

**AMENDMENT NO. 5  
TO AGREEMENT AMONG CITY OF GARDEN GROVE, GARDEN GROVE SANITARY  
DISTRICT AND REPUBLIC WASTE SERVICES OF SOUTHERN CALIFORNIA, LLC  
dba GARDEN GROVE DISPOSAL  
FOR SOLID WASTE HANDLING SERVICES  
(RESIDENTIAL AND COMMERCIAL GREEN WASTE PROCESSING)**

This Amendment No. 5 (“Amendment”) to the Agreement for Solid Waste Handling Services is entered into to be effective as of the \_\_\_\_ day of \_\_\_\_\_, 2019, by and among the CITY OF GARDEN GROVE, a municipal corporation, the GARDEN GROVE SANITARY DISTRICT, a subsidiary special district formed and existing pursuant to the Sanitary District Act of 1923, California Health and Safety Code Section 6400 et seq., and REPUBLIC WASTE SERVICES OF SOUTHERN CALIFORNIA, LLC (“Republic”), a Delaware Limited Liability Company dba GARDEN GROVE DISPOSAL. The City and District are hereby collectively referred to as “City.” The City, District and Republic are hereby collectively referred to as the “Parties.”

**R E C I T A L S:**

A. Effective July 1, 2010, the Parties hereto entered into the Agreement Between City of Garden Grove, Garden Grove Sanitary District and Republic Services of Southern California, LLC dba Garden Grove Disposal for Solid Waste Handling Services (“Agreement”).

B. Pursuant to Section 8.3.4 of the Agreement, Republic is required to design and present a program to the City to comply with any new requirement imposed upon the City or Republic by CalRecycle, or any Federal, State or Local law or regulation, and the Parties are required to meet and confer in good faith to determine a fair and reasonable adjustment to the maximum rates set forth in the Agreement for the implementation of any new program for the collection and processing of any waste material not already covered under the Agreement.

C. In 2014, Governor Brown signed Assembly Bill (AB) 1594 (Williams, Chapter 719, Statutes of 2014), mandating that as of January 1, 2020, the use of green material as alternative daily cover (ADC) at landfills will no longer constitute diversion through recycling and will instead be considered disposal in terms of measuring a jurisdiction’s annual 50 percent per capita disposal rate.

D. Currently, Republic Services delivers green waste collected from the City’s customers to the Orange County Landfill System for use as ADC. The Orange County Landfill System has historically accepted the green waste for use as ADC at no charge to customers. Consequently, the City has determined that with the pending ban on diversion credit for ADC, as outlined in AB 1594, and the negative impact this will have on the City’s state-calculated diversion rate, an alternative final disposition for the City’s green waste is necessary. Final disposition of the green waste will occur at the Agromin composting facility, co-owned by Republic, located in the City of Chino, subsequent to pre-processing of the material at Republic’s CVT Regional Materials Recovery Facility located in the City of Anaheim. The City retains the right, if so desired, under Section 26.1 of the Agreement, Flow Control Option, to have the absolute ability to choose the location for the delivery of green waste, and that the rate paid by the ratepayer will be reduced or increased accordingly if the transportation and processing costs of using such facility are lower or higher than the costs of using the Agromin facility.

F. An amendment to the rate structure of the Agreement is required to incorporate the incremental green waste processing and transportation costs incurred by Republic.

G. The amendment will necessitate a one-time mid-year rate adjustment on January 1, 2020, of \$2.71 per household per month to the service component of the basic residential rate, as shown in Attachment 1 "Detailed Calculations Related to AB 1594 Diversion Compliant Processing" of this amendment including the Franchise Fee per Section 11.3. The amount is based on the calculations as shown in Attachment 1 with the new green waste transportation and processing cost per ton fee of \$82.41 per ton less the current cost per ton of \$37.30 to transfer, process, and dispose of the green waste as ADC. The total cost of \$82.41 per ton includes \$50.50 per ton for composting at the Agromin Facility in the City of Chino.

H. Republic warrants that the proposed tip fee per ton of \$50.50 at the Agromin Facility is the actual cost paid to Agromin upon delivery of green waste materials. Republic warrants that the total cost of \$82.41 per ton is equal to or lower than the amount paid for residential organics processing by any other cities served by the Republic's Anaheim Division. Republic will notify the City in connection with its regular annual rate adjustment effective July 1 of each year if a lower cost option becomes available, or if a lower cost is provided to another jurisdiction served by Republic's Anaheim Division in order to initiate a cost reduction to the City's customers.

I. Pursuant to Recital E of the Agreement, incorporated into the Agreement by reference per Section 1 thereto, the Parties intend that Republic, and not the City, shall be solely responsible for establishing and collecting all charges for Solid Waste Handling Services provided by Republic pursuant to the Agreement.

#### **C O V E N A N T S:**

**NOW, THEREFORE**, for and in consideration of the terms and conditions of this Amendment, the Parties hereby agree as follows:

SECTION 1. The basic residential rate in the "approved Republic Rate Schedule" in Exhibit A of the Agreement is amended and set to \$26.18 commencing January 1, 2020 per Attachment 1 hereto, "Detailed Calculations for AB 1594 Diversion Compliant Processing" which is incorporated herein by reference.

SECTION 2. Except as expressly set forth herein, nothing in this Amendment shall affect or modify any other of the provisions of the Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first above written.

**CITY OF GARDEN GROVE**

By: \_\_\_\_\_  
Scott C. Stiles, City Manager

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
City Attorney

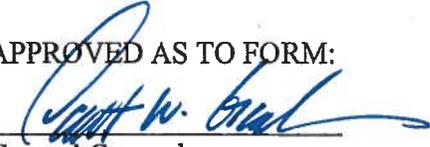
\_\_\_\_\_  
City Clerk

**GARDEN GROVE SANITARY DISTRICT**

By: \_\_\_\_\_  
Scott C. Stiles, General Manager

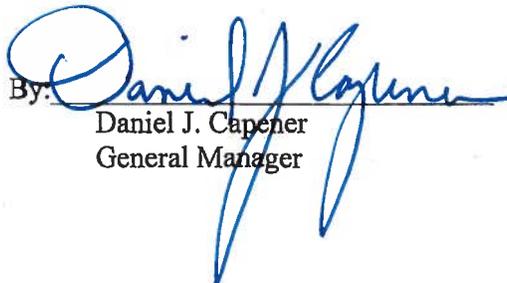
APPROVED AS TO FORM:

ATTEST:

  
\_\_\_\_\_  
General Counsel

  
\_\_\_\_\_  
Secretary

**REPUBLIC WASTE SERVICES OF  
SOUTHERN CALIFORNIA, LLC dba  
GARDEN GROVE DISPOSAL**

By:   
Daniel J. Capener  
General Manager

**CITY OF GARDEN GROVE  
Detailed Calculations for AB 1594 Diversion Compliant Processing**

Row	Metric	Rate Buildup for AB 1594 Compliant Program	COMMENTS
1	Total Transfer Cost/Ton	\$ 14.19	From Republic provided Eggleton Quote dated August 29, 2019 for \$14.30 cost per ton to transport allocated to tonnage at 99.2% for \$14.19 per ton.
2	Disposal Cost/Ton to Agromin	\$ 50.50	Tip fee at Agromin.
3	Percentage of each ton to Agromin	99.2%	Upon removal of contamination at the CVT Facility.
4	Total Disposal Cost/Ton	\$ 50.10	Calculation: R2 X R3
5	CVT Processing Cost/Ton (Cleaning/Loading)	\$ 14.84	Verified during HF&H site visit to CVT September 6, 2019.
6	Cost/Ton for Municipal Solid Waste at OC Landfill	\$ 42.58	July 1, 2019 rate per ton to take contamination to OC Landfill at \$35.05 per ton plus \$7.53 per ton for transportation.
7	Percentage of each ton to Landfill	0.8%	Contamination that was removed at the CVT Facility during pre-processing.
8	Residue Cost/Ton	\$ 0.34	Calculation: R6 X R7
9	Subtotal of Cost per Ton Net Disposal Cost	\$ 29.37	Calculation: Sum R1, R5, R8
10	Margin	10%	Margin per Republic's September 4, 2019 submittal.
11	Total Margin Cost per Ton	\$ 2.94	Calculation: R9 X R10
12	<b>Total Cost per Ton to Compost<sup>(1)</sup></b>	<b>\$ 82.41</b>	<b>Calculation: Sum R1, R4, R5, R8, R11</b>
13	Approximate Annual Green Waste Tons	20,915	Per Republic August 27, 2019 email
14	Percentage to be sent for Composting	100%	Percentage of green waste tons that will be sent for composting.
15	Tons to be Composted	\$ 20,915	Per Republic's August 27, 2019 email.
16	<b>Total Annual Cost for Green Waste Composting</b>	<b>\$ 1,723,535</b>	<b>Calculation: R12 X R15</b>
17	Current Cost Per Ton for Green Waste as ADC <sup>(1)</sup>	\$ 37.30	Based on City of Anaheim's cost per ton.
18	Tons to be Composted	20,915	From R15
19	<b>Current Cost for Green Waste as ADC</b>	<b>\$ 780,130</b>	<b>Calculation: R17 X R18</b>
20	<b>Annual Incremental Cost to Compost</b>	<b>\$ 943,405</b>	<b>Calculation: R16 - R19</b>
21	Total Residential Single Family Premises	31,143	Based on Republic's 9/4/2019 email.
22	Total Annual Cost to Single Family Premises	\$ 30.29	Calculation: R20 ÷ R21
23	Months per Year	12	
24	Monthly Cost to Single Family Premises	\$ 2.52	Calculation: R22 ÷ R23
25	Franchise Fee Percentage	7.25%	Per Section 1.1.3 of the Franchise Agreement
26	<b>Monthly Cost With Franchise Fee</b>	<b>\$ 2.71</b>	<b>Calculation: R24 X (1+R25)</b>
27	Service Fee Rate Component	\$ 19.27	Per Republic's July 1, 2019 Rate Adjustment Calculations
28	New Service Fee Component	\$ 21.98	Calculation: R26 + R27
29	Landfill Passthrough Rate Component	\$ 4.20	Per Republic's July 1, 2019 Rate Adjustment Calculations
30	<b>New Basic Residential Rate</b>	<b>\$ 26.18</b>	<b>Calculation: R28 + R29</b>

<sup>(1)</sup> Excludes host city facility fee per ton, which would not impact the net incremental cost as it would be part of both current and proposed costs.