

**FIRST AMENDMENT TO
AGREEMENT
BETWEEN
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
AND
MT. DIABLO PAPER STOCK, INC.
DBA MT. DIABLO RECYCLING
FOR
RECYCLABLE MATERIALS TRANSFER, TRANSPORT, PROCESSING,
AND DIVERSION SERVICES**

This First Amendment to Agreement for Recyclable Materials Transfer, Transport, Processing, and Diversion Services (the "First Amendment") is entered into on the 25th day of July, 2019 (the "First Amendment Effective Date") by and between the Central Contra Costa Solid Waste Authority, a Joint Powers Authority (hereinafter, "CCCSWA"), and Mt. Diablo Paper Stock, Inc., a California corporation, dba Mt. Diablo Recycling (hereinafter, "Contractor") (collectively, the "Parties").

RECITALS

WHEREAS, on May 16, 2014, the Parties entered into that certain Agreement for Recyclable Materials Transfer, Transport, Processing, and Diversion Services (the "Agreement"), pursuant to which the CCCSWA granted to Contractor the right and privilege to Transfer, Transport, Process, and Divert all Source Separated Recyclable Materials generated within and Collected in the Service Area by the Franchised Collector, and Contractor was required to remit to the CCCSWA a Recyclable Revenue Payment for each Accepted Ton of Recyclable Materials from the Service Area Delivered by the Franchised Collector to the Approved Trans-Load Facility over the Term of the Agreement; and

WHEREAS, Contractor informed the CCCSWA that changes in worldwide markets for Recyclable Materials require Contractor to revamp its procedures, modernize and update equipment, and install and maintain state of the art technology to maintain Diversion of Recyclable Materials under the Agreement, which has resulted in a significant increase in the cost of processing materials and no revenue for a large portion of the material, and that as a result Contractor is excused from paying the Recyclable Revenue Payment due to Uncontrollable Circumstances and Change in Law; and

WHEREAS, as a full and complete response to Contractor's claims, the Parties now desire to modify and amend the Agreement as set forth in this First Amendment. All terms not otherwise defined in this First Amendment shall have the meanings set out in the Agreement and except as expressly modified or amended by this First Amendment, the terms and conditions of the Agreement shall remain in full force and effect; and

WHEREAS, the CCCSWA Board of Directors has found and determined that the execution and implementation of this First Amendment is in the best interest of the public in order to protect the public health, safety and well-being of the Member Agencies and has authorized execution of this First Amendment on July 25, 2019;

NOW, THEREFORE, in consideration of the mutual premises, covenants and conditions contained herein and for other good and valuable consideration, the Parties do hereby agree as follows:

1. **Article 1, Definitions:** The following defined terms shall be added into Article 1 of the Agreement, or if already in Article 1 of the Agreement, the original defined terms shall be deleted and the following defined terms inserted in their place:

“Annual Average Recycling Revenue Per Ton’ means the revenue per ton Contractor earns or receives, determined in accordance with the provisions of Section 7.8 hereof.

‘Contractor Revenue’ means the revenue Contractor earns or receives, as described in Section 7.1 hereof.

‘Estimated Annual Processing Fee Amount’ and **‘Estimated Monthly Processing Fee Amount’** mean the estimated amounts determined in accordance with the provisions of Section 7.7 hereof.

‘Processing Fee’ means the fee Contractor is entitled to collect as described in Section 7.7 hereof.

‘Term’ means the duration of this Agreement, as provided in Section 4.1 hereof.”

2. **Article 4, Term of Agreement:** Original Article 4 shall be deleted and the following inserted in its place:

“Article 4 TERM OF AGREEMENT

4.1 Term

The Term of this Agreement shall commence March 1, 2015 (Commencement Date) and continue in full force for a period of ten (10) years, through and including February 28, 2025, unless the Agreement is terminated pursuant to Article 11. Between the Effective Date and Commencement Date, Contractor shall perform all activities necessary to prepare itself to provide Services required by this Agreement on the Commencement Date.”

3. **Section 5.2, CCCSWA Obligations:** The following Subsection E shall be added into Section 5.2 of the Agreement:

“E. Processing Fee. Commencing in the March 2021 Rate Year, Contractor shall be entitled to collect the Processing Fee described in Section 7.7 hereof, in accordance with the process set out in that section.”

4. **Article 7, Contractor Revenue and Payments to CCCSWA:** Original Article 7 shall be deleted and the following inserted in its place:

**“Article 7
CONTRACTOR REVENUE AND PAYMENTS TO CCCSWA**

7.1 Overview

The Contractor's compensation for performance of its obligations under this Agreement shall be the Contractor Revenue. Contractor Revenue shall be the full, entire, and complete compensation due to Contractor pursuant to this Agreement to cover Contractor's costs for all labor, equipment, materials and supplies, Facility fees, payments due to CCCSWA, taxes, insurance, bonds, overhead, Acceptance, Transfer, Transportation, Recycling, Processing, Diversion, Residue Disposal, operations, profit, and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed.

Contractor Revenue shall mean the total revenue Contractor earns or receives from Recyclable Materials (including revenues derived from the California Redemption Values (CRV) program), and any sums Contractor is or may become entitled to collect pursuant to the provision contained in Section 6.2.C (Extended Facility Receiving Hours), Section 7.5 (Special Review of Recyclables Revenue Payment), Section 7.7 (Processing Fee to Contractor), and Section 7.8.B (Annual Average Recycling Revenue Per Ton Below \$20) less any sums as may be due to the CCCSWA pursuant to the provision contained in Section 7.8.A (Annual Average Recycling Revenue Per Ton In Excess of \$60). Contractor shall not look to the CCCSWA for payment for any other sums under this Agreement. Contractor shall perform the responsibilities and duties described in this Agreement in consideration of the Contractor Revenue. Except as otherwise set forth herein, CCCSWA shall have no obligation to reimburse Contractor for any losses that Contractor may incur due to fluctuations in Market prices and any such future fluctuations in Market conditions for the sale of Recyclable Materials shall not be considered an Uncontrollable Circumstance or a Change in Law.

Contractor acknowledges that its actual costs for Acceptance, Transfer, Transport, Processing, Diversion, and Residue Disposal, and Contractor Revenues may be different than anticipated in Contractor's Proposal. Except as provided herein, Contractor shall not be compensated for the difference in actual costs and/or actual revenues. Except as provided herein, if Contractor's actual costs are less than anticipated and/or revenues are greater than anticipated, Contractor shall retain the difference.

7.2 Recyclable Revenue Payment

On a monthly basis, up to and including the payment due for the month of February 2020, Contractor shall remit to the CCCSWA a Recyclable Revenue Payment. Contractor's Recyclable Revenue Payment shall be fifty-five dollars (\$55.00) per Ton for each Accepted Ton of Recyclable Materials from the Service Area Delivered by the Franchised Collector to the Approved Trans-Load Facility. No adjustments shall be made to the per-Ton amount specified herein during the Term of the Agreement except as provided for under Section 7.5 (Special Review of Revenue Payment). Following receipt of the Recyclable Revenue Payment due for the month of February 2020 and for the remainder of the Term, the obligation to make the Recyclable Revenue Payments shall cease and terminate.

Commencing April 1, 2018, through and including the payment due for the month of February 2020, the Recyclables Revenue Payments due from the Contractor to the CCCSWA for each Accepted Ton of mixed paper from the Service Area Delivered by the Franchised Collector to the Approved Trans-Load Facility has been and shall continue to be deferred; the obligation of Contractor to pay said total deferred amounts shall be fully and completely forgiven by the CCCSWA, effective February 29, 2020.

7.3 Timing of Payments and Penalties for Late Payments

Contractor shall remit all payments required under this Article 7 on or before the twentieth (20th) Day after such payment becomes due. Payments shall be payable to the CCCSWA and sent or delivered to the CCCSWA or paid to the CCCSWA via an electronic payment method. If any of the payments specified in this Article 7 are not paid on or before the twentieth (20th) Day after such payment is due, Contractor shall pay to the CCCSWA a late payment penalty in an amount equal to two percent (2%) of the amount owing. Contractor shall pay an additional two percent (2%) owing on any unpaid balance for each following thirty (30) Day period the amount remains unpaid. The late payment penalty amounts are not intended as interest on debt, but rather are intended as a predetermined penalty for failure to meet an obligation under this Agreement.

Each payment (including deferred payments under Section 7.2 hereof) to the CCCSWA shall be accompanied by a statement detailing the basis thereof. Contractor shall maintain copies of all records relating to amounts due by either Party, in chronological order, for the Term of this Agreement and for three (3) years beyond the Term, for inspection and verification by the CCCSWA at any reasonable time but in no case more than thirty (30) Days after receiving a request to do so.

7.4 Compliance, Tonnage, Residue, and Payment Audit

The CCCSWA may, at any time during the Term or within three (3) years following the expiration or early termination of this Agreement, perform an audit of Contractor's compliance with the Agreement and performance standards, Tonnage records, records relating to reporting of the Annual Average Recycling Revenue Per Ton, Residue level, payment of monies due to the CCCSWA, and Contractor's entitlement to collection of monies. Contractor shall fully cooperate with the CCCSWA in any such audit. Contractor shall, in addition to compensating the CCCSWA for lost payments and applicable delinquency penalties, reimburse the CCCSWA's cost of the review if determined to be due under Section 13.8.

7.5 Special Review of Recyclables Revenue Payment

A. **Eligible Items.** The Contractor is entitled to apply to the CCCSWA for consideration of a Special Revenue Payment Adjustment review, or the CCCSWA may initiate such a review, should one or more of the following events occur and should such occurrence(s) have a material effect totaling two percent (2%) or more annually on the Recyclable Revenue Payments to the CCCSWA for the then-current Rate Year.

- (1) Change in Scope. Documented significant changes in the cost to provide services required in this Agreement as a result of an agreed-upon or CCCSWA-directed change in scope, as provided for under Section 7.6.
- (2) Emergency Services. Provision of emergency services pursuant to Section 6.10.
- (3) Catastrophic Events. Flood, earthquake, other acts of nature, war, civil insurrection, riots, act of any government agency (including judicial action), or other similar catastrophic events that are beyond the control of and not the fault of the Contractor.
- (4) Change in Law. Change in Law, including, but not limited to, Changes in Law that result in regulatory, governmental, or other surcharge fees, after the Effective Date that: (1) were not reasonably known to the Contractor before the Effective Date or the effective date of the First Amendment, whichever is later, and (2) the Contractor substantiates.

B. **Ineligible Items.** A Special Revenue Payment Adjustment review may not be initiated for the following items and

Contractor shall not be compensated for such items over the Term of the Agreement.

- (1) Acceptance, Transfer, Transport, Processing, Diversion, and Marketing Cost Increases.
Increases in Recyclable Materials Acceptance, Transfer, Transport, Processing, Diversion, and Marketing costs unless cost increases are related to eligible items listed in Section 7.5.A. above or unless changes in operating conditions are initiated by or at the direction of the CCCSWA.
- (2) Changes in Revenues from Sale of Recyclable Materials. Changes in revenues from the sale of Recyclable Materials.
- (3) Change in Material Quantities and Composition.
Change in the Tonnage or composition of Recyclable Materials Delivered to the Approved Facilities.
- (4) Costs incurred due to Contractor's negligence or misconduct;
- (5) Costs incurred due to Permit changes of which Contractor did not provide timely notice;
- (6) Any fines or penalties imposed on Contractor or the Approved Facilities;
- (7) Cost of remediation and cost-recoveries pursuant to Applicable Law, including CERCLA and RCRA;
- (8) Costs attributable to changing the classification of the Approved Facilities under Applicable Law, unless directed by the CCCSWA in accordance with Section 2.3;
- (9) Costs and expenses related to the handling of Unpermitted Waste, notwithstanding the provisions of Section 6.1;
- (10) Increases in Contractor costs including, but not limited to, labor, fuel, and equipment;
- (11) Increases in Contractor's costs due to changes in the Tonnage and/or characterization of the Recyclable Materials; and
- (12) Decreases in Contractor's revenues from the Marketing of Recyclable Materials due to changes

in the Tonnage and/or characterization of the Recyclable Materials and changes in market conditions relative to Recyclable Materials commodity values.

- C. **Review of Costs and Revenues.** If the Contractor or the CCCSWA requests a Special Revenue Payment Adjustment review, the CCCSWA shall have the right to review any or all financial and operating records of Contractor and right to review any or all financial and operating records of Affiliates only as it pertains to the scope of this Agreement.
- D. **Submittal of Request.** If the Contractor is requesting a Special Revenue Payment Adjustment review, the Contractor must submit its request for a Special Revenue Payment Adjustment, along with cost, operational, and material sales revenue data, in a form and manner specified by the CCCSWA.

If CCCSWA is requesting a Special Revenue Payment Adjustment review, the CCCSWA shall notify the Contractor at least four (4) months before the proposed effective date of any adjustment of the per-Ton Recyclables Revenue Payment amount. Upon such notification, Contractor shall, within thirty (30) Days, submit reasonable cost, operational, and material sales revenue data as requested by the CCCSWA, in a form and manner specified by the CCCSWA.

- E. **Burden of Justification.** Contractor shall bear the burden of justifying to the CCCSWA by substantial evidence any entitlement to current, as well as a reduced or increased, per-Ton Recyclables Revenue Payment amount under this Section 7.5. Records required to be maintained pursuant to Article 9 shall be subject to review, in accordance with appropriate professional standards, and inspection, for the primary purpose of reviewing changes in costs and material sales revenues to the Contractor attributable to the circumstances that triggered the Special Revenue Payment Adjustment review, at any reasonable time by an independent third party. The selection of the independent third party as well as the scope of work for such review shall be approved in advance by the CCCSWA. The independent reviewer shall provide any and all drafts of its review to the CCCSWA and the Contractor. The Party requesting the extraordinary Rate adjustment review shall bear the cost of the review.

If the CCCSWA determines that the Contractor has not met its burden, the Contractor may request a meeting with

CCCSWA to produce additional evidence. Upon such request, the CCCSWA shall permit said additional hearing. Any resulting disputes shall be managed pursuant to Article 12.

- F. **Grant of Request.** Based on evidence the Contractor submits, the CCCSWA Board may grant some, all, or none of the requested adjustment to the per-Ton Recyclables Revenue Payment amount.
- G. **Compensation.** If Contractor requests the Special Revenue Payment Adjustment review, Contractor shall bear all reasonable costs of both Parties for participating in such review up to a maximum of \$25,000 per Party. If a Special Revenue Payment Adjustment review occurs in response to a CCCSWA-directed change in scope (pursuant to Section 7.6), the CCCSWA shall be considered the Party requesting the special review and the CCCSWA shall pay the costs of the review.

7.6 Adjustment of Revenue Payment for Changes in Scope

In the event either the CCCSWA or Contractor requests a change in scope in accordance with Section 2.3 of this Agreement, the Contractor shall furnish the CCCSWA with projected operational, cost, and material sales revenue data for the change in scope to support any adjustment to the per-Ton Recyclables Revenue Payment amount. For the purposes of analyzing cost and material sales revenue impacts of changes in scope, the Contractor's profit shall be calculated using an operating ratio of 0.83 of actual reasonable and necessary costs. The CCCSWA reserves the right to require that the Contractor supply any additional cost or revenue data or other information it may reasonably need to ascertain the appropriate adjustment of the per-Ton Recyclables Revenue Payment amount, if any, for the change in scope. The CCCSWA shall review this operational, cost, and material sales revenue data, and the CCCSWA Board shall approve the adjusted per-Ton Recyclables Revenue Payment amount for the change in scope, if warranted.

The granting of any change in scope shall be contingent upon CCCSWA's written approval and establishment of a new per-Ton Recyclables Revenue Payment amount, if appropriate. The CCCSWA Board shall approve the per-Ton Recyclables Revenue Payment amount adjustment, in good faith, so that the change in scope and the corresponding per-Ton Recyclables Revenue Payment amount become effective on the same date.

7.7 Processing Fee To Contractor

Commencing in the March 2021 Rate Year, and for the remainder of the Term thereafter, Contractor shall be entitled to collect the Processing Fee, calculated by multiplying the total number of Accepted Tons of Recyclable Materials from the Service Area Delivered by the Franchised Collector to the Approved Trans-Load Facility during the calendar month (exclusive of ten percent (10%) which is deemed to be Residue) by sixty four and 80/100 dollars (\$64.80). Beginning March 1, 2022, Contractor shall be entitled to annually adjust the amount of the Processing Fee based on the average of the monthly percentage changes in the "Consumer Price Index, All Urban Consumers, All Items, San Francisco-Oakland-Hayward, 1982-84-100" for the 12-month period ending June of the preceding year and the corresponding months' index values published 12 months earlier.

The annual Processing Fee amount for a Rate Year shall be estimated by the product of the applicable Processing Fee and the total number of Accepted Tons of Recyclable Materials from the Service Area Delivered by the Franchised Collector to the Approved Trans-Load Facility in the previous twelve (12) months (July 1 through June 30) (exclusive of ten percent (10%) which is deemed to be Residue) ("Estimated Annual Processing Fee Amount"). Such Estimated Annual Processing Fee Amount shall be divided by twelve (12) to determine the estimated monthly Processing Fee amount for that Rate Year ("Estimated Monthly Processing Fee Amount"). Contractor shall submit to the CCCSWA within ten (10) Days after the end of each calendar month a request for and statement of the Estimated Monthly Processing Fee Amount applicable for the prior calendar month. Each request shall include documentation in a form acceptable to CCCSWA of (i) the actual number of Accepted Tons of Recyclable Materials from the Service Area Delivered by the Franchised Collector to the Approved Trans-Load Facility during the prior calendar month, (ii) the actual monthly Processing Fee amount due for said month, and (iii) the calculation of the difference between that actual monthly Processing Fee amount for said month and the Estimated Monthly Processing Fee Amount for said month. CCCSWA shall within sixty (60) Days of receipt of said statement from Contractor ensure Contractor is sent via an electronic method the Estimated Monthly Processing Fee Amount payable for the prior calendar month. The CCCSWA Board shall set the Estimated Annual Processing Fee Amount and include such amount in the calculation of the Maximum Rates under the Franchise Agreement with the Franchised Collector. Each month, the Franchised Collector shall remit to the CCCSWA the Estimated Monthly Processing Fee Amount (one-twelfth (1/12th) of the Estimated Annual Processing Fee Amount) for the prior month. If the Franchised Collector does not make such payments in a timely manner to facilitate the payments required hereunder,

then CCCSWA shall take such steps as may be necessary to enforce the payment obligations against the Franchised Collector and shall be afforded a reasonable time period in which to enforce such obligations.

At the conclusion of a Rate Year, the difference between the Estimated Monthly Processing Fee Amounts for the prior twelve (12) months and the actual monthly Processing Fee amounts for that same period shall be reconciled in the following Rate Year by including any difference in the Estimated Annual Processing Fee Amount for said following Rate Year, except that the first reconciliation shall cover the period March 1, 2021 through June 30, 2021. The same process shall be used at the end of the Term to reconcile the actual monthly Processing Fee amounts with the Estimated Monthly Processing Fee Amounts paid during the partial Rate Year up to the end of the Term, and the total amount needed to reconcile payments made and payments due shall be paid in cash to the Party entitled to receive it within sixty (60) days of the end of the Term of the Agreement.

Consistent with Section 7.3, Contractor shall maintain copies of all records relating to amounts due hereunder relating to the Processing Fee and all records used to calculate the Processing Fee each month, in chronological order, for the Term of this Agreement and for three (3) years beyond the Term, for inspection and verification by the CCCSWA at any reasonable time but in no case more than thirty (30) Days after receiving a request to do so.

7.8 Annual Average Recycling Revenue Per Ton

Commencing June 30, 2021, and for the remainder of the Term thereafter, Contractor shall report to the CCCSWA annually, within twenty (20) Days after June 30, (a) the total number of Tons of materials from all sources (not just the CCCSWA Service Area) sold by Contractor during the prior twelve (12) months (July 1 through June 30), (b) the total revenue earned or received from the sale of said materials during that period, and (c) the Annual Average Recycling Revenue Per Ton, which amount is calculated by dividing the amount in subsection (b) above by the amount in subsection (a) above. The annual reporting requirements relating to the determination of Annual Average Recycling Revenue Per Ton shall be in the form set out in Exhibit L attached hereto.

Contractor covenants and agrees to employ best industry practices, including in the Processing and Marketing of materials, to maximize the Annual Average Recycling Revenue Per Ton. In the event that, based upon published California industry indices (such as RecyclingMarkets.net) or other commonly accepted sources, the CCCSWA asserts in good faith that Contractor is not maximizing the Annual Average Recycling Revenue, then the dispute resolution procedures under the Agreement shall apply.

- A. **Annual Average Recycling Revenue Per Ton In Excess of \$60.** If the Annual Average Recycling Revenue Per Ton is greater than the sum of sixty dollars (\$60), then Contractor's annual report shall calculate the total amount of the excess revenue by multiplying the amount by which the Annual Average Recycling Per Ton exceeds sixty dollars (\$60) by the total number of Accepted Tons of Recyclable Materials from the Service Area Delivered by the Franchised Collector to the Approved Trans-Load Facility during said twelve (12) month period. Seventy-five percent (75%) of the excess revenue amount so-calculated shall be due and payable by Contractor to the CCCSWA in accordance with Section 7.3 and the remaining twenty-five percent (25%) of the excess revenue amount shall be retained by Contractor. A sample calculation is provided in Exhibit L attached hereto; and
- B. **Annual Average Recycling Revenue Per Ton Below \$20.** If the Annual Average Recycling Revenue Per Ton is less than the sum of twenty dollars (\$20), then Contractor's annual report shall calculate the total amount of arrearage by multiplying twenty dollars (\$20) by the total number of Accepted Tons of Recyclable Materials from the Service Area Delivered by the Franchised Collector to the Approved Trans-Load Facility during said twelve (12) month period, and subtracting from that amount the product of the Annual Average Recycling Revenue Per Ton and the total number of Accepted Tons of Recyclable Materials from the Service Area Delivered by the Franchised Collector to the Approved Trans-Load Facility during that same period. Contractor shall be entitled to collect the amount of arrearage beginning in the March 2022 Rate Year. A sample calculation is provided in Exhibit L attached hereto.
- C. **Average Recycling Revenue Per Ton Above \$20 But Less than \$60.** If the Annual Average Recycling Revenue Per Ton is less than or equal to the sum of \$60 but more than the sum of \$20, Contractor retains all revenues except as otherwise provided in the Agreement."

5. **Exhibit A, Reporting Requirements, Section 3, Annual Report Content:** The following Subsection D shall be added into Exhibit A, Section 3 of the Agreement:

"D. Annual Average Recycling Revenue Per Ton

Notwithstanding the time periods specified above, Contractor shall submit the annual reports required to calculate Annual Average Recycling Revenue Per Ton within twenty (20) Days after June 30."

6. **Exhibit L, Form of Annual Report and Sample Calculation of Annual Average Recycling Revenue Per Ton:** The attached Exhibit L shall be added as a new exhibit to the Agreement.

7. This First Amendment and all its terms conditions, and provisions shall be deemed to be part of the Agreement. Except as expressly modified herein, the Agreement remains unchanged and in full force and effect. Should there be conflicts or inconsistencies between this First Amendment and the Agreement, the provisions of this First Amendment shall prevail to the extent necessary to resolve such conflicts or inconsistencies.

8. All exhibits referred to in this First Amendment are attached and incorporated by this reference. All recitals in this First Amendment are accurate and shall constitute an integral part of this First Amendment.


9. Each Party represents and warrants to the other that the undersigned is duly authorized and has legal capacity to execute and deliver this First Amendment, and this First Amendment is a valid and legal agreement binding on the Party and its successors, heirs, administrators, and assigns, and enforceable in accordance with its terms.

10. This First Amendment may be executed in several counterparts, each one of which shall constitute an original and all collectively shall constitute but one instrument. This First Amendment shall be effective as of the date first written above.

[signatures on following page]

IN WITNESS WHEREOF, CCCSWA and Contractor have executed this First Amendment as of the day and year first above written.

CCCSWA

By: 
CCCSWA Board Chairperson
Karen Mitchell
Printed Name

**Mt. Diablo Paper Stock, Inc.,
a California Corporation, dba
Mt. Diablo Recycling**

By: 
Chief Executive Officer
Ronald J. Proto
Printed Name

By: 
Chief Financial Officer
Patrick Dolim
Printed Name

Approved as to Form:

By: 
CCCSWA Legal Counsel
Tamera Galanter
Printed Name

Approved as to Form:

By: 
Mike Bonnifield, Contractor Legal Counsel

Attest:

By: 
CCCSWA Board Secretary
Janna McKay
Printed Name

Exhibit L

**FORM OF ANNUAL REPORT AND SAMPLE CALCULATION OF ANNUAL AVERAGE
RECYCLING REVENUE PER TON**

Exhibit L

Form of Annual Report and Sample Calculation of Annual Average Recycling Revenue Per Ton

INBOUND TONS (Schedule A)

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Inbound Tons (All sources)	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	9,000.00	8,000.00	102,000.00
Accepted Tons of Recyclable Materials from the CCCSWA Service Area	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	3,385.98	47,385.98
Delivered by the Franchised Collector to the Approved Trans-Load Facility													
CCCSWA %	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	44%	42%	46%

TONS OF MATERIALS SOLD (ALL SOURCES)

LIST OF MATERIALS	July	August	September	October	November	December	January	February	March	April	May	June	Total
1-7 Food Containers	23.16		34.09		43.94	21.05	21.55	21.79	21.90	21.32	22.77	20.13	44.48
Aluminum	21.87									21.27			250.36
Amber-Glass Scrap													
Clr/Flint-Glass Scrap													
Green-Glass Scrap	61.44	21.35	41.84	19.95	20.98	58.97	19.46	42.93	62.27	39.47	19.60	42.08	430.88
Hdpe Colored	20.48	19.92	20.27	19.45	20.19	20.08		20.32	21.93	40.26	20.44	41.58	284.38
Hdpe Natural													
Ldpe-Mixed Plastic Bags													
Metal	146.80	150.59	128.39	189.07	140.90	146.68	139.01	191.96	142.80	149.99	237.93	126.87	1,890.99
Mixed Glass Scrap	1,188.45	1,116.44	1,204.38	1,016.32	1,271.61	1,047.01	1,151.38	1,248.82	1,149.61	1,070.45	1,488.24	1,270.87	14,223.58
Mixed Paper	447.74				893.94	785.48	2,207.22	2,458.17	2,614.61	2,120.35	1,928.40	1,808.40	15,264.31
News				381.55	133.92	22.61							538.08
OCC	1,343.39	894.86	1,344.14	1,159.38	1,048.45	784.00	1,744.72	1,590.58	1,139.66	1,326.08	1,324.68	1,608.43	15,308.37
Office Pack #2	89.52			68.06		66.62	21.87	21.69	22.49	22.59			312.84
Residue	4,168.20	5,643.43	5,748.88	5,355.71	4,483.95	2,829.70	2,278.30	1,234.29	661.39	756.44	971.61	688.46	34,820.36
PET	64.16	65.83	63.29	53.55	121.78	79.63	65.86	63.00	61.03	39.43	85.07	81.67	790.75
Rigid Plastic	107.97	42.28		85.20		85.24		105.41	43.03	21.66		40.24	531.03
Scrap Aluminum				20.81	5.75	6.31		5.55			90.06		51.23
Tin				116.22	36.82	119.22	45.90	23.60	69.96	88.73			765.77
Waxed Boxes	105.06	24.00	46.20										
Total Tons Sold	7,788.24	7,991.51	8,631.48	8,431.72	8,222.23	6,072.60	7,695.27	7,028.11	6,010.68	5,718.04	6,188.80	5,728.73	85,507.41

REVENUE EARNED OR RECEIVED FROM THE SALE OF MATERIALS (ALL SOURCES) (Schedule A)

LIST OF MATERIALS	July	August	September	October	November	December	January	February	March	April	May	June	Total
1-7 Food Containers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alum Foil	\$ 12,969.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,380.80	\$ -	\$ -	\$ 22,350.40
Aluminum	\$ 31,055.40	\$ -	\$ 43,606.20	\$ -	\$ 64,575.80	\$ 28,207.00	\$ 25,429.00	\$ 26,148.00	\$ 26,280.00	\$ 23,822.40	\$ 30,967.20	\$ 28,383.30	\$ 328,474.30
Amber-Glass Scrap	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cir/Flint-Glass Scrap	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Green-Glass Scrap	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hdpe Colored	\$ 21,504.00	\$ 7,579.25	\$ 14,225.60	\$ 6,982.50	\$ 7,343.00	\$ 18,416.40	\$ -	\$ -	\$ 18,681.00	\$ 12,235.70	\$ 5,684.00	\$ 13,886.40	\$ 138,141.65
Hdpe Natural	\$ 12,902.40	\$ 12,549.60	\$ 13,986.30	\$ 13,420.50	\$ 14,738.70	\$ 14,658.40	\$ 12,454.40	\$ 13,208.00	\$ 14,912.40	\$ 28,584.60	\$ 11,037.60	\$ 23,700.60	\$ 186,153.50
Ldpe-Mixed Plastic Bags	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Metal	\$ 13,607.00	\$ 16,564.90	\$ 14,122.90	\$ 20,872.70	\$ 15,499.00	\$ 16,134.80	\$ 15,340.65	\$ 21,115.60	\$ 15,708.00	\$ 16,498.90	\$ 24,221.90	\$ 13,511.10	\$ 203,197.45
Mixed Glass Scrap	\$ (23,951.46)	\$ (21,765.70)	\$ (23,659.98)	\$ (19,924.32)	\$ (25,390.49)	\$ (20,797.97)	\$ (23,326.60)	\$ (24,776.46)	\$ (19,164.12)	\$ (10,779.42)	\$ (29,828.09)	\$ (25,568.18)	\$ (268,932.80)
Mixed Paper	\$ 6,451.00	\$ -	\$ -	\$ -	\$ 20,115.60	\$ 23,557.21	\$ 71,364.42	\$ 87,033.00	\$ 97,747.14	\$ 71,535.79	\$ 208,756.50	\$ 72,416.06	\$ 658,976.72
News	\$ -	\$ -	\$ -	\$ 36,247.25	\$ 13,717.05	\$ 2,487.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,451.40
OCC	\$ 127,622.05	\$ 76,063.10	\$ 161,208.30	\$ 122,688.60	\$ 132,140.91	\$ 102,491.36	\$ 212,149.52	\$ 203,269.26	\$ 160,134.43	\$ 184,284.83	\$ 216,567.96	\$ 191,892.74	\$ 1,890,513.06
Office Pack #2	\$ 20,589.60	\$ -	\$ -	\$ 16,334.40	\$ -	\$ 14,656.40	\$ 4,920.75	\$ 4,988.70	\$ 5,172.70	\$ 5,195.70	\$ -	\$ -	\$ 71,858.25
Residue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PET	\$ 15,398.40	\$ 14,018.80	\$ 12,658.00	\$ -	\$ 24,666.35	\$ 17,139.80	\$ 14,489.20	\$ 10,631.20	\$ 10,069.95	\$ 6,308.80	\$ 12,019.55	\$ 13,067.20	\$ 150,467.25
Rigid Plastic	\$ 9,717.30	\$ 3,382.40	\$ -	\$ 6,816.00	\$ -	\$ 1,704.80	\$ -	\$ 401.00	\$ 430.30	\$ 216.60	\$ -	\$ 2,977.76	\$ 25,646.16
Scrap Aluminum	\$ -	\$ 5,124.00	\$ -	\$ 32,463.60	\$ 2,300.00	\$ 2,524.00	\$ -	\$ 2,220.00	\$ -	\$ -	\$ -	\$ -	\$ 44,631.60
Tin	\$ 18,070.32	\$ 3,960.00	\$ 7,623.00	\$ 15,323.55	\$ 4,757.30	\$ 16,454.75	\$ 5,508.00	\$ 2,832.00	\$ 9,094.80	\$ 10,647.60	\$ 15,310.20	\$ -	\$ 109,581.52
Waxed Boxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Revenue Earned or Received \$ 265,935.61 \$ 117,476.35 \$ 243,770.32 \$ 251,224.78 \$ 274,463.22 \$ 237,634.05 \$ 338,329.34 \$ 358,674.10 \$ 339,066.60 \$ 357,932.30 \$ 494,736.82 \$ 334,266.98 \$ 3,613,510.46

AVERAGE REVENUE EARNED OR RECEIVED FROM THE SALE OF MATERIALS PER TON (ALL SOURCES) (Schedule A)

LIST OF MATERIALS	July	August	September	October	November	December	January	February	March	April	May	June	Total
1-7 Food Containers													
Alum Foil	\$ 560.00									\$ 440.00		\$ 1,410.00	\$ 502.48
Aluminum	\$ 1,420.00	\$ 1,279.15	\$ 340.00	\$ 350.00	\$ 1,469.64	\$ 1,340.00	\$ 1,180.00	\$ 1,200.00	\$ 1,200.00	\$ 1,120.00	\$ 1,360.00	\$ 1,410.00	\$ 1,312.01
Amber-Glass Scrap													
Clr/Flint-Glass Scrap													
Green-Glass Scrap													
Hdpe Colored	\$ 350.00	\$ 355.00	\$ 340.00	\$ 350.00	\$ 350.00	\$ 312.30	\$ 640.00	\$ 270.30	\$ 300.00	\$ 310.00	\$ 290.00	\$ 330.00	\$ 320.60
Hdpe Natural	\$ 630.00	\$ 630.00	\$ 690.00	\$ 690.00	\$ 730.00	\$ 730.00	\$ 640.00	\$ 650.00	\$ 680.00	\$ 710.00	\$ 540.00	\$ 570.00	\$ 654.59
Ldpe-Mixed Plastic Bags													
Metal	\$ 92.69	\$ 110.00	\$ 110.00	\$ 110.40	\$ 110.00	\$ 110.00	\$ 110.36	\$ 110.00	\$ 110.00	\$ 110.00	\$ 101.80	\$ 106.50	\$ 107.46
Mixed Glass Scrap	\$ (20.15)	\$ (19.50)	\$ (19.64)	\$ (19.60)	\$ (19.97)	\$ (19.86)	\$ (20.26)	\$ (19.84)	\$ (16.67)	\$ (10.07)	\$ (20.04)	\$ (20.12)	\$ (18.91)
Mixed Paper	\$ 14.41				\$ 22.50	\$ 29.99	\$ 32.33	\$ 35.41	\$ 37.38	\$ 33.74	\$ 108.25	\$ 40.04	\$ 43.17
News				\$ 95.00	\$ 102.43	\$ 110.00							\$ 97.48
OCC	\$ 95.00	\$ 85.00	\$ 119.93	\$ 105.82	\$ 126.03	\$ 130.73	\$ 121.60	\$ 127.80	\$ 140.51	\$ 138.97	\$ 163.49	\$ 119.30	\$ 123.50
Office Pack #2	\$ 230.00			\$ 240.00		\$ 220.00	\$ 225.00	\$ 230.00	\$ 230.00	\$ 230.00			\$ 229.70
Residue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PET	\$ 240.00	\$ 212.95	\$ 200.00	\$ 80.00	\$ 202.55	\$ 215.24	\$ 220.00	\$ 168.75	\$ 165.00	\$ 160.00	\$ 141.29	\$ 160.00	\$ 190.28
Rigid Plastic	\$ 90.00	\$ 80.00		\$ 1,560.00	\$ 400.00	\$ 20.00	\$ 400.00	\$ 3.80	\$ 10.00	\$ 10.00	\$ 74.00	\$ 74.00	\$ 48.30
Scrap Aluminum	\$ -	\$ 400.00		\$ -	\$ 400.00	\$ 400.00	\$ -	\$ 400.00	\$ -	\$ -	\$ -	\$ -	\$ 871.20
Tin	\$ 172.00	\$ 165.00	\$ 165.00	\$ 131.85	\$ 129.20	\$ 138.02	\$ 120.00	\$ 120.00	\$ 130.00	\$ 120.00	\$ 170.00		\$ 143.10
Waxed Boxes													
Average Revenue per Ton	\$ 34.15	\$ 14.70	\$ 28.24	\$ 29.80	\$ 33.38	\$ 39.13	\$ 43.97	\$ 51.03	\$ 56.41	\$ 62.60	\$ 79.94	\$ 58.35	\$ 42.26

Exhibit L

Sample Calculations of Excess Revenue (or Arrears) from Annual Average Recycling Revenue Per Ton

Annual Average Recycling Revenue Per Ton Greater than \$20/ton and Less than \$60/Ton (Sec. 7.8.C)		
Annual Average Recycling Revenue per Ton (all Sources) per Schedule A	\$	42.26
Less than \$20/Ton or Greater than \$60/Ton?		No
Contractor Retains All Revenues (except as otherwise provided in Agreement)		

Annual Average Recycling Revenue Per Ton Greater than or Equal to \$60/Ton (Sec 7.8.A)		
Annual Average Recycling Revenue per Ton (all Sources) per Schedule A	A	\$65.00
Greater than or Equal to \$60/Ton?		Yes
Amount Greater than \$60/Ton	A - \$60 = B	\$5.00
Accepted Tons of Recyclable Materials from the CCCSWA Service Area Delivered by the Franchised Collector to the Approved Trans-Load Facility per Schedule A	C	47,386
Excess Revenue	B X C = D	\$ 236,930
75% to CCCSWA	D X 75%	<u>\$ 177,697</u>
25% Retained by Contractor	D X 25%	<u>\$ 59,232</u>

Annual Average Recycling Revenue per Ton Less than \$20/Ton (Sec 7.8.B)		
Annual Average Recycling Revenue per Ton (all Sources) per Schedule A	A	\$15.00
Less than \$20/Ton?		Yes
Amount Less than \$20/Ton	\$20-A = B	\$5.00
Accepted Tons of Recyclable Materials from the CCCSWA Service Area Delivered by the Franchised Collector to the Approved Trans-Load Facility per Schedule A	C	47,386
Arrearage	B X C = D	\$ 236,930
Amount Contractor Entitled to Collect Over 12 Month Period in following Rate Year	D	\$ 236,930