

**AMENDMENT #1  
TO  
SOLID WASTE COLLECTION  
FRANCHISE AGREEMENT**

**BETWEEN  
THE COUNTY OF SAN LUIS OBISPO**

**AND  
SAN MIGUEL GARBAGE COMPANY**

**November 2023**

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This Amendment #1 to the Solid Waste Collection Franchise Agreement between the County of San Luis Obispo and San Miguel Garbage Company ("Amendment #1"), is made and entered into between the County of San Luis Obispo, a political subdivision of the State of California (hereafter "County") and San Miguel Garbage Company, a California corporation ("Franchisee"), each of which may be referred to individually as a "Party" or together as the "Parties."

## RECITALS

This Amendment #1 is made and entered into on the basis of the following facts, understandings, and intentions of the Parties:

**WHEREAS**, the Parties entered into a Solid Waste Collection Franchise Agreement between the County of San Luis Obispo and San Miguel Garbage Company on May 5, 2009, ("Agreement"); and

**WHEREAS**, Article 4.5 of the Agreement provides the County with the right to request the Franchisee to modify the scope of one or more types of services described in the Agreement, or to otherwise modify its performance under the Agreement, subject to providing additional compensation; and

**WHEREAS**, SB 1383 establishes regulatory requirements for jurisdictions, Generators, haulers, solid waste facilities, and other entities to support the achievement of state-wide organic waste disposal reduction targets; and

**WHEREAS**, SB 1383 requires the County to implement collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and the County has chosen to delegate some of its responsibilities to the Franchisee, acting as the County's designee, through this Agreement; and

**WHEREAS**, the County has applied for and been granted a five-year Low Population Waiver by CalRecycle under Title 14 of the California Code of Regulations Section 18984.12 ("the CalRecycle Waiver") which exempts the County from performing certain obligations that would otherwise be imposed by the terms of SB 1383 within the Franchise Area; and

**WHEREAS**, both Parties have, in good faith, negotiated changes to the Agreement necessary to support the County's compliance with SB 1383, as set forth herein.

**NOW, THEREFORE,** in consideration of the mutual promises, covenants, and conditions herein contained, the County and Franchisee do hereby agree as follows:

1. **EFFECTIVE DATE; TERM OF AGREEMENT.**

This Amendment #1 shall become effective on the date on which the latter of the two Parties signs this Agreement. Section 3.2.1 of the Agreement shall be deleted in its entirety and replaced with the following language: "The Term of this Agreement shall expire on June 30, 2044, unless extended by the Parties as provided in Article 3.4 (Option to Extend) of the Agreement."

2. **PROGRAM AMENDMENTS TO AGREEMENT.**

**ARTICLE 1.  
DEFINITIONS**

Article 1 of the Agreement is hereby amended to add or modify the following definitions:

**"1383 RNG"** or **"1383 Qualified Renewable Natural Gas"** means SB 1383 qualified gas derived from Organic Waste that has been Diverted from a landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

**"AB 1826"** means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as "AB 1826," as amended, supplemented, superseded, and replaced from time to time.

**"AB 341"** means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as "AB 341", as amended, supplemented, superseded, and replaced from time to time.

**"AB 901"** means Assembly Bill 901 approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered, and added Section 41821.6 of, and added Sections 41821.7 and 41821.8 to, the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time.

**"Applicable Law"** means all Federal, State, County, and local laws, regulations, rules, orders, judgments, degrees, permits, approvals, or other requirement of any governmental agency



having jurisdiction over the Collection, Transportation, and Processing of Recyclable Materials, Organic Materials, and Solid Waste that are in force on the Effective Date and as may be enacted, issued, or amended during the Term of this Agreement. Applicable Law includes but is in no way limited to, AB 939, AB 341, AB 1826, AB 901, and SB 1383.

**“Approved Facility(ies)”** means any one of or any combination of the: Approved Recyclable Materials Processing Facility; Approved Organic Materials Processing Facility; and/or Approved Disposal Facility.

**“Approved Disposal Facility”** means the City of Paso Robles Landfill, Chicago Grade Landfill, and any other similar facility which has been selected by the Franchisee.

**“Approved Organic Materials Processing Facility”** means the Buckeye Processing & Materials Recovery Facility (MRF) in San Miguel, and any other similar facility selected by the Franchisee.

**“Approved Processing Facility(ies)”** means any one of or any combination of the approved Recyclable Materials Processing Facility or Approved Organic Materials Processing Facility.

**“Approved Recyclable Materials Processing Facility”** means the Buckeye Processing & MRF in San Miguel, or any other similar facility selected by the Franchisee.

**“Bin”** means a Container with a capacity of approximately one (1) to eight (8) cubic yards, with a hinged lid, and with wheels (where appropriate), that is serviced by a front or rear end-loading Collection vehicle, including Bins with Compactors attached to increase the capacity of the Bin.

**“Business Days”** mean days during which the County and Franchisee offices are open to do business with the public.

**“California Code of Regulations”** or **“CCR”** means the State of California Code of Regulations. CCR references in this Agreement are preceded by a number that refers to the relevant Title of the CCR (e.g., “14 CCR” refers to Title 14 of CCR).

**“Cart”** means a plastic Container with a hinged lid and wheels that is serviced by an automated or semi-automated Collection vehicle. A Cart has a capacity of twenty (20), thirty-two (32), sixty-four (64), or ninety-six (96) gallons (or similar volumes). All of the

capacity designations set forth herein and elsewhere in this Agreement are approximate measurements.

**"Collect"** or **"Collection"** (or any variation thereof) means to take physical possession, Transport, and remove Solid Waste, Recyclable Materials, Organic Materials, and other materials at the place of generation in the County.

**"Commercial"** shall mean of, from, or pertaining to non-Residential Premises where business activity is conducted, including, but not limited to, retail sales, services, wholesale operations, manufacturing, and industrial operations, but excluding businesses conducted upon Residential property which are permitted under applicable zoning regulations and are not the primary use of the property.

**"Compactor"** means a mechanical apparatus that compresses materials together with the Container that holds the compressed materials or the Container that holds the compressed materials if it is detached from the mechanical compaction apparatus. Compactors include two (2) to eight (8) cubic yard Bin Compactors serviced by front-end loader Collection vehicles and ten (10) to fifty (50) cubic yard Drop Box Compactors serviced by roll-off Collection vehicles.

**"Complaint"** shall mean each written or orally communicated statement made by any Person, whether to County or Franchisee, alleging: (1) non-performance, or deficiencies in Franchisee's performance, of its duties under this Agreement; (2) a violation by Franchisee of this Agreement; or (3) an SB 1383 non-compliance complaint as required under 14 CCR Section 18995.3.

**"Compost"** (or any variation thereof) includes a controlled biological decomposition of Organic Materials yielding a safe and nuisance-free Compost product.

**"Compostable Plastic"** (or any variation thereof) means plastic materials that meet the American Society for Testing Materials (ASTM) D6400 standard for Compostability.

**"Container"** means Bins, Carts, and Compactors.

**"Curb"** or **"Curbside"** (or any variation thereof) means the cornered edging between the street and sidewalk. Curb or Curbside also means and describes the location of a Collection Container for pick-up, where such Container is placed on the street or alley against the face of the Curb, or where no Curb exists, the Container is placed not more than five (5) feet from

the outside edge of the street or alley nearest the property's entrance or in an area otherwise deemed safe for collections.

**"Customer"** means the Person to whom Franchisee submits its billing invoice and collects payment for Collection services provided to a Premises. The Customer may be the Occupant or Owner of the Premises, or a representative of those persons or entities.

**"Designated Waste"** means non-Hazardous Waste which may pose special Disposal problems because of its potential to contaminate the environment, and which may be disposed of only in Class II Disposal sites or Class III Disposal sites pursuant to a variance issued by the California Department of Health Services. Designated Waste consists of those substances classified as Designated Waste by the State, in California Code of Regulations Title 27, Section 20210 as may be amended from time to time.

**"Discarded Materials"** means Recyclable Materials, Organic Materials, and Refuse placed by a Generator in a receptacle and/or at a location for the purposes of Collection by Franchisee, excluding Excluded Waste.

**"Dispose"** or **"Disposal"** (or any variation thereof) means the final disposition of Refuse, or Processing Residue at a Disposal Facility.

**"Disposal Facility"** means a landfill, or other facility for ultimate Disposal of Refuse.

**"Divert"** or **"Diversion"** (or any variation thereof) means to prevent Discarded Materials from Disposal at landfill or transformation facilities, (including facilities using incineration, pyrolysis, distillation, gasification, or biological conversion methods) through source reduction, reuse, Recycling, Composting, anaerobic digestion, or other method of Processing, subsequent to the provisions of AB 939. Diversion is a broad concept that is to be inclusive of material handling and Processing changes that may occur over the Term including, but not limited to, changes in standard industry practice or implementation of innovative (but not necessarily fully proven) techniques or technology that reduce Disposal risk, decrease costs, and/or are for other reasons deemed desirable by the County.

**"Dwelling Unit"** means any individual living unit in a Single-Family dwelling (SFD) or Multi-Family dwelling (MFD) structure or building, a mobile home, or a motor home located on a permanent site intended for, or capable of being utilized for, Residential living other than a Hotel or Motel.

**“Edible Food”** means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Refuse if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food safety requirements of the California Health and Safety Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

**“E-Waste”** means discarded electronic equipment including, but not limited to, televisions, computer monitors, central processing units (CPUs), laptop computers, computer peripherals (including external hard drives, keyboards, scanners, and mice), printers, copiers, facsimile machines, radios, stereos, stereo speakers, VCRs, DVDs, camcorders, microwaves, telephones, cellular telephones, and other electronic devices. Some E-Waste or components thereof may be Hazardous Waste or include Hazardous Substances and thus require special handling, Processing, or Disposal.

**“Excluded Waste”** means Hazardous Substance, Hazardous Waste, Infectious Waste, Designated Waste, volatile, corrosive, biomedical, infectious, biohazardous, and toxic substances or material, waste that Franchisee reasonably believes would, as a result of or upon Disposal, be a violation of local, State, or Federal law, regulation, or ordinance, including land use restrictions or conditions, waste that cannot be Disposed of in Class III landfills, waste that in Franchisee’s reasonable opinion would present a significant risk to human health or the environment, and cause a nuisance or otherwise create or expose Franchisee or the County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code. Excluded Waste does not include Used Motor Oil or Used Motor Oil Filters when properly placed for Collection by Franchisee, as set forth in this Agreement.

**“Federal”** means belonging to or pertaining to the Federal government of the United States.

**“Food Recovery”** means actions to Collect and distribute food for human consumption which otherwise would be Disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

**“Food Scraps”** means those Discarded Materials that will decompose and/or putrefy including: (i) all kitchen and table Food Waste; (ii) animal or vegetable waste that is generated during or results from the storage, preparation, cooking, or handling of food

stuffs; (iii) fruit waste, grain waste, dairy waste, meat, and fish waste; and (iv) vegetable trimmings, houseplant trimmings and other Compostable Organic Waste common to the occupancy of Residential dwellings. Food Scraps are a subset of Food Waste.

**“Food-Soiled Paper”** means Compostable paper material that has come in contact with Food Scraps or liquid, such as, but not limited to, Compostable paper plates, napkins, and pizza boxes. Food-Soiled Paper is a subset of Food Waste.

**“Food Waste”** means Source Separated Food Scraps and Food-Soiled Paper. Food Waste is a subset of Organic Materials.

**“Generator”** means any Person whose act or process produces Discarded Materials as defined in the Public Resources Code, or whose act first causes Discarded Materials to become subject to regulation.

**“Green Waste”** means those Discarded Materials that will decompose and/or putrefy, including, but not limited to, green trimmings, grass, weeds, leaves, prunings, branches (<6” dia.), dead plants, brush (maximum of 4-foot lengths), tree trimmings, dead trees, Christmas trees, small pieces of unpainted and untreated wood, and other types of Organic Materials resulting from normal yard and landscaping maintenance that may be specified in Applicable Law for Collection and Processing as Organic Materials under this Agreement. Yard Trimmings does not include items herein defined as Excluded Waste or yucca. Yard Trimmings are a subset of Organic Materials. Yard Trimmings placed for Collection must fit within the Franchisee-provided Container.

**“Hazardous Substance”** means any of the following: (a) any substances defined, regulated, or listed (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous Wastes", "toxic waste", "pollutant", or "toxic substances", or similarly identified as hazardous to human health or the environment, in or pursuant to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §5101, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules, or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste, or pollutant identified as hazardous or toxic or regulated under any other Applicable Law currently existing

or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyls (PCBs), petroleum, natural gas, and synthetic fuel products, and byproducts.

**“Household Hazardous Waste”** or **“HHW”** means Hazardous Waste generated at Residential Premises within the County. HHW includes: paint, stain, varnish, thinner, adhesives, auto products such as old fuel, Used motor oil and filter, used oil filter, batteries, household batteries, fluorescent bulbs, tubes, cleaners and sprays, pesticides, fertilizers and other garden products, needles, syringes, and lancets.

**“Infectious Waste”** means biomedical waste generated at hospitals, public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities, and other similar establishments that are identified in Health and Safety Code Section 25117.5 as may be amended from time to time.

**“IWMA”** or **“San Luis Obispo County Integrated Waste Management Authority”** means the Joint Powers Authority that has the responsibilities as defined by the Joint Powers Agreement related to the County’s compliance with Applicable Law. The County may, at its discretion, designate to the IWMA certain responsibilities and rights of the County related to reporting, monitoring, and education requirements as specified in this Agreement, or subsequent written authorization by the County.

**“Liquidated Damages”** means the amounts due by Franchisee for failure to meet specific quantifiable standards of performance as described in Section 12.4 of the Agreement.

**“Low Population Area(s)”** means the certain regions of the County that have a valid low population waiver, granted by CalRecycle, in accordance with the criteria and process specified in 14 CCR Section 18984.12(a).

**“Multi-family Dwelling Unit”** means any Premises, other than a Single-Family Dwelling Unit, with five (5) or more Dwelling Units used for residential purposes, irrespective of whether the resident therein is transient, temporary, or permanent, including such Premises when combined in the same building with Commercial establishments, that receive centralized, shared, Collection service for all units on the Premises which are billed to one (1) Customer at one (1) address. Customers residing in Townhouses, mobile homes, condominiums, or other structures with five (5) or more Dwelling Units who receive centralized, shared, Collection service for all units on the Premises which are billed to one (1) Customer at one (1) address shall be considered Multi-Family.



**“Occupant”** means the Person who occupies a Premises.

**“Organic Materials”** means Yard Trimmings and Food Waste, individually or collectively. No Discarded Materials shall be considered Organic Materials, however, unless they are separated from Recyclable Material and Refuse. Organic Materials are a subset of Organic Waste.

**“Organic Waste”** means wastes containing material originating from living organisms and their metabolic waste products including, but not limited to, food, Yard Trimmings, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

**“Party”** or **“Parties”** is defined in the introductory paragraph of this Agreement.

**“Premises”** means any land or building in the County where Discarded Materials are generated or accumulated.

**“Process”** or **“Processing”** means to prepare, treat, or convert through some special method.

**“Processing Facility”** means any plant or site used for the purpose of sorting, cleansing, treating, or reconstituting Recyclable Materials for the purpose of making such material available for Recycling or reuse or the facility for the Processing and/or Composting of Organic Materials.

**“Prohibited Container Contaminants”** means the following: (i) Discarded Materials placed in the Recyclable Materials Container that are not identified as acceptable Recyclable Materials for the County’s Collection program; (ii) Discarded Materials placed in the Organic Materials Container that are not identified as acceptable Organic Materials for the County’s Collection program; (iii) Discarded Materials placed in the Refuse Container that are acceptable Recyclable Materials and/or Organic Materials to be placed in the County’s Recyclable Materials or Organic Materials Containers or otherwise managed under the County’s Collection program; and (iv) Excluded Waste placed in any Container.

**“Recyclable Materials”** or **“Recyclables”** means byproducts or discards set aside, handled, packaged, or offered for Collection from Residential, Commercial, governmental or industrial Customers in a manner different from Refuse or Organic Materials, including,

but not limited to, aluminum, newspaper, clear and colored glass, tin and bi-metal, all plastic containers, cardboard, chipboard, magazines, mixed paper (including magazines, phone books, and junk mail) and motor oil and filters (separately collected), and other materials which can be processed and returned to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, but excluding paper tissues, paper towels, paper contaminated with food, Tyvek non-tearing paper envelopes, and expanded Polystyrene (EPS). Acceptable Recyclable Materials may be added to or removed from this list from time to time by mutual consent or automatically if otherwise required by Applicable Law.

**“Refuse”** shall mean Solid Waste, other than Recyclable Material and Organic Waste.

**“Residential”** shall mean of, from, or pertaining to a Single-Family Dwelling Unit or Multi-Family Dwelling Unit including Single-Family homes, apartments, condominiums, Townhouse complexes, mobile home parks, and cooperative apartments.

**“Residue”** means those materials which, after Processing, are Disposed rather than Recycled due to either the lack of markets for materials or the inability of the Processing Facility to capture and recover the materials.

**“SB 1383”** means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time. For the purposes of this Agreement, SB 1383 specifically refers to the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted on November 3, 2020, that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.

**“Self-Haul”** or **“Self-Hauler”** means a Person who hauls Discarded Materials, recovered material, or any other material, to a solid waste facility, operation, activity, or property that processes or recovers Solid Waste or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who back-hauls waste, as defined in 14 CCR Section 18982(a)(66)(A).



**“Service Level”** refers to the size of a Customer’s Container and the frequency of Collection service.

**“Single Family Dwelling Unit”** or **“Single-Family”** or **“SFD”** means, notwithstanding any contrary definition in the County Code, any detached or attached house or residence designed or used for occupancy by one (1) family, provided that Collection service feasibly can be provided to such Premises as an independent unit, and the Owner or Occupant of such independent unit is billed directly for the Collection service. Single-Family includes Townhouses that maintain individual collection services regardless of whether each unit is separately billed for their specific Service Level. Single-Family also includes duplex, tri-plex, or four-plex Residential structures regardless of whether each unit maintains individual collection service or is separately billed for their specific Service Level.

**“Solid Waste”** means Solid Waste as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, §40191 and regulations promulgated thereunder.

**“Source Separated”** means the segregation, by the Generator, of materials designated for separate Collection for some form of Recycling, Composting, recovery, or reuse.

**“State”** means the State of California.

**“Ton”** or **“Tonnage”** means a unit of measure for weight equivalent to two thousand (2,000) standard pounds where each pound contains sixteen (16) ounces.

**“Townhouse”** means an attached or semi-attached Dwelling Unit within a group of attached or semi-attached Dwelling Units. A Townhouse shall be considered a Single-Family Dwelling Unit if each unit maintains an individual Collection service subscription. A Townhouse shall be considered a Multi-Family Dwelling Unit if the Premise receives centralized, shared, Collection service for all units on the Premise. These shall be the designations regardless of whether the Premises are billed individually or through a central account (e.g., homeowner association, property manager).

**“Transfer”** means the act of transferring the materials Collected by Franchisee in its route vehicles into larger vehicles for Transport to other facilities for the purpose of Recycling or Disposing of such materials.

**“Transport”** or **“Transportation”** means the act of conveying Collected materials from one location to another.”

**ARTICLE 4.**  
**SCOPE OF AGREEMENT**

**4.2 Limitations of Scope**

6. Article 4, Section 4.2.2 of the Agreement is hereby amended to include the following:

4.2.2.5 The hauling of byproducts from the Processing of food or beverages and use of such material as animal feed if the byproducts originate from agricultural or industrial sources, do not include animal (including fish) Processing byproducts, are Source Separated by the Generator of the byproducts, and are not discarded; and if the use as animal feed is in accordance with 14 CCR Section 18983.1(b)(7).

4.2.2.6 Franchisee shall cooperate with and shall not impede, interfere, or attempt to impede or interfere with the implementation, expansion, or operation of Edible Food Recovery efforts in the County.

**ARTICLE 5.**  
**DIRECT SERVICES**

**5.4 Recyclable Materials to be Collected**

B. Article 5, Section 5.4.3 of the Agreement is hereby amended to read as follows:

5.4.3 Franchisee shall provide Organic Materials collection service to all solid waste customers included in the rate schedule established by the Board of Supervisors through the rate-setting process.

**5.5 Refusal to Provide Collection Services**

C. Article 5, Section 5.5.1 of the Agreement is hereby amended to read as follows:

5.5.1 Franchisee may refuse to Collect Refuse, Recyclable Materials or Organic Materials and shall not be obligated to continue to provide Container(s) to any Customer in cases of non-payment for services, or to any Customer who, after reasonable warning by Franchisee, fails to properly sort and set out Refuse, Recyclable Materials or Organic Materials, including excessive contamination. Franchisee shall report to the County any warning notices issued to Customer.

**5.21 Disposition of Unauthorized Waste**

D. Article 5, Section 5.21.1 of the Agreement is hereby amended to read as follows:

5.21.1 It is understood that Franchisee is not authorized and is not required hereunder to Collect and transport Hazardous Waste or restricted or other waste that is not acceptable or permitted for disposal at a Transfer Station, Materials Recovery Facility, or Disposal Site. In addition, Franchisee shall not be required to Collect Containers that are not set out or filled in accordance with, or do not meet Franchisee's Collection requirements. Regardless of the reason, when any Refuse, Recyclable Materials, or other material is not Collected by Franchisee, Franchisee shall either communicate with the customer by telephone, e-mail or some other means, or leave a company imprinted tag with Franchisee contact information on the tag, and shall in all cases inform the customer of the reasons for Franchisee's refusal to Collect the same. Adequate records of the method of communication and the reason for the refusal to Collect materials shall be maintained by Franchisee and shall be available to the County for inspection upon reasonable notice during business hours.

**5.23 SB 1383**

E. Article 5, Sections 5.23.1 shall be added to the Agreement as follows:

5.23.1 As of the Effective Date, the Franchise Area qualifies as a Low-Population Area and the County has been granted a CalRecycle Waiver. Under the Agreement, Franchisee is currently providing services to Customers beyond that required for Low-Population Areas granted Waivers, and Franchisee shall continue to provide such services. Franchisee may, but shall not be required to, provide services that are subject to the CalRecycle Waiver. As Low-Population waivers granted by CalRecycle are only valid for a period of up to five (5) years, the qualifying areas are subject to change. If, during the Term of the Agreement, the County is granted a waiver that expands the Low-Population Areas, or if the County's waiver(s) are no longer valid, resulting in a reduction in the number of the Low-Population Areas, any resulting Collection service changes shall be addressed by Franchisee and County by working in good faith to amend the scope of the Agreement, as may be necessary and in accordance with Section 4.5. Additionally, as Franchisee is required to comply with all Laws in performing services under the Agreement, Franchisee shall, without any further amendment to the Agreement, provide all services and perform all obligations required of haulers if and when there are any changes in the status of the waiver(s) which apply to the Franchise Area, provided that the costs of providing such services and performing such obligations are approved by the County

and reflected in the rates that the Franchisee is allowed to charge to and collect from Customers.

**ARTICLE 6.**  
**OTHER SERVICES: BILLING, REPORTING, RECORD-KEEPING AND**  
**PUBLIC EDUCATION**

**6.9 Public Education**

F. Article 6, Section 6.9 of the Agreement is hereby amended to read as follows:

6.9.1 Franchisee acknowledges and agrees that education and public awareness are critical, key, and essential elements of any efforts to achieve AB 939, AB 341, AB 1826, and SB 1383 requirements. Accordingly, Franchisee agrees to take direction from the County to exploit opportunities to expand public and customer knowledge concerning needs and methods to divert Solid Waste and Recyclables from Disposal by reducing the amount of Solid Waste generated and/or accumulated by Recycling or other appropriate waste Diversion strategies and to cooperate fully with the County in this regard. Franchisee acknowledges that it is part of a multi-party effort to operate and educate the public about the regional integrated waste management system. Franchisee shall cooperate and coordinate with the Director on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns. The Franchisee shall cooperate with and shall not impede, interfere, or attempt to impede or interfere with the implementation, expansion, or operation of public education and outreach programs or campaigns conducted by the County or its designee.

6.9.1.1 Franchisee shall cooperate and coordinate with the County, or its designee, on all Franchisee-provided public education materials outside of the County's education plan, including, but not limited to print, radio, television, or internet media before publication, distribution, and/or release. The County shall have the right to request that Franchisee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld.

6.9.2 Franchisee shall maintain its own program of providing information relevant to billing and solid waste services, issues, and needs with its bills. If requested by the County, Franchisee shall include an additional message promoting participation in recycling and Organic Materials programs as directed by the County. Franchisee shall bear all labor costs with respect to inserting public education materials

with the billings. The County shall bear any additional postage expense resulting from any County inserts and shall bear other expenses related to the inserts to the extent said expenses are clearly in excess of Franchisee's normal billing costs.

6.9.3 At the direction of the County, Franchisee shall participate in and promote AB 939, AB 341, AB 1826, and SB 1383 activities and other Solid Waste management techniques at community events and local activities. Such participation would normally include providing educational and publicity information promoting the goals and programs of the County's Solid Waste program. Prior to requiring Franchisee to perform any acts under this Section 6.9.3, all costs incurred by Franchisee in complying with this Section shall be approved by the County and reflected in the rates that Franchisee is allowed to charge to and collect from Customers in accordance with Section 4.5.

## **6.11 Procurement of Recovered Organic Waste Products**

G. Article 6, Section 6.11 is hereby added to the Agreement as follows:

6.11.1 **1383 RNG Vehicles.** In the event Franchisee utilizes collection vehicles powered by 1383 RNG, Franchisee shall maintain records of the amount of any 1383 RNG purchased or used to fulfill its obligations under this Agreement and shall report this information to the County. Franchisee shall agree to the County's right to report this 1383 RNG usage toward the County's fulfillment of its annual recovered Organic Waste product procurement target in accordance with 14 CCR Section 18993.1."

6.11.2 **Power.** To the extent that any electricity produced from the Approved Organic Materials Processing Facility qualifies for the County's procurement credit under SB 1383, the County shall be allocated its proportional share of such qualified electricity usage based on the inbound tonnage delivered by the County divided by the total inbound tonnage of the Approved Organic Materials Processing Facility for that same time period.

6.11.3 **Compost Give-Away Program.** During each Calendar Year, Franchisee shall make available for distribution a total of at least twenty-five (25) tons of Compost to the County and County residents. Franchisee may provide delivery of these materials to County residents, keep stocked a County-provided bunker for the County and County residents to access these materials and/or participate in Compost Give-Away Events. The location of these events and the County-provided bunker shall be within the area serviced by the Franchisee, and the date and timing of such events and this Program shall be mutually determined and agreed upon by the County and Franchisee, with adequate notice, and may be held in conjunction

with other County-approved events. Franchisee shall deliver the Compost to the agreed-upon event location at no cost to the County.

**ARTICLE 7.  
PAYMENTS TO COUNTY**

**7.2 AB 939/SB 1383 Fee**

H. Article 7, Section 7.2 of the Agreement is hereby retitled, and amended to read as follows:

7.2.1 If requested by the County, Franchisee shall pay an AB 939 and/or SB 1383 fee, to be specified annually by the County. Prior to establishing such a fee, said fee shall be approved by the County and reflected in the rates that Franchisee is allowed to charge and collect from Customers, as a pass-through cost.

**ARTICLE 9.  
RECORDS, REPORTS AND INFORMATION, STUDIES  
AND HEARING REQUIREMENTS**

**9.1 Records**

I. Article 9, Sections 9.1.1 of the Agreement are hereby amended to read as follows:

9.1.1 "Franchisee shall maintain records pursuant to Exhibit C, Section 2 and as is required to conduct its operations, to support requests it may make to the County, to respond to requests of the County, and to help the County fulfill its obligations under Applicable Laws including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, SB 1383, and other current or future Federal, State or local regulations. Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated such as a fire, theft, and earthquake. Electronically maintained data and records shall be protected and an adequate backup system shall be provided for such data and records. Franchisee represents and warrants that its protection and backup systems comply with industry standards.

**9.4 Report Formats and Schedule**

J. Article 9, Section 9.4.1 of the Agreement is hereby amended to read as follows:

9.4.1 Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Franchisee shall submit all

reports to the County electronically via e-mail using industry-standard software that is utilized by Franchisee or Microsoft Excel spreadsheets. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:"

## **9.5 Quarterly Reports**

K. Article 9, Section 9.5.1.5 is hereby added to the Agreement:

9.5.1.5 "All requirements for Quarterly Reports specified in Exhibit C."

## **9.8 Additional Reports**

L. Article 9, Section 9.8 is hereby added to the Agreement:

9.8.1 **"SB 1383 Reporting.** At the County or its designee's discretion, the County or its designee may require that the Franchisee provide the County with the data the County needs to comply with a CalRecycle request for access to the County's Implementation Record, to the extent available to Franchisee, within five (5) Business Days of the request."

## **ARTICLE 12. DEFAULT, REMEDIES AND LIQUIDATED DAMAGES**

### **12.4.8 Violations: SB 1383**

M. Article 12, Section 12.4.8 is hereby added to the Agreement as follows:

12.4.8 "Violations: SB 1383

12.4.8.1 **Use of Unauthorized Facilities.** For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies), described in Article 1, for each Discarded Material type under this Agreement: \$100/Ton/occurrence.

12.4.8.2 **Failure to Perform Public Education and Outreach.** For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by this Agreement: \$300/occurrence.

### **Exhibit C Recordkeeping and Reporting**

- N. Exhibit C, Recordkeeping and Reporting, attached to this Amendment #1, is hereby added to the Agreement.

**3. Interpretation.**

- A. The amendment of the definition of the term "Solid Waste" in this Agreement was intended to align the definition with the definition provided in the Public Resources Code. By amending this definition, the Parties did not intend to substantively alter the Parties' preexisting obligations under this Agreement. Notwithstanding the foregoing, and for the sake of providing clarity with respect to the following specific provisions, the term "Solid Waste" shall be replaced by the term "Refuse" in Sections 5.14.1, 5.14.2, 5.14.3, 5.14.4, 5.19.3, 6.9.1, 9.1.2.2, 9.1.2.7, 9.5.1.1, 9.6.1.2, 9.6.1.4, 17.5, 17.8, and 17.10 of this Agreement.
- B. The terms "greenwaste" or "green waste," wherever found in the Agreement, shall be deleted, and replaced with the term "Organic Materials."

**4. Ratification.**

All terms and provisions of the Franchise Agreement not amended hereby, either expressly or by necessary implication, shall remain in full force and effect. From and after the date of this Amendment #1, all references to the terms "Franchise Agreement" and "Agreement" in the Agreement shall include the terms contained in this Amendment #1.

**5. Counterparts.**

This Amendment #1 may be executed in one or more original counterparts, each of which shall be deemed an original and which together shall constitute one and the same instrument.

**6. Conflicting Provisions.**

In the event of any conflict between the original terms of the Agreement or any prior amendment to the Agreement and this Amendment #1, the terms of this Amendment #1 shall prevail.

**7. Authorization.**

Each Party executing this Amendment #1 represents and warrants that it is duly authorized to cause this Amendment #1 to be executed and delivered.



The remainder of this page intentionally left blank.

**IN WITNESS WHEREOF**, the parties have executed this Amendment #1 as of the latter of the dates set forth below.

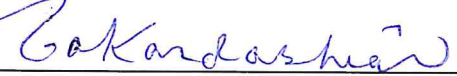
COUNTY OF SAN LUIS OBISPO

By:   
Chairperson of the Board of Supervisors

Dated: 11/28/23

FRANCHISEE

San Miguel Garbage Company, Inc.

By: 

Name: George Kardashian

Title: President

Date: 11-7-2023

ATTEST: Rebecca Campbell  
Acting County Administrative Officer  
Ex-Officio Clerk of the Board of Supervisors

By:   
Deputy Clerk

Dated: 11/28/23

APPROVED AS TO FORM:

P. TERENCE SCHUBERT, ESQ.

By:   
Attorney

San Miguel Garbage Company

Date: 9 November 2023

APPROVED AS TO LEGAL FORM AND  
LEGAL EFFECT:

RITA L. NEAL  
County Counsel

By:   
Deputy County Counsel

Date: November 7, 2023

L:\Solid Waste\2023\_CC\ San Miguel Garbage Amendment No. 1.docx

The undersigned Deputy Clerk of the Board of Supervisors certifies that, pursuant to Section 25103 of the Government Code, delivery of this document has been made on 11/30/23

Rebecca Campbell  
Acting County Administrative Officer  
County Clerk of the Board and Ex-Officio Clerk of the Board of Supervisors

By:   
Deputy Clerk

## Exhibit C Recordkeeping and Reporting

### C.1 General

Franchisee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or County Code. Franchisee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with the Parties' obligations under Applicable Laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. At the written direction or approval of the County, the records and reports to be maintained and provided by Franchisee in accordance with this Exhibit and other Articles of the Agreement may be adjusted in number, format, and frequency if required to comply with State or Federal regulatory or reporting requirements.

Information from Franchisee's records and reports can be used to, among other things:

1. Determine and set Rates and evaluate the financial efficacy of operations; and
2. Evaluate past and expected progress toward achieving the Franchisee's Landfill Disposal reduction or Diversion goals and objectives; and
3. Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law; and
4. Determine the need for adjustment to programs; and
5. Evaluate Customer service and Complaints; and
6. Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and any subsequent State-mandated landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

### C.2 Record Keeping

- A. **General.** Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law.

Franchisee shall maintain adequate records and corresponding documentation, of information required by this Exhibit, such that the Franchisee is able to produce accurate reports as required by this Agreement and Applicable Law, and is able to provide records to verify such reports. Franchisee will make these records available

and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law. Upon request by the County, Franchisee shall provide access to Franchisee's requested records in a timely manner, in compliance with Applicable Law.

- B. **Record Retention and Security.** Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed, pursuant to this Exhibit. Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. Unless otherwise required in this Exhibit, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Records and data shall be in a chronological and organized form and readily and easily interpreted. Franchisee shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically maintained data and records shall be protected and backed-up.

- C. **Compilation of Information for State Law Purposes.** Franchisee shall maintain accurate records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Franchisee will make these records available and provide to the County and its designee, any record or documentation necessary for the County to fulfill obligations under Applicable Law.

### **C.3 Reporting**

#### **C.3.1 General**

- A. **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet the County's current and future reporting requirements to CalRecycle, under Applicable Law.
- B. **Failure to Report.** Failure of Franchisee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 12.4 of this Agreement. Franchisee's repeated failure to submit reports, and/or failure to submit

reports on time, may be deemed an event of default and may result in the termination of the Agreement, in accordance with Article 11 of this Agreement.

- C. **Submittal Process.** All reports shall be submitted to the County or as directed by the Director. Reports shall be submitted electronically via e-mail or uploaded to a document-sharing platform agreed upon by the Parties. The County reserves the right to require the Franchisee to maintain records and submit the reports required herein through the use of a County selected web-based software platform, at the Franchisee's expense.

### **C.3.2 Quarterly Reports**

Quarterly reports shall be submitted by Franchisee to the County, with a copy to the designee and shall include the following information pertaining to the most recently completed quarter. In addition, each quarterly report shall include a year-to-date summary page that includes the data submitted from the quarterly report(s) submitted in the calendar year prior to the submittal of the current quarterly report. Franchisee shall report the information included in the following subsections.

#### **A. Tonnage Report**

1. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocol. Tonnage shall be reported separately by:
  - a. Material type, which shall include separate reporting of Source Separated Recyclable Materials, Source Separated Organic Materials, Refuse, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, used oil, dirt, rock, metals, Cardboard, wood waste, Salvageable Materials, etc.); and
  - b. Customer/sector type (Single-Family, Multi-family, Commercial); and
  - c. Approved Facility and Facility type.
2. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.

#### **B. Collection and Subscription Report**

1. Number of Containers at each Service Level by Customer Type and program, including:
  - a. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.
  - b. Calculation of the average volume of service received per Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and Commercial Customer.
2. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart and Bin Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.

### **C.3.3 Annual Reports**

In addition to the quarterly reporting requirements in this Exhibit and Section 9.5, the Franchisee shall provide an Annual Report, covering the most recently completed calendar year, in accordance with the format and submittal requirements of this Exhibit. The Annual Report shall include the information in the following subsections.

#### **A. Collection and Subscription Report**

1. A summary of all data provided in the Tonnage report section, including quarterly and annual totals and averages.
2. The type(s) of Collection service(s) provided, a list of all hauler routes serviced, and a record of the addresses served on each hauler route.
3. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by Service Level and Container type (Cart and Bin service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material.
4. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Refuse Container Waste, Recyclable Materials, and Organic Materials Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted).

#### **B. Processing Facility Report**

1. Temporary Equipment or Operations Failure: If the Franchisee is granted a Processing facility temporary equipment or operational failure waiver Franchisee shall provide all documents and information necessary for the County to comply with 14 CCR §§ 18984.13.
2. Quarantined Organic Waste: If the Franchisee disposes of quarantined Organic Waste, Franchisee shall provide all documents and information necessary for the County to comply with 14 CCR § 18984.14(a)(6) and (7).

#### **C. Vehicle and Equipment Inventory**

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage on December 31.
2. If applicable, the name, physical location, and contact information of each entity, operation, or facility from whom the 1383 RNG was procured.
3. If applicable, the total amount of 1383 RNG procured by the Franchisee for use in Franchisee vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing the amount of 1383 RNG that has been procured. In addition to the amount procured, Franchisee shall include the total amount actually used in Franchisee vehicles in providing services under the Franchise Agreement during the calendar year, if these values are different.

#### **D. Public Education and Outreach Report**

1. Franchisee shall provide its customers with information, through the use of flyers, brochures, newsletters, invoice messaging, and/or website and social media postings that Franchisee provides to its customers regarding (a) organics recycling, (b) the Franchisee's organic waste generator's requirements to properly separate materials in appropriate containers pursuant to Applicable Law, (c) methods for recycling organic waste, (d) local requirements regarding organic waste, (e) methane reduction benefits of reducing the landfill disposal of organic waste, (f) the methods of organic waste recovery that the Franchisee uses, and (g) public health and safety and the environmental impacts associated with the landfill disposal of organic waste. Franchisee shall provide the County with copies of these informational materials on an annual basis.
2. Franchisee shall provide the County with materials required by Section 6.9 of the Agreement on an annual basis.

#### **C.3.4 Additional Reports**

- A. **Upon Request Reporting.** The County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County due to Applicable Law. The Franchisee shall take all commercially reasonable steps to promptly provide the requested reports, documents, or information, and Franchisee shall be entitled to recover Franchisee's costs incurred in complying with these requirements through the rate adjustment process.