee Schedule:

- I. Set and update Burglary and Robbery Alarm Systems fees (described below)
- II. Delete Probation Adult Offender Work Program fee and add Sheriff Adult Offender Work Program fee (described below)
- III. Add fees for Sheriff's Work Alternative Program and Electronic Monitoring (described below)

### **I. Section 13.00.050 – Add Adult Offender Work Program fee**

| <b>Name of Fee</b>          | <b>Current Fee</b> | <b>Proposed Fee</b> |
|-----------------------------|--------------------|---------------------|
| Adult Offender Work Program | N/A                | \$70.00             |

### **I. Section 13.00.050 – Add Sheriff's Work Alternative Program (SWAP) and Electronic Monitoring fees**

| <b>Name of Fee</b>   | <b>Current Fee</b> | <b>Proposed Fee</b> |
|--|--------------------|---------------------|
| Sheriff's Work Alternative Program (SWAP) - Administrative Fee | N/A                | \$50.00             |
| Sheriff's Work Alternative Program (SWAP) - Daily Fee          | N/A                | \$10.00             |
| Sheriff's Electronic Monitoring Program Administrative Fee     | N/A                | \$50.00             |
| Sheriff's Electronic Monitoring Program - Daily Fee            | N/A                | \$10.00             |

### **II. Section 13.00.056 – Delete Probation Adult Offender Work fee**

| <b>Name of Fee</b>            | <b>Current Fee</b> | <b>Proposed Fee</b> |
|-------------------------------|--------------------|---------------------|
| Probation Adult Offender Work | \$70.00            | Delete              |

### **III. Section 13.00.050 – Revise Fees**

| <b>Name of Fee</b>   | <b>Current Fee</b> | <b>Proposed Fee</b> |
|--|--------------------|---------------------|
| Burglary and Robbery Alarm Systems Permit (3 year)                           | Per Resolution     | \$43.50             |
| Burglary and Robbery Alarm Systems Permit - Transfer Fee                     | \$2.00             | \$10.00             |
| Burglary and Robbery Alarm Systems Permit - Renewal Fee                      | Per Resolution     | \$43.50             |
| Reapplication for Burglary and Robbery Alarm Systems Permit after Revocation | \$25.00            | \$25.00             |

## **BACKGROUND:**

There are three issues involved in this request. The first deals with the Burglary and Alarm Systems ordinance. Yuba County enacted a Burglary and Robbery Alarm System ordinance in 1980 and that ordinance remains essentially unchanged. The ordinance has not been enforced for many years, in fact no one currently working for the Sheriff's Office can recall the ordinance being enforced. In order to begin enforcing the ordinance, the fees must be set and updated.

The second issue is simply a reassignment of the Adult Offender Work Program Fee from Probation to the Sheriff's Office. At your September 27, 2011 meeting, you approved the AB 109 Implementation Plan as presented by Chief Probation Officer Jim Arnold on behalf of the Community Corrections Partnership. A component of that plan was to transfer responsibility for the current Adult Offender Work Program from the Probation Department to the Sheriff's Department. This request simply moves the fee (amount unchanged) authority in the Master Fee Schedule.

The third issue also relates to the AB 109 Implementation Plan approved by your board on September 27, 2011. One component of the AB 109 Implementation Plan authorizes the Sheriff to operate a work alternative program pursuant to 4024.2 of the California Penal Code. This program allows the Sheriff to offer a voluntary program under which any person committed to jail may participate in a work release program in which one day of participation will be in lieu of one day of confinement. The law also provides that the board of supervisors may prescribe a program administrative fee, not to exceed the pro rata cost of administration, to be paid by each person according to his or her ability to pay. A second component of the AB 109 plan authorizes the Sheriff to operate a home detention/electronic monitoring program pursuant to §§1203.016, 1203.017 and 1203.018 of the California Penal Code. §1203.016 is a voluntary home detention program for sentenced inmates and the statute allows the board of supervisors to prescribe a program administrative fee to be paid by each home detention participant that shall be determined according to his or her ability to pay. Inability to pay all or a portion of the program fees shall not preclude participation in the program, and eligibility shall not be enhanced by reason of ability to pay. §1203.018 is a pre-trial home detention/electronic monitoring program and the statute allows the board of supervisors to prescribe a program administrative fee to be paid by each electronic monitoring participant. 1203.017 is an involuntary home detention program and no fee may be assessed.

## **DISCUSSION:**

### ***I. Burglary and Robbery Alarm Systems Fee:***

Over the past five years, alarm calls have represented 5 to 6 percent of all calls for service the Sheriff's Office receives. We have received an average of 1850 alarm calls per year and on average 98.9 percent of the calls are false alarms. Each false alarm call requires approximately 20 minutes of deputy time, usually for two deputies. Over the course of one year, that amounts to approximately 1300 hours of unnecessary time spent by the deputies. This does not include the time spent by dispatchers and other less tangible effects such as lost opportunity when deputies are unavailable to work on actual crime problems.

We do not expect to increase revenues through the proposed fees; instead our aim is to reduce the number of false alarm responses and thereby increase the time deputies are able to respond to other calls and employ crime prevention strategies. The fee is intended to cover the cost of administering the program and is consistent with fees charged in other jurisdictions.



## ***II. Adult Offender Work Program***

This is simply a reassignment of the department responsible for charging the fee.

## ***III. Sheriff's Work Alternative Program/Electronic Monitoring***

These are new programs, and as such we have not determined the actual administrative costs. In determining the proposed fees, we surveyed surrounding counties to establish the average cost of program administration and the proposed fees have been set within the range of surrounding counties. The surveyed counties were Sutter, Butte, Lake and Yolo who charge the fees below:

| <b>County</b> | <b>Program</b>        | <b>Admin Fee</b>  | <b>Daily Fee</b>    |
|---------------|-----------------------|---|---------------------|
| <b>Sutter</b> | Work Alternative      | \$50.00   | \$13.00             |
|               | Electronic Monitoring | \$50.00   | \$15.00             |
| <b>Butte</b>  | Work Alternative      | \$75.00   | \$7.00              |
|               | Electronic Monitoring | \$100.00  | \$20.00             |
| <b>Lake</b>   | Work Alternative      | \$35.00   | \$8.00              |
|               | Electronic Monitoring | \$40.00   | \$10 min - \$20 max |
| <b>Yolo</b>   | Work Alternative      | \$45.00   | \$340 flat fee      |
|               | Electronic Monitoring | \$175.00 (1-15 days)<br>Sliding scale for more than 15 days |                     |

## **FISCAL IMPACT:**

### ***I. Burglary and Robbery Alarm Systems***

It is suspected that the fee will cover the cost of program administration; however, depending on the number of false alarms avoided, a savings in hours spent on these unnecessary calls for service would be realized.

### ***II. Adult Offender Work Program***

N/A. There is no change to the fee, only the department authorized to charge the fee.

### ***III. Sheriff's Work Alternative Program/Electronic Monitoring***

As stated above, these are new programs and the fiscal impact is yet to be determined. We have received funding to help offset the cost of AB 109 implementation; however, it is doubtful that fees we are able to collect/assess, coupled with the subvention from the state, will adequately offset the cost of AB 109 implementation.

## **COMMITTEE ACTION:**

The Law and Justice Committee reviewed the item on November 15, 2011, and recommends its approval.

ORDINANCE NO. \_\_\_\_\_

**ORDINANCE AMENDING SECTION 13.00.050 AND 13.00.056 OF CHAPTER  
13, TITLE XIII, OF THE YUBA COUNTY ORDINANCE CODE**

The following ordinance consisting of three (3) sections, was duly and regularly passed and adopted by the Board of Supervisors of the County of Yuba, State of California, at a regular meeting of the Board of Supervisors held on \_\_\_\_\_ day of \_\_\_\_\_, 2011, by the following vote:

AYES:

NOES:

ABSENT:

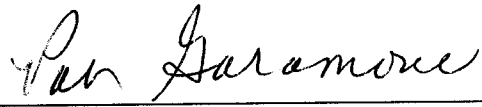
ABSTAIN:

\_\_\_\_\_  
Roger Abe, Chairman of the Board of  
Supervisors of the County of Yuba, State  
of California

ATTEST: DONNA STOTTLEMEYER  
Clerk of the Board of Supervisors

By: \_\_\_\_\_

APPROVED AS TO FORM:

By:   
Angil P. Morris-Jones, County Counsel

**THE BOARD OF SUPERVISORS OF THE COUNTY OF YUBA, STATE OF CALIFORNIA DOES ORDAIN AS FOLLOWS:**

Section 1. This ordinance shall take effect Sixty (60) days after its passage, and before the expiration of Thirty (30) days after its passage a summary shall be published with the names of the members voting for and against the same, once in a local newspaper of general circulation in the County of Yuba, State of California.

Section 2. Sections 13.00.050 and 13.00.056, of the Yuba County Consolidated Fee Schedule are hereby amended as reflected in Attachment "A", hereto and by this reference is incorporated herein as though set forth in full.

Section 3. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

**Attachment A:**

**I. Section 13.00.050 – Add Adult Offender Work Program fee**

| <b>Name of Fee</b>          | <b>Current Fee</b> | <b>Proposed Fee</b> |
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| <b>Name of Fee</b>            | <b>Current Fee</b> | <b>Proposed Fee</b> |
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| Probation Adult Offender Work | \$70.00            | Delete              |

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| <b>Name of Fee</b>   | <b>Current Fee</b> | <b>Proposed Fee</b> |
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# The County of Yuba

## Environmental Health Department

### Clark Pickell Hazardous Materials Supervisor

915 8<sup>th</sup> Street, Suite 123, Marysville, California 95901

Phone: (530) 749-7523 FAX: (530) 749-5454



553-11

TO: Board of Supervisors

FROM: Tejinder Maan/ Environmental Health Director *TM*  
Clark Pickell/ Certified Unified Program Agency

SUBJECT: Amend Chapter 7, Title VII of the Yuba County Ordinance Code to modify the process for payment of services rendered for mandatory refuse collection

Date: December 13, 2011

**Recommendation:** Adopt ordinance to repeal and re-enact Chapter 7, Title VII Section 7.05.220 and to repeal in its entirety 7.05.230 and re-enact as Section 7.05.220.

**Background:** The process for collection of payment for services rendered currently requires an annual hearing by the Board of Supervisors.

**Discussion** This amendment will change the hearing process from the Board of Supervisors as the hearing body to a hearing officer that will be the Director of CDSA or his/her designee. This modification will make the entire process more efficient, convenient and cost effective for both the public and the County.

**Committee:** The Public Works and Land Use Committee has recommended approval.

**Fiscal Impact:** The transfer of the hearing process from the Board of Supervisors to the Director of CDSA or his/her designee will improve efficiency.

ORDINANCE NO. \_\_\_\_\_

**ORDINANCE AMENDING CHAPTER 7, TITLE VII OF THE YUBA COUNTY  
ORDINANCE CODE BY REPEALING IN THEIR ENTIRETY SECTIONS 7.05.220 AND  
7.05.230 AND RE-ENACTING SECTION 7.05.220 REGARDING PAYMENT AND  
COLLECTION OF UNPAID REFUSE SERVICE BILLS**

The following ordinance, consisting of three (3) sections, was duly and regularly passed and adopted by the Board of Supervisors of the County of Yuba, State of California, at a regular meeting of the Board of Supervisors held on \_\_\_\_\_ day of \_\_\_\_\_, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Chairman of the Board of Supervisors  
of the County of Yuba, State of California

ATTEST: DONNA STOTTLEMEYER  
Clerk of the Board of Supervisors

By: \_\_\_\_\_

APPROVED AS TO FORM  
ANGIL MORRIS-JONES:

By: *Pah Garomone*

**THE BOARD OF SUPERVISORS OF THE COUNTY OF YUBA, STATE OF CALIFORNIA DOES ORDAIN AS FOLLOWS:**

Section 1. This ordinance shall take effect thirty (30) days after its passage, and before the expiration of fifteen (15) days after its passage, a summary shall be published with the names of the members voting for and against the same, once in a local newspaper of general circulation in the County of Yuba, State of California.

Section 2. Section 7.05.220 and 7.05.230 of Chapter 7, Title VII of the Yuba County Ordinance Code is herein repealed in its entirety and re-enacted as Section 7.05.220 as follows:

**7.05.220 Payment for Services Rendered.**

(a) All billing for refuse collection shall be coordinated and administered by the collector(s); all charges shall become delinquent if not paid within thirty (30) days after the date due as stated on the refuse collection bill.

(b) If the bill remains unpaid after the date of delinquency, the collector(s) shall be entitled to a delinquency fee. However, said delinquency fee shall not be assessed until fifteen (15) days after notification of the delinquency to the owner and recipient of service. The form and content of the delinquency notice sent by the collector(s) and the delinquency fee shall be approved by the County. Said notice shall notify the owner of the fees imposed and the process for collection of delinquent charges. If a tenant is delinquent, the owner shall also receive all such delinquency notifications.

(c) Collector(s) may assign to the County at expiration of the thirty (30) day period any delinquent bills for hearing and delinquent proceedings. The collector(s) will compile said assignments into a Report of Delinquent Accounts which will be submitted to the Director on an annual basis. The Collector's Report of Delinquent Accounts shall refer to each separate parcel of real estate by description sufficient to reasonably identify it, including Assessor's Parcel number, together with the charges proposed to be assessed against it. When used in Section 7.05.220 of Chapter 7 of this Ordinance code, the term "Director" or "CDSA Director" shall mean the Yuba County Community Development and Services Agency Director or his/her designee.

(d) Upon receipt by County of the Report of Delinquent Accounts from the collector(s) and at the convenience of the County, the CDSA Director or his designee shall fix a time, date and place for holding a hearing with respect to the Report and any appeals, protests or objections thereto. The Collector shall cause notice of the time and place of hearing to be mailed to the

owner not less than ten (10) days prior to the date of the hearing. At the hearing, the Director or his designee shall hear and consider all appeals, objections and protests, if any, to said Report referred to in said notice. Upon conclusion of the hearing, the CDSA Director or his designee may adopt, revise, change, reduce or modify any charge or charges or overrule any or all objections and shall make a determination upon the charge or charges as described in said Report. The CDSA Director's determination shall be final. All costs incurred by CDSA to hold the hearing and confirm the report with the Board of Supervisors shall be paid by the collector to CDSA at the hourly rate established in the Yuba County Consolidated Fee Schedule.

(e) After the conclusion of the hearing process, the amount of the assessment is immediately due and payable. In the event that the same is not paid within ten days of the conclusion of the hearing, and upon receipt of the final Report by the Director, the Director shall initiate proceedings to have delinquent unpaid amount added onto the real property tax role for the real property to which the refuse collection has been rendered according to Government Code Section 25831. The Director, after proper notice and hearing provided herein, is authorized by these provisions to declare that delinquency charges and penalties on refuse collection accounts, as set forth in the Report by the collector(s), and after confirmation by the County Board of Supervisors by resolution, be collected on the property tax roll. They may be collected and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for these taxes. An administrative fee, in the amount established in the Yuba County Consolidated Fee Schedule may be added to the delinquent amount.

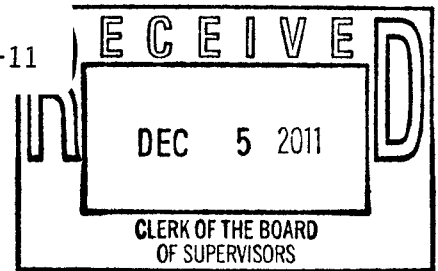
(f) Upon satisfaction of the entire delinquent amount imposed pursuant to this Section, the County will, upon request furnish a paid receipt. Upon payment all administrative charges assessed pursuant this Section, as well as interest accrued thereon, shall be retained by the County and shall not be paid to the Collector. The balance of any collection made and the interest accrued thereon shall be forwarded to the Collector.

Section 3. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.



554-11

DECEMBER 4, 2011



TO: The Yuba County Board of Supervisors -  
Roger Abe, Mary Jane Griego, John Nicoletti, Hal Stocker, Andy Vasquez  
915 8th Street, Suite 109  
Marysville, CA 95901

FROM: Lance Hatfield  
P.O. Box 1548  
Chester, CA 96020  
(530) 218-0420

REQUEST FOR SUPERVISORS CONSIDERATION OF ACTION -  
(Concerning the practices of Yuba County Environmental Health)

&

REQUEST FOR ITEM PLACEMENT ON DECEMBER 13, 2011 AGENDA -  
(Under the heading "Item of Correspondence")

This letter represents a formal and respectful request to the Yuba County Board of Supervisors for official inquiry into, and possible actions against, the Yuba County Environmental Health for their inspection procedures, code enforcements, complaint responses, and fee justifications in general and specifically, with regard to the Travelers Hotel (formerly located at 226 3rd Street, Marysville CA.)

Back in July of 2011, the Supervisors were provided with documentation attesting to the hazardous conditions at the Travelers Hotel and the negligent practices of Environmental Health in their official duties as the health inspectors and code enforcers of the Travelers Hotel. The documentation provided via personal delivery to the Clerk of the Board included multiple inspection reports by Environmental Health, and eventually, multiple decisions and actions taken by the Yuba County Superior Court in response to those same inspection reports.

Mr. Nicoletti also graciously gave me fifteen minutes of his time after I called his cell phone at approximately ten a.m. on July 20, 2011. During our conversation, Mr. Nicoletti was made aware of the hazardous conditions at Travelers Hotel. He was also briefed on the dereliction repeatedly displayed by county employees supposedly responsible for preventing and correcting such hazardous and unhealthy conditions.

One need only look over the reports for the inspections executed by Yuba County Environmental Health on July 18 and August 29 (documents provided to the Clerk of the Board) and bear witness to the over one hundred documented violations of CA Health & Safety Code 17920 to get an idea of the hazardous conditions at Travelers Hotel. Many of the violations listed in these two inspection reports had existed for years, if not decades, but never documented in previous inspection reports. Many more violations existed that were *never* documented, even on the July and August inspection reports, due to the egregious dereliction of duty by Yuba County Environmental Health.

But this egregious dereliction of duty should be the least of the Supervisor's concerns, for the documentation provided to the Board shows that the Yuba County Environmental Health, in its official capacity as a county health inspector and as a CA Health & Safety Code enforcer, has produced fraudulent reports for inspections of Travelers Hotel, has willfully colluded with the ownership of Travelers Hotel in the attempt to cover-up their derelict practices, and as a result, has committed gross, if not criminal, negligence against the tenants of Travelers Hotel.

I can only expound upon these serious accusations with the information that is currently available to me and therefore, any future investigative efforts by the Yuba County Board of Supervisors as formally requested by this letter would be greatly appreciated as they may reveal further details to either corroborate or mitigate these accusations. (All times and dates mentioned henceforth are done so to the best of my current verifying capabilities; i.e., official documentation, cell phone records, etc.)

**BOS CORRESPONDENCE A**

After months of incessant argumentation, intimidation, and exasperation between myself and the management of Travelers Hotel over the substandard housing conditions of the premises verses its fair rental value, the situation escalated into a legal matter in the form of an ill-advised and factually absurd Unlawful Detainer filed against me in Yuba County Superior Court on July 13, 2011 (*Case No. CV-UD-11-0000280*). Accordingly, I filed my Response to that Unlawful Detainer on July 15, 2011, listing many of the substandard conditions at Travelers Hotel, including the fact that there were several children living at Travelers Hotel under those substandard housing conditions.

On July 14, 2011, in order to substantiate my contention of substandard conditions for the impending civil litigation, I searched to discover the agency with jurisdiction over housing conditions for residential hotels. After discovering that the appropriate agency was Yuba County Department of Environmental Health, I called their office to verbally file a complaint against the Travelers Hotel. I was transferred to Environmental Health Technician Margaret Hochstrasser, the Yuba County employee responsible for the annual inspection at Travelers Hotel, and detailed verbatim the twenty-five substandard housing conditions listed in my Unlawful Detainer Response, which she claimed to be writing down. I requested an inspection for the Travelers Hotel to officially document these substandard conditions and eventually, after exhaustive persuading on my part, Ms. Hochstrasser scheduled an inspection for the following Monday, July 18.

The next day, Friday July 15, I contacted Ms. Hochstrasser to ask if Travelers Hotel management or the owner, Steven Jahnke, would be made aware of the imminent inspection. Ms. Hochstrasser stated that the *management or ownership of a property is NOT contacted prior to a "complaint" inspection*. I voiced my appreciation of that regulatory common sense, and mentioned that the Travelers Hotel management was wont to use intimidating tactics in their dealings with tenants, as many were elderly or disabled and susceptible to intimidation.

But throughout the weekend I began to dwell on the fact that most of the substandard conditions at Travelers Hotel had persisted for years, if not decades, and the same Yuba County employee who was apparently acquiescent to these conditions was coming alone on Monday to execute my complaint inspection. This soon became an intolerable concept to bear, as it was brutally obvious to me that at least one Environmental Health Technician was completely derelict in her inspection practices, and more than likely, conspired with the management and the owner, Steven Jahnke, to enable the persistence of myriad substandard conditions at Travelers Hotel. And I realized that as a consequence of this derelict conspiracy, the tenants rights were being persistently compromised and their safety persistently jeopardized.

This blatant misconduct became more outrageous to me the more I mulled it over, so when Monday morning finally arrived, the day of the inspection, I called Environmental Health and asked to speak with Ms. Hochstrasser's supervisor. I was transferred to the office of Paul Donoho, Yuba County Environmental Health Supervisor, and I explained my concerns to Mr. Donoho about the apparent "conflict of interest" involved with Ms. Hochstrasser performing the complaint inspection by herself. Eventually, after much persuading on my part, Mr. Donoho reluctantly agreed to join Ms. Hochstrasser in the inspection, to which I articulated approval and appreciation.

At ten a.m., Monday July 18, Mr. Donoho and Ms. Hochstrasser arrived at the Travelers Hotel in a Yuba county vehicle, right on schedule. I was waiting in front of the building and after polite introductions, I unlocked the front entrance before accompanying the two health department employees on their health inspection. The entire inspection took around a half an hour to complete, as it encompassed only a part of the hotel premises. The on-sight manager, Charles Johnston, apparently did not have prior knowledge of the inspection, and did not attempt to interfere after basic inquiry.

The investigation covered the common areas and my residential room (#16), and proceeded primarily in this fashion: I pointed out various health and safety violations, *some* of which were actually documented in their subsequent inspection report, Mr. Donoho silently jotted (some of) the violations down, and Ms. Hochstrasser attempted to minimize the substandard conditions with ridiculously placating commentary while taking occasion photographs with a digital camera. At the end of the inspection, Mr. Donoho and Ms. Hochstrasser spoke with the Mr. Johnston in the manager office with the door closed. I was not privy to the conversation, although I did overhear Mr. Donoho state to Mr. Johnston after they exited the office that the annual inspection for Travelers Hotel was scheduled for late November.

After the inspectors finished speaking with Mr. Johnston, I approached them and asked about having the building's inner workings inspected; between the floors, under the rafters, inside the walls, etc. Mr. Donoho informed me that these areas were under the jurisdiction of the Marysville Building Inspector and with that, we courteously parted.

On July 19th, after calling Environmental Health about the status of the inspection report. Ms. Hochstrasser informed me that her completed report did not anywhere state that many of the violations noted in the report had existed over multiple years. I therefore requested the inspection reports for Travelers Hotel back to the year 2008. I personally retrieved the past inspection reports, along with a copy of the July 18 report, from health technician Margaret Hochstrasser at her office that very day. I immediately made copies of the inspection reports and personally delivered copies to the Clerk of the Board for inspection.

Upon reviewing the report, I was dismayed to discover that many of the violations I specifically pointed out to Mr. Donoho were not in the report, some potentially lethal violations such as the two fire-escape windows being inoperable. It seems that the minimizing and placating by Ms. Hochstrasser achieved its desired effect, and the full scope of the substandard condition was not documented. But this "oversight" paled in comparison to what I found, or didn't find, in the previous inspection reports.

Later that evening (July 19), I gave copies of all the inspection reports to the Marysville City Council during their Council meeting after publicly apprising them of the many hazardous situations at Travelers Hotel, including the fact that multiple children were living in these conditions along with a registered pedophile. Also voiced at the July 19 meeting was my appreciation to Sergeant Sachs and the Marysville Police Department for their professional handling of a skirmish involving employees of Knockouts Sports Bar & Grill earlier that month.

Surely the name "Knockouts" was apropos for the reoccurring scene at this "business" establishment, as altercation and other suspect behavior *involving employees* were routine events. The fact that a devastating fire broke out at Knockouts Sports Bar & Grill should be no surprise to anyone who had even cursory knowledge about the questionable tendencies of its staff or the unprofessional demeanor of its owner, Tony Behari. But I digress.

As mentioned previously, on July 20th at approximately ten a.m., after providing copies of all inspection reports and court documents to various city and county officials at my own expense (a courtesy rarely returned), I spoke with Mr. Nicoletti over the phone about these serious matters. I informed Mr. Nicoletti of the ongoing inspection scam at Travelers Hotel as described to me by the owner of Travelers Hotel LLC, Steven Jahnke, back in April of 2011. Mr. Jahnke, in person and in front of his manger Charles Johnston, essentially told me this,

'The county gets paid (\$119 per hour) to do its inspection, and gets paid after administering a nominal amount of fines (relative to repair costs) for "discovering" a nominal amount of violations (relative to reality). The city gets paid through property or other taxes, and thus, essentially turns a blind eye to the whole situation. And he (Mr. Jahnke) gets paid by charging top rental value while being spared the expense of ACTUALLY KEEPING HIS BUILDING UP TO CODE.'

It was a lucrative little arrangement, as everybody of importance made their money. A lucrative little arrangement perpetrated for years, if not decades. Meanwhile, the health, safety, life and limb of the Travelers Hotel tenants were greatly comprised as a result of this lucrative little arrangement.

Isn't it a bit ironic that all of those unimportant people, *the rent payers*, who made everybody of significance money were the very people whose lives were put at risk from this lucrative little arrangement? Not so lucrative an arrangement for the likes of those insignificant lower-income tenants who persistently paid for this "everybody" scam year after year.

All of those "nobody" tenants persistently paid for this "everybody" scam with their pocketbooks, and all of those "nobody" tenants persistently paid for this "everybody" scam with their wellbeing, and on September 24, 2011, some of those "nobody" tenants almost permanently paid for this "everybody" scam with their very lives. But now I'm getting ahead of myself.

First, some illuminating facts. The Yuba County Environmental Health annual inspection report for Travelers Hotel dated February 28, 2008 shows all thirty-three residential rooms marked as having either one or two trivial violations or no violations at all. The Yuba County Environmental Health annual inspection report for Travelers Hotel dated May 5, 2010 shows all but two of the thirty-three residential room marked as having either one or two trivial violations or no violations at all. However, the two Yuba County Environmental Health inspection reports for Travelers Hotel on July 18 and August 29 show that **THIRTY OF THE THIRTY-THREE RESIDENTIAL ROOMS AS HAVING MULTIPLE SERIOUS VIOLATIONS.**

There is only one explanation for this blatant discrepancy in the inspection reporting for Travelers Hotel from one year (May 2010) to the next (July 2011): **BLATANTLY FRAUDULENT HEALTH INSPECTION RECORDS BY YUBA COUNTY ENVIRONMENTAL HEALTH.**

Another illuminating fact is when one juxtaposes the old inspection reports with the two most current reports, one finds that most of the violations actually listed in the old inspections (primarily in the common areas) are repeated time and again in subsequent reports. It is a documented fact that there were virtually no corrective actions taken by Yuba County Environmental Health to enforce the compliance of documented code violations at Travelers Hotel. This means that for at least a decade, multitudes of CA Health & Safety Code violations were left undocumented, and the many of the violations that were documented remained uncorrected for indefinite lengths of time or simply never corrected.

In response to the information I received from Mr. Donoho about Marysville's inspection responsibilities, on July 20 I spoke with Rocky McCumber, Marysville Building Inspector. Unfortunately, Mr. McCumber was extremely rude to me as I described code violations purportedly under his jurisdiction and as I requested a formal inspection. He made derisive comments during our conversations such as, "I won't have a resident at Travelers Hotel lecture me about building codes," and, "If conditions are so bad there, why don't you just move?" I immediately went to Marysville City Hall and the Public Works office to file a complaint. After briefing the receptionist on Mr. McCumber's comments, Mr. McCumber himself came into the reception area and tried to pull the old, "someone else's jurisdiction" bureaucratic ploy. As I was giving my rebuttal to that elementary-school deflection of responsibility, Mr. McCumber interrupted me and in a threatening tone said, "If you don't shut up and let me speak, I'll have you physically removed."

A bit stunned, I responded, "I will physically removed myself then," and promptly walked across the hall to the city managers part of the building. I then spoke with Steve Casey, Marysville City Manager, one of the Marysville City Council members I had addressed the previous night at the Council meeting. I explained Mr. McCumber's rude and threatening behavior to Mr. Casey and he responded by saying, "Its only been one day since the Council meeting. You don't need to check-up on us every day." These comments are indicative of the City's indifference about the conditions at Travelers Hotel. Well, that is unless Mr. Jahnke fell behind on his property taxes, then there'd be valid motivation for fret and fuss.

After the release of the July 18 inspection report, several other tenants at Travelers Hotel expressed interest in having their own rooms inspected. On July 21, 2011, I called Yuba County Environmental Health and left a message on the voicemail of Paul Donoho. I relayed to Mr. Donoho that many other tenants had complaints and were expressing interest about requesting a complaint inspection for their areas. Mr. Donoho responded to this voicemail the next day, July 22, by leaving his own voicemail message, wherein he stated that it would be necessary for any tenant who wanted their room inspected to call his office and personally file a complaint. It seemed to me that Mr. Donoho was not taking the hazardous conditions seriously, and this impression was substantiated by the fact that the July 19 inspection report left many violations undocumented.

I then requested all available Environmental Health reports related to the Travelers Hotel. I was told that reports back to the year 2000 were available. I already possessed the reports back to 2008, so I requested the reports for the years 2000 thru 2007. Upon receiving and glancing through these documents, I grew deep troubled by the farce given handed to me: a small packet of vague accounts, incomplete reports, and gaps in documentation spanning entire years (no documents available for 2001, 2003, 2005, 2006). I spoke with Paul Donoho about these short-comings. He brushed off the incompleteness, claiming he had no other documents to give me, and then he blamed a "billing error" for some of the gaps. This excuse sounded dubious, but I did not press the issue as I believed the documentation already in my possession painted a clear enough picture.

I called Yuba County Environmental Health once again on August 2, once again speaking with Mr. Donoho. I asked him what the legal definition for "immediate" was, as many of the violations listed on the July 19 report were required to be corrected "immediately." He dismissively stated that "immediate means immediate," and that these issues would be dealt with during the compliance inspection schedule for August 18. It was apparent to me by Mr. Donoho's trivializing attitude that once again he was not taking the hazardous conditions at Travelers Hotel seriously, even though I informed him that two weeks had passed since the inspection and not one of the violations with the "to be immediately repaired or replaced" requirement had been corrected. As usual, nothing was being repaired at the at Travelers Hotel, and as usual, Yuba County Environmental Health was doing nothing to correct that fact.

But there were some in Yuba County, California who considered the hazardous conditions at Travelers Hotel serious enough to take *decisive corrective action*. One entity taking these conditions seriously enough to take *decisive corrective action* was the Yuba County Superior Court. On August 4, 2011, upon receiving oral and documentary evidence in *Case No. CV-UD-11-0000280*, Yuba County Superior Court Judge, Hon. Kathleen O'Connor, announced in open court that the owner of Travelers Hotel, Steven

Jahnke, had "substantially breached the implied warranty of habitability with regard to the premises (*Travelers Hotel*)," and that "the reasonable rental value of the premises in its untenable state to the date of the trial (*from September 2010*) is the adjusted rent of zero per month."

The Court also ruled that "the future adjusted monthly rent shall remain zero dollars until the premises were made tenable" and ordered repairs to the Travelers Hotel be made before the compliance review scheduled for September 8. The Court's decisive actions were in response to the same oral and documentary evidence received by various public officials (including Mr. Nicoletti, the Clerk of the Board of Supervisors, and the Marysville City Council) weeks before the August 4th court trial.

Later that day (August 4) at approximately four p.m., I called and informed Mr. Donoho of the Court's "zero rent value for the premise" ruling and reiterated the fact that *not one* of the violations on the July 18 report had been corrected. He simply acknowledged the information and abruptly ended the conversation.

The next day, on August 5, I received a copy of the Court's decision in *Case No. CV-UD-11-0000280* and promptly provided copies of the two-page decision to various governmental offices including the Clerk of the Yuba County Board of Supervisors, the Yuba County Environmental Health, the Yuba County Counsel, and the Marysville City Manager. So "everyone" had the understanding that the rental value for Travelers Hotel, meaning all thirty-three residential rooms, was a court ordered zero dollars for an entire year from September 2010 thru August 2011 (and beyond...but only briefly).

On August 8, 2011, I filed a lawsuit with Yuba County Superior Court against the Travelers Hotel and its owner, Steven Jahnke (*Case No. CV-CL-11-0000098*). By this time, most residents were aware of the ongoing court cases, and many were expressing great interest in having their own rooms inspected. So I called Environmental Health on August 9 and 10, again speaking with Mr. Donoho. During these conversations, Mr. Donoho informed me that for Environmental Health to do a more thorough complaint inspection at Travelers Hotel, instead of having individuals call his office, I would be required to write a list of all the tenants and their corresponding room numbers, and then obtain a signature from each tenant wishing their room inspected. This I agreed to do.

Mr. Donoho also informed me that it would "take weeks" for just two people to execute such a thorough inspection, and Environmental Health could not spare that amount of time. Instead, he agreed to "assemble an inspection team," which he claimed would take several days to accomplish, and set a tentative inspection date for sometime the following week (August 15-19).

We also agreed, when Mr. Donoho's team was finally assembled, I would be the person to wait outside Travelers Hotel and unlock the front entrance for the inspection team as I had done previously, thus the inspection would commence *without prior knowledge by the owner or management, as is mandatory for a complaint inspection*. I also agreed to rearrange my schedule to accommodate the inspection team at any future date, essentially being "on-call" to Mr. Donoho.

HOWEVER, PAUL DONOHO, R.E.H.S., DECIDED TO INSIDIOUSLY AND COLLUSIVELY BREAK THIS AGREEMENT. But I express my apologies, for once more I indignantly jump ahead of proper chronological order.

(Chronology note: I called Mr. Nicoletti's cell phone on July 23 and August 9, 2011, leaving voicemails on both occasions updating him on events and requesting further conversation to ascertain the Board's response to the serious issues involving Travelers Hotel and Yuba County Environmental Health. I received no reply. I called the Clerk of the Board's office on August 9 to arrange a meeting with Mr. Nicoletti to discuss these serious matters and was told I would be called back when arrangements were made. I received no callback.)

I called Environmental Health the following Thursday, August 18 to inquire about the inspection status, as I had not received any news from Mr. Donoho. Mr. Donoho stated it was taking more time than estimated to gather the inspection team because multiple agencies would be involved and there were logistical difficulties in the coordination of schedules.

Again I called the next day, Friday 19, and Mr. Donoho set a firm date of August 26 at ten a.m. for the *complaint inspection* of Travelers Hotel. I told Mr. Donoho I would be available on that date and time to unlock the door as per previous arrangement, and that many other tenants were aware an inspection was coming. I asked about the tenant's signature list, as it was incomplete, and Mr. Donoho admitted that consent was not actually necessary to inspect their rooms, it just made the process easier on the inspectors. I was annoyed at Mr. Donoho for wasting my time with charade, but I did not protest.

*Mr. Donoho and I ended our conversation under the pretense that the inspection was to be a "complaint inspection" and would begin without the prior knowledge of the owner, Steven Jahnke, or the manager, Charles Johnston. This is because the inspection at Traveler's Hotel on August 29, 2011 was*

occurring for only two reasons:

- IN RESPONSE TO MULTIPLE COMPLAINTS BY MULTIPLE TENANTS TO MULTIPLE GOVERNMENT AGENCIES ABOUT MULTIPLE HEALTH & SAFETY VIOLATIONS PERSISTING OVER MULTIPLE YEARS AT THE TRAVELERS HOTEL.

- IN RESPONSE TO THE DECISIVE CORRECTIVE ACTION TAKEN BY THE HONORABLE KATHLEEN R. O'CONNOR ON AUGUST 4, 2011 IN YUBA COUNTY SUPERIOR COURT CASE NO. CV-UD-11-0000280.

But then suddenly there were strange happenings at the Travelers Hotel, and I became perplexed. The manager, Charles Johnston, frantically began making repairs (mostly superficial) around the building, and in many circumstances, correcting violations not listed on the July 18 inspection report. Then the owner, Steven Jahnke, suddenly appeared and also frantically began making repairs throughout the building, also making repairs for violations not mentioned in the July 18 report. These were, to say the least, unprecedented events, and I assumed a leak had occurred from one of the other tenants. Little did I know.

Then on Wednesday, August 24, I spoke with the manager of Travelers Hotel, Mr. Johnston, who revealed that he and owner were indeed aware of the imminent inspection, and made aware by Margaret Hochstrasser of Yuba County Environmental Health. Mr. Johnston also revealed to me that the inspection was actually taking place on Monday, August 29. I knew nothing of this rescheduling.

I immediately called Environmental Health to speak with Paul Donoho, but was informed that Mr. Donoho was away for training that week. What an odd coincidence, I thought. I was transferred to Ms. Hochstrasser, who confirmed the August 29 date. Even so, I ended this conversation with Ms. Hochstrasser on August 24 still under the false impression that I would be the person to let the inspectors inside Travelers Hotel and at least be part of the "compliance" inspection for the areas covered in the July 18 report.

*I WAS NEVER INFORMED THAT THE "COMPLAINT INSPECTION" HAD BEEN SWITCHED TO AN "ANNUAL INSPECTION" BECAUSE THE ALTERATION OCCURRED SURREPTITIOUSLY THRU COLLUSIVE INTERACTION BETWEEN YUBA COUNTY ENVIRONMENTAL HEALTH OFFICIALS AND THE OWNER OF TRAVELERS HOTEL LLC, STEVEN JAHNKE, AND HIS MANAGER, CHARLES JOHNSTON.*

Such were the circumstances on the morning of August 29, 2011 at ten a.m., when I naively waited alone outside the Travelers Hotel for the inspection team. But then the owner, Steven Jahnke suddenly arrived and began waiting outside as well, along with his manager, Charles Johnston. The inspection team arrived on time, and after the four inspectors exited their vehicles, Mr. Jahnke turn to me and smugly asked, "Why are you here? You're not going to be a part of this inspection." I began to understand the magnitude of the corruption occurring in front of me, and that corruption is documented on page number one of the "annual inspection" report for Travelers Hotel, released by Yuba County Environmental Health on September 2, 2011. (The underlines I have added for emphasis.)

*"The annual inspection of the Traveler's hotel was conducted on August 29, 2011 by the Yuba County Department of Environmental Health. This was a joint inspection with the Marysville Building Department. The inspectors from Environmental Health were; Paul Donoho, REHS, Stephanie Kendall, REHS, Margaret Hochstrasser, Environmental Health Technician, and Rocky McCumber, Building Inspector for the City of Marysville."*

*"The inspection team assembled in front of the Traveler's Hotel at 226 Third Street at 10:00 a.m. and was joined by the owner Mr. Jahnke and his General Manager Charles Johnston. Mr. Jahnke had been informed that the inspection would be done and consent was requested and granted for the inspection."*

*"Mr. Lance Hatfield, a current tenant, was also present to deliver letters from a current tenant and a previous tenant to Paul Donoho, REHS."*

*"After delivering the letters Mr. Hatfield appeared to be waiting to join the inspection. Mr. Hatfield was notified by Mr. Donoho that this would be an inspection of other tenant's rooms, and that he would not be allowed to accompany the inspectors. He appeared to become agitated and raised his voice while insisting that the inspection was only in response to his request. Margaret Hochstrasser informed him that this was a full facility inspection and was not being done just for him."*

*"The team then entered the building and began the inspection. Mr. Hatfield then tried to interject comments while the inspection was being done and Mr. McCumber informed him that it would be considered "obstruction of an official inspection" if he persisted. The team then proceeded to inspect..."*

This means that I was not allowed to join the inspection, *but Mr. Jahnke and Mr. Johnston were allowed to join the inspection.* Of course I raised my voice, because I was led to believe and was still under the impression that a "complaint inspection" coupled with a "compliance inspection" was taking place that morning. Of course I knew the inspection was for all the tenants, I'm the person who made it an issue! They were inspecting the premises at my request, or to put it more accurately, at my incessant prodding, on behalf of the other tenants. And of course I tried to interject comments, but these were comments relating to violations listed on my July 18 complaint inspection, and I was told I would be allowed to speak about these matters during this inspection in lieu of a compliance inspection. I was forbidden to comment even on the issues addressed on the July 18 report, but Mr. Jahnke was allowed to comment on these issues. **THIS IS BLATANT COLLUSION!!!**

That's the truth, and that truth was twisted on an official document, and that "complaint inspection" was treacherously altered to an "annual inspection" to protect the employment interests of Yuba County Environmental Health and the financial interests of Steven Jahnke, while utterly disregarding and/or subverting the rights of all those "nobody" lower income tenants.

FURTHERMORE, the collusive interaction between Environmental Health and Steven Jahnke is exposed in the except, "consent was requested and granted for the inspection," located on page number one of the September 2 "annual" inspection report. This excerpt is only more deception on the part of the Yuba County Environmental Health, for according to a recent conversation I had with Tejinder Maan, Environmental Health Director, his department NEVER REQUIRED ANYONE'S CONSENT TO INSPECT THE TRAVELERS HOTEL AT ANY TIME DURING REGULAR BUSINESS HOURS. So why was consent requested by Environmental Health and "granted" by Mr. Jahnke? There is only one answer.

Not only is it perfectly clear that Mr. Donoho and Ms. Hochstrasser were giving Mr. Jahnke special privileges while sacrificing the legal rights of multiple complainants, but it is also clear they attempted to use the first page of their September 2 report to cast Steven Jahnke in a positive light by his graciously "granting" their inspection request, while attempting to cast me in a negative light by implying that I was some sort of menacing obstructionist.

**THERE CAN BE NO DOUBT THAT THESE DELIBERATE ACTS OF DECEPTION AND COLLUSION WERE PERPETRATED BY PAUL DONOHO AND MARGARET HOCHSTRASSER OF THE YUBA COUNTY DEPARTMENT OF ENVIRONMENTAL HEALTH IN THE ATTEMPT TO MITIGATE THEIR OWN DERELICTION OF DUTY.**

But perhaps there is another motive for attempting to slander my character on official documentation, and that motive is in retaliation. As this Board is well aware, on September 1, 2011, one day *before* Environmental Health's release of their August 29 inspection, I filed a "Claim for Damages" against Environmental Health with the Clerk of the Yuba County Board of Supervisors. Paul Donoho and Margaret Hochstrasser were specifically named in this "Claim for Damages" for their "egregious dereliction of duty" and "blatantly fraudulent inspection reports." Mr. Donoho and Ms. Hochstrasser were the authors of the August 29 inspection report, and the libelous portrayal of me on page one of that report may have been a retaliatory action against me for seeking to expose their disreputable conduct. Mr. McCumber may have had similar motives for his part in the collusion.

Whatever Environmental Health's motivation, their misleading defamation of character was soon used against me in Yuba County Superior Court. During the September 8 compliance review hearing for *Case No. CV-UD-11-0000280*, Mr. Janke's attorney, David J. Collins, used this "menacing obstructionist" portrayal of me in the annual inspection report to undermine my credibility and mislead the Court into believing the Travelers Hotel would be up to code if not for my "obstructionist" tactics.

This portrayal of me at the September 8 compliance review hearing, facilitated by the contemptible tactics of Yuba County Environmental Health, was slander against a defendant appearing in propria persona, and a mockery to the dignity of the Court, for it was a completely contrary to truth. But the presiding Yuba County Superior Court Judge, Hon. Stephen W. Berrier, after receiving *legitimate* oral and documentary evidence, saw through this collusive web of deception and ruled that the owner of Travelers Hotel, Steven Jahnke, was not in compliance with the August 4 ruling, and that, "the Court orders shall remain in full effect." This means that the "zero rent value" was still in effect for *all* of Travelers Hotel, at least until the next compliance review hearing scheduled for September 29, 2011. Again, at my own "nobody" expense, I gave copies of the Court's "not in compliance" decision (based only on the July 18 inspection results) to all of the "everybody" agencies.

(Authors note: As the Board is most certainly aware, there were "intervening events" which rendered the September 29 hearing a moot point. Nevertheless, it should be noted that the Travelers Hotel had "zero rent value" when these "intervening events" occurred. But I don't want to give away details of the tragic climax just yet.)

One reason the Court saw right threw this shroud of deception on September 9 was the fact that the September 2 inspection report shows, after you slog through the ridiculously libelous first page, numerous code violations throughout Travelers Hotel. This was certainly much to the chagrin of Mr. Jahnke, Mr. Donoho, and Ms. Hochstrasser, for it was in spite of their best collusive efforts. They simply could no longer deceive their way past the observable truth: *Those legally responsible for maintaining code compliance at Travelers Hotel instead mutually maintained a culture of egregiously flagrant negligence.*

At the Board of Supervisors meeting on September 13, 2011, I publicly addressed the Supervisors about the disturbing issues involving Travelers Hotel and Environmental Health. During my ten minute oration, I used terms such as egregious dereliction, fraudulent documentation, and blatant collusion in describing the situation. But many of these issues were already known to the Supervisors for almost two months. After I was finished speaking, Mr. Abe responded by saying the Board could not comment on the issues raised due to the Claim for Damages filed on September first.

On the official Summary of Minutes for the September 13 Board of Supervisors meeting, this ten minutes of information I delivered was abridged into a single sentence under the heading Public Communications, *"Mr. Lance Hatfield, Marysville, urged the Board to review Environmental Health reports regarding conditions at the Travelers Hotel."* Certainly an innocuous statement compared to what was actually described to the Board.

But there were some who did not seek to minimize the deplorable conditions at Travelers Hotel. On September 20, 2011, the Honorable Stephen Berrier, after considering more than two and a half hours of oral, documentary, and photographic evidence in Yuba County Superior Court *Case No. CV-CL-11-0000098*, made the extraordinary decision to inspect Travelers Hotel personally. Escorted by the court bailiff, the Court walked from the courtroom to Travelers Hotel and inspected all sections of the building's interior, except for the residential rooms currently occupied. The Court did inspect empty residential rooms and my own room (#16).

The Court was shown numerous violations, many not reflected on the July 18 complaint inspection report nor on the September 2 "annual" inspection report. The Court was specifically shown that the fire-escape windows were defective on both residential floors (2nd and 3rd story). The comment was made that if a fire broke out at Travelers Hotel, always distinct possibility for many reasons, the tenants' lives were put at unnecessary risk due to these defective fire escape windows, and due to the abject negligence repeatedly displayed by the owner, Steven Jahnke, regarding the lawful upkeep of his property.

There were other disturbing issues raised during the September 19-20 court hearing. One was the concern that various government officials had displayed behaviors which ranged from blatant indifference and annoyed condescension to dereliction of duty and fraudulent documentation in their complaint responses, inspection practices, and code enforcements of Travelers Hotel.

Another issue raised was in connection with the "menacing obstructionist" tactics described previously. In conjunction with Environmental Health's defamatory portrayal on their September report, which Mr. Jahnke used in open court once again to attack my character, the owner and manager of Travelers Hotel used the Marysville Police Department to engage in retaliatory harassment during my attempts to substantiate the Court's compliance orders.

This was achieved by summoning the Marysville Police to the Travelers with false accusations against me on no less than four occasions in August and September of 2011. These incidents all happened AFTER the "zero rent value" decision by the Honorable Kathleen O'Connor on August 5. It is clear that using this tactic of calling the police was to further demonstrate the "obstructionist" portrayal concocted with the collusive assistance of Environmental Health. Mr. Jahnke also used this "calling the police" tactic to prevent me from verifying his compliance with the Court's orders.

The actual "obstruction" of code compliance at Travelers Hotel consisted of two conspiring parts: scandalous slumlord neglect and dishonest bureaucratic oversight.

Then on September 24, 2011, a mere *four* days after the Travelers Hotel was inspected by a Yuba County Superior Court Judge, a devastating fire condemned the Travelers Hotel to a not-so-untimely demise, displacing dozens of "nobody" people and destroying an undetermined amount of "nobody" property. As of December 5, 2011, the fire and police reports for the incident have not been completed and therefore, many details remain unavailable to me. I have issued written requests to Cal-Fire and to



Marysville Police for copies of any and all reports as soon as they become available. So much about the fire remains a mystery, and I am unable to answer basic questions such as how the fire started or why the fire became fully involved before anyone seemed to notice.

Some aspects of the September 24 incident are no mystery at all. Although the fire apparently started at the Knockouts Sports Bar & Grill and then quickly spread to the adjacent Travelers Hotel, there are several issues raised in this request letter that directly compromised the health and safety of the tenants the night of the fire. During that fateful night, and long before, the Travelers Hotel had inoperable fire escape windows on both residential floors, had defective windows in many, if not most, of the residential rooms, had no posting of fire escape routes inside many of the rooms, had faulty or inoperable smoke-alarms inside many of the room, and had a fire alarm system, according to eyewitness accounts, that did not function.

So there is little mystery in the apparent fact that nobody inside Travelers Hotel was aware of the imminent danger until three Marysville Police Officers alerted them to the raging fire by entering the building, putting their own lives at risk, and pounding on doors while instructing the tenants to flee. According to several fire victims I have spoken with, *THIS HEROIC ACT BY SERGEANT MILLER, OFFICER ALEXANDER AND OFFICER PARKS OF MARYSVILLE P.D. SAVED THEIR LIVES.* The illegal condition of Travelers Hotel not only persistently put the lives of its tenants at unnecessary risk, but also put the lives of three Marysville Police Officers at unnecessary risk while in the line of duty.

The enduring negligence, indifference, fraudulence, condescension, dereliction, deception, collusion intimidation, and retaliation by Steven Jahnke, the Yuba County Department of Environmental Health, and perhaps other local government agencies, made an atrocious number of health and safety violations a regular feature at Travelers Hotel, and almost cost people their lives on September 24, 2011. This inexcusable condition (criminal conditions in my opinion) was a serious matter prior to the fire, and almost proved to be a deadly serious matter on September 24, 2011. The question of why this condition was allowed to persist over multiple years is still a serious matter which has not been answered by those responsible.

Therefore, it is imperative for the Yuba County Board of Supervisors to ascertain answers by initiating a full investigation into the complaint responses, the inspection practices, the report documenting and the code enforcing by Yuba County Environmental Health in general terms, and specifically regarding the dereliction, fraud, and collusion exhibited by multiple Environmental Health employees in their official dealings with the Travelers Hotel, with the managers of Travelers Hotel, and with the owner of Travelers Hotel, Steven Jahnke.

In the weeks after the fire, I again addressed both the Marysville City Council and the Yuba County Board of Supervisors concerning these serious matters. I asked the Board several questions during the November 15 meeting, and now I formally ask similar questions in the hope they will receive prompt answers.

What investigatory action is the Yuba County Board of Supervisors going to take to determine if the allegations made in this request letter are legitimate, baseless, or exaggerated?

What disciplinary action is the Board going to take against the Yuba County Department of Environmental Health if the allegations are confirmed by an investigation?

What regulatory action is the Board going to take to prevent the chronically hazardous conditions at the Travelers Hotel from occurring and persisting at other properties inspected by Environmental Health?

What pecuniary action is the Board going to take against Steven Jahnke and Environmental Health to compensate the tenants for having to live in abhorrently substandard "zero rent value" conditions and for perpetually compromising their health and safety as a result of the wanton deception, the blatant collusion, and the criminal negligence as described in this tediously verbose request letter?

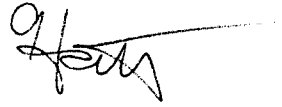
At the October 4 City Council Meeting and again at the November 15 Supervisors Meeting, I voiced my appreciation to the Marysville Police and Fire Departments for their heroic deeds on September 24, 2011; sentiments echoed by all I have spoken with. I would now like to express my appreciation to those same agencies for their professional conduct before and after September 24 incident. Their actions, as well as the actions of Yuba County Superior Court, are proof positive there are some who take their official responsibilities seriously, and who tangibly concern themselves with the welfare of human-beings regardless of what their "nobody" socioeconomic status is perceived by "everybody" to be.

I trust the Yuba County Board of Supervisors will act accordingly.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Lance".

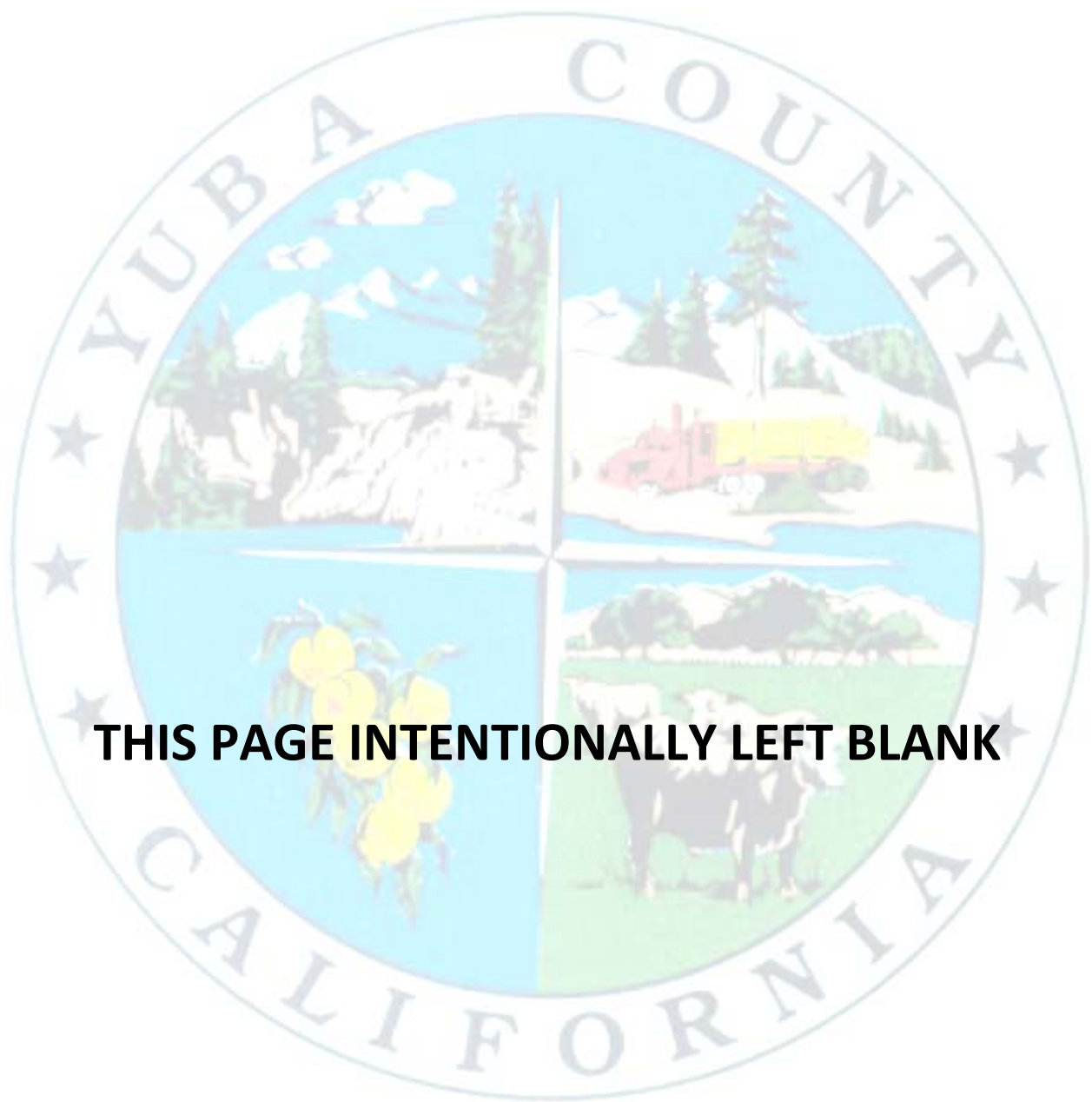
Lance Hatfield  
(530)218-0420

A handwritten signature in cursive script, appearing to read "H. Hatfield".



**BOARD OF SUPERVISORS**

**WORKSHOP**



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# The County of Yuba

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**To:** Yuba County Board of Supervisors

**From:** Kevin Mallen, CDSA Director 

**Date:** December 13, 2011

**Subject:** Cultivation of Medical Marijuana Workshop

### Background/Discussion:

In 1996, the voters of the State of California approved Proposition 215, "The Compassionate Use Act". In 2004, the State enacted SB 420 to clarify the scope of The Compassionate Use Act. As a result of these statewide approvals, there has been an exponential growth in recent years of residents in Yuba County cultivating medical marijuana. The increased cultivation has resulted in increasing crime and public complaints, highlighting the need for the County to consider taking action through an ordinance to regulate the cultivation of medical marijuana in a manner which balances the needs of medical patients and their caregivers while promoting the health, safety, and welfare of the residents and businesses within the unincorporated areas of the County.

Based on Board and public input on this topic, the Sheriff's Office, the District Attorney, County Counsel and CDSA has reviewed how other jurisdictions throughout the State are handling the issue. With the knowledge obtained from the review of other jurisdiction's ordinances as well as review of recent court actions and federal law enforcement actions, the preparation of an ordinance will need to take into consideration issues such as:

- Defining under what circumstances cultivation of medical marijuana is a public nuisance.
- Declaring that the ordinance is not allowing or permitting cultivation, but simply defining the thresholds when it becomes a public nuisance.
- Establishing where and under what circumstances outdoor cultivation could occur without creating a public nuisance and where the only way to negate the nuisance would be to limit cultivation indoors.
- Establishing quantities of cultivation based on parcel size and whether cultivation is occurring indoors or outdoors.
- Ensuring outdoor cultivation does not occur near youth or sensitive receptors such as schools, churches, parks, child care centers or youth oriented facilities.
- Ensuring that cultivation is not the primary use of the property and is only ancillary to the properly permitted primary use.
- Creating clear enforcement authority and penalties to remedy cultivation that create a public nuisance as defined in the ordinance.

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