



CITY OF WEST COVINA

ATHENS SERVICES

**Franchise Agreement – May 1999
Including Amendment Nos.
1, 2, 3, 4, 5, 6, 7, 8**

**AMENDED AND RESTATED
AGREEMENT BETWEEN
THE CITY OF WEST COVINA
AND
ARAKELIAN ENTERPRISES, INC.
DBA ATHENS SERVICES
FOR THE COLLECTION OF SOLID WASTE,
RECYCLABLES, YARD WASTE AND OTHER COMPOSTABLES
AS DEFINED HEREIN**

Final
May, 1999

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AMENDED AND RESTATED AGREEMENT

THIS Amended and Restated Agreement ("Agreement"), made and entered into as of the day of _____, 199_, by and between the CITY OF WEST COVINA, a municipal corporation, hereinafter referred to as "the City," and Arakelian Enterprises, Inc., a California corporation, dba Athens Services, hereinafter referred to as "Contractor";

WITNESSETH

WHEREAS, Chapter 12 of the West Covina Municipal Code defines and regulates the collection of solid waste, recyclables, yard waste, and other compostables within the City; and

WHEREAS, the City is authorized to provide collection of solid waste, recyclables, yard waste, and other compostables within the City by contract; and

WHEREAS, the City, for the purpose of ensuring the continued protection and preservation of the public health, welfare, and convenience of the people of the City, deems it advisable to provide for the collection of solid waste, recyclables, yard waste, and other compostables within the City by contract with Arakelian Enterprises, Inc.; and WHEREAS, state law mandates the City to meet the diversion requirements of AB 939 or face stiff fines and penalties; and

WHEREAS, this Agreement will supersede all other agreements for solid waste, recyclables, yard waste, and other compostables collection services in the City of West Covina; and

WHEREAS, City desires to maintain maximum flexibility in this Agreement to meet rapidly changing solid waste disposal and diversion laws and regulations.

NOW, THEREFORE, in consideration of the premises and of the covenants and conditions hereinafter contained, the City and the Contractor mutually agree as follows:

ARTICLE 1. DEFINITIONS; DELEGATION OF AUTHORITY

A. Whenever any term used in this Agreement has been defined by the provisions of Chapter 12 of the West Covina Municipal Code, the definitions contained in said Code shall govern the meaning of such words for the purpose of this Agreement, unless any such word is otherwise specifically defined herein or unless it is obvious from the context hereof that another meaning is necessarily intended.

B. The administration of this Agreement shall be under the supervision and direction of the City Manager's office and the actions specified here shall be taken by the City Manager or his designees (the "City Manager") unless otherwise stated or specified.

C. As used herein "recyclables" shall mean items which could have been removed from the solid waste stream by the household or commercial business for sale or donation, but have not been so removed at the source or have been placed for collection by the Contractor. The parties understand that, although called "recyclables" in the Agreement, the California courts have determined that such "recyclables" become "solid waste," only when placed for collection under this Agreement and not removed from the waste stream and sold.

ARTICLE 2. REPRESENTATIONS AND WARRANTIES OF THE CONTRACTOR

2.1 Corporate Status

Contractor is a corporation duly organized, validly existing and in good standing under the laws of the State of California. It is qualified to transact business in the State of California and has the corporate power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

2.2 Corporate Authorization

Contractor has the authority to enter into and perform its obligations under this Agreement. The Board of Directors of Contractor (or the shareholders if necessary) have taken all actions required by law, its articles of incorporation, its bylaws or otherwise to authorize the execution of this Agreement. The persons signing this Agreement on behalf of Contractor have authority to do so.

ARTICLE 3. TERM OF AGREEMENT

3.1 Effective Date and Term of Agreement

A. The term of this Amended and Restated Agreement shall be for nine years, commencing on March 3, 1992 and expiring on March 3, 2005; provided, however, that commencing on its anniversary date in 1997, and on each anniversary date for every year thereafter, a one-year extension shall be applied to said Agreement so that the term of the Agreement shall remain eight years.

B. Notwithstanding the foregoing, should either party desire that said one-year renewal and extension provision be terminated, such party may give the other written notice of such termination sixty days prior to any anniversary date of any year during which

this Agreement is in full force and effect. Such notice will terminate the one-year renewal and extension provision, and the Agreement shall remain in full force and effect for the balance of the term then outstanding.

3.2 Conditions to Effectiveness of Agreement

The obligation of City to permit this Agreement to become effective and to perform its undertakings provided for in this Agreement is subject to Contractor's satisfaction of each and all of the conditions set out below.

A. Accuracy of Representations. The representations and warranties made by Contractor in Article 2 of this Agreement are true and correct on and as of the Effective Date.

B. Absence of Litigation. There is no litigation pending on the Effective Date in any court challenging the award or execution of this Agreement or seeking to restrain or enjoin its performance.

ARTICLE 4. FRANCHISE

4.1 Grant of Franchise; Scope of Franchise

A. Grant of Franchise. The City hereby grants unto the Contractor, and the Contractor shall have throughout the duration of this Agreement, the exclusive right to engage in the business of collecting solid waste, recyclables, yard waste and other compostables accumulating within the boundaries of the City as the same now exists, that is required to be accumulated and offered for collection to the Contractor in accordance with this Agreement and the City Municipal Code.

B. Annexations. This right extends to any territory annexed to the City hereafter except to the extent that collection within such territory so annexed would be unlawful or violate the legal rights of another person. Unless Contractor acquires or has acquired the collection rights of any other person then collecting solid waste, recyclables, yard waste, or other compostables within any annexed territory at the time such annexation is effective, said exclusive right in each annexed territory shall commence ninety (90) days after each such annexation is completed, provided that if the City determines to the contrary by majority vote of its Council within said ninety (90) day period, such determination shall prevail.

C. Scope of Franchise; Exclusions. The franchise granted to Contractor shall be exclusive except as to the following categories of solid waste, recyclables, yard waste and other compostables listed in this subsection C. The granting of this franchise shall not preclude the categories of solid waste, recyclables, yard waste and other compostables listed below from being delivered to and collected and transported by others, provided that nothing in this

Agreement is intended to or shall be construed to excuse any person from obtaining any authorization from the City which is otherwise required by law:

1. Yard waste and other compostables removed from a premises by a gardening, landscaping, or tree trimming contractor as an incidental part of a total service offered by that contractor rather than as a hauling service.
2. By-products of sewage treatment, including sludge, grit and screenings.
3. Residue or non-processible waste from solid waste disposal facilities including material recovery, composting and transformation facilities except as set out under Article 7 hereof.
4. Hazardous waste.
5. Individual households, school districts and commercial businesses may sell or donate recyclables separated or removed from the solid waste stream or may compost yard waste.

D. Furthermore, the provisions of this Agreement shall not preclude or prohibit City or any officer or employee thereof or any public entity delegated the ability to do so by the City Council from itself collecting, removing, disposing or diverting of solid waste, recyclables, yard waste, and other compostables in the regular course of their respective duties as such officers or employees; notwithstanding, the City shall be responsible for reporting all such diversion.

4.2 Prior Agreements and Amendments

This Franchise Agreement is intended to carry out City's obligations to comply with the provisions of the California Integrated Waste Management Act of 1989, ("AB 93911) as it from time to time may be amended, and as implemented by regulations of the California Integrated Waste Management Board ("Regulations"), as they from time to time may be amended. In the event that AB 939 or other state or federal laws or regulations, or case law decided by a court of final jurisdiction arising after this Agreement has been approved, prevent or preclude compliance with one or more provisions of this Franchise Agreement, such provisions of the Franchise Agreement shall be modified or suspended as may be necessary to comply with such state or federal laws, regulations or case law. No other amendment of this Franchise Agreement shall be valid unless in writing duly executed by the parties.

4.3 Franchise Fee Agreement

The Contractor agrees to pay to the City a franchise fee of ten (10) percent of the gross receipts (as defined in the Municipal Code) earned by the Contractor under this Agreement during each fiscal year ending June 30, or fraction thereof that this Agreement is in effect. Said sums shall be payable quarterly in the minimum amount of \$100,000 on or before the 15th day of January, April, July, and October throughout the duration of this Agreement and the total amount paid each year shall be appropriately adjusted based on the annual reports required by this Agreement. The sums herein agreed to be paid to the City by the Contractor shall be in lieu of any and all business license or truck fees that are collected by the City except as set out under Section 7.3.

ARTICLE 5. WASTE COLLECTION SERVICES

5.1 General

The services set out here are in addition to those in Article 7 and the remainder of this Agreement. The work to be done by Contractor pursuant to this Agreement shall include the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Contractor of the duty to furnish all others, as may be required, whether enumerated or not.

The work to be done by Contractor pursuant to this Agreement shall be accomplished in a thorough and professional manner so that the residents and businesses within the City are provided reliable, courteous and high-quality solid waste, recyclables, yard waste and other compostables collection and diversion services at all times. The enumeration of, and specification of requirements for, particular aspects of service quality shall not relieve Contractor of the duty of accomplishing all other aspects in the manner provided in this Section, whether such other aspects are enumerated elsewhere in the Agreement or not.

The Contractor agrees to submit route maps for all collection routes to the City Manager for review and approval. Start and end points for each daily route are to be clearly indicated. Contractor shall use its best efforts to coordinate street sweeping so that it follows pick-up.

All collection services hereunder shall be automated.

5.2 Contingency Plan

Contractor shall maintain and submit to City as requested, a written contingency plan demonstrating Contractor's arrangements to provide vehicles and personnel and to maintain uninterrupted service during mechanical breakdowns or other emergencies,

excluding events described in Section 11.5. This plan shall be consistent and coordinated with the City's Multi-Hazard Functional Plan.

5.3 Residential Solid Waste Collection Services

Contractor shall collect and deliver to the appropriate solid waste facility all solid waste, recyclables, yard waste, and other compostables generated at single- and multi-unit residential premises within the City and delivered for collection not less than once per week.

Subject to reduced low income/senior citizen rates as set out herein, Contractor shall provide special manual carry-out services for those residents determined to have difficulty-doing so themselves due to physical disabilities (whether permanent or temporary) and/or the configuration of their property. Contractor may charge for this service only where it is requested by an otherwise capable resident solely for his/her convenience.

Upon 24 hours prior request, items for disposal other than ordinary solid waste shall be collected by the Contractor at no extra charge during the next normal weekly pickups. Except as otherwise arranged with Contractor as for move-ins/move-outs, there shall be a limitation that no more than five (5) such bulk item may be included for such pick up each week. Bulky items, in addition to the ordinary solid waste normally picked up each week, shall include but not be limited to:

Furniture - chairs, sofas, mattresses, rugs, etc.

Appliances - washers, dryers, water heaters, plumbing, refrigerators, TVs, small household appliances, etc.

Residential - Wood Waste - tree branches, scrap wood, etc.

Contractor shall use its best efforts to divert/recycle all such items or instruct its customers in appropriate diversion techniques.

These additional materials to be collected specifically exclude auto parts and bodies, liquid waste, manure and rocks, sod, concrete and similar materials.

All bulky items shall be collected at the curb or alley, including those from condominium, stock cooperative or community apartment projects.

Additional special rates may be charged by the Contractor for the collection of other items of a dissimilar nature to those included in Section 5.6. Such rates shall be determined by the Contractor and paid in advance and shall be separate from and in no way

connected to the regularly scheduled service rates. The fee may include a component for estimation of such rates.

Placement of bins in the street from residential scout service shall be limited to not more than four (4) hours.

Materials shall be properly placed for collection under the requirements of the West Covina Municipal Code. Residents shall be required to bundle and tie all wood waste in lengths not to exceed four (4) feet with a diameter of three (3) feet. Any materials not properly placed for collection shall be tagged by the Contractor with a multilingual red tag explaining the reason for non-collection.

5.4 Commercial/Industrial Collection

Contractor shall collect and deliver to the appropriate solid waste facility all solid waste, recyclables, yard waste, and other compostables generated at commercial premises within the City contracting for services and delivered to a bin or otherwise properly placed for collection not less than once per week. Contractor shall collect and deliver to the appropriate solid waste management facility all solid waste, recyclables, yard waste, and other compostables generated at Industrial premises within the City contracting for services and delivered for collection to a debris box or bin (or otherwise properly placed for collection) as scheduled with each industrial generator. Contractor may contract with industrial or commercial firms to collect and dispose of waste materials which it is not licensed to remove and which present specialized problems.

Bins placed in the street from commercial/industrial scout service may not be left there more than four (4) hours.

Contractor shall use its best efforts to divert or recycle materials collected under this subsection.

5.5 City Facilities Collection

At no cost to the City, Contractor shall collect and dispose of all solid waste, recyclables, yard waste, and compostables generated at premises owned and/or operated by the City, including all City parks, or as otherwise designated by the City. Contractor shall make collections from cans Monday through Friday or on Saturdays following non-working holidays at the frequency set out in Exhibit "B." Commercial (bin) and industrial (debris box) collections shall be scheduled as designated by the City. The facilities to be provided service initially, together with the type and frequency of service, are listed in Exhibit "B," which may be modified or expanded by the City. Pursuant to this provision, City also may request bins, pickup and disposal or diversion for up to six community events per year sponsored at least in part by City.

In addition, Contractor shall pick-up any bulky items as defined in Section 5.3 discarded on or along City right-of-ways open space or other City property within 24 hours of oral request from City requesting such service.

The services required by this Section shall be provided at no charge to the City but the cost of providing them shall be an allowable expense under Article 8.

A. Assistance to School Districts. Contractor shall provide services to school district facilities within the City at the rate set out on Exhibit "E" shall assist schools with programs required by AB 939. Such service shall include MRF processing and the associated recycling program.

5.6 Annual Cleanup Campaign

During one particular week (or longer period as may be designated by the City Council and agreed to by contractor) of each calendar year of the term of this Agreement, when such is declared by the City Council to be part of an annual clean-up campaign, the Contractor shall, on the regular pick-up day for each area during such period, pick up and remove from residential customers items such as, but not limited to, the following items and other items of a similar nature, at no cost to the customer:

Furniture - chairs, sofas, mattresses, rugs, etc.
Appliances - washers, dryers, water heaters, plumbing fixtures, refrigerators, TVs, small household appliances, etc.
Residential Wood Waste - Tree branches, scrap wood, etc.

Materials to be collected shall specifically exclude auto parts and bodies, and rocks, sod, and concrete and similar materials.

Contractor shall also provide a plan for recovering reusable and recyclable materials offered for collection as part of the "Annual Clean-up Campaign and for recycling at the source."

A. Christmas Tree Collection. Contractor shall collect all Christmas trees on the first two scheduled pickup days after New Year's. Trees shall be diverted for deposit at a green waste or composting facility.

5.7 Contractor's Inability to Provide Service

If at any time during the effective period of this Agreement, should a customer of the Contractor request a collection service except for a special pick-up as set out in 5.3 (such as bin service for construction or demolition cleanup) from the Contractor which the Contractor cannot render within two full working days from the date of the customer's initial request for service, the City Manager reserves the right to direct such customer to seek other providers who can provide such collection service regardless of the

fact that such other provider does not hold a franchise with City for collection services.

5.8 Hours of Collection

The Contractor agrees that it shall not allow any solid waste, recyclables, yard waste or other compostables collections to be made except during the hours specified in the Municipal Code for such collections. Saturday service is not to begin before 7:00 a.m.

5.9 Collection Standards

A. Care of Private Property. Reasonable care shall be used by the Contractor's employees in handling all privately owned collection containers and enclosures, and all damage caused by the negligence or carelessness of the Contractor's employees shall be promptly adjusted with the owner thereof. All collection containers after emptying thereof shall be returned to within five (5) feet of the location from which the same were picked up by the Contractor's employees, upright [with lids properly secured].

Contractor's employees shall use all reasonable means to insure containers are not deposited in any driveway, sidewalk, or street, other than the curb. Contractor shall ensure that its employees close all gates opened by them in making collections, unless otherwise directed by the customer, and avoid crossing landscaped areas and climbing or jumping over hedges and fences. City shall refer complaints about damage to private property to Contractor. Contractor shall repair all damage to private property caused by its employees.

B. Noise. All solid waste, recyclables, yard waste, and other compostables collection operations shall be conducted as quietly as possible and shall conform to applicable Federal, State, County and City noise level regulations, including the requirement that the noise level during the stationary compaction process not exceed 75 decibels at a distance of 25 feet from the collection vehicle. The City may conduct random checks of noise emission levels to ensure such compliance. Contractor will promptly resolve any complaints of noise to the satisfaction of the City Manager or a designee.

C. Record of Non-Collection. When any solid waste, recyclables, yard waste, or other compostable material deposited for collection is not collected by the Contractor because it fails to meet the requirements of the Municipal Code or this Agreement, Contractor shall leave a bilingual Spanish/English red tag provided at his cost at least 3" x 6" in size, on which he has indicated the reasons for his refusal to collect the solid waste, recyclables, yard waste, or other compostable materials, giving reference to the section of the City Ordinance or to the section of this Agreement which has been violated, and which gives grounds for his refusal as well as the Contractor's address, phone number and business hours.

This information shall either be in writing or by means of a check system.

In addition thereto, Contractor shall maintain, at his place of business, a log book listing all complaints and taggings. Said log book shall contain the names and addresses of parties involved, date of such complaint or tagging, nature of same and date and manner of disposition of each case. Such log shall be kept so that it may conveniently be inspected by City Manager upon request. Such log shall be retained for at least 2 years after the last entry. City Manager may request this log at any time.

5.10 Litter Abatement

A. Minimization of Spills. Contractor shall use due care to prevent solid waste, recyclables, yard waste, and other compostables from being spilled or scattered during the collection or transportation process. If any solid waste, recyclables, yard waste, and other compostables are spilled during collection, the Contractor shall promptly clean up all spilled materials.

B. Clean Up. During the collection transportation process, the Contractor shall clean up litter in the immediate vicinity of any solid waste, recyclables, yard waste, and other compostables storage area (including the areas where collection bins and debris boxes are delivered for collection). The Contractor shall discuss instances of repeated spillage not caused by it directly with the customer responsible and will report such instances to the City. City will attempt to rectify such situations with the customer if Contractor has already attempted to do so without success.

C. Covering of Loads. Contractor shall cover all open debris boxes and compactor openings during transport to the disposal site or any processing facility. No material shall be transported to the disposal site or any processing facility in vehicle hoppers.

5.11 Transportation, Processing and Disposal of Solid Waste

Contractor shall transport all solid waste, recyclables, (and yard waste, and other compostables as applicable) collected under this Agreement to its MRF/Transfer Station. Contractor shall transport all those materials remaining as residue (exclusive of recyclables which can be sold or otherwise transported to users thereof) after processing at the MRF or unprocessable materials to the disposal site it selects. That site may be disapproved by the City Manager in which case a new site shall be selected by City Manager and Contractor. Contractor shall consider the most cost effective facility, including tipping fees operating and hauling costs.

Contractor shall maintain accurate records of the quantities of solid waste, recyclables, yard waste, and other compostables or materials transported to the MRF/Transfer Station and thereafter to the disposal site and will cooperate with City in any audits or

investigations of such quantities. By July 1, 1999 Contractor shall devise a method approved by City to identify the diversion rate for City for its waste stream processed at the MRF which is responsive to any and all documents required by the CIWMB. Contractor has the right to retain any materials collected under the Franchise and retain any payments therefor.

5.12 Vehicles

A. General. Contractor shall provide a fleet of collection vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement in strict accordance with its terms. The Contractor agrees to maintain each piece of equipment used by it in the performance of this Agreement in good order and repair. Contractor shall have available on collection days sufficient back-up vehicles for each type of collection vehicle used (i.e., residential, commercial and roll-off) to respond to complaints and emergencies. The City Manager reserves the right to inspect any and all of Contractor's equipment upon reasonable notice to Contractor. All such vehicles shall have water-tight bodies designed to prevent leakage, spillage or overflow. All such vehicles shall comply with the noise abatement requirements of this Agreement. Notwithstanding anything herein to the contrary, while in use collecting waste in West Covina, the fleet of collection vehicles provided hereunder shall be used only for solid waste, recyclables and/or green waste collected within West Covina.

B. Specifications. All vehicles used by Contractor in providing solid waste, recyclables, yard waste, and other compostables collection services shall be registered with the California Department of Motor Vehicles and shall meet or exceed all legal standards. Contractor agrees to maintain all of its collection vehicles in compliance with the provisions of the California Vehicle Code, including but not limited to, Sections 27000(b), 23114, 23115, 42030, 42032, and all Vehicle Code sections regarding smog equipment requirements. A contractor's annual inspection of the vehicles and facility will be conducted by the West Covina Police Department. The City Manager reserves the right to re-inspect any and all collection vehicles with a 24-hour notice.

C. Vehicle Identification. Contractor's name, local telephone number, and a unique vehicle identification number designed by Contractor for each vehicle shall be prominently displayed on all vehicles, in letters and numbers no less than two and one-half (2 1/2) inches high. Contractor shall not place the City's logo on its vehicles.

D. Cleaning and Maintenance

1. General. Contractor shall maintain all of its properties, facilities, and equipment used in providing service under this Agreement in a safe, neat, clean and operable condition

at all times, and well and uniformly painted, to the reasonable satisfaction of the City Manager.

2. Cleaning. Vehicles used in the collection of solid waste, recyclables, yard waste, and other compostables shall be thoroughly washed at a minimum of one (1) time per week, and thoroughly steam cleaned on a regular basis so as to present a clean appearance and minimize odors. All vehicles shall be painted at least once every three (3) years, although the City may require the painting of any vehicle which does not present a satisfactory appearance, as deemed by the City Manager, at any time. All graffiti shall be removed immediately. The City Manager may inspect vehicles at any time to determine compliance with sanitation requirements. Contractor shall make vehicles available to the County Health Department for inspection.

3. Maintenance. Contractor shall (i) inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles which are not operating properly shall be taken out of service until they are repaired and do operate properly; and (ii) perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Contractor shall keep accurate records of all vehicle maintenance, recorded according to date and mileage and shall make such records available to the City Manager upon request to the extent necessary to perform the inspections described in Sections 6.4 and 6.5.

4. Repairs. Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment, including dents or other body damage, for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a neat, safe and operable condition. If an item of repair is covered by a warranty, Contractor shall obtain warranty performance. Contractor shall maintain accurate records of repair, which shall include date/milage, nature of repair and the signature of a maintenance supervisor or mechanic that the repair has been properly performed.

5. Inventory. Contractor shall furnish sufficient equipment to provide all service required under this Agreement, including backup collection vehicles. Upon written request, Contractor shall furnish the City a current vehicle inventory.

6. Storage. Contractor shall arrange to store all vehicles and other equipment in safe and secure locations(s) in accordance with City's applicable zoning regulations if stored within the City.

E. Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances.

Contractor shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by state or local weight restrictions on vehicles.

5.13 Solid Waste Containers

A. Residential. Contractor shall provide an automated waste collection system for solid and yard waste subject to the following terms:

1. Contractor shall provide one 90-gallon or one 60-gallon container for solid waste and one 90-gallon container for yard waste. Condominiums that use individual trash containers for each unit will be provided one 60-gallon container for solid waste and recyclables.

2. The residential customer shall determine what containers shall be provided.

3. In the absence of any determination, two 90-gallon containers, one for solid waste and one for yard waste shall be provided by the Contractor to the residential customer, unless the customer is an owner of a condominium.

4. Any change in container size may be subject to a service charge as specified in Exhibit "E" as amended.

5. Contractor shall fulfill the request to change containers within one week of receipt of the written request unless circumstances beyond Contractor's control prevent such a response.

6. Additional containers of either 60-gallon or 90-gallon size shall be provided by the Contractor at the written request of the customer subject to the additional monthly rates specified in the Exhibit "E" as amended.

7. Contractor shall make the appropriate adjustments to the customer's account to reflect the change in container size prorating the billing to the first of the nearest month from the date the request is received.

8. Contractor shall provide container roll-out service for disabled customers at no charge. The definition for this paragraph shall be Paragraph 2 of Section 5.3 of the Agreement.

9. Separate from the roll-out service provided in Section 5.3, Contractor shall provide a roll-out service to any residential customer who requests such a service. Said service shall be subject to additional charge as specified in Exhibit "E," as amended.

10. If any container is not used by the customer in the manner specified by the automated waste collection program, the

Contractor shall use a multilingual red tag to so advise the customer.

B. Non-Residential. Contractor shall provide bins and debris boxes for storage of solid waste which shall be designed and constructed to be water tight and prevent the leakage of liquids. All containers with a capacity of one cubic yard or more shall meet applicable federal regulations on solid waste bin safety. All containers shall be painted the Contractor's standard color and shall prominently display the name and telephone number of the Contractor.

C. Cleaning, Painting, Maintenance. Once every twelve months Contractor shall replace, clean or repaint all commercial containers as needed so as to present a clean appearance. In addition, Contractor shall do the same upon 48 hours oral notice by City Manager. Contractor shall maintain all containers in a functional condition and shall remove graffiti immediately. Notwithstanding the foregoing, Contractor shall not be required to replace more than 100 bins per month for the first year of this Agreement under this subsection and shall prioritize such requests.

D. Repair and Replacement. Contractor shall repair or replace all residential and non-residential containers damaged by collection operations.

5.14 Personnel

A. General. Contractor shall furnish such qualified drivers, mechanical, supervisory, clerical and other personnel as may be necessary to provide the services required by this Agreement in a safe and efficient manner.

B. Driver Qualifications. All drivers shall be trained and qualified in the operation of collection vehicles and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

C. Identification Badge. Contractor shall require its drivers, and all other employees who come into contact with the public, to wear a uniform as a means of identifying the employee.

D. Safety Training. Contractor shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment for collection of solid waste, recyclables, yard waste, and other compostables or who are otherwise directly involved in such collection. Contractor shall train its employees involved in solid waste, recyclables, yard waste, and other compostables collection to identify, and not to collect, hazardous or infectious waste.

E. No Gratuities. Contractor shall not permit its employees to demand or solicit, directly or indirectly, any additional compensation or gratuity from members of the public for the

collection of solid waste, recyclables, yard waste, and other compostables under this Agreement.

F. Employee Appearance and Conduct. All employees, while engaged in the collection or gathering solid waste, recyclables, yard waste, and other compostables within the City, shall be attired in suitable and acceptable uniforms which are subject to approval by the City Manager. Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. Contractor shall regularly train its employees in customer courtesy, shall prohibit the use of loud or profane language, and shall instruct collection crews to perform the work as quietly as possible. If any employee is found not to be courteous or not to be performing services in the manner required by this Agreement, Contractor shall take all appropriate corrective measures.

G. Provision of Field Supervision. Contractor shall designate one qualified employee as supervisor of field operations. The field supervisor will devote at least fifty percent (50%) of his or her time in the field checking on collection operations, including responding to complaints.

5.15 Hazardous Waste

A. General. If the Contractor determines that waste placed in any container for collection or delivered to any facility is hazardous or infectious waste or other waste that may not legally be disposed of at the disposal site or presents a hazard to Contractor's employees, the Contractor shall have the right to refuse to accept such waste. The customer will be contacted by the Contractor and requested to arrange proper disposal. If the customer cannot be reached immediately, the Contractor shall, prior to leaving the premises, leave a red bilingual, Spanish/English tag at least 3" x 6" indicating the reason for refusing to collect the waste, in which case a copy of the tag, along with the address of premises (and the name of the customer, if known) shall be delivered to the City Manager on the following business day.

If the waste is delivered to the disposal site before its presence is detected and the customer cannot be identified or fails to remove the waste after being requested to do so, the Contractor shall arrange for its proper disposal. The Contractor shall make a good faith effort to recover the cost of disposal from the customer, and the cost of this effort, as well as the cost of disposal shall be chargeable to the customer. The Contractor shall be entitled to include the costs incurred under this Section as an operating expense for purposes of Rate Review under Article 8 and shall include all sums recovered by it from customers as "Other Income."

B. Residential Hazardous Waste Collection. Contractor shall coordinate with City and County to assist in any residential hazardous waste collection by County. If the County fails to

provide such service during the term of the Agreement, as requested by City Manager, Contractor shall arrange for an acceptable licensed hazardous waste roundup at a central location within the City. Fees for this service shall be negotiated between the City and Contractor.

5.16 Review of Performance and Quality of Service and Industry Changes

A. At the City Council's sole option, with sixty (60) days written notification to the Contractor, it may conduct a public hearing at which the Contractor shall be present and shall participate, to review the Contractor's performance and quality of service and to provide for technological and regulatory changes. The reports required by this Franchise Agreement regarding customer complaints shall be utilized as one basis for review. In addition, any customer may submit comments or complaints during the review meetings, either orally or in writing, and these shall be considered. These hearings may be scheduled by City Council at its discretion throughout the term of this Agreement, but not more often than annually.

B. Within thirty (30) days after the conclusion of the public hearing, the City Council shall issue a report with respect to the matters raised at the hearings. If any noncompliance with the Franchise is found, City Manager may direct Contractor to correct the inadequacies in accordance with the terms of this Agreement. Any change in scope of services or equipment shall be reflected in an amendment to this Agreement.

ARTICLE 6. OTHER COLLECTION-RELATED SERVICES, STANDARDS AND AGREEMENTS

6.1 Billing

In consideration of the services and promises of the Contractor, the City hereby delegates to the Contractor the right and authority to collect from the persons served by the Contractor the prices for such service as is provided by this Agreement.

The Contractor agrees that it shall neither charge nor collect any sum or sums in excess of, or in addition to, the amounts specified in this Agreement for any solid waste, recyclables, yard waste, and other compostables collection services made pursuant to this Agreement. The Contractor agrees that the City shall be under no obligation to collect or to enforce collection of any sums due to the Contractor for services rendered under this Agreement except as specifically provided in this Agreement or in the West Covina Municipal Code, and Contractor does hereby release the City from any and all liability for the payment of any sum or sums which may become due to the Contractor for the collection or removal of solid waste, recyclables, yard waste, or compostables under the terms of this Agreement.

The Contractor will bill residents on a quarterly basis. The Contractor shall have the right to bill and collect for its services in advance of the rendition of services hereunder, but shall refund any unused portion equal to one month or more of the amount collected in the event of disruption, revision, or termination of the services or when residential premises are vacant for at least a one month period and prior notice of such vacancy has been given to the Contractor. Termination of services as referred to in this section shall not include termination due to nonpayment. Services terminated due to nonpayment of collection fees may be reinstated with the payment of a reinstatement charge as specified in Exhibit "E" attached hereto. Customers may, on an individual basis, request annual or monthly payment schedules, and the Contractor will work in good faith with individual customers to reasonably satisfy such requests.

By September 15, 1999, Contractor shall report on its acquisition of new software which allows Contractor to modify billing to (i) break down the services provided for each increment of the fee; (ii) list the number and size of each solid waste and green waste container provided; and (iii) give advance notice of any collection schedule change due to a holiday. This change shall be implemented by January 1, 2000, if feasible.

As part of the billing procedure and along with normal billings, the Contractor shall provide envelopes, return envelopes, and messages with multilingual text related to solid waste management and recycling issues. These messages shall include but are not limited to route maps, pick-up times, collection rules, holidays, and similar information. Such messages include, but are not limited to, clean up Saturdays and Christmas tree recycling. The language of any such messages shall be reviewed and approved by the City Manager prior to their distribution. The costs for the printing and distribution of such notices shall be the sole responsibility of the Contractor.

Contractor also agrees to insert with the billings, mailers describing activities of the City government unrelated to solid waste management or recycling issues. City Manager will provide not less than fifteen (15) days notice to Contractor prior to the mailing date of any proposed mailing to permit Contractor to make appropriate arrangement for inclusion of the City's materials. City Manager will provide Contractor the mailers at least (7) days prior to the mailing date.

The Contractor shall maintain copies of said billings and receipts, each in chronological order, for a period of three (3) years after the date of service for inspection by City. The Contractor may, at its option, maintain those records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner.

The City Manager shall have the right to request changes to the billing format to itemize certain appropriate charges or to

otherwise reasonably clarify the billing. The Contractor will cooperate with the City to revise its billing format as necessary to itemize appropriate charges from time to time, however, once any billing format is approved by the City Manager, if any future changes to the billing format result in substantial costs, those costs may be recovered by Contractor pursuant to this Agreement. Contractor shall not itemize the franchise fee except with the written consent of City Council.

6.2 Annual Reports

The Contractor shall submit annual reports with respect to its operations (including but not limited to MRF operations) pursuant to this Agreement. The annual report shall be submitted not later than 4 months following the end of the Contractor's annual accounting period. The report shall be in a format which will allow the City Manager and Council to compare the operations of the Contractor with the franchise fee paid and the appropriate adjustments to the franchise fee calculated pursuant to this Agreement. As part of the report, the Contractor will calculate the actual franchise fee owed, shall set forth the quarterly franchise fee payments actually made, and shall show the appropriate additional franchise fees owed to the City or the overpayments of the franchise fee actually owed for the annual period. This report includes customer billing information by class of service and number of services.

6.3 Annual Audit

At the request of the City Manager the reports submitted by the Contractor pursuant to Section 6.2 may be audited and certified to by an independent certified public accounting firm mutually approved by the City Manager and the contractor. The Contractor will bear the expense of said audit where a 4% discrepancy is discovered, but audit fees are allowed as an operating expense for rate-setting purposes. If the Contractor and City Manager fail to mutually agree on the selection of a certified public accounting firm within five (5) months prior to the end of the Contractor's annual accounting period (for that accounting period), the City Manager shall submit the names of five certified public accounting firms from which the Contractor shall select one. The Contractor shall notify the City Manager of its choice not later than fifteen (15) days from the date of receipt of said list. The third party auditor or consultant selected shall be allowed access to Contractor's records as necessary to carry out the audit and shall be required to sign a confidentiality agreement.

6.4 Recordkeeping

The Contractor shall maintain such accounting and statistical records as shall be necessary to develop the financial statements and reports prescribed by City.

6.5 Right to Inspect Records

Notwithstanding Article 6, City officials retains all of their rights to audit or inspect under the business license ordinance.

6.6 Inspection by City

The City Manager shall have the right to observe and review Company operations and enter premises for the purposes of such observations and review at all reasonable hours with reasonable notice.

6.7 Public/Customer Service and Accessibility

A. Office Location. Contractor shall provide a business office for purposes of carrying out its obligations under this Agreement. This main office shall be located at 14048 Valley Boulevard, City of Industry, California 91715.

B. Office Hours. Contractor's office shall be open to the public from 7 a.m. to 5 p.m. Monday through Friday. The office may be closed on Saturdays and Sundays and those holidays recognized by the Contractor.

C. Availability of Representatives. A representative of the Contractor shall be available at the Contractor's main office during office hours to communicate with the public in person and by telephone.

D. Telephone. Contractor shall maintain a toll-free telephone system in operation at its main office at all times. Contractor shall install telephone equipment, and have available service representatives sufficient to handle the volume of calls typically experienced on the busiest days. Telephone service shall be provided from 7 a.m. to 5 p.m. Contractor shall also maintain an after hours telephone number for use during other than normal business hours. Contractor shall have a representative or voice mail available at said after-hours toll-free telephone number during all hours other than normal office hours. If customers are unable with reasonable effort to reach Contractor's office by phone, or are subject to waiting time "on hold" of more than two (2) minutes prior to reaching a customer service representative, City Manager may require that Contractor install additional telephone lines or hire additional customer service representatives.

The City Manager and Police and Fire Departments shall be provided with an emergency phone number.

E. Consumer Information.

1. Prior to July 1, 1999 (or the later commencement of MRF services), Contractor at its expense shall develop, print and mail to all customers a flyer describing the new MRF operations.

2. Contractor shall provide brochures containing information about the amounts of solid waste or recyclables which will be collected, times for special collection events, recycling and household hazardous waste drop-off programs and other special services. Contractor shall distribute such brochures to all new subscribers annually commencing in January, 2000 shall include such updated information in the billing envelope. Brochures shall also be mailed to City residents upon request and shall be provided to the Chamber of Commerce in quantities requested by the Chamber.

3. Contractor will submit proofs of the brochures to City Manager prior to distribution and will incorporate City's comments in the final version distributed to the public.

F. **Payment Center.** City may require Contractor to provide at least one payment center in the City of West Covina for the purposes of accepting payments from customers.

6.8 Service Complaints

The Contractor agrees to maintain a written log of all oral and written service complaints registered with the Contractor from customers within the City. Contractor shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of, all customer complaints. Contractor shall record in a separate log all written and oral complaints, noting the name and address of complainant, date and time of complaint, nature of complaint, and nature and date of resolution. This complaint log shall be retained by the Contractor for at least 1 year after the last entry and City Manager may review the log at any reasonable time.

Contractor shall respond to all complaints from customers within twenty-four (24) hours, weekends and holidays excluded. In particular, if a complaint involves a failure to collect solid waste, recyclables, yard waste, and other compostables from a premises, required by this Agreement, contractor shall collect the solid waste, recyclables, yard waste, and other compostables in question within such twenty-four (24) hour period, provided it has been delivered for collection in accordance with the City's Municipal Code or this Agreement.

6.9 City's Right to Change Scope of Work

The City Manager or Council may require changes in collection or disposal methods and the Contractor shall comply, provided that if such changes result in increased costs to the Contractor, the Contractor shall have a right to apply for a rate review and adjustment pursuant to Article 8 of this Agreement. Any additional charge shall be subject to Section 8.3.

6.10 Title to Solid Waste

It is expressly understood that all solid waste becomes the property of the Contractor when placed for collection.

6.11 Nondiscrimination

Contractor shall not discriminate in the provision of service or the employment of persons engaged in performance of this Agreement on account of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of such persons or as otherwise prohibited by law.

6.12 Change in Collection Schedule

Contractor shall notify City Manager seven (7) days prior to, and residential customers not later than the day prior to, any change in residential collection operations which results in a change in the day on which solid waste, recyclables, yard waste or compostables collection occurs. Contractor will not permit any customer to go more than seven (7) days without service in connection with a collection schedule change.

6.13 Report Accumulation of Solid Waste: Unauthorized Dumping

Contractor shall direct its drivers to note (1) the addresses of any premises at which they observe that solid waste is accumulating and is not being delivered for collection; and (2) the address, or other location description, at which solid waste has been dumped in an apparently unauthorized manner. Contractor shall deliver the address or description to City Manager within three (3) working days of such observation in order to protect health, safety and welfare.

ARTICLE 7. CALIFORNIA INTEGRATED WASTE MANAGEMENT ACT OF 1989 ("AB 939"): OPERATIONAL AND REPORTING REQUIREMENTS

7.1 Implementation of SRRE

As of July 1, 1999, or later to the extent this amendment is approved by the City Council after June 1, Contractor shall implement and maintain the automated MRF/Transfer Station recycling program set out on Exhibits "A" and "C," as amended.

7.2 Other Recycling Programs

At the request of City, Contractor shall maintain the current bins used for recycling and located in City parks.

In addition, the Contractor and City Manager or his designee shall agree on the schedule, format, and content of additional programs to be implemented.

7.3 MRF/Transfer Station Proposal

Contractor shall operate and maintain its MRF/Transfer Station located at 14048 Valley Boulevard as set out on Exhibit "C," as amended.

7.4 Diversions Guarantee

Contractor guarantees that (1) twenty-five percent (25%) of the City's total waste stream collected by Contractor shall be diverted annually from ultimate deposit in landfills as required by AB 939, as it may be amended from time to time, and (2) fifty percent (50%) thereof shall be diverted by January 1, 2000 as required by AB 939 or otherwise allowed by the Waste Board. The indemnification set out in Section 9.1 hereof shall also apply to this guarantee and shall include penalties for non-compliance with AB 939 diversion goals to the fullest extent allowed by law.

7.5 Annual AB 939 Reporting Requirements

Contractor shall:

- Record and transmit to City on a quarterly basis the quantities of City solid waste collected and processed and the MRF and the residue of or unprocessable materials therefrom.

Contractor also shall report waste composition, tonnage by material type, percent diverted, and market value on a quarterly basis, as determined by City, for City's waste stream taken to the MRF/Transfer Station.

Residential Solid Waste - Solid waste originating from single- and multiple-unit dwellings. Single-unit tonnages are to be accounted for separately from multi-unit tonnages. In those cases where multi-unit accounts are commingled with material from other waste sources contractor will be responsible for developing a reasonable methodology for estimating such multi-unit tonnages which is acceptable to the City Manager (e.g., [container yardage] X [frequency] X [% of capacity] X [assumed density]).

Commercial Solid Waste - Solid waste originating from stores, business offices, commercial warehouses, hospitals, educational, health care, military, and correctional institutions, nonprofit research organizations, and government offices.

Industrial Solid Waste - All solid waste placed in debris boxes.

Other Sources - Solid waste originating from such sources as state and national parks and recreational areas (Note: estimation of self-haul waste which is classified as an 'Other' source will be the responsibility of City).

Contractor shall provide to the City Manager an annual Waste Disposal and Diversion Report based upon these daily records by the 31st of January. This report shall include total tonnages disposed by waste source and disposal facility, and total tonnages diverted by waste source; material type, and program and the specific solid waste processing facility or market to which the materials were delivered. Contractor shall try to include reports on private recycling efforts so that these will be counted toward City's diversion goals.

Contractor shall submit all reports needed to meet City's reporting requirements to the California Integrated Waste Management Board, and to the County of Los Angeles throughout the Term of this Franchise Agreement. Contractor shall also provide any other reports required by AB 939.

7.6 AB 939 Staffing Position

The Contractor shall dedicate adequate staff to implement and monitor AB 939 requirements on behalf of City, throughout the term of this Agreement, in accordance with the City's integrated waste management programs identified in the Source Reduction and Recycling Element (SRRE).

7.7 Public Outreach Program

The Contractor will develop and implement a public education program on source reduction, reuse, recycling, composting and secondary materials usage and availability as required by the Public Education Component of the City's SRRE and AB 939. This requirement may include, but is not limited to public and school presentations, mailers, brochures, as set out on Exhibit "D," attached and incorporated here.

7.8 Use of Recycled Materials

Whenever possible Contractor shall use recycled paper as part of all publicity, billing, and other management and operational activities associated with the performance of this Agreement. Opportunities for use of other recycled materials, including but not limited to the purchase of collection containers with recycled material content shall also be pursued, with a cost/benefit analysis provided to the City Manager.

7.9 Participation in Integrated Waste Management Program Funding Agreement

The Contractor shall pay \$55,000 per year to the City of West Covina for the City's Integrated Waste Management Program subject to the following conditions:

- A. The amount due shall be paid in quarterly payments by the 10th of each month commencing July 1 of each year.

- B. The funding amount shall be adjusted each year according to the Consumer Price Index (CPI) used in Article 8.2 et. seq. of this Agreement. If the City Council approves an increase in the Base Rate for the Monthly Collection rate according to the applicable CPI, the Integrated Waste Management fund contribution from the Contractor shall increase by the same percentage.
- C. The Contractor's contribution to the Integrated Waste Management Fund shall not be included in or funded by the Waste Collection Rates approved by the City Council pursuant to Article 8 of this Agreement.
- D. This funding requirement shall continue until the Franchise Agreement is terminated or until modified with the Agreement of the City and the Contractor.

7.10 Change in Laws

Contractor shall develop and, upon the City Council's approval, implement within a timely manner, programs to meet new requirements of AB 939 or similar state and federal laws. Contractor may request a rate increase under Section 8.3 for additional duties required hereunder.

ARTICLE 8. SERVICE RATES AND REVIEW

8.1 Contractor's Rates: General

Contractor shall perform the responsibilities and duties described in this Agreement in consideration of the exclusive right to charge and collect from customer for solid waste, recyclables, yard waste, and other compostables collection services rendered, at rates fixed by the City Council from time to time. Contractor does not look to the City for payment of any sums under this Agreement.

Current rates shall be established by a City Resolution with the amounts set out on Exhibit "E," as amended. The Contractor shall provide the services required by this Agreement, charging no more than the rates authorized by Exhibit "E," until otherwise adjusted as set out Exhibit "E." Thereafter, the rates may be increased as set out herein.

In addition to the revenues authorized by the rates on Exhibit "E," Contractor may charge and receive fees for performing special services (e.g., the hauling and disposal of bulky waste in excess of or dissimilar to that collected weekly) as agreed upon in separate contracts between Contractor and each customer requesting such special services.

Reduced low income senior citizen rates to be set out on Exhibit "E." These rates may be increased only in an amount approved by City Council except for tipping fees as set out in 8.4(A).

8.2 Rate Review

The Contractor may submit an application for rate review not more often than annually. The complete application shall be submitted not later than April 15 for the period starting July 1. The City Council will take action on the request as soon as possible and will complete the approval process by July 1, if possible. The Contractor shall submit any and all data requested by and in the format prescribed by the City Manager. City also may require Contractor to submit relevant rate data to a third party consultant who has signed a confidentiality agreement. The application shall show how the rate increase requested meets the formula set out in Section 8.4 and shall demonstrate the need for such an increase.

8.3 Special Interim Rate Review

The Contractor may apply to the City Council for consideration of a special, interim rate review should an event or circumstance arise which jeopardize the economic operation of the Contractor. A special application may be considered at the option of the City Council if:

1. An event or circumstance occurs which was not reasonably foreseen, and is extraordinary and not a usual business risk of the Contractor, or
2. An event or circumstance occurs which is beyond the control of the Contractor, or
3. It is necessary for the Contractor to make a substantial change in its operation, or substantial capital investment in order to perform its obligations under this Agreement or meet the requirements of applicable law, or
4. Changes to operations are mandated as provided under Section 6.9 of this Agreement.

Also, the Contractor will have the right to apply for rate review and adjustment for changes in disposal methods or sites mandated or authorized by any higher political body which may now or in the future have legal jurisdiction.

The City Council or City Manager may initiate a special, interim rate review at its option. Any rate review, whether initiated by the City Council, City Manager or the Contractor, will follow the format specified for a regular rate review. If initiated by the Contractor, the complete application must be submitted at least sixty (60) days prior to the date it may become effective unless the Contractor can demonstrate to the satisfaction of the City that circumstances beyond the control warrant waiver by the City of this requirement. If initiated by the City Council or City Manager, the Contractor shall submit requested data within sixty (60) days of the date that notice is provided to the Contractor. In any special, interim rate review the rate formula under Section 8.4

still shall apply. Notwithstanding, City may require Contractor to submit relevant data to a third party consultant who has signed a confidentiality agreement.

8.4 Rate Formula

Any rate adjustment pursuant to this Agreement will be calculated as set out on Exhibit "F" attached and incorporated as if fully set forth here.

8.5 Publication of Rates

The Contractor shall provide prior written notice to subscribers of rate changes, which notice may be provided with, or as part of a regular billing. Contractor may provide a schedule of tipping fees along with customer billings.

8.6 Most Favored Nation

The parties recognize that this Agreement to send City waste stream to the MRF is one of several Contractor has with other cities and that such agreements may differ from this one. Should any such agreements with other cities contain or be amended to contain more favorable provisions for that other city, this Agreement shall be deemed modified to include such more favorable terms.

ARTICLE 9. INDEMNITY, INSURANCE, BOND

9.1 Indemnification of City

Separate and distinct from the insurance and liquidated damages provisions found in this Agreement, Contractor agrees to defend, indemnify, and hold harmless, City and its agents, officers, servants, and employees from and against any and all claims, demands, damages, liabilities, costs or expenses for any damages or injuries to any person or property, including but not limited to, injury to Contractor's employees, agents or officers which arise from or are connected with or are caused or claimed to be caused by acts or omissions of Contractor, and its agents, officers or employees, in performing the work or services herein, and all costs and expenses of investigating and defending against same; provided, however, that Contractor's duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence or willful misconduct of the City, its agents, officers or employees.

9.2 Insurance

A. Minimum Limits of Insurance. Contractor shall maintain limits no less than:

1. Comprehensive General Liability: \$10,000,000 combined single limit per occurrence for bodily injury and property damage.

2. Automobile Liability: \$10,000,000 combined single limit per accident for bodily injury and property damage.

3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

B. Deductibles and Self-Insured Retentions. Any significant deductibles or self-insured retentions must be declared to and approved by the City Risk Manager. At the option of the City Risk Manager, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials, employees, agents or volunteers; or the Contractor shall procure an additional letter of credit or bond guarantying payment of losses and related investigations, claim administration and defense expenses.

C. Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverage

a. The City, its officials, employees, agents and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Contractor; services, products and operations of the Contractor; premises owned, leased or used by the Contractor; or vehicles owned, leased, hired, or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees or volunteers.

b. The Contractor's insurance coverage shall be primary insurance as respect the City, its officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. The City, its officers, agents, employees and volunteers shall be named as additional named insureds.

c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its officials, employees, agents, or volunteers.

d. Coverage shall state that the Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability and in no case shall the insurer's total liability be increased.

2. All Coverage. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, modified, or canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City Risk Manager.

D. Acceptability of Insurers. The insurance policies required by this section shall be issued by an insurance company or companies authorized to do business in the State of California and with a rating in the most recent edition of Best's Insurance Reports of size category VII or larger and a rating classification of A or better.

E. Verification of Coverage. Contractor shall furnish the City Risk Manager with endorsements of coverage required by this Section. The endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements must be received and approved by the City Risk Manager before work commences. The City Risk Manager reserves the right to require complete, certified copies of all required insurance policies, at any time.

F. Subcontractors. Contractor shall include all subcontractors as insured under its policies or shall furnish separate endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein.

G. Required Endorsements

1. The Workers' Compensation policy shall contain an endorsement in substantially the following form:

Thirty (30) days prior written notice shall be given to the City of West Covina in the event of cancellation, reduction in coverage, or nonrenewal of this policy. Such notice shall be sent to:

City Manager
City of West Covina
1444 West Garvey Avenue
West Covina, CA 91793

2. The Public Liability policy shall contain endorsements or policy terms in substantially the following form:

a. Thirty (30) days prior written notice shall be given to the City of West Covina in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

City Manager
City of West Covina
1444 West Garvey Avenue
West Covina, CA 91793

b. "The City of West Covina, its officers, employees, agents, and volunteers are additional insureds on this policy."

c. "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by the City of West Covina, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."

d. "The City, its officers, agents, employees and volunteers shall be named as additional named insureds and such inclusion shall not affect the City's rights as respects any claim, demand, suite or judgment brought or recovered against the Contractor. The policy shall protect Contractor and the City in the same manner as though a separate policy had been issued to each, but this shall not operate to increase the Contractor's liability as set forth in the policy beyond the amount shown or to which the Contractor would have been liable if only one party had been named as an insured."

H. Delivery of Proof of Coverage. Simultaneously with the execution of this Agreement, Contractor shall furnish the City Risk Manager endorsements of each policy of insurance required hereunder, in form and substance satisfactory to City. Such endorsements shall show the type and amount of coverage, and effective dates and dates of expiration of policies. If the City Risk Manager so requests, copies of each policy, together with all endorsements, shall also be promptly delivered to City.

Renewal certificates will be furnished periodically to City Risk Manager to demonstrate maintenance of the required coverage throughout the term of this Agreement or any extension thereof.

I. Other Insurance Requirements. The Contractor shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Contractor from any obligation under this Agreement. If any claim exceeding the amount of any deductibles or self-insured reserves is made by any third person against the Contractor or any subcontractor on account of any occurrence related to the Agreement, the Contractor shall promptly report the facts in writing to the insurance carrier and to the City Risk Manager.

If Contractor fails to procure and maintain any insurance required by this Agreement, the City may take out and maintain, at the Contractor's expenses, such insurance as it may deem proper and deduct the cost thereof from any monies due the Contractor.

The Public Liability insurance required by Section 9.3.A.2 shall be written on an "occurrence", rather than a "claims made" basis, if such coverage is obtainable. If it is not obtainable, Contractor must arrange for "tail coverage" to protect the City from claims filed after the expiration or termination of the Agreement related to incidents which occurred prior to such expiration or termination.

9.3 Faithful Performance Bond

Simultaneously with the execution of this Agreement, Contractor shall file with the City Manager a bond, payable to the City, securing the Contractor's faithful performance of its obligations under this Agreement. The principal sum of the bond shall be one hundred thousand dollars (\$100,000). The bond shall be executed as surety by a corporation authorized to issue surety bonds in the State of California, with a financial condition and record of service satisfactory to the City Manager. The bond shall be in the form approved by the City Manager and City Attorney. In the alternative, the Contractor may deposit a letter of credit or obtain and open a certificate of deposit in the name of the City to be held to secure this faithful performance.

The City and Contractor agree that as of the time of execution of this Agreement it is almost impossible to ascertain the extent of any damages incurred by City from Contractor's breach of this Agreement and that the sum of \$100,000, to be withheld from the performance bond, Certificate of Deposit or letter of credit represents the amount of the performance bond represents a reasonable amount in light of such circumstances; except that this amount shall not be a limitation under Section 7.4.

ARTICLE 10. CITY'S RIGHT TO PERFORM SERVICE

10.1 General

In addition to any and all other legal or equitable remedies, in the event that the Contractor, for any reason whatsoever, fails, refuses or is unable to collect, transport or deliver to the appropriate solid waste management facility any or all solid waste, recyclables, yard waste, or other compostables which it is required by the Agreement to collect and transport, at the time and in the manner provided in this Agreement, for a period of more than seventy-two (72) hours, and if, as a result thereof, solid waste, recyclables, yard waste, or other compostables should accumulate in the City to such an extent, in such a manner, or for such a time that the City Manager should find that such accumulation endangers or menaces the public health, safety or welfare, then the City Manager shall have the right, but not the obligation, without payment to Contractor upon twenty-four (24) hours prior written notice to Contractor during the period of such emergency as determined by City Manager, (1) to cause to be performed, such services itself with its own or other personnel without liability

to Contractor; and/or (2) to take possession of any of all of Contractor's land, equipment and other property used or useful in the collection and transportation of solid waste, recyclables, yard waste, and compostables and to use such property to collect and transport any solid waste, recyclables, yard waste, and compostables generated within the City which Contractor would otherwise be obligated to collect and transport pursuant to this Agreement.

Notice of the Contractor's failure, refusal or neglect to collect and transport solid waste may be given orally by telephone to the Contractor at its principal office and shall be effective immediately. Written confirmation of such oral notification shall be sent to Contractor within twenty-four (24) hours of the oral notification.

Contractor further agrees that in such event:

(1) It will fully cooperate with City to effect the transfer of possession of property to the City for City's use.

(2) It will, if City Manager so requests, and to the extent feasible, keep in good repair and condition all of such property, provide all motor vehicles with fuel, oil and other service, and provide such other service as may be necessary to maintain said property in operational condition,

(3) The City agrees that it assumes complete responsibility for the proper and normal use of such equipment and facilities while in its possession.

(4) Contractor shall provide all necessary billing information and Contractor and City Manager shall determine how to bill, in what amounts, and the distribution of amounts received.

The City's exercise of its rights under this Article 10 (1) does not constitute a taking of private property for which compensation must be paid but an exercise of the City's police power, (2) will not create any liability on the part of City to Contractor; and (3) does not exempt Contractor from the indemnity provisions of Section 9, which are meant to extend to circumstances arising under this Section, provided that Contractor is not required to indemnify City against claims and damages arising from the sole negligence of City, its officers, employees, agents, or volunteers acting under this Section, and (4) does not terminate this Agreement, unless termination occurs under other provisions of this Agreement.

10.2 Duration of City's Possession

City has no obligation to maintain possession of Contractor's property and/or continue its use in collecting and transporting Solid Waste for any period of time and may, at any time, in its sole discretion, relinquish possession to the Contractor.

The City's right to retain temporary possession of Contractor's property, and to provide Solid Waste collection services, shall continue until Contractor can demonstrate to the City Manager's reasonable satisfaction that it is ready, willing and able to resume such services.

ARTICLE 11. DEFAULT AND REMEDIES

11.1 Events of Default

Each of the following shall constitute an event of default ("event of default") hereunder:

A. Contractor fails to perform its obligations under this Agreement, as it may be amended from time to time, and: (1) if the failure or refusal of Contractor to perform as required by Article 5 or Sections 9.2 or 5.14 of this Agreement is not cured within two (2) business days after receiving notice from the City specifying the breach; or (2) in the case of any other breach of the Agreement, the breach continues for more than thirty (30) calendar days after written notice from the City Manager for the correction thereof, provided that where such breach cannot be cured within such thirty (30) day period, contractor shall not be in default of this Agreement if Contractor shall have commenced such action required to cure the particular breach within ten (10) calendar days after such notice, and it continues such performance diligently until completed.

B. Any representation or disclosure made to City by Contractor in connection with or as an inducement to entering into this Agreement or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time the representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement;

C. There is a seizure or attachment (other than a prejudgment attachment) of, or levy affecting possession on, the operating equipment of Contractor, including without limit its vehicles, maintenance or office facilities, or any part thereof of such proportion as to materially impair Contractor's ability to perform under this Agreement and which cannot be released, bonded, or otherwise lifted within seventy-two (72) hours excluding weekends and holidays.

D. Contractor files a voluntary petition for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in or consents to the appointment of or taking of possession by a receiver, liquidator, assignee (other than as a part of a transfer of equipment no longer useful to Contractor or necessary for this Agreement), trustee (other than as security for an obligation under a deed of trust), custodian, sequestrator (or similar official) for any part of the

Contractor's operating assets or any substantial part of Contractor's property, or makes any general assignment for the benefit of Contractor's creditors, or shall fail generally to pay Contractor's debts as they become due or shall take any action in furtherance of any of the foregoing;

E. Any court having jurisdiction shall enter a decree or order for relief in respect of the Contractor, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Contractor - shall consent to or shall fail to oppose any such proceeding, or any such court shall enter a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Contractor or for any part of the Contractor's operating equipment or assets, or order the winding up or liquidation of the affairs of Contractor.

F. Contractor fails to provide reasonable assurances of performance as required under Section 11.6.

11.2 Right to Terminate Upon Default

Upon a default by Contractor, after any required notice, the City Council shall have the right to terminate this Agreement without need for any hearing, suit or legal action. The Contractor then shall forfeit \$100,000 from its performance bond, certificate of deposit or letter of credit to City as liquidated damages upon any default as set out in Section 9.4; this amount shall not limit the provisions of Section 7.4.

11.3 Possession of Property Upon Termination

In the event of termination for default, the City shall have the right to take possession of and use in the provision of services enumerated under this Agreement any and all of Contractor's land, equipment, and other property (excepting solid waste) used or useful in the collection and transportation of solid waste and the billing and collection of fees for these services. The City shall have the right to retain the possession of such property until other suitable arrangements can be made for the provision of solid waste collection services, which may include the award of an agreement of another waste hauling company, but in no case for more than 45 days. If the City retains possession thereof after the period of time for which Contractor has already been paid by means of bills issued in advance of providing service for the class of service involved, the Contractor shall be entitled to the reasonable rental value of such property.

Contractor shall furnish the City Manager with immediate access to all of its business records related to its billing of accounts for services.

11.4 City's Remedies Cumulative: Specific Performance

The City's right to terminate the Agreement under Section 11.3 and to take possession of the Contractor's properties under Section 11.3 are not exclusive, and the City's termination of the Agreement shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies which the City may have.

By virtue of the nature of this Agreement, the urgency of timely, continuous and high quality service, the lead time required to effect alternative service, and the rights granted by City to the Contractor, the remedy of damages for a breach hereof by Contractor may be inadequate and City shall be entitled to injunctive relief.

11.5 Excuse from Performance

The parties shall be excused from performing their respective obligations hereunder in the event they are prevented from so performing by reason of floods, earthquakes, other "acts of God," war, civil insurrection, riots, acts of any government (including judicial action), and other similar catastrophic events which are beyond the control of and not the fault of the party claiming excuse from performance hereunder. Labor unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted job action conducted by Contractor's employees or directed at Contractor is not an excuse from performance and Contractor shall be obligated to continue to provide service notwithstanding the occurrence of any or all of such events; provided, that in the case of labor unrest or job action directed at a third party over whom Contractor has no control, the inability of Contractor to make collections due to the unwillingness or failure of the third party to provide reasonable assurance of the safety of Contractor's employees while making collections or to make reasonable accommodations with respect to container placement and point of delivery, time of collection or other operating circumstances to minimize any confrontation with pickets or the number of persons necessary to make collections shall, to that limited extent, excuse performance and provided further than the foregoing excuse shall be conditioned on Contractor's cooperation in making collection at different times and in different locations.

The party claiming excuse from performance shall, within two (2) days after such party has notice of such cause, give the other party notice of the facts constituting such cause and asserting its claim to excuse under this Section. Notwithstanding, Contractor in the event of a catastrophic event shall comply with City's emergency preparedness plan.

In the event that either party validly exercises its rights under this Section, the parties hereby waive any claim against each other for any damages sustained thereby.

Notwithstanding the foregoing, however, (1) the existence of an excuse from performance will not affect the City's rights under Section 10; and (2) if Contractor is excused from performing its obligations hereunder for any of the causes listed in this Section for a period of thirty (30) days or more, other than as the results of third party labor disputes where service cannot be provided for reasons described earlier in this section, the City shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) days notice, in which case the provisions of Section 11.3 will apply.

11.6 Right to Demand Assurances of Performance

If Contractor (1) is the subject of any labor unrest including work stoppage or slowdown, sickout, picketing or other concerted job action; (2) appears in the reasonable judgment of City to be unable to regularly pay its bills as they become due; or (3) is the subject of a civil or criminal investigation, charge, or judgment or order entered by a federal, state, regional or local agency for violation of a law relating to performance under this Agreement, and the City Manager believes in good faith that Contractor's ability to perform under the Agreement has thereby been placed in substantial jeopardy, the City Manager may, at his option and in addition to all other remedies the City may have, demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as the City Manager believes in good faith is reasonably necessary in the circumstances to evidence continued ability to perform under the Agreement. If Contractor fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by City Manager, such failure or refusal shall be an event of default for purposes of Section 11.1.

ARTICLE 12. OTHER AGREEMENTS OF THE PARTIES

12.1 Relationship of Parties

The parties intend that Contractor shall perform the services required by this Agreement as an independent contractor engaged by City and not as an officer or employee of the City nor as a partner of or joint venturer with the City. No employee or agent of Contractor shall be or shall be deemed to be an employee or agent of the City. Except as expressly provided herein, Contractor shall have the exclusive control over the manner and means of conducting the solid waste, recyclables, yard waste, and other compostables collection services performed under this Agreement, and all persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, subcontractors and agents. Neither Contractor nor its officers, employees, subcontractors and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to City employees by virtue of their employment with the City.

12.2 Compliance with Law

In providing the services required under this Agreement, Contractor shall at all times, at its sole cost, comply with all applicable laws of the United States, the State of California and the City and with all applicable regulations promulgated by federal, state, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended during the term of this Agreement and any extension thereof.

12.3 Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

12.4 Jurisdiction

Any lawsuits between the parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits.

With respect to venue, the parties agree that this Agreement is made in and will be performed in Los Angeles County.

12.5 Assignment

Except as provided in Section 12.6, neither party shall assign its rights nor delegate or otherwise transfer its obligations under this Agreement to any other person without the prior written consent of the other party. Any such assignment without the consent of the other party shall be void and the attempted assignment shall constitute a material breach of this Agreement.

For purposes of this Section, "assignment" shall include, but not be limited to (i) a sale, exchange or other transfer of substantially all of Contractor's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of 50% or more of the outstanding common stock of Contractor; unless the change results merely in one of several prior owners increasing his or her ownership. (iii) any reorganization, consolidation, merger recapitalization, stock issuance or re-issuance, voting trust, pooling Agreement, escrow arrangement, liquidation or other transaction to which Contractor or any of its shareholders is a party which results in a change of ownership or control of 50% or more of the value or voting rights in the stock of Contractor unless the change results merely in one of several prior owners increasing his or her ownership; and (iv) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of ownership. For purposes of this Section, the term "proposed assignee" shall refer to the proposed transferees) or other successors) in interest pursuant to the assignment.

Contractor acknowledges that this Agreement involves rendering a vital service to City's residents and businesses, and that the City Council has selected Contractor to perform the services specified herein based on (1) Contractor's experience, skill and reputation for conducting its solid waste and recycling management operations in a safe, effective and responsible fashion, at all times in keeping with applicable waste management laws, regulations and good waste management practices, and (2) Contractor's financial resources to maintain the required equipment and to support its indemnity obligations to City under this Agreement. The City Council has relied on each of these factors, among others, in choosing Contractor to perform the services to be rendered by Contractor under this Agreement.

If Contractor requests City's consideration of and consent to an assignment, City Council may deny or approve such request in its complete discretion. No request by Contractor for consent to an assignment need be considered by City Council unless and until Contractor has met the following requirements:

A. Contractor shall undertake to pay City the amount, as determined by the City Manager, of its reasonable direct and indirect administrative expenses, including but not limited to consultant costs and attorney's fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment;

B. Contractor shall furnish City Manager with audited financial statements (audited, if possible) of the proposed assignee's operations;

C. Contractor shall furnish City Manager with satisfactory proof: (i) that the proposed assignee has at least five (5) years of solid waste management experience of a scale equal to or exceeding the scale of operations conducted by Contractor under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any citations or other censure from any federal, state or local agency having jurisdiction over its waste management operations due to any significant failure to comply with state, federal or local waste management laws and that the assignee has provided with City Manager with a complete list of such citations and censures; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed assignee conducts its solid waste management practices in accordance with sound waste management practices in full compliance with all federal, state and local laws regulating the collection and disposal of waste, including hazardous waste as identified in Title 22 of the California Code of Regulations; (v) of any other information required by City Manager to ensure the proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner.

At the point of transition, Contractor will cooperate with City and subsequent Contractor(s) or subcontractors) to assist in an orderly transition which will include Contractor providing route lists and billing information. In connection therewith, Contractor acknowledges that the provisions of Public Resources Code Section 49520-49523 have no application to this Agreement and agrees, to the extent such sections may have application, to waive whatever rights they may afford.

Any application for a franchise transfer shall be governed by the following conditions:

D. Any application for a franchise transfer shall be made in a manner prescribed by the City Manager. The application shall include a deposit in an amount determined by the City Manager sufficient to meet the costs identified above. Additional bills in excess of the amount deposited shall be supported with evidence of the expense or cost incurred. The applicant shall pay such bills within (30) days of receipt. Any such amounts are over and above any franchise fee specified in this Agreement.

12.6 Subcontracting

Contractor shall not engage any subcontractors for collection of solid waste, recyclables, yard waste, or other compostables without the prior written consent of the City Manager. All of the requirements of Section 9 shall apply to subcontractors.

12.7 Binding on Successors

The provisions of this Agreement shall inure to the benefit of and be binding on the successors and permitted assigns of the parties.

12.8 Parties in Interest

Nothing in this Agreement, whether express or implied, is intended to confer any rights on any persons other than the parties to it and their representatives, successors and permitted assigns.

12.9 Waiver

The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by either party of any monies which become due hereunder shall not be deemed to be a waiver of any preexisting or concurrent breach or violation by the other party of any provision of this Agreement, except the payment of monies so accepted and only to the extent of monies so owing.

12.10 Contractor's Investigation

The Contractor has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed by it.

12.11 Condemnation

In addition to its rights under Section 10.1, the City fully reserves any rights it may otherwise have to acquire the Contractor's property utilized in the performance of this Agreement, by purchase or through the exercise of the right to eminent domain.

12.12 Notice

All notices, demands, requests, proposals, approvals, consents and other communications which this Agreement requires, authorizes or contemplates shall all, except as otherwise specifically provided, be in writing and shall be effective when personally delivered to a representative of the parties at the address below or deposited in the United States mail, first class postage prepaid, addressed or by fax with a written confirmation thereof as follows:

If to City: City Manager
 City of West Covina
 1444 West Garvey Avenue
 West Covina, CA 91793
 Fax:

If to Contractor: Athens Services
 P.O. Box 60009
 14048 Valley Boulevard
 City of Industry, CA 91715-0009
 Fax: (626) 330-0456

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

12.13 Representative of the Parties

The Contractor shall by letter, upon execution of this Agreement, designate in writing a responsible officer who shall serve as the representative of the Contractor in all matters related to the Agreement and shall inform the City Manager in writing of such designation and of any limitations upon his or her authority to bind the Contractor. The City may rely upon actions taken by such designated representative as action of the Contractor unless they are outside the scope of the authority delegated to him/her by the Contractor as communicated to City Manager.

ARTICLE 13. MISCELLANEOUS AGREEMENTS

13.1 Entire Agreement

This Agreement, including the Exhibits, represents the full and entire Agreement between the parties with respect to the matters covered herein.

13.2 Section Headings

The article headings and section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

13.3 References to Laws

All references in this Agreement to laws shall be understood to include such laws as they may be subsequently amended or recodified, unless otherwise specifically provided.

13.4 Interpretation

This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

13.5 Amendment

This Agreement may not be modified or amended in any respect except by a writing signed by the parties.

13.6 Severability

If any provision of this Agreement is for any reason deemed to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

13.7 Counterparts

This Agreement may be executed in counterparts each of which shall be considered an original.

13.8 Exhibits

Each of the following Exhibits is attached hereto and incorporated herein and made a part hereof by this reference.

Exhibit	A	-	Automated Service Program
Exhibit	B	-	Frequency and location of City bins and collection
Exhibit	C	-	MRF/Solid Waste Transfer Facility

Exhibit D - Recycling Public Education Program
Exhibit E - Current rates
Exhibit F - Rate Increase Formula

DATED: 6/2/99

CITY:

Lachynne Howard
Mayor

ATTEST:

Janet Berry
City Clerk

DATED: _____

ARAKELIAN ENTERPRISES, INC.

By: *Ron Arakelian, Jr.*
President

By: *Michael Arakelian*
Vice-President

EXHIBIT A

AUTOMATED SERVICE PROGRAM

All solid waste and recyclables in residential black automated containers, commercial bins and roll-offs will be processed at the materials recovery facility. Recyclables will be extracted from the waste stream, prepared for shipment and delivered to the market place. Contractor shall divert salvageable materials to achieve landfill diversion goals, as set out in Section 7.4 of the Agreement.

EXHIBIT B

WEST COVINA CITY SERVICES

Location/Number of Free Service Bins/Barrels

Account	Street #	Street Name	Equipment
City of West Covina	2021	Alwood Street	3YD
Galster Park	1620	Aroma Drive	3YD
Fire Station	1801	Azusa Avenue	3YD
Woodgrove Park	300	Brentwood Drive	3YD
Cameron Park	1305	Cameron Avenue	3YD
Cameron Park	1305	Cameron Avenue	3YDR
Heritage Park	3510	Cameron Avenue	3YD
Maverick Dev Group Baseball	300-330	Citrus Street	3YD
Cortez Park	2441	Cortez Street	3YD
Fire Station	2441A	Cortez Street	3YD
Senior Citizen	2501	Cortez Street	3YD
Del Norte Little League	1501A	Del Norte Street	3YD
Food Center	4032	Ellesford Avenue	3YD
West Covina City Hall	1444A	Garvey Avenue	3YD
West Covina City Hall	1444A	Garvey Avenue	3YDR
West Covina City Hall	1444A	Garvey Avenue	3YDR
West Covina City Hall	1444A	Garvey Avenue	3YDR
Communication Center	1444B	Garvey Avenue	3YD
Orangewood Park	1615	Merced Avenue	3YD
Administration Building	1717-B	Merced Avenue	3YD
Walmerado Park	625	Merced Avenue	3YD
Palm View Park	1340	Puente Avenue	3YD
Palm View Park	1340	Puente Avenue	3YDR
Palmview Little League	1340A	Puente Avenue	3YD
Fire Station & Library	1435	Puente Avenue	1.5YD
Del Norte Park	1500	Rowland Avenue	3YD
Friendship Park	3740	Sentous Avenue	3YD
Shadow Oak Park	2121	Shadow Oak Drive	3YD
Shadow Oak Park	2121	Shadow Oak Drive	3YDR
Fire Station	2610	Shadow Oak Drive	1.5YD
Chamber of Commerce	811	Sunset Avenue	1.5YD
Fire Department & City Yard	819	Sunset Avenue	1.5YD
West Covina City Yard	825	Sunset Avenue	10YD
West Covina City Yard	825	Sunset Avenue	10YD
West Covina City Yard	825	Sunset Avenue	3YD
West Covina City Yard	825	Sunset Avenue	40YD
Orangewood League	851A	Sunset Avenue	3YD
Bus Shelter Baskets			Various

EXHIBIT C

MATERIALS RECOVERY FACILITY/SOLID WASTE
TRANSFER FACILITY ("MRF")

Commencing 7/1/99, Contractor shall accept all solid waste, recyclables and any other materials in the waste stream collected under this Franchise at its MRF facility Contractor shall process all materials suitable for recycling and shall transport the residue for recycling and shall transport the residue to a landfill, transfer station or other permitted disposal site. Contractor has the right to recycle and reuse any materials collected under the Franchise and retain any payments for such materials.

Contractor, at its sole expense, shall at all times maintain the MRF in good condition and operating order and make any and all necessary repairs. Contractor shall comply with all applicable laws and regulations in operation of the MRF.

Upon notice to Contractor, not more frequently than annually, City may audit or cause to be audited MRF performance or City diversion rates and other AB 939 requirements.

EXHIBIT D

PUBLIC EDUCATION PROGRAM

Contractor and City shall work together to meet the following objectives of the Education and Public Information Component of the SRRE by providing funding, staff and programs:

1. Develop and send to subscribers an explanation of the new MRF/system and the reasons for source reduction and recycling. (Contractor)
2. As part of the Residential Sector Promotional Campaign, develop quarterly mailers to be approved by City and included in the billings targeting recycling issues including, but not limited to composting of green waste, operation of a MRF & MRF tours, markets for recycled products, and hazardous waste handling, and other special services. (City to provide initial mailer, Contractor to print; goal is multilingual.)
3. As part of the Residential Sector Education and Information Program, schedule and publicize community meetings, cable shows, displays and MRF tours. (Residential includes "multi-family.")
4. As part of the School Curricula Program, design and make presentations for all school districts (and school clubs upon request) within West Covina, to educate children and staff on reduction, reuse and recycling. Contractor also shall schedule MRF tours.
5. As part of the Nonresidential Program, prepare and distribute, at least quarterly, bulletins, mailers and articles, directly or through business organizations such as the Chamber of Commerce. Such information shall describe the methods and benefits of diversion for all generators, as well as specific generators such as offices, retail, hospitals, contractors and gardening. For example, targeted/programs for landscapers/gardeners would deal with recycling or composting yard waste and could train them in community green waste programs. Develop and present programs to local groups, such as an instructional video tape for target generators and to train representatives who can train others on waste evaluation and diversion.
6. Provide information on the West Covina Website providing diversion, recycling, reuse and recycled market information.
7. Evaluate the effectiveness of its programs and modify programs as necessary given that feedback.

**Schedule of Base Rates to be Charged and Collected for
Automated Collection Services for Solid Waste/Recycling in the
City of West Covina with MRF Transfer Station and Green Waste**

	Collection and Hauling	Processing and Transfer	Disposal	Net Rate	Franchise Fee	AB 939 Surcharge	Total Rate
2 CAN 90/90	9.86	3.97	2.32	16.15	1.37	0.14	17.66
2 CAN 60/90	7.24	3.97	2.32	13.53	1.07	0.14	14.74
CONDO/APTS-60 GAL	7.24	3.97	2.32	13.53	1.07	0.14	14.74
SCOUT SERVICE							
1 YD	28.06	6.56	2.75	37.37	3.48	0.14	40.99
1.5 YD	80.63	9.84	4.13	94.60	9.09	0.14	103.83
3 YD	85.92	19.68	8.26	113.86	10.36	0.14	124.36
MULTI-FAMILY							
PER UNIT	5.54	3.35	1.74	10.63	0.84	0.30	11.77
ADD'L PICKUP	2.76	1.68	0.87	5.31	0.42	0.15	5.88
PLUS BIN RENTAL	28.16			28.16	3.05	0.83	32.04
COMMERCIAL							
3YD							
1X	66.29	25.70	8.26	100.25	8.24	2.86	111.35
2X	92.81	51.39	16.52	160.72	12.42	4.59	177.73
3X	116.96	77.09	24.78	218.83	16.36	6.23	241.42
4X	126.63	102.79	33.04	262.46	18.82	7.45	288.73
5X	141.10	128.47	41.30	310.87	21.77	8.81	341.45
6X	161.66	154.17	49.56	365.39	25.34	10.35	401.08
1.5YD							
1X	60.24	12.85	4.13	77.22	6.89	2.23	86.34
2X	87.98	25.70	8.26	121.94	10.46	3.51	135.91
3X	108.47	38.55	12.39	159.41	13.29	4.58	177.28
REINSTATE	11.50			11.50	1.24		12.74
ESTIMATE	3.73			3.73	0.40		4.13
3YD TEMP							
3 DAY	66.62	4.54	1.91	73.07	7.44		80.51
1 MO	106.96	19.68	8.26	134.90	12.64		147.54
X DUMP	30.31	4.54	1.91	36.76	3.52		40.28
ROLL-OFF							
5 DAY	224.05	151.35	63.55	438.95	33.55		472.50
DEMURRAGE	9.22			9.22	1.00		10.22
X BIN MAINTENANCE	43.08			43.08	4.65		47.73
LOCK LID	26.44			26.44	2.86		29.30
AUTO CONTAINER CHANGE	14.98			14.98	1.62		16.60
EXTRA 90 GALLON-BLACK	3.79			3.79	0.30		4.09
EXTRA 90 GALLON-GREEN	3.79			3.79	0.30		4.09
EXTRA AUTO PICK-UP							
90 GALLON	12.76			12.76	1.38		14.14
60 GALLON	9.99			9.99	1.08		11.07
ROLL-OUT SERVICE	9.99			9.99	1.08		11.07

EXHIBIT F

RATE INCREASE FORMULA

Any rate increase or decrease pursuant to this Agreement shall be calculated according to the following provisions:

A. Base Rate:

The base rate consists of the following components: 1) collection¹; hauling to the MRF/Transfer Station; 2) hauling residue and unprocessables from the MRF to the ultimate disposal site; and 3) the MRF/Transfer Station Processing Fee.

The base rate subject to any increase or decrease is the monthly rate, minus disposal fees (as described below) and any costs, fees or taxes authorized and imposed by any governmental entity. The application for such an increase shall be submitted under Section 8.2 of the Agreement.

1. Increase or decrease in base rate for component 1:

Annually, Contractor may propose that the base rate for collection and hauling be increased by the CPI Index, as described below. When approved, the increase shall be effective July 1 of any year. In the event of a decrease, that decrease shall be automatically be passed through to the customers within the next billing.

2. Increase or Decrease for Components 2-3 in MRF/Transfer Station Processing Fee and hauling of residue to the landfill:

Annually, effective July 1 of any year, commencing with July 1, 2000, Contractor may increase the MRF/Transfer Station Processing Fee by the amount of the CPI increase, as defined below. This increase shall not require City Council approval. In the event of a decrease, that decrease shall be automatically passed through to the customers with the next billing.

3. New Base Rate:

Upon any increase or decrease to all or any component of the base rate, the resulting new base rate will remain the base rate unless and until properly adjusted pursuant to the Agreement. The new rate will be the sum of the base rate and the disposal fee plus any governmental charges.

¹ The collection portion of the base rate includes the cost of compliance with all provisions of this Agreement.

4. CPI

The CPI shall be the increase or decrease in the Consume Price Index for the previous 12-month period (May through April) for All Urban Consumers in the Los Angeles-Anaheim-Riverside area, non-housing, or an equivalent index approved by the City in the event that the CPI as described here no longer is published.

B. Disposal Fee

The disposal fee is added to the base rate. This fee is for landfill tipping fees for solid waste not processed or unprocessable at the MRF and residue from MRF processing.

The fee is not subject to any CPI increase or decrease; instead, increases and decreases will be passed through to the customer as set out here. The monthly rate may be adjusted upward or downward due to the fluctuations in disposal gate rates/tipping fees and any duly authorized fees, assessments or taxes collected with such disposal fees.

Upon receipt of notice of such an increase or decrease, Contractor shall notify the City Manager or his designee orally as soon as possible and within seven (7) days of the notification. Along with the notification, Contractor shall provide City a revised schedule of rates showing the effect of any such increase or decrease on the monthly rate per class of service. Contractor shall provide any additional information requested by the City Manager or his designee at that time, including but not limited to confirmation that the disposal site chosen by Contractor is the most cost-effective, given operating and hauling costs.

When the City Manager or his designee receives such notice, he may place it on the next City Council agenda as an information item. The City Council may review the proposed increase and the reasons for it and may ask the Contractor to respond to related questions. However, the City Council may not deny such a pass-through unless it questions the authority of the landfill operator or another political body to impose such an increase, fee, assessment or tax or finds that any increase is not cost-effective because of Contractor's choice of disposal facility.

Once reviewed by the City Council, any increase shall be effective as of its effective date to Contractor. Contractor shall notify all customers in advance of such an increase by utilizing notice in billings, the news media and other appropriate means. City Manager and Contractor shall work together to determine the appropriate form of notification.

Contractor shall implement any decrease upon its effective date without City Council review or action.

AMENDMENT NO. 1
TO THE AMENDED AND RESTATED
AGREEMENT BETWEEN
THE CITY OF WEST COVINA
AND
ARAKELIAN ENTERPRISES, INC.
DBA ATHENS SERVICES
FOR THE COLLECTION OF SOLID WASTE
RECYCLABLES, YARD WASTES AND OTHER COMPOSTABLES

WHEREAS, on June 2, 1999, the City of West Covina (City) entered into an Amended and Restated Agreement with Arakelian Enterprises, Inc., dba Athens Services (Contractor) to provide waste and recyclable collection in the City (Agreement), and

WHEREAS, the Contractor submitted a written request for a 4- year extension to their 8-year rolling term as set forth in the June 2, 1999 Agreement referred to above;

WHEREAS, the City Council reviewed this request, and the data and information submitted by Arakelian Enterprises, Inc., dba Athens Services, at their May 16, 2000, Council meeting.

NOW THEREFORE, the City and Contractor mutually agree as follows:

SECTION 1. Article 3.1 of the Agreement is hereby amended to read as follows:

3.1 Effective Date and Term of Agreement

- A. The term of this Amended and Restated Agreement shall be for twelve years, commencing on May 16, 2000 and expiring on May 16, 2012, provided, however, that commencing on its anniversary date and on each anniversary date for every year thereafter, a one-year extension shall be applied to said Agreement so that the term of the Agreement shall remain twelve years.
- B. Notwithstanding the foregoing, should either party desire that said one-year renewal and extension provision be terminated, such party may give the other written notice of such termination sixty days prior to any anniversary date of any year during which this Agreement is in full force and effect. Such notice will terminate the one-year renewal and extension provision, and the Agreement shall remain in full force and effect for a twelve-year term.

SECTION 2. Article 8.1 of the Agreement is hereby amended to read as follows:

8.1 Contractor's Rates: General

Contractor shall perform the responsibilities and duties described in this Agreement in consideration of the exclusive right to charge and collect from customer for solid waste, recyclables, yard waste, and other compostables collection services rendered, at rates fixed by the City Council from time to time. Contractor does not look to the City for payment of any sums under this Agreement.

Current rates shall be established by a City Resolution with the amounts set out on Exhibit "E," as amended. The Contractor shall provide the services required by this Agreement, charging no more than the rates authorized by Exhibit "E." There shall be no adjustments to the rates set forth on Exhibit "E" for the years 2000 and 2001 and Contractor shall not be entitled to any retroactive CPI increase for these years.

In addition to the revenues authorized by the rates on Exhibit "E," Contractor may charge and receive fees for performing special services (e.g., the hauling and disposal of bulky waste in excess of or dissimilar to that collected weekly) as agreed upon in separate contracts between Contractor and each customer requesting such special services.

Reduced low income senior citizen rates to be set out on Exhibit "E." These rates may be increased only in an amount approved by City Council except for tipping fees as set out in 8.4(A).

SECTION 3. Article 8.2 of the Agreement is hereby amended to read as follows:

8.2 Rate Review

The Contractor may submit an application for rate review not more often than annually except Contractor shall make no adjustments to the rates set forth on Exhibit "E" for the years 2000 and 2001 and Contractor shall not be entitled to any retroactive CPI increase for these years. The complete application shall be submitted not later than April 15 for the period starting July 1. The City Council will take action on the request as soon as possible and will complete the approval process by July 1, if possible. The Contractor shall submit any and all data requested by and in the format prescribed by the City Manager. City also may require Contractor to submit relevant rate data to a third party consultant who has signed a confidentiality agreement. The

application shall show how the rate increase requested meets the formula set out in Section 8.4 and shall demonstrate the need for such an increase.

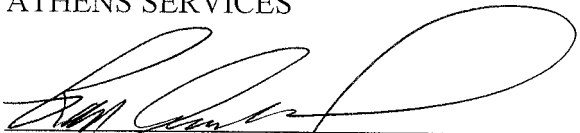
SECTION 4. All other provisions of the Agreement shall remain in full force and effect.

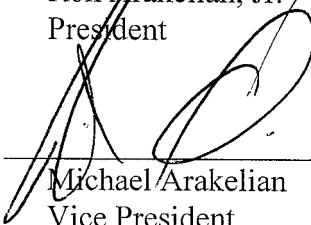
DATED: 3/21/01

CITY: 
MAYOR

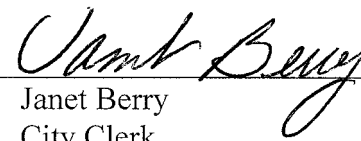
DATED: 2/27/01

ARAKELIAN ENTERPRISES, INC.
dba ATHENS SERVICES

By: 
Ron Arakelian, Jr.
President

By: 
Michael Arakelian
Vice President

ATTEST:

By: 
Janet Berry
City Clerk

APPROVED AS TO FORM:


Colin Leonard
City Attorney

**AMENDMENT NO. 2
TO THE AMENDED AND RESTATED
AGREEMENT BETWEEN
THE CITY OF WEST COVINA
AND
ARAKELIAN ENTERPRISES, INC.
DBA ATHENS SERVICES
FOR THE COLLECTION OF SOLID WASTE
RECYCLABLES, YARD WASTES AND OTHER COMPOSTABLES**

THIS AMENDMENT NO. 2 TO THE AMENDED AND RESTATED AGREEMENT FOR THE COLLECTION OF SOLID WASTE, RECYCLABLES, YARD WASTE AND OTHER COMPOSTABLES ("Amendment No. 2"), effective as of the date specified in Section 3 hereof, is made entered into by and between the City of West Covina ("City") and Arakelian Enterprises, Inc., dba Athens Services ("Athens").

RECITALS:

A. City and Athens have previously executed that certain Amended and Restated Agreement dated June 2, 1999, relating to providing waste and recyclable collection in the City. Said Agreement was amended by Amendment No. 1 on March 21, 2001. Both documents are collectively referred herein as the "Agreement."

B. On November 28, 2001, Athens applied for a special rate adjustment of 4.3% to be applied uniformly to all existing rates ("Special Rate Adjustment"). Athens rationalized the need for such Special Rate Adjustment due to several developments beyond their control that increased Athens' operating costs, including higher costs for insurance and electricity rates. In accordance with the Agreement the Special Rate Adjustment required City Council approval.

C. On or about the same time, Athens indicated that it would also be seeking a CPI Rate Increase Adjustment for the year 2002 ("2002 CPI Rate Increase"). Said 2002 CPI Rate Increase, amounting to a 0.85% increase and accounting for the 2002 CPI months of May through November (2001), also required Council approval.

D. Finally, management from two (2) Redevelopment Agency – assisted projects (namely, the Lark Ellen Village Apartments and the Promenade Apartments) requested that the City change its waste collecting billing category from multi-family per unit to commercial rate (hereinafter, referred to as the "Redevelopment Assisted Apartments Rate Adjustment"). Athens indicated that it would only approve the proposed Redevelopment Assisted Apartments Rate Adjustment if there was no net revenue loss to Athens. Because such Rate Adjustment would result in a net loss to Athens of \$1,584 monthly (or \$19,008 annually). Athens suggested that Council increase trash collection rates for either residential or commercial customers, or both.

E. On February 19, 2002, the City Council reviewed and discussed all of the above-referenced rate adjustments. Upon considering all public testimony on the matter, the City Council acted as follows: (1) Approved the Special Rate Adjustment, effective March 1, 2002; (2) Approved the 2002 CPI Rate Increase, effective July 1, 2002; and (3) Approved the Redevelopment Assisted Apartments Rate Adjustment, effective March 1, 2002, with the net loss revenue to Athens attributable to the Redevelopment Assisted Apartments Rate Adjustment made up by spreading the costs uniformly to all rates with the residential monthly increase to be \$0.04 and the commercial monthly increase to be \$0.24.

F. City and Athens desire to amend the Agreement as set forth herein, and specifically, to adjust Athens' rates in accordance with the City Council actions on February 19, 2002.

SECTION 1 RATE ADJUSTMENTS

Article 8.1 of the Agreement is hereby amended to read as follows:

8.1 Contractor's Rates: General

Contractor shall perform the responsibilities and duties described in this Agreement in consideration of the exclusive right to charge and collect from customer for solid waste, recyclables, yard waste, and other compostables collection served rendered, at rates fixed by the City Council from time to time. Contractor does not look to the City for payment of any sums under this Agreement.

The current rates to be charged by Contractor shall be established by City Resolution, or otherwise approved by the City Council. Effective at the beginning of the first billing period on or subsequent to the 1st day of March, 2002, and continuing until June 30, 2002, the Contractor shall provide the services required by this Agreement based upon the rates set forth in Exhibit "E-1", attached hereto and incorporated by reference. The rates set forth in Exhibit "E-1" encompass the City Council approved Special Rate Adjustment and the Redevelopment Assisted Apartments Rate Adjustment. The Contractor shall charge no more than the rates authorized by Exhibit "E-1".

Effective at the beginning of the first billing on or subsequent to the 1st day of July, 2002, and continuing thereafter, or as otherwise changed by resolution or approval of the City Council, the Contractor shall provide the services required by this Agreement based upon the rates in Exhibit "E-2", attached hereto and incorporated by reference. The rates set forth in Exhibit "E-2" includes the City Council approved 2002 CPI Rate Increase. Effective July 1, 2002, Contractor shall charge no more than the rates

authorized by Exhibit "E-2" and shall not be entitled to any retroactive CPI increase for the years 2000 and 2001.

SECTION 2. EFFECTIVE OF AMENDMENT

Except as modified herein, either expressly or by necessary implication, the terms and conditions of the Agreement between the City and Athens shall remain in full force and effect.

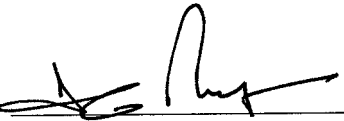
SECTION 3. EFFECTIVE DATE

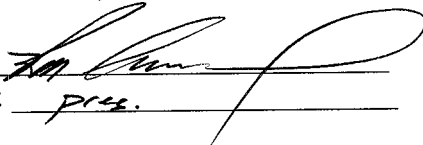
Unless otherwise specified herein, this Amendment No. 2 shall become effective as of the date set forth below or which the last of the parties, whether City or Athens, executes this document.

IN WITNESS WHEREOF, City and Athens have caused this Amendment No. 2 to be executed and attested by their respective officers hereunto duly authorized.

CITY OF WEST COVINA ("CITY")

ARAKELIAN ENTERPRISES,
INC. dba ATHENS SERVICES
("ATHENS")


By: 
Andrew G. Pasmant,
City Manager

By: 
Title: pres.

Dated: 5/27/2002

Dated: 5/21/02

ATTEST:

By: 
City Clerk

Dated: 5/27/02

APPROVED AS TO FORM:

By: 
City Attorney

City of West Covina Schedule of Rates
Effective March 1, 2002

	Collection and Hauling	Processing and Transfer	Disposal	Net Rate	Franchise Fee	AB 939 Surcharge	Total Rate
2 Can 90/90	10.59	3.97	2.32	16.88	1.88	0.14	18.90
2 Can 60/90	7.85	3.97	2.32	14.14	1.57	0.14	15.85
2 Can 90/90 Sr Dsct	6.37	3.97	2.32	12.66	1.41	0.14	14.21
2 Can 60/90 Sr Dsct	4.32	3.97	2.32	10.61	1.18	0.14	11.93
Condo/Apts 60 Gal	7.85	3.97	2.32	14.14	1.57	0.14	15.85
Scout Service							
1 Yd	29.75	6.56	2.75	39.06	4.34	0.14	43.54
1.5 Yd	84.92	9.84	4.13	98.89	10.99	0.14	110.02
3 Yd	91.08	19.68	8.26	119.02	13.22	0.14	132.38
Multi-Family							
Per Unit	6.02	3.35	1.74	11.11	1.23	0.33	12.67
Add'l Pickup	3.00	1.68	0.87	5.55	0.62	0.16	6.33
Plus Bin Rental	29.44	0.00	0.00	29.44	3.27	0.87	33.58
Lark Ellen Village and Promenade Apartments – Same as Commercial Rates							
Commercial							
3 Yd							
1X	70.83	25.70	8.26	104.79	11.64	3.09	119.52
2X	100.09	51.39	16.52	168.00	18.67	4.95	191.62
3X	126.87	77.09	24.78	228.74	25.42	6.74	260.90
4X	138.52	102.79	33.04	274.35	30.48	8.08	312.91
5X	155.18	128.47	41.30	324.95	36.11	9.57	370.63
6X	178.21	154.17	49.56	381.94	42.44	11.25	435.63
1.5 Yd							
1X	63.74	12.85	4.13	80.72	8.97	2.38	92.07
2X	93.50	25.70	8.26	127.46	14.16	3.75	145.37
3X	115.69	38.55	12.39	166.63	18.51	4.91	190.05
Reinstate	12.02			12.02	1.34		13.36
Estimate	3.90			3.90	0.43		4.33
3 Yd Temp							
3 Day	69.93	4.54	1.91	76.38	8.49		84.87
1 Month	113.07	19.68	8.26	141.01	15.67		156.68
X Dump	31.98	4.54	1.91	38.43	4.27		42.70
Roll Off							
5 Day	243.93	151.35	63.55	458.83	50.98		509.81
Demurrage	9.64			9.64	1.07		10.71
X Bin Maintenance	45.03			45.03	5.00		50.03
Lock Lid	27.64			27.64	3.07		30.71
Auto Container Chng	15.66			15.66	1.74		17.40
Extra 90 Gal Black	3.96			3.96	0.44		4.40
Extra 90 Gal Green	3.96			3.96	0.44		4.40
Extra Auto Pickup							
90 Gallon	13.34			13.34	1.48		14.82
60 Gallon	10.44			10.44	1.16		11.60
Roll-Out Service	10.44			10.44	1.16		11.60

City of West Covina Schedule of Rates
Effective July 1, 2002

	Collection and Hauling	Processing and Transfer	Disposal	Net Rate	Franchise Fee	AB 939 Surcharge	Total Rate
2 Can 90/90	10.68	4.00	2.32	17.00	1.89	0.14	19.03
2 Can 60/90	7.91	4.00	2.32	14.23	1.58	0.14	15.95
2 Can 90/90 Sr Dsct	6.43	4.00	2.32	12.75	1.42	0.14	14.31
2 Can 60/90 Sr Dsct	4.35	4.00	2.32	10.67	1.19	0.14	12.00
Condo/Apts 60 Gal	7.91	4.00	2.32	14.23	1.58	0.14	15.95
Scout Service							
1 Yd	29.99	6.62	2.75	39.36	4.37	0.14	43.87
1.5 Yd	85.60	9.92	4.13	99.65	11.07	0.14	110.86
3 Yd	91.81	19.85	8.26	119.92	13.32	0.14	133.38
Multi-Family							
Per Unit	6.07	3.38	1.74	11.19	1.24	0.33	12.76
Add'l Pickup	3.02	1.69	0.87	5.58	0.62	0.16	6.36
Plus Bin Rental	29.67	0.00	0.00	29.67	3.30	0.87	33.84
Lark Ellen Village and Promenade Apartments – Same as Commercial Rates							
Commercial							
3 Yd							
1X	71.39	25.92	8.26	105.57	11.73	3.11	120.41
2X	100.88	51.83	16.52	169.23	18.80	4.98	193.01
3X	127.87	77.74	24.78	230.39	25.60	6.78	262.77
4X	139.60	103.66	33.04	276.30	30.70	8.14	315.14
5X	156.38	129.56	41.30	327.24	36.36	9.64	373.24
6X	179.59	155.48	49.56	384.63	42.74	11.33	438.70
1.5 Yd							
1X	64.25	12.96	4.13	81.34	9.04	2.40	92.78
2X	94.25	25.92	8.26	128.43	14.27	3.78	146.48
3X	116.61	38.88	12.39	167.88	18.65	4.94	191.47
Reinstate	12.12			12.12	1.35		13.47
Estimate	3.93			3.93	.044		4.37
3 Yd Temp							
3 Day	70.50	4.58	1.91	76.99	8.55		85.54
1 Month	113.98	19.85	8.26	142.09	15.79		157.88
X Dump	32.23	4.58	1.91	38.72	4.30		43.02
Roll Off							
5 Day	245.84	152.64	63.55	462.03	51.34		513.37
Demurrage	9.72			9.72	1.08		10.80
X Bin Maintenance	45.40			45.40	5.04		50.44
Lock Lid	27.86			27.86	3.10		30.96
Auto Container Chng	15.79			15.79	1.75		17.54
Extra 90 Gal Black	3.99			3.99	0.44		4.43
Extra 90 Gal Green	3.99			3.99	0.44		4.43
Extra Auto Pickup							
90 Gallon	13.45			13.45	1.49		14.94
60 Gallon	10.53			10.53	1.17		11.70
Roll-Out Service	10.53			10.53	1.17		11.70

AMENDMENT NO. 3
TO THE AMENDED AND RESTATED
AGREEMENT BETWEEN
THE CITY OF WEST COVINA
AND
ARAKELIAN ENTERPRISES, INC.
DBA ATHENS SERVICES
FOR THE COLLECTION OF SOLID WASTE
RECYCLABLES, YARD WASTES AND OTHER COMPOSTABLES

WHEREAS, on June 2, 1999 the City of West Covina (City) entered into an Amended and Restated Agreement with Arakelian Enterprises, Inc., dba Athens Services (Contractor) to provide waste and recyclable collection in the City (Agreement); and

WHEREAS, the Contractor is permitted to submit an annual collection rate increase for review as provided in the Franchise Agreement; and

WHEREAS, the Contractor submitted a request for a collection rate increase and data and information in support of this request; and

WHEREAS, THE City Council reviewed this request, City staff report and the data and information submitted Arakelian Enterprises, Inc., dba Athens Services, at their September 2, 2003 Council meeting.

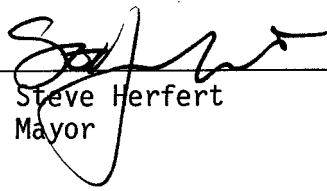
NOW THEREFORE, the City and Contractor mutually agree as follows:

SECTION 1. Exhibit "E-2" of Amendment No. 2 to the Agreement hereby is deleted in its entirety and replaced in its entirety by Exhibit "E" of Amendment No. 3 attached hereto.

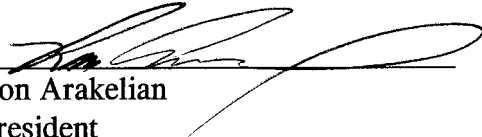
SECTION 2. All other provisions of the Agreement and prior Amendments shall remain in full force and effect.

DATED: September 2, 2003

DATED: 9/23/03

CITY: 
Steve Herfert
Mayor

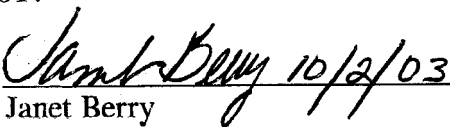
ARAKELIAN ENTERPRISES, INC.
dba ATHENS SERVICES:

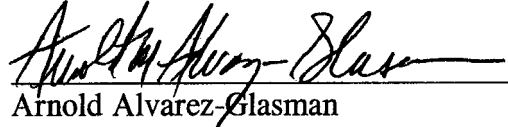
BY: 
Ron Arakelian
President

BY: _____

ATTEST:

APPROVED AS TO FORM:

BY:  10/2/03
Janet Berry
City Clerk


Arnold Alvarez-Glasman
City Attorney

City of West Covina Schedule of Rates
Effective July 1, 2003

EXHIBIT E

Service	Coll/Hauling	Proc/Trf	Disposal	Net Rate	Franc. Fee	AB939	Rate
2 Can 90/90	11.25	4.21	2.32	17.78	1.98	0.14	19.90
2 Can 60/90	8.33	4.21	2.32	14.86	1.65	0.14	16.65
2 Can 90/90 (Sr. Disct.)	6.77	4.21	2.32	13.30	1.48	0.14	14.92
2 Can 60/90 (Sr. Disct)	4.58	4.21	2.32	11.11	1.23	0.14	12.48
Condo/Apts 60 Gal	8.33	4.21	2.32	14.86	1.65	0.14	16.65
Scout Service							
1 Yd	31.59	6.97	2.75	41.31	4.59	0.14	46.04
1.5 Yd	90.17	10.45	4.13	104.75	11.64	0.14	116.53
3 Yd	96.71	20.91	8.26	125.88	13.99	0.14	140.01
Multi-Family							
Per Unit	6.39	3.56	1.74	11.69	1.30	0.34	13.33
Add'l Pickup	3.18	1.78	0.87	5.83	0.65	0.17	6.65
Plus Bin Rental	31.25	0.00	0.00	31.25	3.47	0.92	35.64
Lark Ellen Village and Promenade Apartments - Same as Commercial Rates							
Commercial - 3 Yd							
1 X	75.20	27.30	8.26	110.76	12.31	3.26	126.33
2 X	106.26	54.59	16.52	177.37	19.71	5.22	202.30
3 X	134.69	81.89	24.78	241.36	26.82	7.11	275.28
4 X	147.05	109.19	33.04	289.28	32.14	8.52	329.94
5 X	164.72	136.47	41.30	342.49	38.05	10.08	390.63
6 X	189.17	163.77	49.56	402.50	44.72	11.85	459.07
Commercial - 1.5 Yd							
1 X	67.68	13.65	4.13	85.46	9.50	2.52	97.47
2 X	99.28	27.30	8.26	134.84	14.98	3.97	153.79
3 X	122.83	40.95	12.39	176.17	19.57	5.19	200.93
Reinstate	12.77			12.77	1.42		14.19
Estimate	4.14			4.14	0.46		4.60
3 Yd Temporary							
3 Day	74.26	4.82	1.91	80.99	9.00		89.99
1 Month	120.06	20.91	8.26	149.23	16.58		165.81
X Dump	33.95	4.82	1.91	40.68	4.52		45.20
Roll-Off							
5-Day	258.95	160.78	63.55	483.28	53.70		536.98
Demurrage	10.24			10.24	1.14		11.38
X Bin Maintenance	47.82			47.82	5.31		53.14
Lock Lid	29.35			29.35	3.26		32.61
Auto Container Change	16.63			16.63	1.85		18.48
Extra 90 Gal Black or Green	4.20			4.20	0.47		4.67
Extra Auto Pickup							
90 Gallon	14.17			14.17	1.57		15.74
60 Gallon	11.09			11.09	1.23		12.32
Roll-Out Service	11.09			11.09	1.23		12.32

City of West Covina Schedule of Rates
Effective July 1, 2003

EXHIBIT E

Service	Coll/Hauling	Proc/Trf	Disposal	Net Rate	Franc. Fee	AB939	Rate
Scout Service (Compactor)							
1 Yd	31.59	6.97	2.75	41.31	4.59	0.14	46.04
1.5 Yd	90.17	10.45	4.13	104.75	11.64	0.14	116.52
3 Yd	96.71	20.91	8.26	125.88	13.99	0.14	140.00
Multi-Family (With Scout)							
Per Unit	6.39	3.56	1.74	11.69	1.30	0.34	13.34
Add'l Pickup	3.18	1.78	0.87	5.83	0.65	0.17	6.65
Plus Bin Rental	69.77	0.00	0.00	69.77	7.75	2.05	79.58
Commercial (Compactor)							
3 Yd							
1 X	75.20	27.30	8.26	110.76	12.31	3.26	126.33
2 X	106.26	54.59	16.52	177.38	19.71	5.22	202.31
3 X	134.69	81.89	24.78	241.36	26.82	7.11	275.28
4 X	147.05	109.19	33.04	289.28	32.14	8.52	329.93
5 X	164.72	136.47	41.30	342.49	38.05	10.08	390.63
6 X	189.17	163.77	49.56	402.50	44.72	11.85	459.08
1.5 Yd							
1 X	67.68	13.65	4.13	85.46	9.50	2.52	97.47
2 X	99.28	27.30	8.26	134.84	14.98	3.97	153.79
3 X	122.83	40.95	12.39	176.17	19.57	5.19	200.94
3 Yd Temporary (With Scout)							
3 Day	84.47	4.82	1.91	91.20	10.13		101.34
1 Month	169.83	20.91	8.26	199.00	22.11		221.11
X Dump	46.22	4.82	1.91	52.95	5.88		58.84
Roll-Off (Compactor)							
5 Day	258.95	160.78	63.55	483.28	53.70		536.98
Demurrage	10.24			10.24	1.14		11.38
Roll-Off (Comp'tr)Ovrwt		50.23		50.23	5.58		55.81
Commercial Barrel	17.30	4.21	2.32	23.83	2.65	0.70	27.18
Automated 90-Gal Black	51.77	16.85	9.28	77.91	8.66	2.29	88.86
(4 unit customer - 1.5 Yd bin won't fit; req'd 2 90-gal black; same rate as bin)							
Customer Barrel	122.81	42.13	23.20	188.14	20.90	5.54	214.59
(10 unit customer; con't service from start of contract)							
Special Services							
Roll-Off Compactor Rental	92.66			92.66	10.30		102.96
Roll-Off Compactor Wash	142.20			142.20	15.80		158.00
Bin Wash Out	52.67			52.67	5.85		58.52
Relocate Roll-Off	57.93			57.93	6.44		64.37
Roll-Off Go Back	57.93			57.93	6.44		64.37
8X26 Storage Box	52.67			52.67	5.85		58.52
90-Gallon Replacement	63.20			63.20	7.02		70.22

**AMENDMENT NO. 4
TO THE AMENDED AND RESTATED
AGREEMENT BETWEEN
THE CITY OF WEST COVINA
AND
ARAKELIAN ENTERPRISES, INC.
DBA ATHENS SERVICES
FOR THE COLLECTION OF SOLID WASTE
RECYCLABLES, YARD WASTES AND OTHER COMPOSTABLES**

THIS AMENDMENT NO. 4 TO THE AMENDED AND RESTATED AGREEMENT FOR THE COLLECTION OF SOLID WASTE, RECYCLABLES, YARD WASTE AND OTHER COMPOSTABLES ("Amendment No. 4") effective as of the date specified in Section 5 hereof, is made and entered into by and between the City of West Covina ("City") and Arakelian Enterprises, Inc., dba Athens Services ("Athens").

RECITALS:

A. City and Athens have previously executed that certain Amended and Restated Agreement dated June 2, 1999, relating to providing waste and recyclable collection in the City. Said agreement was amended by Amendment No. 1, dated March 21, 2001, by Amendment No. 2, dated March 27, 2002, and by Amendment No. 3, dated September 2, 2003. (the agreement and all Amendments referenced in this Recital A are collectively referred to herein as the "Agreement").

B. On or about April 15, 2003, Athens applied for a CPI Rate Adjustment increase for the year 2003 ("2003 CPI Rate Increase"), and also requested to change the annual application date from April 15 to June 1 of each calendar year. The request to adjust the annual application date was not approved by the City Council.

C. As part of the 2003 CPI Rate Increase request, the City requested to examine the issue of the multi-family residential pricing structure and to provide recommendations to evaluate a system where the multi-family residential pricing structure would be in parity to the City's structure for commercial rates.

D. The City Council held numerous public meetings wherein this issue was discussed and reviewed. At the January 20, 2004 City Council meeting, the City Council, after receiving all public testimony on the matter, approved certain changes to the Agreement as follows: (1) a reinstatement of the "rolling" twelve-year term of the Agreement, previously approved in Article 3.1 of Amendment No. 1; (2) the elimination of the Multi-family residential rate structure and utilizing the November 1, 2003 Commercial pricing structure, provided that in the event the City eliminates the rolling twelve-year term, the Commercial pricing structure will then be adjusted pursuant to the terms set below; and (3) Athens will forego the July 1, 2004 annual rate adjustment request pursuant to the terms set forth below.

E. City and Athens desire to amend the Agreement as set forth herein consistent with the terms expressed at the City Council meeting of January 20, 2004 and memorialized in this Amendment No. 4.

NOW THEREFORE, the City and Athens do hereby agree as follows:

SECTION 1. Article 3.1 of the Agreement is hereby amended to read as follows:

3.1 Effective Date and Term of Agreement

A. The term of this Amended and Restated Agreement shall be for twelve years, commencing on April 1, 2004 and expiring on March 31, 2016, provided, however, that commencing on its anniversary date and on each anniversary date for every year thereafter, a one-year extension shall be applied to said Agreement so that the term of the Agreement shall remain twelve (12) years.

B. Notwithstanding the foregoing, should either party desire that said one-year renewal and extension provision be terminated, such party may give the other written notice of such termination sixty (60) days prior to any anniversary date of any year during which this Agreement is in full force and effect. Such notice will terminate the one-year renewal and extension provision, and the Agreement shall remain in full force and effect for a twelve-year term.

SECTION 2. Article 8.1.1 is added to the Agreement as follows:

8.1.1 Elimination of Multi-family Residential Rate Structure

Notwithstanding anything in this Agreement to the contrary, the previously collected Multi-family Residential rate structure is hereby eliminated. All Multi-family residential users will be charged the current (November 1, 2003) Commercial rate structure (as set forth in Exhibit E to the Agreement).

In the event the City invokes its right to terminate the automatic one-year renewal and extension provision set forth in Article 3.1(B) ("Rolling Term") of the Agreement, Athens shall then be entitled to adjust the Commercial rate structure for Multi-family residential users only in order to generate for Athens revenues lost as a result of the merging of the Multi-family residential user rate into the Commercial rate in the amount of \$6,011.75 per month ("Recaptured Revenue Amount"). The Recaptured Revenue Amount shall be adjusted by a cumulative CPI (as defined in paragraph A.4. set forth in "Exhibit F – Rate Increase Formula" to the Agreement) calculation from April, 2003 to the date the Rolling

Term is eliminated to establish the new Commercial rate for Multi-family residential users effective at the time the Rolling Term is terminated.

SECTION 3. Article 8.2.1 is added to the Agreement as follows:

8.2.1. One Year Waiver of Rate Review

Athens hereby waives its right to seek the July 1, 2004 annual rate adjustment as set forth in Article 8.2 of the First Amendment to the Agreement. This shall be a one (1) time waiver only. Athens agrees to maintain its existing Schedule of Rates as set forth in Exhibit E, attached herewith, until June 30, 2005.

In seeking its annual rate adjustment for the year 2005, Athens shall be permitted to use the period from April 2003 to April 2005 in calculating the CPI adjustment applicable to the Schedule of Rates. Athens shall be permitted to use the period from November 1, 2003 to July 1, 2005 for calculating the Puente Hills gate fee increase in determining the disposal component of the Schedule of Rates. In agreeing to this one (1) time waiver, Athens acknowledges that it is foregoing approximately \$400,000.00 in anticipated revenues, and hereby waives any rights, claims or demands for such revenues.

SECTION 4. EFFECT OF THIS AMENDMENT NO. 4

Except as modified herein, either expressly or by necessary implication, the terms and conditions of the Agreement, as previously amended, between the City and Athens shall remain in full force and effect. This Amendment No. 4 integrates all of the terms and conditions mentioned herein or incidental hereto, and supercedes all negotiations and previous agreements between the Parties with respect to all or any part of the subject matter hereof.

SECTION 5. EFFECTIVE DATE OF AMENDMENT NO. 4

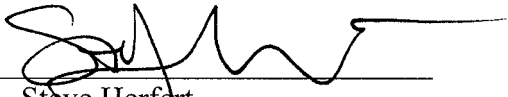
This Amendment No. 4 shall be effective on April 1, 2004, and shall thereafter be in full force and effect.

[END OF TEXT. SIGNATURE PAGE TO FOLLOW.]

IN WITNESS WHEREOF, City and Athens have caused this Amendment No. 4 to be executed and attested by their respective officers hereunto duly authorized.

CITY OF WEST COVINA ("CITY")

ARAKELIAN ENTERPRISES,
INC., dba ATHENS SERVICES
(ATHENS")

By: 
Steve Herfert
Mayor

By: 
Title: Executive Vice President

Dated: 3/30/04

Dated: March 29, 2004

ATTEST:

By: 
City Clerk

Dated: 3/30/04

APPROVED AS TO FORM:

By: 
City Attorney

Service	Coll/Hauling	Proc/Trf	Disposal	Net Rate	Franc. Fee	AB939	Rate
2 Can 90/90	11.25	4.21	2.67	18.13	2.01	0.14	20.29
2 Can 60/90	8.33	4.21	2.67	15.21	1.69	0.14	17.04
2 Can 90/90 (Sr. Disct.)	6.77	4.21	2.67	13.65	1.52	0.14	15.31
2 Can 60/90 (Sr. Disct)	4.58	4.21	2.67	11.46	1.27	0.14	12.88
Condo/Apts 60 Gal	8.33	4.21	2.67	15.21	1.69	0.14	17.04
Scout Service							
1 Yd	31.59	6.97	3.17	41.73	4.64	0.14	46.50
1.5 Yd	90.17	10.45	4.76	105.38	11.71	0.14	117.23
3 Yd	96.71	20.91	9.51	127.13	14.13	0.14	141.40
Multi-Family							
All Multi-Family rates were eliminated pursuant to City Council action of January 20, 2004.							
Multi-Family rates are calculated as Commercial rates pursuant to Amendment No. 4 to the Agreement.							
Lark Ellen Village and Promenade Apartments were previously adjusted to Commercial rates.							
Commercial - 3 Yd							
1 X	75.20	27.30	9.51	112.01	12.45	3.30	127.76
2 X	106.26	54.59	19.03	179.88	19.99	5.30	205.16
3 X	134.69	81.89	28.54	245.12	27.24	7.22	279.57
4 X	147.05	109.19	38.05	294.29	32.70	8.67	335.66
5 X	164.72	136.47	47.57	348.76	38.75	10.27	397.77
6 X	189.17	163.77	57.08	410.02	45.56	12.07	467.65
Commercial - 1.5 Yd							
1 X	67.68	13.65	4.76	86.09	9.57	2.53	98.19
2 X	99.28	27.30	9.51	136.09	15.12	4.01	155.22
3 X	122.83	40.95	14.27	178.05	19.78	5.24	203.08
Reinstate	12.77			12.77	1.42		14.19
Estimate	4.14			4.14	0.46		4.60
3 Yd Temporary							
3 Day	74.26	4.82	2.20	81.28	9.03		90.31
1 Month	120.06	20.91	9.51	150.48	16.72		167.20
X Dump	33.95	4.82	2.20	40.97	4.55		45.52
Roll-Off							
5-Day	258.95	160.78	73.19	492.92	54.77		547.69
Demurrage	10.24			10.24	1.14		11.38
X Bin Maintenance	47.82			47.82	5.31		53.14
Lock Lid	29.35			29.35	3.26		32.61
Auto Container Change	16.63			16.63	1.85		18.48
Extra 90 Gal Black or Green	4.20			4.20	0.47		4.67
Extra Auto Pickup							
90 Gallon	14.17			14.17	1.57		15.74
60 Gallon	11.09			11.09	1.23		12.32
Roll-Out Service	11.09			11.09	1.23		12.32

Service	Coll/Hauling	Proc/Trf	Disposal	Net Rate	Franc. Fee	AB939	Rate
Scout Service (Compactor)							
1 Yd	31.59	6.97	3.17	41.73	4.64	0.14	46.50
1.5 Yd	90.17	10.45	4.76	105.38	11.71	0.14	117.23
3 Yd	96.71	20.91	9.51	127.13	14.13	0.14	141.40
Multi-Family (With Scout)							
All Multi-Family rates were eliminated pursuant to City Council action of January 20, 2004.							
Multi-Family rates are calculated as Commercial rates pursuant to Amendment No. 4. To the Agreement.							
Lark Ellen Village and Promenade Apartment rates were previously adjusted to Commercial rates.							
Commercial (Compactor)							
3 Yd							
1 X	75.20	27.30	9.51	112.01	12.45	3.30	127.76
2 X	106.26	54.59	19.03	179.88	19.99	5.30	205.16
3 X	134.69	81.89	28.54	245.12	27.24	7.22	279.57
4 X	147.05	109.19	38.05	294.29	32.70	8.67	335.66
5 X	164.72	136.47	47.57	348.76	38.75	10.27	397.77
6 X	189.17	163.77	57.08	410.02	45.56	12.07	467.65
1.5 Yd							
1 X	67.68	13.65	4.76	86.09	9.57	2.53	98.19
2 X	99.28	27.30	9.51	136.09	15.12	4.01	155.22
3 X	122.83	40.95	14.27	178.05	19.78	5.24	203.08
3 Yd Temporary (With Scout)							
3 Day	84.47	4.82	2.20	91.49	10.17		101.66
1 Month	169.83	20.91	9.51	200.25	22.25		222.50
X Dump	46.22	4.82	2.20	53.24	5.92		59.16
Roll-Off (Compactor)							
5 Day	258.95	160.78	73.19	492.92	54.77		547.69
Demurrage	10.24			10.24	1.14		11.38
Roll-Off (Comp'tr)Ovrwt		50.23		50.23	5.58		55.81
Commercial Barrel	17.30	4.21	2.67	24.18	2.69	0.71	27.58
Automated 90-Gal Black	51.77	16.85	10.69	79.31	8.81	2.34	90.45
(4 unit customer - 1.5 Yd bin won't fit; req'd 2 90-gal black; same rate as bin)							
Customer Barrel	122.81	42.13	26.72	191.66	21.30	5.64	218.60
(10 unit customer; con't service from start of contract)							
Special Services							
Roll-Off Compactor Rental	92.66			92.66	10.30		102.96
Roll-Off Compactor Wash	142.20			142.20	15.80		158.00
Bin Wash Out	52.67			52.67	5.85		58.52
Relocate Roll-Off	57.93			57.93	6.44		64.37
Roll-Off Go Back	57.93			57.93	6.44		64.37
8X26 Storage Box	52.67			52.67	5.85		58.52
90-Gallon Replacement	63.20			63.20	7.02		70.22

**AMENDMENT NO. 5
TO THE AMENDED AND RESTATED
AGREEMENT BETWEEN
THE CITY OF WEST COVINA
AND ARAKELIAN ENTERPRISES, INC.
DBA CONTRACTOR SERVICES
FOR THE COLLECTION OF SOLID WASTE
RECYCLABLES, YARD WASTES AND OTHER COMPOSTABLES**

THIS AMENDMENT NO. 5 TO THE AMENDED AND RESTATED AGREEMENT FOR THE COLLECTION OF SOLID WASTE, RECYCLABLES, YARD WASTE AND OTHER COMPOSTABLES ("Amendment No. 5") effective as of the date specified in Section 7 hereof, is made and entered into by and between the City of West Covina ("City") and Arakelian Enterprises, Inc., dba Contractor Services ("Contractor").

A. City and Contractor have previously entered into that certain Amended and Restated Agreement, dated June 2, 1999, concerning waste and recyclable collection in the City (hereinafter, "Original Agreement"). The Original Agreement was later amended by Amendment No. 1, dated March 21, 2001, by Amendment No. 2, dated March 27, 2002, by Amendment No. 3, dated September 2, 2003, and by Amendment No. 4, dated March 30, 2004 (collectively, "Amendments"). The Original Agreement and Amendments are collectively referred to herein as the "Agreement."

B. On or about May 23, 2006, Contractor requested the following revisions be made to the Agreement: (a) a CPI increase of 4.67%; (b) a 3.55% special interim fuel rate adjustment; and (c) that these increases be retroactive to July 1, 2006. On July 11, 2006, Contractor also requested: (d) to redefine the 50% waste diversion guarantee; (e) to allow for administrative approval of future service rate increases; (f) to change the rate review and application deadline; and (g) a pass-through increase of the Los Angeles County Landfill disposal fee.

C. Staff met with and discussed these items with Contractor to evaluate and justify the requests. The items were then presented to the City Council for consideration.

D. In accordance with Proposition 218, a public notice was mailed to 22,278 residents and businesses on November 1, 2006, informing them of a public hearing set for December 19, 2006, to consider the rate increases proposed by Contractor, along with the other related matters impacting the Original Agreement and Amendments. The public notice advised residents of their right to file a formal written protest against the increase with the City Clerk's office. As of December 19, 2006, the date of the public hearing, the City Clerk had received twenty-eight (28) written protests. Therefore, since less than 51% of residents objected to the proposed increase, certain increases could be implemented if approved by the City Council.

E. On December 19, 2006, the City Council reviewed and discussed all of the foregoing requests by Contractor. Upon considering all public testimony on the matter, the City Council acted as follows: (1) Approved 4.67% consumer price index ("CPI") increase, effective July 1, 2006; (2) Approved 2.19% special interim fuel increase, effective January 1, 2007, but with the caveat that such increase would be reduced if fuel rates later decreased; (3) Approved that 50% of the retroactive increase would be borne by Contractor and the other 50% would be derived from the City's future Franchise Fee revenues; (4) Approved redefining the waste diversion guarantee to include the entire citywide waste stream; (5) Approved administrative approval of certain service rate increases based upon CPI and subject to administrative review by City staff; (6) Approved adjustment of the CPI period from May-April to March-February; and (7) Approved certain rate increases based upon cost increase "pass-throughs" for landfill disposal costs..

F. City and Contractor desire to amend the Agreement as set forth herein, and specifically, to adjust Contractor's rates in accordance with the City Council actions on December 19, 2006.

SECTION 1. ANNUAL REPORTS

Article 6.2 of the Agreement is hereby amended to read as follows:

"6.2 Annual Reports

The Contractor shall submit annual reports with respect to its operations (including but not limited to MRF operations) pursuant to this Agreement. The annual reports shall be submitted not later than 4 months following the end of the Contractor's annual accounting period. The report shall be in a format which will allow the City Manager and Council to compare the operations of the Contractor with the franchise fee paid and the appropriate adjustments to the franchise fee calculated pursuant to this Agreement. As part of the report, the Contractor will calculate the actual franchise fee owed, shall set forth the quarterly franchise fee payments actually made, and shall show the appropriate additional franchise fees owed to the City or the overpayments of the franchise fee actually owed for the annual period. This report includes customer billing information by class of service and number of services.

SECTION 2. DIVERSION GUARANTEE

With respect to Article 7.4 of the Agreement, the entire paragraph is hereby deleted and the following is hereby inserted in its place:

"Contractor shall indemnify, defend and hold harmless City from and against any and all fines imposed by the California Integrated Waste Management Board

("CIWMB") arising from City's failure to meet landfill diversion requirements of AB 939, or substantially similar legislative enactments by the State of California, however, Contractor shall not be obligated to indemnify, defend or hold harmless City from and against any legislative enactments from the State of California which mandates landfill diversion of more than fifty percent (50%) from the base year. Contractor agrees this subsection applies to the entire waste stream for which City is accountable by the CIWMB and not just that portion of that waste stream processed by Contractor, pursuant to this Agreement. In the event CIWMB (or any other subdivision or body of the State) provides an administrative process to challenge the imposition of a compliance order or fine or fines, Contractor shall be responsible for engaging (at no cost to the City) consultants and/or attorneys (subject to City's reasonable consensus) to represent the City."

The indemnification set out in Section 9.1 hereof shall not apply to the matters described as set forth in the preceding paragraph of this Section 7.4."

SECTION 3. RATE REVIEW

With respect to Article 8.1 through 8.4 of the Agreement, all four (4) sections are hereby deleted in their entirety and the following is hereby inserted in their place:

"8.1 Rates

Contractor shall perform the responsibilities and duties described in this Agreement in consideration of the exclusive right to charge and collect from customers for solid waste, recyclables, yard waste, and other compostables collection services rendered, at rates fixed by the City Council from time to time. Contractor does not look to the City for payment of any sums under this Agreement.

The rates for services to be performed pursuant to this Agreement are set forth in EXHIBIT "E" which is attached hereto and incorporated herein by this reference. The rates set forth in EXHIBIT "E" shall be adjusted as set forth in EXHIBIT "F" which is attached hereto and incorporated herein by this reference.

In addition to the revenues authorized by the rates in EXHIBIT "E", Contractor may charge and receive fees for performing special services (e.g., the hauling and disposal of "bulky waste" in excess of or dissimilar to that collected weekly) as agreed upon in separate agreements between Contractor and each customer requesting such special services.

Reduced low income senior citizen rates are to be set out on EXHIBIT "E". These rates may be increased only in an amount approved by City Council with the exception of tipping fees.

Except for the rates and charges expressly authorized herein and except for rates charged pursuant to any separate agreement(s) between Contractor and each customer requesting additional special services, Contractor shall not charge customers served under this Agreement any amount less than or in excess of the rates set forth in EXHIBIT "E". The rates set forth in EXHIBIT "E", as they may be adjusted from time to time, include the cost of any collection of "bulky waste" by Contractor as specifically limited in Section 5.3.

City staff shall review all proposed rate increases for validity of submitted data and, upon verification of data, approve the new rates pursuant to methodology set forth in Exhibit "F" .."

SECTION 4. RATE ADJUSTMENT

With respect to Exhibit "F" of the Agreement, the entire exhibit is hereby deleted and the following is hereby inserted in its place:

"EXHIBIT "F"

1. RATE ADJUSTMENTS

The rates provided for under this Agreement consist of the following two (2) components:

A. Operations Component

The operations component includes the cost of collection and processing of all Refuse, including Recyclable Materials and Green Waste for all customers described in ARTICLE 4, according to the terms set forth herein. The operations component also includes the cost to haul all refuse, all MRF process residue and unprocessables, and all Green Waste to a final disposal site.

B. Disposal Component

The disposal component shall be based on the per ton costs incurred by Contractor for disposal of all Refuse, MRF process residue and unprocessables, including Green Waste at a final disposal site ("Landfill Tipping Fees"). Landfill Tipping Fees shall include all taxes, fees and

assessments imposed by Los Angeles County or other governmental agencies, or other landfill operator.

2. RATE ADJUSTMENT FORMULA

A. Operations Component

The operations component shall be adjusted each July 1st in proportion to the increase or decrease in the cost of living as determined by the percentage change in the Consumer Price Index ("CPI") for the immediately preceding twelve (12) month period of March through February for All Urban Consumers in the Los Angeles/Anaheim/Riverside area, or an equivalent index approved by mutual agreement in the event the CPI as described hereinabove is no longer published. Contractor shall submit the request for adjustment within thirty (30) days after the CPI index is available.

B. Disposal Component

The disposal component shall be adjusted in proportion to the increase or decrease in disposal costs as determined by the percentage change in the Landfill Tipping Fees or the tipping fee for Green Waste. Contractor agrees that it shall not be entitled to any increase in the disposal costs component due to an increase in the Landfill Tipping Fees other than due to an increase in the tipping fee as established by Los Angeles County or other governmental agency, or other landfill operator.

The City Manager or his designee shall have the right to request from the Contractor additional information which will confirm that the disposal site(s) selected by the Contractor is the most cost-effective, given industry standards for operating and hauling costs.

3. SPECIAL RATE ADJUSTMENT

"In the event circumstances beyond the control of Contractor impose or generate extraordinary costs in the performance of the Agreement, Contractor may petition City to determine if a rate adjustment is warranted to avoid undue financial hardship on Contractor. For each request, Contractor shall prepare a schedule documenting the extraordinary costs. The schedule shall be prepared in a form acceptable to City with support for assumptions made by Contractor in preparing the estimate of extraordinary costs. City Council shall review Contractor's request and, in City Council's sole discretion, make the final determination on the proposed rate adjustment.

If, after a special rate adjustment is made, the City Council or City Manager believe that there has been a decrease in the category which was presented to the

City Council or City Manager by Contractor (in 2006 or thereafter) to justify a special, interim rate increase, the City Council and City Manager may initiate a special, interim rate review to decrease the rate based on the decrease in the cost category. If a decrease is warranted, the new lower rate shall take affect immediately. Any decrease in a cost category shall only be considered to the extent of the prior increase in that cost category, irrespective of the timing of the increase, subject however, to the 2006 time limit set forth above.”

SECTION 5. PUBLICATION OF RATES

The Contractor shall provide written notice to subscribers of the rate changes, which notice shall be provided with, or as part of a regular billing.

SECTION 6. EFFECT OF AMENDMENT

Except as modified herein, either expressly or by necessary implication, the terms and conditions of the Agreement between the City and Contractor shall remain in full force and effect.

SECTION 7. EFFECTIVE DATE

Unless otherwise specified herein, this Amendment No. 5 shall become effective as of the date set forth below or which the last of the parties, whether City or Contractor, executes this document.

IN WITNESS WHEREOF, City and Contractor have caused this Amendment No. 5 to be executed and attested by their respective officers hereunto duly authorized.

CITY OF WEST COVINA

**ARAKELIAN ENTERPRISES
INC. dba CONTRACTOR SERVICES**

By: Michael R. Touhey
Michael R. Touhey, Mayor

By: DMK

Dated: _____

Dated: 6/7/07

ATTEST:

By: Susan Rush, Assistant
City Clerk

Dated: 6/13/07

APPROVED AS TO FORM:

By: Arnold M. Abj - Slason
City Attorney

**AMENDMENT NO. 6
TO THE AMENDED AND RESTATED
AGREEMENT BETWEEN
THE CITY OF WEST COVINA
AND ARAKELIAN ENTERPRISES, INC.
DBA CONTRACTOR SERVICES
FOR THE COLLECTION OF SOLID WASTE
RECYCLABLES, YARD WASTES AND OTHER COMPOSTABLES**

WHEREAS, the City of West Covina (City) entered into an Amended and Restated Agreement with Arakelian Enterprises, Inc., dba Athens Services (Contractor) dated June 2, 1999, concerning waste and recyclable collection in the City (hereinafter, "Original Agreement"); and

WHEREAS, the Contractor is permitted to submit an annual rate increase for review as provided in the Franchise Agreement; and

WHEREAS, the Contractor submitted a request for rate increase along with data and information in support of this request; and

WHEREAS, the City staff reviewed this request as set in Amendment No. 5 and determined the validity of the request.

NOW THEREFORE, the City and Contractor mutually agree as follows:

SECTION 1. Exhibit "E" of Amendment No. 5 to the Agreement hereby is deleted in its entirety and replaced in its entirety by Exhibit "E" of Amendment No. 6 attached hereto.

SECTION 2. All other provisions of the Agreement and prior Amendments shall remain in full force and effect.

DATED: 12/4/07

DATED: _____

CITY OF WEST COVINA

ARAKELIAN ENTERPRISES, INC.
dba ATHENS SERVICES

BY: _____

Andrew G. Pasmant
City Manager

BY: _____

Dennis M. Chiapetta
Executive Vice President

ATTEST:

BY: _____

Susan Rush
Assistant City Clerk

APPROVED AS TO FORM:

BY: _____

Arnold Alvarez-Glasman
City Attorney

AMENDMENT No. 6
EXHIBIT E
CITY OF WEST COVINA
TRASH COLLECTION AND DISPOSAL
SCHEDULE OF RATES
Effective July 1, 2007

Service	Operations	Disposal	NET RATE	Fran. Fee	AB 939 Fee	MONTHLY RATE
2 Can 90/90	\$18.39	\$3.55	\$21.94	\$2.44	\$0.14	\$24.52
2 Can 60/90	\$14.93	\$3.55	\$18.48	\$2.05	\$0.14	\$20.67
2 Can 90/90 (LowIncSrDsect)	\$13.08	\$3.55	\$16.63	\$1.85	\$0.14	\$18.62
2 Can 60/90 (LowIncSrDsect)	\$10.48	\$3.55	\$14.03	\$1.56	\$0.14	\$15.73
Condo/Apts 60 Gal	\$14.93	\$3.55	\$18.48	\$2.05	\$0.14	\$20.67
Scout Service						
1 Yd	\$45.80	\$4.20	\$50.00	\$5.56	\$0.14	\$55.70
1.5 Yd	\$119.42	\$6.33	\$125.74	\$13.97	\$0.14	\$139.85
3 Yd	\$139.69	\$12.62	\$152.31	\$16.92	\$0.14	\$169.37
Commercial - 3 Yd						
1 X	\$121.77	\$12.62	\$134.39	\$14.93	\$3.96	\$153.28
2 X	\$191.20	\$25.25	\$216.46	\$24.05	\$6.37	\$246.88
3 X	\$257.51	\$37.87	\$295.38	\$32.82	\$8.70	\$336.90
4 X	\$304.77	\$50.48	\$355.26	\$39.47	\$10.46	\$405.19
5 X	\$358.31	\$63.10	\$421.41	\$46.82	\$12.41	\$480.65
6 X	\$419.92	\$75.74	\$495.66	\$55.07	\$14.59	\$565.31
Commercial - 1.5 Yd						
1 X	\$96.54	\$6.33	\$102.87	\$11.43	\$3.03	\$117.33
2 X	\$150.31	\$12.62	\$162.93	\$18.10	\$4.80	\$185.83
3 X	\$194.55	\$18.93	\$213.47	\$23.72	\$6.29	\$243.48
4 X	\$238.77	\$25.26	\$264.04	\$29.34	\$7.77	\$301.15
5 X	\$280.73	\$31.63	\$312.36	\$34.71	\$9.20	\$356.27
6 X	\$340.08	\$37.87	\$377.95	\$41.99	\$11.13	\$431.07
Reinstate	\$15.14		\$15.14	\$1.68		\$16.82
Estimate	\$4.91		\$4.91	\$0.55		\$5.46
3 Yd Temporary						
3 Day	\$93.81	\$2.92	\$96.73	\$10.75		\$107.48
1 Month	\$167.38	\$12.62	\$180.00	\$20.00		\$200.00
X Dump	\$46.03	\$2.92	\$48.95	\$5.44		\$54.39
Roll-Off						
5-Day	\$499.52	\$97.11	\$596.63	\$66.29		\$662.92
Demurrage	\$12.14		\$12.14	\$1.35		\$13.49
X Bin Maintenance	\$56.70		\$56.70	\$6.30		\$63.00
Lock Lid	\$34.80		\$34.80	\$3.87		\$38.67
Auto Container Change / Delivery	\$19.72		\$19.72	\$2.19		\$21.91
Extra 90 Gal Black or Green	\$4.98		\$4.98	\$0.55		\$5.53
Extra Auto Pickup						
90 Gallon	\$16.80		\$16.80	\$1.87		\$18.67
60 Gallon	\$13.15		\$13.15	\$1.46		\$14.61
Roll-Out Service	\$13.15		\$13.15	\$1.46		\$14.61

AMENDMENT No. 6
EXHIBIT E
CITY OF WEST COVINA
TRASH COLLECTION AND DISPOSAL
SCHEDULE OF RATES
Effective July 1, 2007

Service	Operations	Disposal	NET RATE	Fran. Fee	AB 939 Fee	MONTHLY RATE
Scout Service (Compactor)						
1 Yd	\$45.80	\$4.20	\$50.00	\$5.56	\$0.14	\$55.70
1.5 Yd	\$119.42	\$6.33	\$125.74	\$13.97	\$0.14	\$139.85
3 Yd	\$139.69	\$12.62	\$152.31	\$16.92	\$0.14	\$169.37
Commercial (Compactor)						
3 Yd						
1 X	\$121.77	\$12.62	\$134.39	\$14.93	\$3.96	\$153.28
2 X	\$191.20	\$25.25	\$216.46	\$24.05	\$6.37	\$246.88
3 X	\$257.51	\$37.87	\$295.38	\$32.82	\$8.70	\$336.90
4 X	\$304.77	\$50.48	\$355.26	\$39.47	\$10.46	\$405.19
5 X	\$358.31	\$63.10	\$421.42	\$46.82	\$12.41	\$480.65
6 X	\$419.92	\$75.74	\$495.65	\$55.07	\$14.59	\$565.31
1.5 Yd						
1 X	\$96.54	\$6.33	\$102.87	\$11.43	\$3.03	\$117.33
2 X	\$150.31	\$12.62	\$162.93	\$18.10	\$4.80	\$185.83
3 X	\$194.55	\$18.93	\$213.47	\$23.72	\$6.29	\$243.48
4 X	\$238.77	\$25.31	\$264.08	\$29.34	\$7.78	\$301.20
5 X	\$280.73	\$31.63	\$312.36	\$34.71	\$9.20	\$356.27
6 X	\$340.08	\$37.87	\$377.95	\$41.99	\$11.13	\$431.07
3 Yd Temporary (With Scout)						
3 Day	\$105.92	\$2.92	\$108.84	\$12.09		\$120.93
1 Month	\$226.38	\$12.62	\$239.00	\$26.56		\$265.56
X Dump	\$60.58	\$2.92	\$63.50	\$7.06		\$70.56
Roll-Off (Compactor)						
5 Day	\$499.52	\$97.11	\$596.63	\$66.29		\$662.92
Demurrage	\$12.14	\$0.00	\$12.14	\$1.35		\$13.49
Roll-Off (Comp'tr)Ovrwt		\$61.67	\$61.67	\$6.85		\$68.52
Commercial Barrel	\$25.56	\$3.55	\$29.11	\$3.23	\$0.86	\$33.20
Automated 90-Gal Black	\$81.63	\$14.19	\$95.82	\$10.65	\$2.82	\$109.29
(4 unit customer - 1.5 Yd bin won't fit; req'd 2 90-gal black; same rate as bin)						
Customer Barrel	\$196.24	\$35.45	\$231.70	\$25.74	\$6.82	\$264.26
(10 unit customer; can't service from start of contract)						
Special Services						
Roll-Off Compactor Rental	\$109.86		\$109.86	\$12.21		\$122.07
Roll-Off Compactor Wash	\$168.59		\$168.59	\$18.73		\$187.32
Bin Wash Out	\$62.45		\$62.45	\$6.94		\$69.39
Relocate Roll-Off	\$68.68		\$68.68	\$7.63		\$76.31
Roll-Off Go Back	\$68.68		\$68.68	\$7.63		\$76.31
8X26 Storage Box	\$62.45		\$62.45	\$6.94		\$69.39
90-Gallon Replacement	\$74.93		\$74.93	\$8.33		\$83.26

AMENDMENT NO. 7
TO THE AGREEMENT BETWEEN
THE CITY OF WEST COVINA
AND
ARAKELIAN ENTERPRISES, INC.
DBA ATHENS SERVICES
FOR THE COLLECTION OF SOLID WASTE,
RECYCLABLES, YARD WASTES AND OTHER COMPOSTABLES

WHEREAS, on June 2, 1999, the City of West Covina (City) entered into an Amended and Restated Agreement with Arakelian Enterprises, Inc., dba Athens Services (Contractor) to provide waste and recyclable collection in the City (Agreement); and

WHEREAS, the Contractor is permitted to submit a request for special rate adjustment as provided in the Franchise Agreement; and

WHEREAS, the Contractor submitted a request for a special rate increase due to rising fuel costs, and data and information in support of this request; and

WHEREAS, the City Council reviewed this request, the City staff report, and the data and information submitted by Athens Services at their February 5, 2008, meeting.

NOW, THEREFORE, the City and Contractor mutually agree as follows:

SECTION 1. Exhibit "E" of Amendment No. 6 to the Agreement hereby is deleted in its entirety and replaced in its entirety by Exhibit "E" of this Amendment No. 7 attached hereto.

SECTION 2. All other provisions of the Agreement and prior Amendments shall remain in full force and effect.

DATED: _____

DATED: 8/20/08

CITY: Sherril Lane

Sherril Lane, Mayor

ARAKELIAN ENTERPRISES, INC.
dba ATHENS SERVICES

BY: Ron Arakelian, Jr.
Ron Arakelian, Jr., Chairman of the Board

ATTEST:

BY: Sue Rush

Sue Rush, Assistant City Clerk

APPROVED AS TO FORM:

BY: Arnold Alvarez-Glasman

Arnold Alvarez-Glasman, City Attorney

AMENDMENT No. 7
EXHIBIT E
CITY OF WEST COVINA
TRASH COLLECTION AND DISPOSAL
SCHEDULE OF RATES
Effective January 1, 2008

Service	Operations Component	Disposal Component	NET RATE	Franchise Fee	AB 939 Surcharge	TOTAL MONTHLY RATE
Scout Service (Compactor)						
1 Yd	\$46.34	\$4.20	\$50.54	\$5.62	\$0.14	\$56.30
1.5 Yd	\$120.77	\$6.33	\$127.10	\$14.12	\$0.14	\$141.36
3 Yd	\$141.32	\$12.62	\$153.94	\$17.10	\$0.14	\$171.18
Commercial (Compactor)						
3 Yd						
1 X	\$123.21	\$12.62	\$135.83	\$15.09	\$4.00	\$154.92
2 X	\$193.52	\$25.25	\$218.77	\$24.31	\$6.44	\$249.52
3 X	\$260.67	\$37.87	\$298.54	\$33.17	\$8.79	\$340.50
4 X	\$308.57	\$50.48	\$359.05	\$39.89	\$10.57	\$409.51
5 X	\$362.82	\$63.10	\$425.92	\$47.32	\$12.54	\$485.78
.6 X	\$425.22	\$75.74	\$500.96	\$55.66	\$14.75	\$571.37
1.5 Yd						
1 X	\$97.64	\$6.33	\$103.97	\$11.55	\$3.06	\$118.58
2 X	\$152.05	\$12.62	\$164.67	\$18.30	\$4.85	\$187.82
3 X	\$196.83	\$18.93	\$215.76	\$23.97	\$6.35	\$246.08
4 X	\$241.60	\$25.31	\$266.91	\$29.66	\$7.86	\$304.43
5 X	\$284.07	\$31.63	\$315.70	\$35.08	\$9.30	\$360.08
6 X	\$344.12	\$37.87	\$381.99	\$42.44	\$11.25	\$435.68
3 Yd Temporary (With Scout)						
3 Day	\$107.08	\$2.92	\$110.00	\$12.22		\$122.22
1 Month	\$228.94	\$12.62	\$241.56	\$26.84		\$268.40
X Dump	\$61.26	\$2.92	\$64.18	\$7.13		\$71.31
Roll-Off (Compactor)						
5 Day	\$505.90	\$97.11	\$603.01	\$67.00		\$670.01
Demurrage	\$12.27		\$12.27	\$1.36		\$13.63
Roll-Off (Comp'tr)Ovrwt						
		\$61.67	\$61.67	\$6.85		\$68.52
Commercial Barrel						
	\$25.87	\$3.55	\$29.42	\$3.27	\$0.87	\$33.56
Automated 90-Gal Black						
	\$82.66	\$14.19	\$96.85	\$10.76	\$2.85	\$110.46
(4 unit customer - 1.5 Yd bin won't fit; req'd 2 90-gal black; same rate as bin)						
Customer Barrel						
	\$198.72	\$35.45	\$234.17	\$26.02	\$6.90	\$267.09
(10 unit customer; con't service from start of contract)						
Special Services						
Roll-Off Compactor Rental	\$111.04		\$111.04	\$12.34		\$123.38
Roll-Off Compactor Wash	\$170.39		\$170.39	\$18.93		\$189.32
Bin Wash Out	\$63.12		\$63.12	\$7.01		\$70.13
Relocate Roll-Off	\$69.41		\$69.41	\$7.71		\$77.12
Roll-Off Go Back	\$69.41		\$69.41	\$7.71		\$77.12
8X26 Storage Box	\$63.12		\$63.12	\$7.01		\$70.13
90-Gallon Replacement	\$75.73		\$75.73	\$8.41		\$84.14

AMENDMENT No. 7
EXHIBIT E
CITY OF WEST COVINA
TRASH COLLECTION AND DISPOSAL
SCHEDULE OF RATES
Effective January 1, 2008

Service	Operations Component	Disposal Component	NET RATE	Franchise Fee	AB 939 Surcharge	TOTAL MONTHLY RATE
2 Can 90/90	\$18.62	\$3.55	\$22.17	\$2.46	\$0.14	\$24.77
2 Can 60/90	\$15.13	\$3.55	\$18.68	\$2.08	\$0.14	\$20.90
2 Can 90/90 (LowIncSrDsct)	\$13.26	\$3.55	\$16.81	\$1.87	\$0.14	\$18.82
2 Can 60/90 (LowIncSrDsct)	\$10.63	\$3.55	\$14.18	\$2.08	\$0.14	\$15.90
Condo/Apts 60 Gal	\$15.13	\$3.55	\$18.68	\$2.08	\$0.14	\$20.90
Scout Service						
1 Yd	\$46.34	\$4.20	\$50.54	\$5.62	\$0.14	\$56.30
1.5 Yd	\$120.77	\$6.33	\$127.10	\$14.12	\$0.14	\$141.36
3 Yd	\$141.32	\$12.62	\$153.94	\$17.10	\$0.14	\$171.18
Commercial - 3 Yd						
1 X	\$123.21	\$12.62	\$135.83	\$15.09	\$4.00	\$154.92
2 X	\$193.52	\$25.25	\$218.77	\$24.31	\$6.44	\$249.52
3 X	\$260.67	\$37.87	\$298.54	\$33.17	\$8.79	\$340.50
4 X	\$308.57	\$50.48	\$359.05	\$39.89	\$10.57	\$409.51
5 X	\$362.82	\$63.10	\$425.92	\$47.32	\$12.54	\$485.78
6 X	\$425.22	\$75.74	\$500.96	\$55.66	\$14.75	\$571.37
Commercial - 1.5 Yd						
1 X	\$97.64	\$6.33	\$103.97	\$11.55	\$3.06	\$118.58
2 X	\$152.05	\$12.62	\$164.67	\$18.30	\$4.85	\$187.82
3 X	\$196.83	\$18.93	\$215.76	\$23.97	\$6.35	\$246.08
4 X	\$241.60	\$25.26	\$266.86	\$29.65	\$7.86	\$304.37
5 X	\$284.07	\$31.63	\$315.70	\$35.08	\$9.30	\$360.08
6 X	\$344.12	\$37.87	\$381.99	\$42.44	\$11.25	\$435.68
Reinstate	\$15.30		\$15.30	\$1.70		\$17.00
Estimate	\$4.96		\$4.96	\$0.55		\$5.51
3 Yd Temporary						
3 Day	\$94.85	\$2.92	\$97.77	\$10.86		\$108.63
1 Month	\$169.31	\$12.62	\$181.93	\$20.21		\$202.14
X Dump	\$46.55	\$2.92	\$49.47	\$5.50		\$54.97
Roll-Off						
5-Day	\$505.90	\$97.11	\$603.01	\$67.00		\$670.01
Demurrage	\$12.27		\$12.27	\$1.36		\$13.63
X Bin Maintenance	\$57.31		\$57.31	\$6.37		\$63.68
Lock Lid	\$35.17		\$35.17	\$3.91		\$39.08
Auto Container Change / Deliver	\$19.93		\$19.93	\$2.21		\$22.14
Extra 90 Gal Black	\$5.03		\$5.03	\$0.56		\$5.59
Extra 90 Gal Green	\$5.03		\$5.03	\$0.56		\$5.59
Extra Auto Pickup						
90 Gallon	\$16.98		\$16.98	\$1.89		\$18.87
60 Gallon	\$13.29		\$13.29	\$1.89		\$14.77
Roll-Out Service	\$13.29		\$13.29	\$1.48		\$14.77

AMENDMENT NO. 8
TO THE AGREEMENT BETWEEN
THE CITY OF WEST COVINA
AND
ARAKELIAN ENTERPRISES, INC.
DBA ATHENS SERVICES
FOR THE COLLECTION OF SOLID WASTE,
RECYCLABLES, YARD WASTES AND OTHER COMPOSTABLES

WHEREAS, on June 2, 1999, the City of West Covina (City) entered into an Amended and Restated Agreement with Arakelian Enterprises, Inc., dba Athens Services (Contractor) to provide waste and recyclable collection in the City (Agreement); and

WHEREAS, the Contractor is permitted to submit an annual rate increase for review as provided in the Franchise Agreement; and

WHEREAS, the Contractor submitted a request for rate increase along with data and information in support of this request; and

WHEREAS, the City staff reviewed this request as set in Amendment No. 5 and determined the validity of the request.

NOW THEREFORE, the City and Contractor mutually agree as follows:

SECTION 1. Exhibit "E" of Amendment No. 7 to the Agreement hereby is deleted in its entirety and replaced in its entirety by Exhibit "E" of Amendment No. 8 attached hereto.

SECTION 2. All other provisions of the Agreement and prior Amendments shall remain in full force and effect.

DATED: _____

CITY: Sherris Lane

Sherris Lane, Mayor
§

DATED: 8/20/08

ARAKELIAN ENTERPRISES, INC.
dba ATHENS SERVICES

BY: Ron Arakelian, Jr.
Ron Arakelian, Jr., Chairman of the Board

ATTEST: _____

BY: Sue Rush

Sue Rush, Assistant City Clerk

APPROVED AS TO FORM:

BY: Arnold Alvarez-Glasman

Arnold Alvarez-Glasman, City Attorney

AMENDMENT No. 8
EXHIBIT E
CITY OF WEST COVINA
TRASH COLLECTION AND DISPOSAL
SCHEDULE OF RATES
Effective July 1, 2008

Service	Operations Component	Disposal Component	NET RATE	Franchise Fee	AB 939 Surcharge	TOTAL MONTHLY RATE
2 Can 90/90	\$19.20	\$4.00	\$23.20	\$2.58	\$0.14	\$25.92
2 Can 60/90	\$15.60	\$4.00	\$19.60	\$2.18	\$0.14	\$21.92
2 Can 90/90 (LowIncSrDsct)	\$13.67	\$4.00	\$17.67	\$1.96	\$0.14	\$19.77
2 Can 60/90 (LowIncSrDsct)	\$10.96	\$4.00	\$14.96	\$1.66	\$0.14	\$16.76
Condo/Apts 60 Gal	\$15.60	\$4.00	\$19.60	\$2.18	\$0.14	\$21.92
Scout Service						
1 Yd	\$47.78	\$4.73	\$52.51	\$5.83	\$0.14	\$58.48
1.5 Yd	\$124.52	\$7.13	\$131.65	\$14.63	\$0.14	\$146.42
3 Yd	\$145.71	\$14.21	\$159.92	\$17.77	\$0.14	\$177.83
Commercial - 3 Yd						
1 X	\$127.04	\$14.21	\$141.25	\$15.69	\$4.16	\$161.10
2 X	\$199.53	\$28.43	\$227.96	\$25.33	\$6.71	\$260.00
3 X	\$268.77	\$42.64	\$311.41	\$34.60	\$9.17	\$355.18
4 X	\$318.15	\$56.84	\$375.00	\$41.67	\$11.04	\$427.71
5 X	\$374.09	\$71.05	\$445.14	\$49.46	\$13.11	\$507.71
6 X	\$438.43	\$85.28	\$523.71	\$58.19	\$15.42	\$597.32
Commercial - 1.5 Yd						
1 X	\$100.67	\$7.13	\$107.80	\$11.98	\$3.17	\$122.95
2 X	\$156.77	\$14.21	\$170.98	\$19.00	\$5.03	\$195.01
3 X	\$202.94	\$21.32	\$224.26	\$24.92	\$6.60	\$255.78
4 X	\$249.10	\$28.44	\$277.55	\$30.84	\$8.17	\$316.56
5 X	\$292.89	\$35.62	\$328.51	\$36.50	\$9.67	\$374.68
6 X	\$354.81	\$42.64	\$397.45	\$44.16	\$11.70	\$453.31
Reinstate	\$15.78		\$15.78	\$1.75		\$17.53
Estimate	\$5.11		\$5.11	\$0.57		\$5.68
3 Yd Temporary						
3 Day	\$97.80	\$3.29	\$101.08	\$11.23		\$112.31
1 Month	\$174.57	\$14.21	\$188.78	\$20.98		\$209.76
X Dump	\$48.00	\$3.29	\$51.28	\$5.7000		\$56.98
Roll-Off						
5-Day	\$521.61	\$109.35	\$630.96	\$70.11		\$701.07
Demurrage	\$12.65		\$12.65	\$1.41		\$14.06
X Bin Maintenance	\$59.09		\$59.09	\$6.57		\$65.66
Lock Lid	\$36.26		\$36.26	\$4.03		\$40.29
Auto Container Change / Delivery	\$20.55		\$20.55	\$2.28		\$22.83
Extra 90 Gal Black	\$5.19		\$5.19	\$0.58		\$5.77
Extra 90 Gal Green	\$5.19		\$5.19	\$0.58		\$5.77
Extra Auto Pickup						
90 Gallon	\$17.51		\$17.51	\$1.95		\$19.46
60 Gallon	\$13.70		\$13.70	\$1.52		\$15.22
Roll-Out Service	\$13.70		\$13.70	\$1.52		\$15.22

AMENDMENT No. 8
EXHIBIT E
CITY OF WEST COVINA
TRASH COLLECTION AND DISPOSAL
SCHEDULE OF RATES
Effective July 1, 2008

Service	Operations Component	Disposal Component	NET RATE	Franchise Fee	AB 939 Surcharge	TOTAL MONTHLY RATE
Scout Service (Compactor)						
1 Yd	\$47.78	\$4.73	\$52.51	\$5.83	\$0.14	\$58.48
1.5 Yd	\$124.52	\$7.13	\$131.65	\$14.63	\$0.14	\$146.42
3 Yd	\$145.71	\$14.21	\$159.92	\$17.77	\$0.14	\$177.83
Commercial (Compactor)						
3 Yd						
1 X	\$127.04	\$14.21	\$141.25	\$15.69	\$4.16	\$161.10
2 X	\$199.53	\$28.43	\$227.96	\$25.33	\$6.71	\$260.00
3 X	\$268.77	\$42.64	\$311.41	\$34.60	\$9.17	\$355.18
4 X	\$318.15	\$56.84	\$375.00	\$41.67	\$11.04	\$427.71
5 X	\$374.09	\$71.05	\$445.14	\$49.46	\$13.11	\$507.71
6 X	\$438.43	\$85.28	\$523.71	\$58.19	\$15.42	\$597.32
1.5 Yd						
1 X	\$100.67	\$7.13	\$107.80	\$11.98	\$3.17	\$122.95
2 X	\$156.77	\$14.21	\$170.98	\$19.00	\$5.03	\$195.01
3 X	\$202.94	\$21.32	\$224.26	\$24.92	\$6.60	\$255.78
4 X	\$249.10	\$28.50	\$277.60	\$30.84	\$8.17	\$316.61
5 X	\$292.89	\$35.62	\$328.51	\$36.50	\$9.67	\$374.68
6 X	\$354.81	\$42.64	\$397.45	\$44.16	\$11.70	\$453.31
3 Yd Temporary (With Scout)						
3 Day	\$110.41	\$3.29	\$113.69	\$12.63		\$126.32
1 Month	\$236.05	\$14.21	\$250.26	\$27.81		\$278.07
X Dump	\$63.16	\$3.29	\$66.45	\$7.38		\$73.83
Roll-Off (Compactor)						
5 Day	\$521.61	\$109.35	\$630.96	\$70.11		\$701.07
Demurrage	\$12.65		\$12.65	\$1.41		\$14.06
Roll-Off (Comp'tr)Ovrwt	\$0.00	\$64.07	\$64.07	\$7.12		\$71.19
Commercial Barrel	\$26.67	\$4.00	\$30.67	\$3.41		\$34.98
Automated 90-Gal Black (4 unit customer - 1.5 Yd bin won't fit; req'd 2 90-gal black; same rate as bin)	\$85.23	\$15.98	\$101.21	\$11.25		\$115.44
Customer Barrel (10 unit customer; con't service from start of contract)	\$204.89	\$39.92	\$244.81	\$27.20		\$297.22
Special Services						
Roll-Off Compactor Rental	\$114.49		\$114.49	\$12.72		\$127.21
Roll-Off Compactor Wash	\$175.68		\$175.68	\$19.52		\$195.20
Bin Wash Out	\$65.08		\$65.08	\$7.23		\$72.31
Relocate Roll-Off	\$71.57		\$71.57	\$7.95		\$79.52
Roll-Off Go Back	\$71.57		\$71.57	\$7.95		\$79.52
8X26 Storage Box	\$65.08		\$65.08	\$7.23		\$72.31
90-Gallon Replacement	\$78.08		\$78.08	\$8.68		\$86.76