

Amendment No. 2
to
Revised and Restated Agreement CON 06-28
For Rubbish Collection, Disposal and Recycling

This Amendment No. 2 ("Amendment") to the Revised and Restated Agreement CON 06-28 For Rubbish Collection, Disposal and Recycling ("the Agreement") is entered into as of this 15th day of November, 2016 by and between the City of Fountain Valley, a municipal corporation organized and operating under the laws of the State of California ("CITY") and Rainbow Disposal Company, Inc., a California Corporation ("CONTRACTOR"), collectively "the Parties", as follows:

RECITALS

This Amendment is entered into on the basis of the following facts and understandings of the Parties hereto:

- A. WHEREAS, CITY and CONTRACTOR are Parties to the Agreement, and have previously entered into agreements dated March 5, 1991, as amended August 2, 1994, March 18, 1997, and June 18, 2002, as revised and restated on October 3, 2006, and as amended November 17, 2015, wherein CONTRACTOR was awarded the exclusive rights to provide garbage collection and disposal services for CITY; and
- B. WHEREAS, Public Resources Code Section 40059 provides that a city may determine whether garbage collection and disposal services are to be provided by an exclusive franchise, contract or license, and may determine to do so with or without competitive bidding; and
- D. WHEREAS, the Parties entered into the Agreement on October 3, 2006; and
- E. WHEREAS, the Parties have met and conferred to determine mutually acceptable modifications to the Agreement; and now desire to now memorialize the modifications to the Agreement by means of this Amendment; and
- F. WHEREAS, as of the date of this Amendment, CONTRACTOR and CITY are in compliance with all terms and conditions of the Agreement.

NOW THEREFORE, the Parties do agree and amend the Agreement as follows:

Amendment No. 2

The Parties hereby agree to the following amendment of the Agreement:

1. The Parties hereby incorporate the above Recitals as a material element of this Amendment.

2. Amendment of Agreement at Section 5. Section 5 of the Agreement is amended to delete the current text of Section 5 and replace it as follows:

CONTRACTOR has agreed to provide a residential trash rate discount of 15% to all households owned and occupied by a senior citizen 62 years of age. The 15% rate discount shall apply only to the waste disposal component of the residential trash bill.

3. Amendment of Agreement at Section 6. Section 6 of the Agreement is amended to delete the current text of Section 6 and replace it as follows:

Charges and Rates – Residential Units: Payment by CITY

6.d. Cost for direct postal mailing by CITY to City of Fountain Valley property owners related to notification processes required for proposed rate adjustments shall be reimbursed to CITY by CONTRACTOR.

Changes in compensation for each subsequent year shall be based on the Consumer Price Index (CPI) Garbage and Trash Collection Index provided below and shall take effect on January 1 of each succeeding year. A change in compensation shall be negotiated based on the following:

- i. The average annual percentage of increase or decrease in the Los Angeles - Anaheim-Riverside All Urban Consumer Price Index (CPI) for the Orange County area from April to April of the preceding twelve (12) months. "CPI" means the index published by the U.S. Department of Labor, Bureau of Labor Statistics, Series Id: CUUR0000SEHG Garbage and Trash Collection, All Urban Consumers for Los Angeles-Riverside-Orange County Area, California ("Garbage and Trash Collection Index").

4. Amendment of Agreement at Section 7.: Section 7 of the Agreement is amended to add the following:

7.a: CONTRACTOR shall be allowed to adjust the commercial and industrial rates each year by the average annual percentage of increase or decrease in the Los Angeles- Anaheim-Riverside All Urban Consumer Price Index (CPI) for the Orange County area from April to April of the preceding twelve (12) months. "CPI" means the index published by the U.S. Department of Labor, Bureau of Labor Statistics, Series Id: CUUR0000SEHG for Garbage and Trash Collection, All Urban Consumers for Los Angeles-Riverside-Orange County Area, California ("Garbage and Trash Collection

Index"). The increase shall be measured as the annual average change in the Garbage and Trash Collection Index for the twelve (12) month period preceding the effective date of the proposed rate adjustment, measured annually each year from January to December.

7.e. Effective July 1, 2016, the Annual Roadway Fee shall be \$250,000. Effective July 1, 2017 and annually thereafter, the Roadway Fee shall be adjusted for the annual change in the Garbage and Trash Collection Index as defined in section 7.a.

7.f. Effective July 1, 2016, the Water Pollution Prevention Fee shall be \$104,250. Effective July 1, 2017 and annually thereafter, the Water Pollution Prevention Fee shall be adjusted for the annual change in the Garbage and Trash Collection Index as defined in section 7.a.

6. All other terms and conditions of the Agreement to remain in full force and effect.

IN WITNESS WHEREOF, the CITY and the CONTRACTOR have executed this Agreement on the day and year first written above.

CITY OF FOUNTAIN VALLEY



Mayor

11-22-16
Date

ATTEST:



CITY CLERK

11-22-16
Date

Approval as to Form:



ATTORNEY FOR THE CITY

11/05/2016
Date

RAINBOW DISPOSAL COMPANY, INC.
a California Corporation

President

Date