



City of Sandy

Agenda

City Council Meeting

Meeting Date: Tuesday, September 7, 2021

Meeting Time: 6:00 PM

Page

1. MEETING FORMAT NOTICE

This meeting will be conducted in a hybrid in-person / online format. The Board will be present in-person in the Council Chambers and members of the public are welcome to attend in-person as well. Members of the public also have the choice to view and participate in the meeting online via Zoom.

To attend the meeting in-person:

Come to Sandy City Hall (lower parking lot entrance).
39250 Pioneer Blvd., Sandy, OR 97055

To attend the meeting online via Zoom:

Please use this link: <https://us02web.zoom.us/j/85820284278>

Or by phone: (253) 215-8782; Meeting ID: 858 2028 4278

Please also note the new public comment signup process below.

2. CITY COUNCIL WORK SESSION - 6 PM

2.1. American Rescue Plan Act Funding Priorities

4 - 12

[American Rescue Plan Act Funding Priorities - Pdf](#)

3. URBAN RENEWAL AGENCY BOARD MEETING - 7 PM

3.1. Meeting details available at: <https://www.ci.sandy.or.us/bc-urb/page/urban-renewal-board-meeting>

4. CITY COUNCIL REGULAR MEETING - 7:30 PM

5. PLEDGE OF ALLEGIANCE

6. ROLL CALL

7. CHANGES TO THE AGENDA

8. PUBLIC COMMENT

The Council welcomes your comments at this time.

[If you are attending the meeting in-person](#)

Please submit your comment signup form to the City Recorder before the regular meeting begins at 7:00 p.m. Forms are available on the table next to the Council Chambers door.

[If you are attending the meeting via Zoom](#)

Please complete the [online comment signup webform](#) by 3:00 p.m. on the day of the meeting.

The Mayor will call on each person when it is their turn to speak for up to three minutes.

9. RESPONSE TO PREVIOUS PUBLIC COMMENTS

10. CONSENT AGENDA

- 10.1. **City Council Minutes** 13 - 21
[City Council - 16 Aug 2021 - Minutes - Pdf](#)

11. NEW BUSINESS

- 11.1. **Request for Assignment of Hoodview Disposal Franchise** 22 - 220
[Request for Consent of Assignment of Hoodview Disposal Franchise - Pdf](#)
- 11.2. **Fund Exchange Agreement** 221 - 223
Hwy 26 - Ten Eyck to Vista Loop Pedestrian Improvements Project
[Hwy 26 - Ten Eyck to Vista Loop Pedestrian Improvements Project - Pdf](#)
- 11.3. **Guaranteed Maximum Price Proposal for Package 2** 224 - 229
Existing Wastewater Treatment Plant Improvements
[GMP Package 2 - WWTP Condition Assessment Improvements Project - Pdf](#)
- 11.4. **SandyNet Business IGA with Clackamas Broadband eXchange** 230 - 238
[SandyNet Business IGA with Clackamas Broadband eXchange - Pdf](#)

12. REPORT FROM THE CITY MANAGER

13. COMMITTEE /COUNCIL REPORTS

14. STAFF UPDATES

14.1. [Monthly Reports](#)

15. ADJOURN



Staff Report

Meeting Date: September 7, 2021

From Tyler Deems, Deputy City Manager / Finance Director

SUBJECT: American Rescue Plan Act Funding Priorities

BACKGROUND:

Introduction

In March 2021 Congress passed the American Rescue Plan Act (ARPA), part of which provided direct payments to state and local governments. Cities with populations greater than 50,000 received funds directly from the federal government, while cities with populations less than 50,000 were considered non-entitlement agencies and received their funds from the state. The City of Sandy is expected to receive a total of \$2,525,801, paid in two tranches. The first tranche of \$1,263,900 was received on August 23rd. Eligible expenses must be incurred after March 3, 2021. Funds must be obligated no later than December 31, 2024, and expended no later than December 31, 2026.

In reviewing the possible projects/programs that are being proposed, the Council should keep in mind the following, as identified by the Treasury and interim final rule:

"State, local, and Tribal governments are encouraged to use payments from the Fiscal Recovery Funds to respond to the direct and immediate needs of the pandemic and its negative economic impacts and, in particular, the needs of households and businesses that were disproportionately and negatively impacted by the public health emergency." In addition, "Treasury encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes."

Eligible Uses

The Council may recall discussions during the budget process related to allowable uses for ARPA funds. At that time we did not yet have clear direction on how much we would receive and what would be considered an eligible expense. Since then, the Treasury Department released updated guidance, interim rules, and FAQs to help recipients of ARPA funds determine what is eligible and what is not. Below are the four general categories of eligible uses:

1. *Public Health and Economic Impacts:* Responding to COVID-19; Responding to Negative Economic Impacts.
2. *Premium Pay:* Pay to eligible workers performing essential work during the COVID-19 public health emergency.

3. *Revenue Loss*: Replace lost "general revenue from own sources" measured relative to the most recent full fiscal year.
4. *Investments in Infrastructure*: Water and Sewer Infrastructure; Broadband Infrastructure.

Programs/Projects

In reviewing the allowable uses set forth in the interim final rule from the Treasury, staff has identified the following seven projects/programs that meet the guidelines:

1. Business Recovery Grants
2. Gazebos/Covered Structures Program
3. Homelessness Response
4. SandyNet Expansion
5. Library Bookmobile
6. Revenue Replacement
7. Water and Wastewater Infrastructure

A detailed description of each project/program, how it is specifically eligible for use of ARPA funds, and a total cost is provided below.

1. Business Recovery Grants - Eligible use #1 is for public health and economic impacts. More specifically, the interim final rules notes "responding to negative economic impacts" as an eligible use, with additional guidance related to "loans or grants to mitigate financial hardships such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs."

To date, the Council has approved \$219,000 of business assistance grants (Round 1: \$75,000 (25 grants), Round 2 - \$99,000 (33 grants), and Round 3 - \$45,000 (Chamber of Commerce)). The specific merits and intended purpose of the program (amount of each grant, number of grants, review criteria, etc.) could be discussed during this work session or in a follow up meeting. Ideas mentioned at the previous Council meeting included grants for hiring bonuses or premium pay/bonuses, childcare grants or subsidies for workers. A draft of the Business Recovery Grant Program is attached to this staff report for your consideration. The previous rounds of business grants did not require any type of verification or audit after the business received their funding. The recovery grant program could operate the same way, or Staff can develop an easy to complete form and audit process to ensure the funds are being spent for their intended purpose.

Business grants would directly relate to Council Goal 3(a) - Foster economic recovery and growth; Develop a COVID-19 community recovery plan.

2. Gazebos - Eligible use #1 is for public health and economic impacts. As identified in the interim final rule, "Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs" are an eligible expense. The "Permanent Covered

Structures Grant Program" provided businesses with 80% funding towards the construction of a gazebo-like structure to help:

- local business owners stay in operation during the COVID-19 crisis by helping to create spaces for outdoor dining;
- local business owners create new permanent spaces for outdoor seating at restaurants, breweries, wineries, bars and coffee shops in Sandy;
- other businesses, such as fitness facilities, to provide outdoor fitness options;
- remain consistent with the Façade Grant Program in improving the aesthetic appearance of the exterior façades for existing buildings and businesses in the Urban Renewal District.

The additional 20% of the construction cost is the business owners responsibility. The city offered these business a lower interest, three year loan to ensure a manageable repayment option. To date, the total cost for all of the gazebos constructed or currently under construction is approximately \$550,000. Six business have either completed construction or are actively working towards breaking ground. The response from the community has been wonderful, and the structures can regularly be seen with several patrons enjoying their meals and beverages outdoors. These structures have allowed for businesses, who would have otherwise needed to reduce capacity indoors due to social distancing requirements, to remain open.

Reimbursing the Urban Renewal Agency for the 80% share in the cost of the outdoor covered structures program would be approximately \$440,000. The covered structures program assisted local restaurants by creating outdoor seating when indoor seating was severely impacted or nonexistent. We also recommend that if the Urban Renewal Agency Board decides to conduct a second round for the program, that an additional \$100,000 in ARPA funds be allocated for projects that fall outside of the urban renewal district.

In addition, reimbursing the Urban Renewal District would meet Council Goal 5 - Maintain financial strength and sustainability.

3. Homelessness Response - Eligible use #1 is for public health and economic impacts. One of the specific categories under this section is for "building stronger communities through investments in housing and neighborhoods." Eligible services include "services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals." Staff interprets this to mean that ARPA funding could be used to hire or contract with community partners to provide services to the homeless with our community.

A Homeless Taskforce represented by Councilors Smallwood and Sheldon have started meeting with staff and other agencies to generate strategies and approaches to address homeless needs as well as city ordinances. The Council could allocate an amount such as \$100,000 to improving services to address homelessness and ask the Homelessness Taskforce to determine the best use of these funds to meet the guidelines of ARPA's interim final rule and address our community's specific needs. The

initiative would also be inline with Council Goal 6(b) - Collaborate with regional and community partners to address homelessness; Create a plan to address homelessness in Sandy.

4. SandyNet Expansion - Eligible use #4 is for investments in infrastructure, which includes broadband. The interim final rule states, "...eligible investments in broadband are those that are designed to provide services meeting adequate speeds and are provided to unserved and underserved households and businesses." More specifically, "...projects are expected to be designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps."

IT Director/SandyNet General Manager Greg Brewster has identified eight expansion projects. The various projects are identified below; all are within city limits and meet the unserved/underserved criteria per the interim final rule. It's important to note that these projects are not all or nothing, and individual projects could be selected in lieu of completing the entire list. In addition, these costs are our best estimates at this time, based on current labor and construction costs in the telecommunications market. A map of these locations is attached to the staff report.

<u>Location</u>	<u>Cost</u>	<u>Units Serviceable</u>
Bluff Mobile Home Park	\$ 25,000	100
Evans Street Apartments	81,000	50
Sandy Vista Apartments	45,000	80
Trimble Estates	29,000	14
Garden Hill Apartments	20,000	18
Knollwood Estates	140,000	55
Freightway Industrial Park	84,000	34
Meinig Avenue Apartments	30,000	28

SandyNet expansion would cost \$449,000 if all eight of the projects were funded.

Completing all of these projects, and assuming that only 50% of the unites serviceable sign up for service, it is anticipated that over \$100,000 of additional revenue would be generated each year. This project would also facilitate progress towards Council Goal 1(f) - Plan and provide sustainable infrastructure; Continue to grow SandyNet to make it self-sufficient in the long-term.

5. Library Outreach Pop-Up Bookmobile - Eligible use #1 is for public health and economic impact. Students and families have been significantly impacted during the past eighteen months with limited access to educational resources while participating in comprehensive distant learning and hybrid instruction. In addition, the interim final rule addresses educational disparities, and specifically states that "evidence based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs" are eligible for ARPA funding. The "Outreach Pop-up Bookmobile" would provide access to community members who were unable to visit their local library during

the pandemic. The bookmobile would provide internet hotspots, access to Chromebooks, printer with scanning capabilities, transport materials to underserved populations, and general technology assistance. Additionally, the bookmobile would address connectivity within the community, helping to ensure that individual with mobility issues can access library materials closer to home, as well as reducing the number of library customers who must walk along the highway to access the library. [An example of a bookmobile in another jurisdiction is available here.](#) The Library recently applied for a grant through the state library to purchase the bookmobile but was unsuccessful in securing the funding. The acquisition of a bookmobile may also align with Council Goal 8(d) - Explore Council and community recreation services needs and determine how the organization can support this.

The bookmobile would cost an estimated \$130,000. Ongoing expenses include fuel, maintenance, and insurance, which is estimated to be no more than \$3,000 per year for the first few years of operations. Existing staff would be utilized to provide services and programs, so there would be no additional expense.

6. Revenue Replacement - Eligible use #3 is for replacing lost revenue as a result of the COVID-19 pandemic. This category is targeted toward the general fund and the interim final rule provides specific guidance on how to calculate the lost revenue. The calculation is tedious and looks at the General Fund as a whole, which is not an accurate picture of where we saw actual revenue loss. Staff has reviewed actual revenue receipts from prior twelve month period preceding the onset of the pandemic to identify specific areas where closures and other COVID-19 related factors were at play. This review identified six departments within the general fund that saw a direction reduction in revenue during the first twelve months on the pandemic, which are outlined below.

<u>Department</u>	<u>Revenue Description</u>	<u>Amount</u>
General	Transient Room Tax	\$ 7,000
Library	Fines/Fees	24,000
Police	Fines/Citations	83,000
Recreation	Program Fees	77,000
Senior Services	Trips/Activities/Building Rental	20,000
Parks	Gazebo Rental	2,000

Replacing lost revenue from our own sources would cost \$213,000. Given that we are at the very start of biennium 2021-23 and have a balanced budget, this option could be delayed and revisited after other projects/programs are implemented and evaluated. Alternatively, replenishing loss revenue could make more general revenue available for other projects and programs in the General Fund. The replacement of lost revenue would be consistent with Council Goal 5 - maintain financial strength and sustainability.

7. Wastewater System Improvements - Eligible use #4 is for investments in infrastructure, which includes wastewater. The interim final rule states "...Congress

recognized the critical role that clean drinking water and services for the collection and treatment of wastewater and stormwater play in protecting public health." Additionally, "...the interim final rule provides these governments with wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own community..." The City is currently underway with our most expensive capital improvement project to date, the wastewater system improvements. This project will cost over \$80 million to complete. The City has been able to secure \$14.7 million from the State of Oregon through their state ARPA funds, as well as a low interest WIFIA loan. Together, these two funding sources will cover up to 80% of the total project cost. Any additional federal funds used toward the complete of the project will count towards that 80% threshold, and further analysis is needed to determine the impact on future rates. At this time, Staff does not yet recommend prioritizing the use of the first tranche of ARPA funds to this project, but would revisit the idea with Council when we meet to prioritize the second tranche of funding sometime in 2022.

The exception would be to consider subsidies for installing grease traps and grease interceptors in food establishments to help with the city's fat, oil, and grease (FOG) program. We estimate about 20 businesses that either do not have a grease trap or their existing trap is inadequately sized. A \$2,500 subsidy towards installation could be helping in encouraging businesses to comply (\$50,000 total for the program).

The city is also preparing for a large investment in our water system. We would also recommend waiting for the second tranche and prioritizing other immediate needs before allocating APRA funds to that project at this time.

Staff is seeking direction from Council regarding the proposed projects/programs as to which should be prioritized or further developed with this initial round of funding.

BUDGETARY IMPACT:

In the Biennium 2021-2023 budget Staff projected \$2,300,000 in ARPA funds. Currently projects show the anticipated funds are \$2,525,801, which is \$225,801 more than what is budgeted. The first tranche of ARPA funding totaled \$1,263,900 which is within the current budget, so no budget adjustments are needed at this time.

RECOMMENDATION:

Provide Staff with direction related to which projects/programs should be prioritized or further developed with the first tranche of funds from the ARPA, with the recommendation of the total costs not exceeding \$1,263,900.

LIST OF ATTACHMENTS/EXHIBITS:

- [Interim Final Rule](#)
- Business Recovery Grant Program (draft)
- Map of areas without SandyNet
- [Bookmobile example](#)

**City of Sandy
Business Recovery Grant Program**

The Business Recovery Grant Program has been developed in response to the COVID-19 pandemic and the lingering negative economic impacts to small businesses. With the recent passage of the American Rescue Plan Act (ARPA), the City of Sandy has allocated \$100,000 to fund this grant program. ARPA funds can be utilized to provide grants to mitigate financial hardships such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operation costs.

Program Objectives

The purpose of this grant program is to supplement the myriad of federal and state assistance programs by providing \$5,000 awards to eligible businesses impacted by COVID-19. The City of Sandy hopes that these awards will help grantees keep their businesses solvent during these unique and difficult times.

Eligibility

Any commercial restaurant or retail business within the city limits of the City of Sandy that fits into one of these four categories of business may apply for a grant. This includes all business types listed in Executive Order 20-12, the Governor’s emergency declaration for Oregon.

1. **Eating and drinking establishments:** Any business that serves food or beverages – this includes restaurants, coffee shops, taverns, bars, breweries, and wineries. This category excludes food carts.
2. **Personal services:** This category includes hair salons and barber shops, medical and dental offices, non-medical wellness spas, masseuses, tattoo parlors, nail salons, gyms and health clubs. It excludes mental health, professional services, and sole proprietors.
3. **Indoor entertainment and childcare businesses:** This category includes cinemas, theaters, indoor kids’ play gyms, pre-schools, and day care centers.
4. **General retail:** This category includes all small retail shops – hobby shops, apparel stores, archery and firearms stores, hardware stores, lawn maintenance equipment retailers, cellular phone providers, etc.

General eligibility requirements and exclusions:

1. The business must occupy a structure with a commercial (C-1, C-2, C-3) or light industrial (I-1) zoning designation.
2. Businesses that have past due business license or transit tax are not eligible for this program.
3. Chain restaurants are not eligible. (For the purposes of this program, a chain restaurant is defined as a restaurant with 12 or more locations within the U.S.)
4. Non-profit organizations are not eligible.

Grant Criteria

Applications received during the application period will be evaluated according to the following criteria:

1. *How many employees does the business employ?* Preference will be given to businesses with 25 employees or less.
2. *Does the business have any past due transit tax or business license fee payments?* Businesses with past due payments do not qualify for this grant program.
3. *Was the business previously awarded a grant in relation to COVID-19?* Applicants that did not receive a grant previously will be given preference.
4. *Describe how COVID restrictions imposed by the State of Oregon have negatively impacted the number of customers you serve?* This question has no character limit and is the most heavily weighted question on the application. Please provide as much information as possible when answering.
5. *What category of eligible use applies to your expenditures?* Expenditures must be trackable and fall into a category identified within the ARPA guidelines.

Eligible Grant Expenditures

Eligible expenditures for this program shall mitigate financial hardships such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operation costs. **Verification of expenditures may be required to be submitted to City of Sandy no later than 90 days from the disbursement of the grant. Failure to do so may result in the loss of grant funding.**

Review process

Grant applications shall be reviewed by City staff prior to going to the review committee to ensure applicants are eligible for the program. Eligible applications will then be forwarded to the five-member workgroup to make final decisions on which applicants are selected. Scoring criteria



Industrial Park

Knollwood

Bluff MHP

Sandy

Garden Hill Apts

Trimble Rentals

Evans St (2 sites)

Cascadia Village

Vista Loop



MINUTES
City Council Meeting
Monday, August 16, 2021 7:00 PM

COUNCIL PRESENT: Stan Pulliam, Mayor; Jeremy Pietzold, Council President; Laurie Smallwood, Councilor; Richard Sheldon, Councilor; Kathleen Walker, Councilor; Carl Exner, Councilor; and Don Hokanson, Councilor

COUNCIL ABSENT: (none)

STAFF PRESENT: Jordan Wheeler, City Manager; Jeff Aprati, City Recorder; Tyler Deems, Deputy City Manager / Finance Director; Mike Walker, Public Works Director; Greg Brewster, IT/SandyNet Director; David Snider, Economic Development Manager; David Doughman, City Attorney; and Kelly O'Neill, Development Services Director

MEDIA PRESENT: Sandy Post

1. Pledge of Allegiance

2. Roll Call

3. Changes to the Agenda

4. Public Comment

Kevin Moss: expressed support for the idea of Sandy acquiring presidential statues from the City of Portland, saying that children should have the opportunity to learn the full history of the country. He also suggested the statues could represent an economic development / tourism opportunity.

5. Response to Previous Public Comments

6. Consent Agenda

6.1. City Council Minutes

6.2. Re-Designation of the Sandy Enterprise Zone E-Commerce Overlay

Staff Report - 0458

The Council discussed the merits of continuing the E-Commerce Overlay, and discussed the parameters of the program.

Moved by Jeremy Pietzold, seconded by Laurie Smallwood

Approve the Consent Agenda

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

7. New Business

7.1. Discussion Regarding Acquisition of City of Portland Statues

Mayor Pulliam introduced the idea of Sandy acquiring statues of Presidents Washington, Lincoln, and Roosevelt from the City of Portland, which were removed during protests in 2020. He suggested that non-public resources could be leveraged to secure, restore, and install the statues in Sandy parks instead.

The Council discussed the following issues related to the proposal:

- The virtues of the three presidents
- Support for the idea in the community
- The importance of the values represented by the statues
- Sandy as an alternative to Portland
- The significance of the demonstrations that resulted in the statues' removal
- The importance of planning and public engagement in public art
- The question of whether the statues are even for sale
- Concerns about politicization and overlap with political campaigning
- Proper procedure regarding securing Council approval before dedicating staff time
- Questions regarding the plan should the statues be secured
- The importance of liberty
- Concern about anti-American sentiment
- The possibility of commissioning new statues for Sandy instead
- The virtues of restoring the statues versus creating new ones
- Concerns regarding the image of Portland being projected onto other Oregon communities
- Concern regarding provoking Portland
- The importance of focusing on Sandy's highest priorities

Moved by Kathleen Walker, seconded by Don Hokanson

Table the proposal until the next City Council meeting.

DEFEATED. 3-4

Ayes: Richard Sheldon, Kathleen Walker, and Don Hokanson
Nays: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood, and
Carl Exner

Moved by Jeremy Pietzold, seconded by Laurie Smallwood

Table the proposal until the next City Council meeting; instruct the City Manager to contact the City of Portland to inquire whether the statues are for sale.

CARRIED. 5-2

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood, Carl
Exner, and Don Hokanson
Nays: Richard Sheldon and Kathleen Walker

7.2. **Discussion Regarding Usage of ARPA Funds for Business Recovery / Hiring Bonus Grants**

Mayor Pulliam introduced the concept of possibly using a portion of ARPA funds to provide hiring bonus grants to assist local businesses that are struggling to hire in the current labor market. The Council proceeded to discuss the following issues:

- Different parameters and requirements that could be applied to such a program, including a minimum amount of time an employee would have to stay with the business before receiving funds
- Possible concerns regarding unintended consequences
- Possible long-term economic investments as an alternative
- Concerns about intervening directly in the local economy
- Reimbursing urban renewal funds for the covered structure program as a higher priority
- Concern about the relative lack of planning
- Proper procedure regarding securing Council approval before dedicating staff time
- Concern regarding employee retention after the bonus is received
- Importance of reaching out to businesses directly for input
- Need to consider the idea further during a work session
- Possible alternative policy choices, including
 - Childcare grants
 - Transit passes

- Utility credits
- Concern about going beyond the proper role of the City

Moved by Richard Sheldon, seconded by Jeremy Pietzold

Direct staff to explore using ARPA funds to enhance business hiring practices.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

7.3. **PUBLIC HEARING: Ordinance 2021-16**

Repeal SMC Chapter 17.64: Planned Developments
Land Use File: 21-034 DCA

Staff Report - 0460

Abstentions

none

Conflicts of Interest

none

Staff Report

The **Development Services Director** summarized the staff report, which was included in the agenda packet. He noted that no input / comments were received from the State, and that the initial public questions raised about the composition of the public notice sent regarding the hearing had been addressed to general satisfaction.

Public Testimony

none

Discussion

Councilor Exner noted the possibility of revisiting the possibility of planned developments at some point in the future, perhaps with revisions; it was recognized that this could be considered during the Comprehensive Plan update process.

Moved by Jeremy Pietzold, seconded by Laurie Smallwood

Close the public hearing.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

Moved by Kathleen Walker, seconded by Carl Exner

Approve the first reading of Ordinance 2021-16.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

Moved by Jeremy Pietzold, seconded by Kathleen Walker

Approve the second reading of Ordinance 2021-16.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

7.4. **Resolution 2021-22**

Authorizing an Amendment to Existing DEQ State Revolving Fund Construction
Loan

Staff Report - 0454

The **Public Works Director** summarized the staff report, which was included in
the agenda packet.

Moved by Jeremy Pietzold, seconded by Carl Exner

Approve Resolution 2021-22.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

7.5. **Amendment to Contract for Engineering Services**

Existing Wastewater Treatment Plant Improvement Project

Staff Report - 0462

The **Public Works Director** summarized the staff report, which was included in the agenda packet.

The Council discussed concerns about costs, and whether there are likely to be future requests for additional funds. It was noted that the contracting method being used strikes a balance between speed and certainty regarding cost. The Council also discussed the City's obligations regarding permit compliance.

Moved by Laurie Smallwood, seconded by Carl Exner

Authorize the City Manager to sign an amendment with West-Yost for additional design and construction management services for the existing Wastewater Treatment Plant Condition Assessment Improvements Project.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

7.6. **Guaranteed Maximum Price Proposal for Basin #2 Rehabilitation**
Wastewater Collection System Improvement Project

Staff Report - 0461

The **Public Works Director** summarized the staff report, which was included in the agenda packet.

The Council discussed the logistics of the work to be performed, and noted possible areas of flooding concern near Tickle Creek.

Moved by Carl Exner, seconded by Jeremy Pietzold

Approve the Guaranteed Maximum Price for Basin 2 rehabilitation in the amount of \$2,171,259 and authorize the City Manager to enter into an agreement with Oxbow Construction for this work.

CARRIED. 7-0

Ayes: Stan Pulliam, Jeremy Pietzold, Laurie Smallwood,
Richard Sheldon, Kathleen Walker, Carl Exner, and Don
Hokanson

8. Report from the City Manager

- Kahut Disposal intends to sell their business to Waste Connections. The terms of their franchise agreement with the City presents a possible opportunity to discuss service provision. The Council discussed the details of the agreement, and the opportunities for negotiation.
- The upcoming LOC conference and COVID-19 regulations; policies regarding cancellation.
- Upcoming Parks and Trails Advisory Board interviews; **Councilors Walker, Smallwood, and Exner** agreed to serve on an interview panel.
- 12 applications have been received for the Parks and Recreation Director recruitment.
- A meeting with the Clackamas Watershed Council is upcoming on Thursday 8/19.

9. Committee /Council Reports

Councilor Hokanson:

- Raised the possibility of studying aquifer injection of effluent as an alternative to river discharge, particularly as water may become more scarce in coming decades
- Suggested meeting with Bend Parks and Recreation District staff during the LOC conference

Councilor Exner:

- Noted the success of the Sandy Babe Ruth baseball team and their trip to the championship tournament in Iowa
- Stressed the importance of restarting the Arts Advisory Board process
- Noted the challenges presented by meeting wearing masks
- Requested updates from staff on a variety of ongoing projects

Councilor Walker:

- Noted the success of the recent homeless encampment cleanup in Sandy River Park; stressed the importance of tracking and managing such situations proactively
- Noted increasing reports of public nudity and suggested stricter regulations on the matter
- Expressed concern about spending parks SDC funds on park-adjacent streets
- Expressed concern about the lack of parking requirements in the C-1 zone
- Noted upcoming city celebrations and activities

Councilor Sheldon:

- Noted the recent homelessness taskforce meeting and stressed the importance of moving forward quickly with a strategy implementation
- Noted the upcoming Chamber of Commerce event on Wednesday 8/18

Councilor Smallwood:

- Also noted the recent homelessness taskforce meeting; suggested there may be opportunities to apply trespassing regulations to RVs on private property
- Suggested holding a work session in the near future on camping regulations; raised example policy approaches in Gresham. Suggested possible staffing increases to focus on addressing the challenge.

Council President Pietzold:

- Noted the recent Economic Development Advisory Board meeting and the initial steps toward developing an economic development strategic plan
- Noted the upcoming Hood to Coast relay
- Noted the upcoming SandyNet Advisory Board meeting
- Noted invasive blackberries that need to be addressed

Mayor Pulliam:

- Preliminary results on the bypass study will be available soon
- The City of North Bend has had success securing funds for pool operations
- Suggested inviting the speakers who recently presented on homelessness at the Oregon Mayors Association conference
- Also noted the success of the Sandy Babe Ruth baseball team
- Also noted the success of the recent homeless encampment cleanup in Sandy River Park
- Suggested a second round of covered structure grants, possibly leveraging ARPA funds
- Noted the 110th anniversary celebrations on 8/28
- Suggested holding the postponed fireworks event as soon as possible

10. Staff updates

10.1. [Monthly Reports](#)

11. Adjourn

Mayor, Stan Pulliam

City Council
August 16, 2021

City Recorder, Jeff Aprati

Draft



Staff Report

Meeting Date: September 7, 2021

From Jordan Wheeler, City Manager

SUBJECT: Request for Consent of Assignment of Hoodview Disposal Franchise

BACKGROUND:

The city received notice that Kahut Companies Holdings, Inc, a wholly owned subsidiary of Waste Connections US Inc., is purchasing all the stock in Hoodview Disposal and Recycling Inc. Hoodview Disposal is the City's exclusive franchised waste and recycling hauler. Under the existing franchise agreement, the agreement and obligations of Hoodview Disposal cannot be assigned without the City's consent unless the assignment was to another company which is owned and controlled by the company or its parent company.

Therefore, the City must agree to consent to the transfer of assignment. Per the franchise agreement, section 13.51 C, Hoodview was required to submit the financial statements of the proposed assignee (Waste Connections Inc.) and documentation that the assignee has solid waste collection experience and is in good standing and in compliance with all state, federal, and local laws regulating solid waste management services and practices. Kahut has provided the documentation (Attachment 1). The City may also reasonably request additional information to ensure that Waste Connections can fulfill the terms of the agreement.

The Kahut family has owned and operated solid waste and recycling companies in Oregon for 50 years. The existing franchise agreement became effective May 1, 2015 and operates on a continuing 10 year term. Each year the agreement is automatically renewed for 10 years unless the city notifies the franchisee at least 30 days prior to July 1. Once the notice is given, the franchise agreement will terminate 10 years from the prior year's renewal.

Waste Connections is the third largest waste hauler in North America with over 7 million residential, commercial, and industrial customers in the United States and Canada. Waste Connections of Oregon, a subsidiary of Waste Connections US Inc. currently holds two solid waste collection franchises in good standing with Clackamas County.

Representatives from Hoodview Disposal and Waste Connections Inc. will be in attendance to request the assignment and answer questions of Council.

BUDGETARY IMPACT:

None.

RECOMMENDATION:

Staff recommends the City Council receives information about the proposed assignment, ask questions, and provide direction on the consent of the transfer to occur at the September 20, 2021 City Council meeting.

LIST OF ATTACHMENTS/EXHIBITS:

- Hoodview Disposal Franchise
- Hoodview Disposal Consent of Assignment Request Letter and Documentation of Waste Connections US Inc.



Franchise Agreement
Between
City of Sandy, Oregon
And
Hoodview Disposal & Recycling, Inc.
For
Solid Waste, Recyclable Materials
And Yard Debris Collection Services

July 1, 2014

TABLE OF CONTENTS

	<u>PAGE</u>
RECITALS	1
ARTICLE 1 DEFINITIONS	3
1.1 Agreement.....	3
1.2 Approved Recyclables Processing Site	3
1.3 Approved Yard Waste Processing Site	3
1.4 Approved Transfer Station.....	3
1.5 Billings.....	4
1.6 Cart.....	4
1.7 City.....	4
1.8 Collection	4
1.9 Commencement Date	4
1.10 Commercial Premises.....	4
1.11 Commingled	5
1.12 Company.....	5
1.13 Company’s Compensation	5
1.14 Container.....	5
1.15 Curbside	5
1.16 Disposal.....	5
1.17 Disposal Site	5
1.18 Drop Box	6
1.19 Effective Date.....	6
1.20 Environmental Laws	6
1.21 Exchange	7
1.22 Facility	7
1.23 Fair Market Value	7
1.24 Fiscal Year	7
1.25 Franchise	7
1.26 Franchise Fee	7
1.27 Generator	8
1.28 Gross Revenues	8
1.29 Hazardous Substance	8
1.30 Hazardous Waste.....	8
1.31 Holidays	9
1.32 Household Hazardous Waste	9
1.33 Infectious Waste	9
1.34 Legislation.....	10
1.35 Missed Pick-up.....	10
1.36 Multi-Family Dwelling Unit.....	10
1.37 Non-Putrescible Solid Waste.....	10
1.38 ORS	10
1.39 Owner	10

1.40	Party or Parties	10
1.41	Person	11
1.42	Premises	11
1.43	Principal Recyclable Materials	11
1.44	Processing	11
1.45	Purchase	11
1.46	Processing Site	11
1.47	Putrescible Solid Waste	11
1.48	Rate Period	12
1.49	Rates	12
1.50	Receptacles	12
1.51	Recycling	12
1.52	Recyclable Material	12
1.53	Residential Premises	12
1.54	Single-Family Dwelling Unit	13
1.55	Solid Waste	13
1.56	Source Separated	13
1.57	Subcontractors	13
1.58	Term	14
1.59	Transfer Station	14
1.60	Yard Debris	14
ARTICLE 2 REPRESENTATIONS AND WARRANTIES OF COMPANY		15
2.1	Company Status	15
2.2	Company Authorization	15
2.3	Agreement Duly Executed	15
2.4	No Conflict with Applicable Law or Other Documents	15
2.5	No Litigation	16
2.6	No Material Change in Financial Ability	16
2.7	Expertise	16
2.8	Company's Investigation	16
ARTICLE 3 TERM AND SCOPE OF FRANCHISE		17
3.1	Term of Agreement	17
3.2	Franchise	18
3.3	City's Right to Direct Changes	20
3.4	Ownership of Solid Waste	20
ARTICLE 4 FRANCHISE FEE AND OTHER SURCHARGES		22
4.1	City Franchise Fee	22
4.2	Other City Fees	23
ARTICLE 5 DIRECT SERVICES		24
5.1	Solid Waste Collection	24
5.2	Recyclable Materials Collection	27
5.3	Yard Debris Collection	28
5.4	Operations	30
5.5	Implementation Plan	Error! Bookmark not defined.
5.6	Contingency Plan	43
5.7	Recyclable Materials and Yard Debris Processing	43
5.8	Disposal of Solid Waste	46

5.9	Service Exceptions; Hazardous Waste Notifications	48
5.10	Collection from City Facilities.....	49
5.11	Annual Yard Debris Drop-Off Event	Error! Bookmark not defined.
5.12	Motor Oil Collection.....	49
5.13	Infectious Waste Collection.....	49
ARTICLE 6 OTHER SERVICES.....		50
6.1	Services and Customer Billing	50
6.2	Customer Service	51
6.3	Public Education	52
6.4	Waste Generation and Characterization Studies.....	54
ARTICLE 7 COMPANY'S COMPENSATION AND RATES		55
7.1	Company's Compensation	55
7.2	Rates.....	55
7.3	Annual Adjustment of Rates	56
7.4	Annual Rate Application Process	58
7.5	Special Rate Review.....	59
7.6	Rates for Changes in Scope.....	62
7.7	Notice of Rate Adjustments.....	63
7.8	Market Test of Rates	63
ARTICLE 8 REVIEW OF SERVICES AND PERFORMANCE.....		64
8.1	Performance Hearing	64
ARTICLE 9 RECORDS, REPORTS AND INFORMATION REQUIREMENTS		66
9.1	General	66
9.2	Records	66
9.3	Reports.....	68
9.4	Adverse Information	71
ARTICLE 10 INDEMNIFICATION, INSURANCE AND BOND		72
10.1	Indemnification	72
10.2	Hazardous Substances Indemnification	73
10.3	Insurance.....	74
10.4	Faithful Performance Bond.....	78
ARTICLE 11 CITY'S RIGHT TO PERFORM SERVICE.....		79
11.1	General	79
11.2	Temporary Possession of Company's Property.....	80
11.3	Billing and Compensation to City during City's Possession	81
11.4	City's Right to Relinquish Possession	81
11.5	Duration of City's Possession.....	81
ARTICLE 12 DEFAULT, REMEDIES AND LIQUIDATED DAMAGES.....		82
12.1	Events of Default.....	82
12.2	Right to Terminate upon Default.....	83
12.3	Liquidated Damages	84
12.4	Excuse from Performance	88
12.5	Notice, Hearing and Appeal of City Breach.....	88
12.6	Assurance of Performance.....	89
ARTICLE 13 OTHER AGREEMENTS OF THE PARTIES		90
13.1	Relationship of Parties.....	90
13.2	Compliance with Law	90

13.3	Governing Law.....	90
13.4	Jurisdiction.....	90
13.5	Assignment.....	91
13.6	Contracting or Subcontracting.....	93
13.7	Binding on Assigns.....	93
13.8	Transition to Next Company.....	93
13.9	Parties in Interest.....	93
13.10	Condemnation.....	93
13.11	Notice.....	93
13.12	Representatives of the Parties.....	94
13.13	City Free to Negotiate with Third Parties.....	95
13.14	Compliance with Municipal Code.....	95
13.15	Privacy.....	95
13.16	Attorney Fees and Cost Recovery.....	95
ARTICLE 14 MISCELLANEOUS AGREEMENTS.....		96
14.1	Entire Agreement.....	96
14.2	Article and Section Headings.....	96
14.3	References to Laws and Other Agreements.....	96
14.4	Interpretation.....	96
14.5	Agreement.....	96
14.6	Severability.....	96
14.7	Exhibits.....	97
14.8	Waiver.....	97

Exhibits

1	CITY FACILITIES
2	RATES FOR RATE PERIOD MAY 1, 2005 THROUGH DECEMBER 31, 2006
3	FAITHFUL PERFORMANCE BOND
4	NOTARY CERTIFICATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

**FRANCHISE AGREEMENT BETWEEN
THE CITY OF SANDY
AND
HOODVIEW DISPOSAL & RECYCLING, INC. FOR SOLID WASTE,
RECYCLABLE MATERIALS,
AND YARD DEBRIS COLLECTION SERVICES**

This Franchise Agreement (Agreement) is entered into this 1st day of October 2004, by and between the City of Sandy, Oregon (City) and Hoodview Disposal & Recycling, Inc. (Company) for the Collection, transportation, and Disposal of Solid Waste and the Collection, transportation, and Processing of Recyclable Materials and Yard Debris.

RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

WHEREAS, City issued a Request for Proposals (RFP) and Draft Franchise Agreement for Solid Waste, Recyclable Materials, and Yard Debris Collection Services on January 20, 2004; and,

WHEREAS, Company prepared and submitted a proposal dated April 8, 2004 to provide the services outlined in City's RFP and Draft Franchise Agreement; and,

WHEREAS, City has reviewed Company's proposal, relied on the representations therein, and has determined that Company's proposal, as revised during negotiations between City and Company, best meets the goals and objectives of City for Solid Waste, Recyclable Materials, and Yard Debris Collection services; and,

WHEREAS, the Legislative Assembly of the State of Oregon, by enactment of the 1993 Oregon Revised Statutes (ORS), has declared that it is a matter of statewide concern for local agencies to make adequate provisions for Solid Waste handling and the opportunity to Recycle within their jurisdictions; and,

WHEREAS, the City Council of City has determined that the public health, safety, and well-being require that an exclusive Franchise be awarded to a qualified company for the

1 Collection, transportation, and Disposal of Solid Waste and the Collection,
2 transportation, and Processing of Recyclable Materials, and Yard Debris; and,

3 WHEREAS, City and Company are mindful of the provisions of the laws governing the
4 safe Collection, transfer, and Disposal of Solid Waste, ORS 459 and ORS 459A, the
5 Resource Conservation and Recovery Act (RCRA), and the Comprehensive
6 Environmental Response, Compensation and Liability Act ("CERCLA"); and,

7 WHEREAS, City and Company desire to leave no doubts as to their respective roles, and
8 by entering into this Agreement, City is not thereby becoming a "generator" or an
9 "arranger" as those terms are used in CERCLA § 107(a)(3), and it is Company, not City,
10 which is "arranging for" the Collection, removal, transportation, and Disposal of Solid
11 Waste which may contain Hazardous Substances; and,

12 WHEREAS, the City Council of City declares its intention of maintaining reasonable
13 Rates and quality service related to the Collection, transportation, and Disposal of Solid
14 Waste, the Collection, transportation, and Processing of Recyclable Materials and Yard
15 Debris, and other services; and,

16 WHEREAS, City and Company (Parties) hereto desire to enter said Agreement.

17 NOW, THEREFORE, in consideration of the premises above stated and the terms,
18 conditions, covenants and agreements contained herein, the Parties do hereby agree as
19 follows:

1 **ARTICLE 1**
2 **DEFINITIONS**

3 **1.1 Agreement**

4 "Agreement" means this Franchise Agreement between City and Company for
5 Collection, transportation, and Disposal of Solid Waste and the Collection,
6 transportation, and Processing of Recyclable Materials and Yard Debris, including
7 all Exhibits and attachments, and any amendments thereto.

8 **1.2 Approved Disposal Site**

9 "Approved Disposal Site" means the Columbia Ridge Landfill and the Riverbend
10 Landfill, both of which are owned and operated by Waste Management
11 Incorporated, a Subcontractor to the Company, unless the City designates a
12 different Disposal Site in accordance with Section 3.3 or accepts the Company's
13 proposal for an alternative Disposal Site in accordance with Section 5.8.4.

14 **1.3 Approved Recyclable Material Processing Site**

15 "Approved Recyclable Material Processing Site" means the K.B. Recycling, Inc.
16 which is owned and operated by Fred Kahut and located in Clackamas, Oregon,
17 and which was selected by Company and approved by the City, unless the City
18 designates a different Disposal Site in accordance with Section 3.3, or accepts the
19 Company's proposal for an alternative Recyclable Material Processing Site in
20 accordance with Section 5.8.4..

21 **1.4 Approved Yard Debris Processing Site**

22 "Approved Yard Debris Processing Site" mean the Pacific Land Clearing
23 Company, Inc, which is owned and operated by Pacific Land Clearing company,
24 Inc and located in Oregon City, Oregon and which was selected by Company and
25 approved by the City, unless the City designates a different Processing Site in
26 accordance with Section 3.3, or accepts the Company's proposal for an alternative
27 Yard Debris Processing Site in accordance with Section 5.8.4.

28 **1.5 Approved Transfer Station**

29 "Approved Transfer Station" means the Recycle America Transfer Station, which
30 is owned and operated by Waste Management Inc. and located in Troutdale,

1 Oregon and which was selected by Company and approved by the City, unless
2 the City designates a different Transfer Station in accordance with Section 3.3 or
3 accepts the Company's proposal for an alternative Transfer Station in accordance
4 with Section 5.8.4.

5 **1.6 Billings**

6 "Billings" means any and all statements of charges for services rendered,
7 howsoever made, described or designated by City or Company, or made by others
8 for City or Company, to Owners or occupants of property, including Residential
9 Premises and Commercial Premises, served by Company for the Collection of
10 Solid Waste, Recyclable Materials, or Yard Debris.

11 **1.7 Cart**

12 "Cart" means a plastic Receptacle, that has a capacity ranging from 20- to 96-
13 gallons, hinged lid, and wheels and that is lifted and emptied by an automated or
14 semi-automated collection vehicle.

15 **1.8 City**

16 "City" means City of Sandy, Oregon, a municipal corporation, and all the territory
17 lying within the municipal boundaries of City as presently existing or as such
18 boundaries may be modified during the Term of this Agreement.

19 **1.9 Collection**

20 "Collection" (or variations thereof) means a service providing for collection of
21 Solid Waste, Recyclable Materials, and/or Yard Debris but does not include that
22 part of a business operated under a certificate issued under ORS 822.110.

23 **1.10 Commencement Date**

24 "Commencement Date" means the date specified in Section 3.1.1 when Collection,
25 transportation, Processing, and Disposal services required by this Agreement shall
26 be provided by Company.

27 **1.11 Commercial Premises**

28 "Commercial Premises" means commercial and industrial property upon which
29 business activity is conducted, including, but not limited to, retail sales, services,

1 wholesale operations, manufacturing and industrial operations, but excluding
2 businesses conducted upon Residential Premises which are permitted under
3 applicable zoning regulations and are not the primary use of the property.

4 **1.12 Commingled**

5 "Commingled" means a mix of Recyclable Materials.

6 **1.13 Company**

7 "Company" means Hoodview Disposal & Recycling Inc., a corporation organized
8 and operating under the laws of the State of Oregon and its officers, directors,
9 employees, agents, and Subcontractors.

10 **1.14 Company's Compensation**

11 "Company's Compensation" means the revenue received by the Company in
12 return for providing services in accordance with this Agreement as described in
13 Article 7.

14 **1.15 Container**

15 "Container" means a Receptacle with capacity of approximately one to eight cubic
16 yards, with a hinged lid, and with wheels.

17 **1.16 Curbside**

18 "Curbside" means the placement of Receptacle(s) for pickup no more than three
19 feet from any traveled street or alleyway, or as designated by City, provided that
20 the Company can safely and feasibly provide service to such location.

21 **1.17 Disposal**

22 "Disposal" (or variations thereof) means the ultimate disposition of Solid Waste
23 collected by Company at the Approved Disposal Site in full regulatory
24 compliance.

25 **1.18 Disposal Site**

26 "Disposal Site" means land and facilities used for the Disposal, handling or transfer
27 of, or energy recovery, material recovery and Recycling from Solid Wastes,
28 including but not limited to dumps, landfills, sludge lagoons, sludge treatment

1 facilities, disposal sites for septic tank pumping or cesspool cleaning service,
2 Transfer Stations, energy recovery facilities, incinerators for Solid Waste delivered
3 by the public or by a collection service, composting plants and land and facilities
4 previously used for solid waste disposal at a land disposal site; but the term does
5 not include a facility authorized by a permit issued under ORS 466.005 to 466.385
6 to store, treat or dispose of both Hazardous Waste and Solid Waste; a facility
7 subject to the permit requirements of ORS 468B.050 or 468B.053; a site which is
8 used by the owner or person in control of the premises to dispose of soil, rock,
9 concrete or other similar nondecomposable material, unless the site is used by the
10 public either directly or through a collection service; or a site operated by a
11 wrecker issued a certificate under ORS 822.110.

12 **1.19 Drop Box**

13 "Drop Box" means any storage Receptacle ranging from 10 to 40 cubic yards which
14 is designed for storage and collection of Solid Waste, Recyclable Materials, or Yard
15 Debris. A Drop Box may be an open-top container or an enclosed container with
16 a compaction unit.

17 **1.20 Effective Date**

18 "Effective Date" means the date on which the latter of the two Parties signs the
19 Agreement and the date on which Company may begin to take actions and incur
20 costs in preparation to provide Collection, transportation, Processing, and
21 Disposal services required by this Agreement.

22 **1.21 Environmental Laws**

23 "Environmental Laws" means all federal and state statutes and regulations, and
24 county, local and City ordinances concerning public health, safety and the
25 environment including, by way of example and not limitation, the Comprehensive
26 Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601
27 et seq.; the Resource Conservation and Recovery Act, 42 USC §6902 et seq.; the
28 Federal Clean Water Act, 33 USC §1251 et seq.; the Toxic Substances Control Act,
29 15 USC §1601 et seq.; the Occupational Safety and Health Act, 29 USC §651 et seq.;
30 the Oregon Solid Waste Management Act, ORS Chapter 459; the Oregon Reuse
31 and Recycling Act, ORS 459A; the Oregon Employment Safety and Health Act,
32 ORS Chapter 654; and the Oregon Workers' Compensation Act, ORS 656, as

1 currently in force or as hereafter amended, and all rules and regulations
2 promulgated thereunder.

3 **1.22 Exchange**

4 "Exchange" means a mutual act of giving or taking of one item or service for
5 another. This includes any transaction into which money enters either as the
6 consideration or as the basis of measure.

7 **1.23 Facility**

8 "Facility" means any plant or site, owned or leased and maintained, operated or
9 used by Company for purposes of performing under this Agreement.

10 **1.24 Fair Market Value**

11 "Fair Market Value" means the cash price (or its equivalent in terms of savings on
12 Collection and Disposal fees) that is at least equal to the cost of Collection and
13 Disposal of a Recyclable Materials or group of Recyclable Materials, that would be
14 Purchased or Exchanged between the collector of said Recyclable Material or
15 group of Recyclable Materials and the Generator of said Recyclable Material or
16 group of Recyclable Materials.

17 **1.25 Fiscal Year**

18 "Fiscal Year" means a 12-month period commencing January 1 and concluding
19 December 31 of the subsequent year.

20 **1.26 Franchise**

21 "Franchise" includes a franchise, certificate, contract or license issued by a local
22 government unit authorizing a person to provide Solid Waste, Recyclable
23 Materials, and Yard Debris Collection and management services.

24 **1.27 Franchise Fee**

25 "Franchise Fee" means the fee paid by Company to City for the right to hold the
26 Franchise for Solid Waste, Recyclable Materials, and Yard Debris Collection
27 services that are granted by this Agreement.

1 **1.28 Generator**

2 "Generator" means any Person whose act or Process produces Solid Waste,
3 Recyclable Materials, or Yard Debris or whose act first causes Solid Waste,
4 Recyclable Materials, or Yard Debris to become subject to regulation.

5 **1.29 Gross Revenues**

6 "Gross Revenues" means any and all revenue or compensation in any form
7 actually remitted by customers to the Company for the Collection and
8 transportation of Solid Waste, Recyclable Materials, and Yard Debris pursuant to
9 this Agreement. Gross Revenues shall be determined in accordance with
10 Generally Accepted Accounting Principles and shall include actual monthly
11 customer fees received for Collection of Solid Waste, Recyclable Materials, and
12 Yard Debris, without deductions for Franchise Fees.

13 **1.30 Hazardous Substance**

14 "Hazardous Substance" shall mean any of the following: (a) any substances
15 defined, regulated or listed (directly or by reference) as "Hazardous Substances",
16 "hazardous materials", "Hazardous Wastes", "toxic waste", "pollutant" or "toxic
17 substances" or similarly identified as hazardous to human health or the
18 environment, in or pursuant to (i) the Comprehensive Environmental Response,
19 Compensation and Liability Act of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the
20 Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource
21 Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33
22 USC §1251 et seq.; (v) the Oregon Hazardous Waste and Hazardous Materials II
23 Act, ORS 466.005; and (vi) the Clean Air Act, 42 USC §7901 et seq.; (b) any
24 amendments, rules or regulations promulgated thereunder to such enumerated
25 statutes or acts currently existing or hereafter enacted; and (c) any other hazardous
26 or toxic substance, material, chemical, waste or pollutant identified as hazardous
27 or toxic or regulated under any other applicable federal, state or local
28 environmental laws currently existing or hereinafter enacted, including, without
29 limitation, friable asbestos, polychlorinated biphenyls ("PCBs"), petroleum,
30 natural gas and synthetic fuel products, and by-products.

31 **1.31 Hazardous Waste**

32 "Hazardous Waste" has the meaning given that term in ORS 466.005.

1 **1.32 Holidays**

2 “Holidays” are defined as New Year’s Day, Independence Day, Thanksgiving
3 Day, and Christmas Day.

4 **1.33 Household Hazardous Waste**

5 "Household Hazardous Waste" means any discarded, useless or unwanted
6 chemical, material, substance or product that is or may be hazardous or toxic to
7 the public or the environment and is commonly used in or around households and
8 is generated by the household. “Household Hazardous Waste” may include, but
9 is not limited to, some cleaners, solvents, pesticides, and automotive and paint
10 products.

11 **1.34 Infectious Waste**

12 “*Infectious Waste*” means biological waste including medical waste described as:

13 (a) Blood and blood products, excretions, exudates, secretions, suctioning and
14 other body fluids that cannot be directly discarded into a municipal sewer
15 system, including solid or liquid wastes from renal dialysis and waste
16 materials reasonably contaminated with blood or bloody fluids.

17 (b) Cultures and stocks of etiologic agent and associated biologicals, including
18 specimen cultures and disks and devices used to transfer, inoculate and mix
19 cultures, wastes from production of biologicals and serums and discarded live
20 and attenuated vaccines; but does not include throat or urine cultures.

21 (c) Sharps that have been removed from their original sterile containers, including
22 needles, I.V. tubing with needles attached, scalpel blades, lancets, glass tubes
23 that could be broken during handling, and syringes.

24 (d) Pathological waste, including biopsy materials and all human tissues,
25 anatomical parts that emanate from surgery, obstetrical procedures, autopsy
26 and laboratory procedures and animal carcasses exposed to pathogens in
27 research, the bedding of the animals and other waste from such animals.
28 Pathological waste does not include formaldehyde or other preservative
29 agents.

1 **1.35 Legislation**

2 "Legislation" means any code, ordinance, resolution or any other
3 forms/enactment of the governing body of City, currently existing or may
4 hereafter be adopted, constituting law or regulation governing the operation of
5 Company.

6 **1.36 Missed Pick-up**

7 "Missed Pick-Up" means failure of Company to pick up Solid Waste, Recyclable
8 Materials, or Yard Debris that has been set out by the customer in accordance with
9 this Agreement, and at the prescribed level of service, as mutually agreed upon by
10 the customer and Company.

11 **1.37 Multi-Family Dwelling Unit**

12 "Multi-Family Dwelling Unit" means any Premises with five dwelling units or
13 more used for residential purposes (not including hotels or motels), irrespective of
14 whether residence therein is transient or permanent.

15 **1.38 Non-Putrescible Solid Waste**

16 "Non-Putrescible Solid Waste" means inoperable vehicles; vehicle parts; tires;
17 residential, commercial, and industrial construction and demolition debris;
18 plastic; glass; cardboard; and wastepaper.

19 **1.39 ORS**

20 "ORS" means the 1997 Oregon Revised Statutes.

21 **1.40 Owner**

22 "Owner" means the Person holding the legal title to the real property constituting
23 the Premises to which Solid Waste, Recyclable Materials, or Yard Debris Collection
24 service is to be provided under this Agreement.

25 **1.41 Party or Parties**

26 "Party" or "Parties" refers to the City and Company, individually or together.

1 **1.42 Person**

2 "Person" means the United States, the state or a public or private corporation, local
3 government unit, public agency, individual, partnership, association, firm, trust,
4 estate or any other legal entity.

5 **1.43 Premises**

6 "Premises" means any land, or building, in City where Solid Waste, Recyclable
7 Materials, or Yard Debris is generated or accumulated.

8 **1.44 Principal Recyclable Materials**

9 "Principal Recyclable Materials" means those Recyclable Materials designated
10 from time to time by the State of Oregon Department of Environmental Quality.

11 **1.45 Processing**

12 "Processing" (or variations thereof) means to prepare, treat, or convert through
13 some special method.

14 **1.46 Purchase**

15 "Purchase" means the legal transmission of legal title to property from one Person
16 to another through a voluntary act or agreement, with compensation in the form
17 of money or other consideration, by a buyer to a seller of the property.

18 **1.47 Processing Site**

19 "Processing Site" means any plant or site used for the purpose of sorting,
20 cleansing, treating or reconstituting Recyclable Materials or Yard Debris for the
21 purpose of making such material available to end-use markets or for reuse.

22 **1.48 Putrescible Solid Waste**

23 "Putrescible Solid Waste" means Solid Waste or waste material, including bones;
24 meat and meat scraps; fat; grease; fish and fish scraps; food containers
25 contaminated with food wastes; particles or residues; vegetable and fruit food
26 wastes; manure; dead fowl; dead animals or similar organic wastes, that are
27 capable of causing offensive odors, creating a health hazard, or attracting or
28 providing food for vectors.

1 **1.49 Rate Period**

2 "Rate Period" means the 12-month period commencing January 1 and concluding
3 December 31 of the subsequent year with the exception that the first Rate Period
4 will be a 21-month period commencing May 1, 2005 and concluding December 31,
5 2006.

6 **1.50 Rates**

7 "Rates" means the unit to be charged customers by Company for providing Solid
8 Waste Collection and Disposal, Recyclable Materials Collection and Processing
9 services, and Yard Debris Collection and Processing services. Rates may be
10 adjusted from time to time in accordance with this Agreement.

11 **1.51 Receptacles**

12 "Receptacles" means any and all types of Solid Waste, Recyclable Materials, and
13 Yard Debris receptacles including cans, bags, bins, Carts, Containers, Drop Boxes,
14 and compactors or any other means of containment of Solid Waste, Recyclable
15 Materials, or Yard Debris.

16 **1.52 Recycling**

17 "Recycling" means any Process by which Solid Waste materials are transformed
18 into new products where the Solid Waste materials may lose their identity.

19 **1.53 Recyclable Material**

20 "Recyclable Material" means any material or group of materials that can be
21 collected and sold for Recycling at a net cost equal to or less than the cost of
22 Collection and Disposal of the same material. Recyclable Materials are a subset of
23 Solid Waste.

24 **1.54 Residential Premises**

25 "Residential Premises" means property used for residential purposes, irrespective
26 of whether such dwelling units are rental units or are Owner occupied.

1 **1.55 Single-Family Dwelling Unit**

2 "Single-Family Dwelling Unit" means each Residential Premises used for or
3 designated as a single-family residential dwelling, including each unit of a duplex,
4 triplex, fourplex, or town house in all cases in which there is separate or individual
5 Solid Waste and Recyclable Materials Collection service using cans or Carts.

6 **1.56 Solid Waste**

7 "Solid Waste" means all useless, unwanted, or discarded Putrescible Solid Waste
8 and Non-Putrescible Solid Waste, including, but not limited to, garbage, rubbish,
9 refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool
10 pumpings or other sludge, useless or discarded commercial and industrial,
11 demolition and construction materials, discarded or abandoned vehicles or parts
12 thereof, discarded home and industrial appliances, manure, vegetable or animal
13 solid and semisolid materials, dead animals and Infectious Waste as defined in
14 ORS 459.386. "Solid Waste" does not include:

15 (a) Hazardous Waste as defined in ORS 466.005.

16 (b) Materials used for fertilizer or for other productive purposes or which are
17 salvageable as such materials on land in agricultural operations in the growing
18 or harvesting of crops and the raising of fowl or animals. This exception does
19 not apply to the keeping of animals on land which has been zoned for
20 residential non-agricultural purposes.

21 (c) Septic tank and cesspool pumping or chemical toilet waste.

22 **1.57 Source Separated**

23 "Source Separated" means the segregation, by the Generator, of materials
24 designated for separate Collection for some form of Recycling, Composting,
25 recovery, or reuse.

26 **1.58 Subcontractors**

27 "Subcontractor" means a party who has entered into a contract, express or
28 implied, with the Company for the performance of an act that is necessary for the
29 Company's fulfillment of its obligations under this Agreement.

1 **1.59 Term**

2 “Term” means the Term of this Agreement, including extension periods if granted,
3 as provided for in Article 3.

4 **1.60 Transfer Station**

5 “Transfer Station” means a fixed or mobile facility other than a collection vehicle
6 where Solid Waste, Recyclable Materials, and/or Yard Debris is deposited
7 temporarily after being removed from the site of generation but before being
8 transported to a final disposal or Processing location.

9 **1.61 Yard Debris**

10 "Yard Debris" includes grass clippings, leaves, hedge trimmings and similar
11 vegetative waste generated from Residential Premises or landscaping activities,
12 but does not include stumps or similar bulky wood materials. Yard Debris is a
13 subset of Solid Waste.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ARTICLE 2
REPRESENTATIONS AND WARRANTIES OF COMPANY

2.1 Company Status

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

2.2 Company Authorization

Company has the authority to enter into and perform its obligations under this Agreement. If appropriate or necessary, the Board of Directors of Company has taken all actions required by law, its articles of incorporation, its bylaws or otherwise to authorize the execution of this Agreement.

2.3 Agreement Duly Executed

The persons signing this Agreement on behalf of Company have been duly authorized by Company to do so, and this Agreement has been duly executed and delivered by Company in accordance with the authorization of its Board of Directors or shareholders, if necessary, and is enforceable against Company in accordance with its terms.

2.4 No Conflict with Applicable Law or Other Documents

Neither the execution and delivery by Company of this Agreement nor the performance by Company of its obligations hereunder:

- a) Conflicts with, violates, or will result in a violation of any existing applicable law; or
- b) Conflicts with, violates, or will result in a breach or default under any term or condition of any existing judgment, order or decree of any court, administrative agency or other governmental authority, or of any existing agreement or instrument to which Company is a party, or by which Company or any of Company's properties or assets is bound; or

1 c) Will result in the creation or imposition of any lien, charge, or encumbrance
2 of any nature whatsoever upon any of the properties or assets of Company
3 that will interfere materially with Company's performance hereunder.

4 **2.5 No Litigation**

5 There is no action, suit, proceeding or action at law or equity, or to the best of
6 Company's knowledge, any investigation before or by any court or governmental
7 entity, pending or threatened against Company or otherwise affecting Company,
8 wherein an unfavorable decision, ruling or finding, in any single case or in the
9 aggregate, would materially adversely affect Company's performance hereunder,
10 or which in any way, would adversely affect the validity or enforceability of this
11 Agreement, or which would have a material adverse effect on the financial
12 condition of Company.

13 **2.6 No Material Change in Financial Ability**

14 Company has sufficient financial resources to perform all aspects of its obligations
15 hereunder. Company has provided City with reviewed financial statements for
16 fiscal period ending 2003, which present fairly, in accordance with Generally
17 Accepted Accounting Principles, the financial resources of Company. There has
18 been no material adverse change in Company's financial circumstances since the
19 date of the most recent financial statements.

20 **2.7 Expertise**

21 Company has the expert, professional, and technical capability to perform all of
22 its obligations under this Agreement.

23 **2.8 Company's Investigation**

24 Company has made an independent investigation (satisfactory to it) of the
25 conditions and circumstances surrounding the Agreement and the work to be
26 performed by Company under the Agreement, and enters into this Agreement on
27 the basis of that independent investigation.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

ARTICLE 3
TERM AND SCOPE OF FRANCHISE

3.1 Term of Agreement

3.1.1 Effective Date and Commencement Date

The effective date of this Agreement shall be May 1, 2015 ("effective date").

3.1.2 Term of Agreement

Unless grounds exist for suspension, modification or revocation of the Agreement, the Agreement shall be considered as a continuing ten (10) year term. Beginning on July first (1st) of each year, the Agreement will be considered renewed for an additional ten (10) year term, unless at least thirty (30) days prior to July first (1st) on any year the City notifies the Company of intent to terminate the Agreement. Upon the filing of such notice, the Company will have an Agreement which will terminate on July 1st which is ten years from the date of the last renewal prior to the notice of termination. The City may initiate proceedings for suspension, modification, or revocation of the Agreement at any time based on the terms and conditions of the Agreement.

3.1.3 Options to Extend Term

3.1.4 Conditions to Effectiveness of Agreement

The obligation of City to permit this Agreement to become effective and to perform its undertakings provided for in this Agreement is subject to the satisfaction of each and all of the conditions set out below, each of which may be waived in whole or in part by City, upon City's expressed written consent. Waivers are limited to those expressed in writing, and are in the sole and exclusive discretion of City.

- a) Accuracy of Representations. Representations and warranties made by Company throughout this Agreement are accurate, true, and correct on and as of the Effective Date of this Agreement.
- b) Absence of Litigation. There is no litigation pending or threatened in any court challenging the award of this Franchise to Company or the execution of this Agreement or seeking to restrain or enjoin its performance.

- 1 c) Furnishing of Insurance and Bonds. Company has furnished evidence of
2 the insurance and bonds required by Article 10.
- 3 d) Effectiveness of City Council Action. City Ordinance No. 2004-04, which
4 approves this Agreement, shall have become effective pursuant to the State
5 of Oregon law prior to the Effective Date.

6 **3.2 Franchise**

7 **3.2.1 Grant and Acceptance of Franchise**

8 Subject to Section 3.2.2, the City hereby grants to Company the exclusive
9 Franchise, right and privilege to Collect and transport Solid Waste, Recyclable
10 Materials, and Yard Debris accumulating in City that is required to be
11 accumulated and offered for Collection to Company in accordance with this
12 Agreement and such rules and regulations set forth by ordinances of City that are
13 not inconsistent with this Agreement.

14 **3.2.2 Scope of Franchise**

15 The Franchise for the Collection and transportation of Solid Waste, Recyclable
16 Materials, and Yard Debris granted to Company shall be exclusive except as to the
17 categories of Solid Waste, Recyclable Materials, and Yard Debris listed in this
18 Section.

- 19 a) Solid Waste, Recyclable Materials, or Yard Debris removed from any
20 Premises by the Generator, and transported personally by the Owner or
21 occupant of such Premises (or by his or her full-time employees) to any
22 Processing Facility or Disposal Site with the exception that the Owner of an
23 apartment may not remove and transport materials generated by a tenant;
- 24 b) Solid Waste, Recyclable Materials, or Yard Debris that is hauled by a
25 contractor or City as an incidental activity associated with work performed
26 by the company for a resident or business or work performed by City such
27 as, but limited to, a construction and demolition debris hauled by a
28 company that is hired to remodel a home, or yard debris hauled by a
29 landscaper that services a commercial business.
- 30 c) Recyclable Materials and Yard Debris generated by Commercial Premises,
31 including City facilities, which are Collected by a Person (or company)

1 through a private arrangement with the Generator and the Generator is
2 compensated for the materials Collected;

3 d) Source separated, Principal Recyclable Materials as defined in ORS 459A
4 and the rules promulgated thereunder, which have been Purchased or
5 Exchanged for Fair Market Value, unless said Principal Recyclable
6 Materials create a public nuisance;

7 e) Reusable beverage containers as defined in ORS 459A unless mixed with
8 Solid Waste;

9 f) By-products of sewage treatment, including sludge, sludge ash, grit and
10 screenings;

11 g) Recyclable Materials removed from any Premises with permission from
12 Generator by charitable or non-profit organizations; and,

13 h) Abandoned cars removed from any Premises by a licensed towing
14 company authorized to do so by City.

15 Company acknowledges and agrees City may permit other Persons besides
16 Company to collect any or all types of the Solid Waste, Recyclable Materials, and
17 Yard Debris listed in this Section as exemptions from this Franchise, without
18 seeking or obtaining approval of Company under this Agreement.

19 **3.2.3 Limitations**

20 This grant to Company of an exclusive Franchise, right and privilege to Collect,
21 transport, and Dispose of Solid Waste, and Collect, transport, and Process
22 Recyclable Materials and Yard Debris shall be interpreted to be consistent with
23 state and federal laws, now in effect and adopted during the Term of the
24 Agreement; and the scope of this exclusive Franchise shall be limited by current
25 and developing state and federal laws with regard to Solid Waste, Recyclable
26 Materials, and Yard Debris handling, exclusive Franchise, Solid Waste flow
27 control, and related doctrines. In the event that future interpretations of current
28 law, enactment or developing legal trends limit the ability of City to lawfully
29 provide for the scope of Franchise services as specifically set forth herein,
30 Company agrees that the scope of the Franchise will be limited to those services
31 and materials which may be lawfully provided for under this Agreement, and that

1 City shall not be responsible for any lost profits claimed by Company to arise out
2 of further limitations of the scope of the Agreement set forth herein. In such an
3 event, it shall be the responsibility of Company to minimize the financial impact
4 to other services being provided as much as possible.

5 **3.2.4 Acceptance of Franchise**

6 Company hereby accepts the Franchise on the terms and conditions set forth in
7 this Agreement, and all such ordinances adopted by City that are not inconsistent
8 with this Agreement.

9 **3.3 City's Right to Direct Changes**

10 City may direct Company to modify the manner in which it performs existing
11 services. Pilot programs and innovative services that may entail new Collection
12 methods, different kinds of services and/or new requirements for Generators are
13 included among the kinds of changes that City may direct. Company may seek an
14 adjustment in its Company's Compensation in accordance with Section 7.5 and 7.6
15 for providing such additional or modified services.

16 **3.4 Ownership of Solid Waste**

17 Once Solid Waste, Recyclable Materials, or Yard Debris is placed in Receptacles
18 and properly placed at the designated Collection location, ownership and the right
19 to possession of such material shall transfer directly from the Generator to
20 Company by operation of this Agreement. Subject to the provisions of this
21 Agreement, Company shall have the right to retain any benefit resulting from its
22 right to retain, Recycle, Process, Dispose of, or reuse the Solid Waste, Recyclable
23 Materials, and Yard Debris which it Collects. Solid Waste, Recyclable Materials,
24 Yard Debris, or any part thereof, which is disposed of at a Disposal Site or Facility
25 (whether landfill, transformation Facility, transfer station, Processing Facility or
26 material recovery Facility) shall become the property of the Owner or operator of
27 the Disposal Site(s) or Facility once deposited there by Company. City may obtain
28 ownership or possession of Solid Waste, Recyclable Materials, or Yard Debris
29 placed for Collection upon written notice of its intent to do so, however, nothing
30 in this Agreement shall be construed as giving rise to any inference that City has
31 such ownership or possession unless such written notice has been given to
32 Company. If the City exercises its right to own or possess some or all of materials

1 placed for Collection, the City's right to materials shall be handled as a City-
2 directed change in accordance with Section 3.3, and the Company's compensation
3 shall be adjusted to reflect changes in costs incurred by the Company.

1 **ARTICLE 4**
2 **FRANCHISE FEE AND OTHER SURCHARGES**

3 **4.1 City Franchise Fee**

4 **4.1.1 Franchise Fee Amount**

5 In consideration of the exclusive Franchise provided in Section 3.2 of this
6 Agreement, Company shall pay to City three percent (or another amount as
7 provided in Section 4.1.3) of the Gross Revenues collected by Company from
8 services provided in City.

9 **4.1.2 Time and Method of Payment**

10 On or before the last day of the month following the end of each calendar quarter,
11 Company shall calculate and pay the Franchise Fee due to City for revenues
12 received during the preceding calendar quarter and provide written statement of
13 the Gross Revenues received for each month during the quarter and the
14 Company's calculation of the Franchise Fee payment. The City shall review the
15 Company's Franchise Fee statement and may request, and Company shall
16 provide, supporting documents related to the statement provided. If the City
17 identifies adjustments to the statement or calculations, the City shall notify
18 Company no later than 30 calendar days after receipt of Franchise Fee payment
19 and shall seek an explanation for any apparent differences. If the Franchise Fee is
20 not paid on or before the last day of the month following the end of each calendar
21 quarter, Company shall pay to City a late payment fee in an amount equal to 2%
22 of the amount owing for that month; plus an additional 2% owing on any unpaid
23 balance for each additional 30-calendar-day period the fee remains unpaid. In the
24 event of a dispute between the City and Company, the Company shall pay all fees
25 due in accordance with Article 4 accompanied by a statement indicating such
26 payment is made under protest and identifying the date the related claim was
27 filed. If the Company prevails in the dispute settlement, the City shall pay
28 Company any fees paid under protest plus interest compounded daily, where
29 interest shall be calculated using the most-recently published average daily
30 interest rate for the Oregon Local Government Investment Pool (LGIP) published
31 by the Oregon State Treasurer's office. If the Company does not prevail in the
32 dispute settlement, the City shall retain the fees paid under protest.

1 **4.1.3 Adjustment to Franchise Fee**

2 City may adjust the amount of the Franchise Fee annually. Such adjustment shall
3 be reflected in the Rates that Company is allowed to charge and collect from
4 customers in accordance with Article 7 any such adjustment shall occur on the first
5 day of any rate period affected by the change in the fees.

6 **4.2 Other City Fees**

7 **4.2.1 Establishing Other Fees**

8 City has incurred, and will continue to incur, expenses for other Solid Waste,
9 Recyclable Materials, and Yard Debris programs and Franchise administration.
10 These expenses may be determined and a fee may be calculated to reimburse City
11 for some or all of such expenses. The City may set "other" fees, as it deems
12 necessary.

13 If other fees are assessed by the City, the Company will follow City's procedures
14 in City's enabling legislation to collect these amounts from customers.

15 **4.2.2 Time and Method of Payment**

16 On or before the last day of the month following the end of each calendar quarter,
17 the Company shall pay City the fees identified in Section 4.2.1 in the same manner
18 as that described for Franchise Fees in Section 4.1.2 unless otherwise directed by
19 City.

20 **4.2.3 Adjustment to Other Fees**

21 City may adjust the amount of the fees identified in Section 4.2.1 annually or more
22 frequently. Such adjustment shall be reflected in the Rates that Company is
23 allowed to charge and collect from customers in accordance with Article 7.

24

1 Company shall allow a customer to use a Drop Box or Compactor for Solid Waste
2 Collection to meet the customer's Disposal needs. In such case, Company shall
3 provide customer with a choice of Receptacle capacities ranging from 10 to 40
4 cubic yards. Company shall offer customers the option to purchase or lease
5 Compactors through either the Company or an outside vendor. Company shall
6 Collect Solid Waste at the subscribed service level from Company-provided Solid
7 Waste Receptacles in compliance with any and all local ordinances in existence as
8 of the Effective Date of this Agreement.

9 Special consideration shall be given when determining the pick up area for
10 Commercial, and/or Multi-Family Dwelling Unit accounts to ensure that the flow
11 of traffic is not impeded by Collection operations and that it does not result in
12 aesthetic degradation of an area. Additionally, if in City's opinion the location of
13 an existing pick up area is inappropriate, City may require the customer to relocate
14 the pick up area.

15 Franchise fees calculated on drop box and compactor services will be limited to the Company's
16 operating component of the fee(s). Tipping fees will not be included in the franchise fee
17 calculation as they are to be considered pass through expenses to the drop box/compactor
18 customer.

19 **5.1.4 City Facilities**

20 Company shall Collect Solid Waste from City facilities as described in Section 5.10 and
21 shall provide all Receptacles necessary for such Collection. The Company will also
22 provide an annual curbside Spring Clean-up program for all customers in the City at no
23 charge to the City or to the Company's customers. The Company will coordinate this
24 program with the City to facilitate safe and efficient service delivery. The collection
25 schedule and Spring Clean-up program may be modified from time to time as mutually
26 agreed upon by Company and City. The City and the Company will coordinate the Spring
27 Clean-up program with other government agencies to make the program eligible for grant
28 funding, if available.

29

1 **5.2 Recyclable Materials Collection**

2 **5.2.1 General**

3 Company shall offer all customers Source Separated Recyclable Materials
4 Collection services. For purposes of this section, Recyclable Materials shall
5 include, at a minimum, newspapers and magazines, scrap paper (cereal & cracker
6 boxes, labels from steel cans, milk cartons and drink boxes, office paper, opened
7 mail, paper bags, paper egg cartons, shoe boxes, shredded paper, soft drink boxes,
8 wrapping paper), phone books, cardboard, plastic bottles with neck or screw top
9 (detergent bottles, lotion bottles, milk jugs, shampoo bottles, water & juice bottles),
10 metals (aerosol cans, metal cans, lids, metal coat hangers, metal pie plates, trays,
11 other metal products as long as they fit inside cart, otherwise call for other
12 arrangements), glass bottles and jars (clean, labels are ok), motor oil (in an
13 unbreakable container with a screw top lid such as a milk or water jug).

14 **5.2.2 Single-Family Dwelling Unit**

15 Company shall Collect Source Separated Recyclable Materials weekly from
16 customers that have subscribed to Solid Waste Collection service, as well as
17 monthly and on-call customers, and such service shall include Collection of
18 Commingled Recyclable Materials except glass which shall be separately
19 Collected. Company shall provide such customers 95-gallon Carts (or similar size)
20 for Commingled Recyclable Materials and a 14-gallon (or similar size) bin for glass
21 Collection. Company shall Collect Recyclable Materials placed Curbside by the
22 customer for Collection in Company-provided Receptacles in accordance with
23 instructions provided by the Company. Recyclable Materials Collection shall be
24 on the same day of the week as Solid Waste Collection service. Notwithstanding
25 the foregoing, Company shall Collect Recyclable Materials from the side or back
26 yard of those Single-family Dwelling Units that qualify as handicapped as defined
27 by City, provided that such customers place the Recyclable Materials Cart in a
28 location that is visible from the street.

29 **5.2.3 Commercial and Multi-Family Dwelling Unit**

30 Company shall Collect Recyclable Materials at the subscribed service level from
31 Company-provided Receptacles.

1 Company shall Collect Recyclable Materials from Commercial Premises and
2 Multi-Family Dwelling Unit Premises as frequently as scheduled by customer, but
3 not less than once per week. Company shall allow Commercial Customers to
4 select a Collection service method that best suits the needs of its Premises.
5 Specifically, the Company shall offer the following choices to Commercial
6 Customers:

7 **A. Cart or Container Service**

8 Company shall allow Commercial and Multi-Family Dwelling Unit customers to
9 use Cart(s) or Container(s) for Source Separated Recyclable Materials Collection,
10 and Company shall Collect Commingled Recyclable Materials with the exception
11 of glass that shall be separately Collected. Company shall provide each customer
12 with a choice of one or more Carts with capacities of 35 or 90 gallons (or similar
13 sizes), or Containers with capacity of four cubic yards (or similar sizes).

14 **B. Drop Box and Compactor Service**

15 Company shall allow Commercial and Multi-Family Dwelling Unit customers to
16 use a Drop Box or Compactor for Source Separated Recyclable Materials Collection
17 to meet customer's permanent needs, and Company shall Collect Commingled
18 Recyclable Materials with the exception of glass that shall be separately Collected.
19 In such case, Company shall provide customers with a choice of Receptacle
20 capacities ranging from 10 to 40 cubic yards. Company shall offer customers the
21 option to purchase or lease Compactors through Company or an outside vendor.

22 **5.2.4 City Facilities**

23 Company shall Collect all Source Separated Recyclable Materials from City
24 facilities as described in Section 5.10, and shall provide all Receptacles necessary
25 for such Collection. Company shall Collect Commingled Recyclable Materials
26 with the exception of glass that shall be separately Collected

27 **5.3 Yard Debris Collection**

28 **5.3.1 General**

29 Company shall offer all customers Yard Debris Collection services.

1 In accordance with Section 3.3, the City may request Company to Collect Food
2 Waste during the Term. In such case, the Company shall not receive additional
3 compensation for Collection services if the Food Waste is placed by the Generator
4 in the Yard Debris Receptacle. Company shall receive additional compensation
5 for Processing costs, if Company can demonstrate an increase in such costs.

6 **5.3.2 Single-Family Dwelling Unit**

7 Company shall Collect Source Separated Yard Debris from Single-Family
8 Dwelling Units weekly throughout the year round if the customer subscribes to
9 and pays for such service. Company shall provide each customer with a 64-gallon
10 (or similar size) Cart. Company shall provide weekly curbside Collection of Green
11 Waste on the same day as Solid Waste Collection from the Service Area's Single-
12 Family Dwelling Units. Company shall use semi-automated or automated
13 Collection vehicles, unless another method is approved by City. City approval
14 will not be unreasonably withheld. Notwithstanding the foregoing, Company
15 shall Collect Yard Debris from the side or back yard of those Single-Family
16 Dwelling Units that qualify as handicapped as defined by City, provided that such
17 customers place the Yard Debris Cart in a location that is visible form the street.

18 Company shall Collect Source Separated Yard Debris from customers that do not
19 subscribe to weekly Yard Debris Collection Services on an on-call basis as
20 requested by the customer. In such cases, customers shall place Source Separated
21 Yard Debris Curbside in 60-gallon carts for Collection and Company shall Collect
22 the Yard Debris and bill the customer for the service.

23 Company shall Collect Source Separated Yard Debris, from customers that
24 subscribe to regular Yard Debris Collection service, in excess of that placed in the
25 customers 64-gallon Cart. In such cases, the customers shall place the extra Yard
26 Debris Curbside in a 32-gallon can or bag for Collection on the day of regularly
27 scheduled Yard Debris Collection, and Company shall Collect the Yard Debris and
28 bill the customer for the extra service.

29 **5.3.3 Commercial and Multi-Family Dwelling Unit**

30 Company shall Collect Source Separated Yard Debris from Commercial Properties
31 and Multi-Family Dwelling Units if the customer subscribes to and pays for such

1 service. Collection shall be performed as frequently as scheduled by customer, but
2 not less than every other week.

3 Company shall allow Commercial and Multi-Family Dwelling Unit Customers to
4 select a Collection service method that best suits the needs of its Premises.
5 Specifically, the Company shall offer the following choices to Commercial and
6 Multi-Family Dwelling Unit customers:

7 **A. Cart or Container Service**

8 Company shall allow Commercial Premises and Multi-Family Dwelling Unit
9 Premises to use Cart(s) or Container(s) for Source Separated Yard Debris
10 Collection. Company shall provide each Customer with a 60-gallon cart (or similar
11 sizes).

12 **B. Drop Box and Compactor Service**

13 Company shall allow Premises to use a Drop Box or Compactor for Source
14 Separated Yard Debris Collection to meet customer's needs. In such case,
15 Company shall provide Premises with a choice of Receptacle capacities ranging
16 from 10 to 40 cubic yards. Company shall offer customers the option to purchase
17 or lease compactors through Company or an outside vendor.

18 **5.3.4 City Facilities**

19 Company shall Collect Source Separated Yard Debris from City Facilities in
20 accordance with Section 5.10, and shall provide all Receptacles necessary for such
21 Collection.

22 **5.4 Operations**

23 **5.4.1 Schedules**

24 To preserve peace and quiet, no Solid Waste, Recyclable Materials, or Yard Debris
25 shall be Collected between 6:00 p.m. and 7:00 a.m., except for those commercial or
26 institutional customers which the City Manager and the Company have mutually
27 agreed can be serviced outside of these hours. The Company shall Collect Solid
28 Waste, Recyclable Materials, and Yard Debris Monday through Friday from
29 Residential Premises and may Collect Solid Waste, Recyclable Materials, and Yard
30 Debris from Commercial Premises Monday through Saturday. Company, at its

1 sole discretion, may choose not to provide Collection services on a Holiday. In
2 such event, Company shall provide Collection services on the day following the
3 Holiday. The Company shall provide customers notice of Holiday-related
4 changes in Collection schedules at least a 10 days prior to the change; but in no
5 case, shall Company notify customers 60 days prior to the change. The City
6 reserves the right to limit the notification of customers from 60 days prior to the
7 change to 30 days prior to the change upon written notification of the Company.
8 Annually, at least 10 calendar days preceding the affected Holiday, Company shall
9 notify City and customers in writing of the alternate Collection day when the
10 regularly scheduled Collection day falls on a Holiday.

11 Company shall be prepared to review its operations plan outlining the Collection
12 routes, intervals of Collection and Collection times for all Solid Waste, Recyclable
13 Materials, and Yard Debris Collected under this Agreement with City once
14 annually upon 30-day written notice requesting said review. More frequent
15 reviews may be required if the City determines operations are not satisfactory
16 based on documented observations or reports or complaints. If the City
17 determines that operations are inadequate, the Company shall revise the
18 operations plan, incorporating any City-requested changes into a revised plan,
19 and review the revised operations plan with City within 30 calendar days from the
20 date City provides Company written request to revise the operations plan.

21 When notified of a missed pick-up by the customer within two business days of
22 the regular scheduled collection day, Company shall Collect the Solid Waste,
23 Recyclable Materials, or Yard Debris on or before 5:00 p.m. of the business day
24 following receipt of the complaint. For residential service, a business day shall
25 mean Monday through Friday, excluding Holidays.

26 **5.4.2 Vehicles**

27 **A. General.** Company shall provide Collection vehicles sufficient in number
28 and capacity to efficiently perform the work required by the Agreement in strict
29 accordance with its terms. Company shall have available on Collection days
30 sufficient back-up vehicles for each type of Collection vehicle (e.g., Cart service
31 and Container service) used to perform Collection services, and respond to
32 complaints and emergencies.

1 **B. Specifications.** All vehicles used by Company in providing Solid Waste,
2 Recyclable Materials, and Yard Debris Collection services shall be registered with
3 the State of Oregon Department of Motor Vehicles. All such vehicles shall have
4 bodies designed to prevent leakage, spillage, or overflow.

5 **C. Vehicle Identification.** The Company's name, local telephone number, and
6 a unique vehicle identification number designated by Company for each vehicle
7 shall be prominently displayed on all vehicles, in letters and numbers at least 2.5
8 inches high. Company shall not place City's name and/or any City logos on
9 Company vehicles.

10 **D. Cleaning and Maintenance**

11 1) Company shall maintain all of its properties, vehicles, facilities, and
12 equipment used in providing service under this Agreement in a
13 good, safe, neat, clean, and operable condition at all times.

14 2) Vehicles used in the Collection of Solid Waste, Recyclable Materials,
15 and Yard Debris shall be painted, thoroughly washed, and
16 thoroughly steam cleaned on a regular basis so as to present a clean
17 appearance. Upon reasonable notice, City may inspect vehicles at
18 any time to determine compliance with this Agreement. Company
19 shall repaint or refurbish to the reasonable satisfaction of City all
20 vehicles used in the Collection of Solid Waste, Recyclable Materials,
21 and Yard Debris within 30 calendar days' notice from the City, if the
22 City reasonably determines their appearance warrants painting.
23 Company shall also make vehicles available to the Clackamas
24 County Health Department and State of Oregon Department of
25 Transportation for inspection, at any frequency it requests.

26 3) Company shall inspect each vehicle daily to ensure that all
27 equipment is operating properly. Vehicles that are not operating
28 properly shall be removed from service until repaired and operating
29 properly. Company shall repair, or arrange for the repair of, all of
30 its vehicles and equipment for which repairs are needed because of
31 accident, breakdown or any other cause so as to maintain all
32 equipment in a safe and operable condition. If an item of repair is
33 covered by a warranty, Company shall obtain warranty

1 performance. Company shall maintain accurate records of repair,
2 which shall include the date and operating hours, nature of repair
3 and the verification by signature of a maintenance supervisor that
4 the repair has been properly performed.

5 4) Company shall perform all scheduled maintenance functions in
6 accordance with the manufacturer's specifications and schedule.
7 Company shall keep accurate records of all vehicle maintenance,
8 recorded according to date and operating hours and shall make such
9 records available to City upon request.

10 5)

11 **E. Operation.** Vehicles shall be operated in compliance with the State of
12 Oregon Vehicle Code, and all applicable safety and local ordinances. Company
13 shall not load vehicles in excess of the manufacturer's recommendations or
14 limitations imposed by state or local weight restrictions on vehicles.

15 Equipment shall comply with United States Environmental Protection Agency (US
16 EPA) noise emission regulations, currently codified at 40 CFR Part 205 and other
17 applicable noise control regulations, and shall incorporate noise control features
18 throughout the entire vehicle. Noise levels of equipment used for Collection shall
19 comply with City ordinance.

20 Subject to Section 10.1, Company shall be responsible for any damage resulting
21 from or directly attributable to any of its operations.

22 **5.4.3 Receptacles**

23 **A. Single-Family Dwelling Unit Solid Waste Receptacles**

24 Company shall provide each Single-Family Dwelling Unit that pays for the basic
25 Collection service package, as well as monthly and on-call customers, with a 20-
26 gallon, 35-gallon, 60-gallon, or 90-gallon Cart (or similar size Carts) for Solid Waste
27 Collection. Carts must have a useful life of 10 years as evidenced by
28 manufacturer's warranty or other documentation acceptable to City.

29 **B. Single-Family Dwelling Unit Recyclable Materials Receptacles**

1 Company shall provide each Single-Family Dwelling Unit that pays for the basic
2 Collection service package, as well as monthly and on-call customers, with a 95-
3 gallon Cart (or similar size Cart) for the Collection of Commingled Recyclable
4 Materials and a 14-gallon Receptacle for the Collection of glass. Additional 95-
5 gallon Carts and/or 14-gallon Receptacles will be provided at no charge upon
6 customer request and demonstration of need.

7 **C. Single-Family Dwelling Unit Residential Yard Debris Receptacles**

8 Company shall provide one 60-gallon Cart (or similar size Cart) for Collection of
9 Yard Debris to each Single-Family Dwelling Unit that pays for solid waste
10 collection free of charge. Each additional Cart shall be charged at the rate of \$5.00
11 per month. Carts must have a useful life of 10 years as evidenced by
12 manufacturer's warranty or other documentation acceptable to City.

13 **D. Non-Residential Receptacles**

14 Company shall provide customers appropriate Receptacles to Collect Solid Waste,
15 Recyclable Materials, and Yard Debris at Multi-Family Dwelling Unit Premises
16 and Commercial Premises upon customer request. Company shall offer such
17 customers 60-gallon and 90-gallon Carts; Containers with capacity of 1 to 8 cubic
18 yards; or Drop Boxes with capacity of 10 to 40 cubic yards. The kind, size, and
19 number of Receptacles furnished to a particular customer shall be as determined
20 mutually by the customer and Company. Receptacles which are serviced by front-
21 loading collection vehicles shall have attached lids. All Receptacles with a capacity
22 of one cubic yard or more shall meet applicable regulations for Solid Waste
23 Container safety, shall have reflective markings (unless the Receptacle is normally
24 located in an enclosure), shall be maintained in good repair with neatly and
25 uniformly painted surfaces, and shall prominently display the name and
26 telephone number of Company.

27 **E. Removal of Receptacles**

28 Upon termination of the franchise agreement, early or otherwise, the Company
29 shall remain the owner of all receptacles. The Company shall be responsible for
30 removing all Receptacles in service from Premises and reusing or Recycling such
31 Receptacles.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

F. Cart Requirements

1. **Specifications.** Company will provide Collection services with new Carts having the specifications, design and performance standards described in this Section 5.4.3.F and meet requirements of Applicable Law with respect to stability. Carts must have a useful life of 10 years as evidenced by manufacturer’s warranty or other documentation acceptable to City. Company will depreciate Carts on a straight-line basis over no greater than 7 years.
2. **Materials Identification and Decals.** Carts or their lids must be in bright, readily identifiable colors to facilitate customer's ready recognition of Solid Waste, Recyclable Materials, and Yard Debris, subject to City approval as described in this Section 5.4.3.F.
3. **Secure Inventory Storage.** Company will provide a secure location for inventory storage.

4. Cart Design Requirements

- a. **General.** Carts must be manufactured by injection or rotational molding and meet the Cart design and performance requirements specified in this Section 5.4.3.F. Company must submit Cart orders (including material and design specifications, colors and identification marks) to City for City approval prior to submitting the order to the manufacturer.
- b. **Cart Handles.** The Cart handles and handle mounts may be an integrally molded part of the Cart body or molded as part of the lid. The Cart handles must provide comfortable gripping area for pulling or pushing the Cart or lifting the lid. Handles may not have pinch points.
- c. **Cart Lid.** Each Cart must be provided with a lid that continuously overlaps and comes in contact with the Cart body or otherwise causes an interface with the Cart body that simultaneously:
 - Prevents the intrusion of rainwater, rodents, birds, and flies;
 - Prevents the emission of odors;
 - Enables the free and complete flow of material from the Cart during the dump cycle without interference with the material

1 already deposited in the truck body or the truck body itself and
2 its lifting mechanism;

3 • Permits users of the Cart to conveniently and easily open and
4 shut the lid throughout the serviceable life of the Cart;

5 • The lid handle must be an integrally molded part of the lid;

6 • The lid (and body) must be of design and weight that prevents
7 an empty Cart from tilting backward when flipping the lid open;
8 and,

9 • The lid must be hinged to the Cart body in such a manner so as
10 to enable the lid to be fully opened, free of tension, to a position
11 whereby it may rest against the backside of the Cart body.

12 **d. Cart Colors.** The lids of the Solid Waste, Recyclable Materials, and
13 Yard Debris Carts must be differentiated by color. The colors must
14 be colorfast and resistant to fading as a result of weathering or
15 ultraviolet degradation. Solid Waste Cart lids must be black, brown
16 or gray. Recyclable Materials Cart lids must be blue. Yard Debris
17 Cart lids must be green. Company may propose other colors for
18 Carts lids or Carts, which are subject to approval by the City.

19 **e. Identification Markings.**

20 In addition to the requirements in Section 5.4.3.F.2, an arrow (at least
21 3 inches by 5 inches) hot stamped in white color must be placed on
22 the lid, indicating the direction of Cart placement.

23 The words SOLID WASTE, RECYCLABLE MATERIALS OR YARD
24 DEBRIS or other similar words approved by City must be hot
25 stamped in white color on the lids, front or sides of the Cart, as
26 appropriate, in characters no less than two inches.

27 The Company's name and telephone number must be hot stamped
28 in white color on the lids, front or sides of the Cart, as appropriate in
29 characters no less than two inches.

30 **5. Cart Performance Requirements**

31 **a. General.** All Carts must be designed and manufactured to meet the
32 minimum performance requirements described below.

1
2
3
4
5

b. **Cart Load Capacity.** Depending on the capacity, the Carts must have a minimum load capacity as noted below without Cart distortion, damage, or reduction in maneuverability or any other Service.

Cart Size (Gallons)	Minimum Load Capacity (pounds)
90-101	200
60-68	130
30-35	70

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

c. **Cart Durability.** At a minimum, Carts must meet the following durability requirements to satisfy its intended use and performance, for the Term:

- Maintain its original shape and appearance;
- Be resistant to kicks and blows;
- Require no routine maintenance and be designed to be maintenance free;
- Not warp, crack, rust, discolor, or otherwise deteriorate over time in a manner that will interfere with its intended use;
- Resist degradation from ultraviolet radiation;
- Be incapable of penetration by biting or clawing of household pets (i.e., dogs and cats);
- The bottoms of Cart bodies must remain impervious to any damage, that would interfere with the Cart's intended use after repeated contact with gravel, concrete, asphalt or any other rough and abrasive surface;
- All wheel and axle assemblies are to provide continuous maneuverability and mobility as originally designed and intended; and,

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

- Resist degradation by other airborne gases or particulate matter currently present in the ambient air of the City.

d. Chemical Resistant. Carts must resist damage from common household or residential products and chemicals. Carts, also, must resist damage from human and animal urine and feces.

e. Stability and Maneuverability. The Carts must be stable and self-balancing in the upright position, when either empty or loaded to its maximum design capacity with an evenly distributed load, and with the lid in either a closed or an open position.

The Carts must be capable of maintaining its upright position in sustained or gusting winds of up to 25 miles per hour as applied from any direction.

The Carts must be capable of being easily moved and maneuvered, with an evenly distributed load equal in weight to its maximum design capacity on a level, sloped or stepped surface.

f. Lid Performance. Cart lid assemblies must meet the following minimum requirements:

- Prevent damage to the Cart body, the lid itself or any component parts through repeated opening and closing of the lid by residents or in the dumping process as intended;
- Remain closed in winds up to 25 miles per hour from any direction. All lid hinges must remain fully functional and continually hold the lid in the original designed and intended positions when either opened or closed or any position between the two extremes; and,
- Lid must be designed and constructed such that it prevents physical injury to the user while opening and closing the Cart.

g. Repairability. Minor cracks, holes, and other damages to hinges, wheels, axle, hardware, and other component parts must be readily repairable by the Company personnel. Company must repairs or restore damaged Carts to their full functionality to meet the design and performance requirements as set for in this Agreement.

1 **5.4.4 Litter Abatement**

2 **A. Minimization of Spills.** Company shall use due care to prevent Solid
3 Waste, Recyclable Materials, Yard Debris, or fluids from leaking, being spilled,
4 and/or scattered during the Collection or transportation process. If any Solid
5 Waste, Recyclable Material, Yard Debris, or fluids leak or are spilled during
6 Collection, Company shall promptly clean up all such materials. Each Collection
7 vehicle shall carry a broom and shovel at all times for this purpose.

8 Company shall not transfer loads from one vehicle to another on any public street,
9 unless it is necessary to do so because of mechanical failure or accidental damage
10 to a vehicle, without prior written approval by City.

11 **B. Clean Up.** During the Collection or transportation process, Company shall
12 clean up litter in the immediate vicinity of any Solid Waste, Recyclable Materials,
13 and Yard Debris storage area (including the areas where Collection Containers are
14 stored for Collection). Company shall discuss instances of repeated spillage not
15 caused by Company directly with the Generator responsible and will report such
16 instances to City. City will attempt to rectify such situations with the Generator if
17 Company has already attempted to do so without success.

18 **5.4.5 Collection Standards**

19 **A. Servicing Receptacles.** Company shall pick up and return each Receptacle
20 to the location where the Owner or occupant properly placed the Receptacle
21 for Collection. Company shall place the Receptacles upright with lids properly
22 secured. Company shall use due care when handling Receptacles. Company
23 shall not throw, roughly handle, damage, or break Receptacles.

24 Company, at the request of customers, shall provide special services including:
25 unlocking Receptacles; accessing Receptacle enclosures with a key; or pulling
26 or pushing Receptacles to the Collection vehicle. Company shall charge
27 Customers for extra services in accordance with City-approved rates.

28 **B. Allocation of City Materials.** Solid Waste, Recyclable Materials, and Yard
29 Debris Collected in the City, which are combined with materials collected from
30 other jurisdictions, shall be allocated by Company to the City's Collection
31 program based on volume or tonnage using a method approved by the City.

1 C. **Instructions to Customer.** Company shall instruct Customers as to any
2 preparation of Solid Waste, Recyclable Materials, or Yard Debris and the
3 proper placement of Receptacles. If Customers are not adhering to Company's
4 instructions, Company shall notify such Customers. In cases of extreme or
5 repeated failure to comply with the instructions, Company may decline to
6 pick-up the Solid Waste, Recyclable Materials, or Yard Debris provided that
7 Company leaves a tag at least two inches by six inches (2" x 6") in size on the
8 Receptacle indicating the reason for refusing to Collect the material. Such tag
9 shall also identify the steps Generator must take to recommence Collection
10 service. If Recyclable Materials contain 5% or greater (measured by volume)
11 of Solid Waste or Yard Debris contain 1% or greater (measured by volume) of
12 Solid Waste, Company shall not Collect materials and shall leave a notice for
13 the Customer identifying reason for non-Collection. Company shall report to
14 the City on a monthly basis any warning notices issued to Customers, and may
15 terminate Recyclable Materials and Yard Debris Collection service upon
16 written notification of the City if, after 10 business days, high contamination
17 levels continue, unless instructed otherwise by the City.

18 D. **Overages.** Company shall direct its employees not to Collect Solid Waste
19 beyond each customer's subscription level of service including scheduled extra
20 pick-ups unless the business office of Company has granted prior
21 authorization to make such Collection.

22 E. **Care of Private Property.** Company shall not damage private property.
23 Company shall ensure that its employees: (i) close all gates opened in making
24 Collections, unless otherwise directed by the Generator, (ii) do not cross
25 landscaped areas, and (iii) do not climb or jump over hedges and fences.

26 City shall refer complaints about damage to private property to Company.
27 Company shall repair all damage to private property caused by its employees.
28 Company shall repair any damages to public property caused by its employees
29 to its previous condition. In the event of repeat occurrences of property
30 damage, the Company shall pay liquidated damages in accordance with
31 Section 12.3.2.

32 F. **Noise.** All Collection operations shall be conducted as quietly as possible and
33 shall conform to applicable federal, state, county and City noise level

1 regulations. Company will promptly resolve any complaints of noise during
2 the morning or evening hours of the day to the satisfaction of the City.

3 **5.4.6 Personnel**

4 Company shall furnish all qualified drivers, mechanical, supervisory, clerical,
5 management, and other personnel as necessary to provide the services required
6 by this Agreement in a satisfactory, safe, economical, and efficient manner. All
7 drivers shall be trained and qualified in the operation of vehicles they operate and
8 must possess a valid license, of the appropriate class, issued by the State of Oregon
9 Department of Motor Vehicles.

10 Company also agrees to establish and vigorously enforce an educational program
11 that will train Company's employees in the identification of Hazardous Waste and
12 Infectious Waste. Company's employees shall not knowingly place such
13 Hazardous Waste in the Collection vehicles or dispose of such Hazardous Wastes
14 and Infectious Waste at the Disposal Site, Processing Facilities, or transfer
15 Facilities.

16 Company shall train its employees in customer courtesy, shall prohibit the use of
17 loud or profane language, and shall instruct Collection crews to perform the work
18 quietly. Company shall use its best efforts to assure that all employees present a
19 neat appearance and conduct themselves in a courteous manner. If any employee
20 is found to be discourteous or not to be performing services in the manner required
21 by this Agreement, Company shall take all necessary corrective measures
22 including, but not limited to, transfer, discipline or termination. If City has
23 notified Company of a complaint related to discourteous or improper behavior,
24 Company will consider reassigning the employee to duties not entailing contact
25 with the public while Company is pursuing its investigation and corrective action
26 process.

27 Company shall provide suitable operations, health, and safety training for all of
28 its employees who use or operate equipment or who are otherwise directly
29 involved in Collection or other related operations.

30 **5.4.7 Identification Required**

31 Company shall provide its employees and Subcontractors with identification for
32 all individuals who may make face-to-face contact with residents or businesses in

1 City. City may require Company to notify customers yearly of the form of said
2 identification. Company shall provide a list of current employees and
3 Subcontractors to City upon request.

4 **5.4.8 Fees and Gratuities**

5 Company shall not, nor shall it permit any agent, employee, or Subcontractors
6 employed by it, to request, solicit, demand, or accept, either directly or indirectly,
7 any compensation or gratuity for the Collection and transportation of Solid Waste,
8 Recyclable Materials, or Yard Debris. Compensation or gratuity shall exclude
9 holiday gifts.

10 **5.4.9 Non-Discrimination**

11 Company shall not discriminate in the provision of service or the employment of
12 Persons engaged in performance of this Agreement on account of race, color,
13 religion, sex, age, physical handicap, or medical condition in violation of any
14 applicable federal or state law.

15 **5.4.10 Change in Collection Schedule**

16 Company shall notify the City at least 30 calendar days prior to, and residential
17 customers not later than 2 weeks prior to, any change in the residential Collection
18 schedule which results in a change in the day on which Solid Waste, Recyclable
19 Materials, and Yard Debris Collection occurs. Company will not permit any
20 customer to go longer than the customer's scheduled service frequency in
21 connection with a Collection schedule change. City's approval of any change in
22 residential Collection is required prior to such change, and such approval will not
23 be withheld unreasonably.

24 **5.4.11 Report of Accumulation of Solid Waste; Unauthorized Dumping**

25 Company shall direct its drivers to note (1) the addresses of any Premises at which
26 they observe that Solid Waste, Recyclable Materials, or Yard Debris is
27 accumulating and is not being delivered for Collection; and (2) the address, or
28 other location description, at which Solid Waste, Recyclable Materials, or Yard
29 Debris has been dumped in an apparently unauthorized manner. Company shall
30 deliver the address or description to City within five business days of such
31 observation.

1 **5.6 Contingency Plan**

2 Company shall submit to City a written contingency plan demonstrating
3 Company's arrangements to provide vehicles and personnel and to maintain
4 uninterrupted service during breakdowns, and in case of natural disaster or other
5 emergency (not including a labor dispute), including the events described in
6 Section 12.4.

7 **5.7 Recyclable Materials and Yard Debris Processing**

8 **5.7.1 Processing**

9 Company agrees to transport and deliver all Recyclable Materials and Yard Debris
10 it Collects in the City to the Approved Processing Sites. Company shall arrange
11 for separate Processing of Commingled Recyclable Materials and glass. Company
12 shall arrange for Disposal of residue from the Recyclable Materials and Yard
13 Debris at a Disposal Site selected by Company.

14 Company shall select Processing Sites and secure sufficient capacity to Process
15 Recyclable Materials and Yard Debris Collected under this Agreement. Company
16 shall provide the City, upon request, with documentation demonstrating
17 availability of such capacity. Company shall pay all costs associated with
18 transporting Recyclable Materials and Yard Debris to the Processing Site(s) as well
19 as any Processing costs. The Processing Sites selected by Company shall be
20 approved by the City at least 90 days prior to use of such sites.

21 Company shall keep all existing permits and approvals necessary for use of the
22 Processing Site(s) in full regulatory compliance. Company shall, upon request,
23 provide copies of notices of violation or permits to the City.

24 If Company elects to use a Processing Site that is different from the Approved
25 Processing Site, it shall secure prior written approval from the City. The City shall
26 not compensate the Company for any increased transportation and Processing
27 costs associated with the use of Processing Site(s) different from the Approved
28 Processing Site(s).

29 **5.7.2 Transfer**

30 If the Company (i) transports Recyclable Materials or Yard Debris to a Transfer
31 Station where the materials will be unloaded from Collection vehicles and loaded

1 into large-capacity vehicles and transported to the Processing Site(s) or (ii) pulls
2 two or more Collection trailers in tandem with one truck, and the Company is
3 unable to do so then the Company shall be responsible for making other
4 transportation arrangements. In such event, Company shall not be compensated
5 for any additional costs. If the Company plans to change its transfer method,
6 Company shall obtain written approval from the City prior to making the change.
7 The City shall approve the transfer method and the facility(ies) Company
8 proposes to use.

9 If Company uses a Transfer Station, Company shall select the Transfer Station and
10 secure sufficient capacity to transfer Recyclable Materials and Yard Debris
11 Collected under this Agreement. Company shall provide the City, upon request,
12 with documentation demonstrating availability of such capacity. All costs
13 associated with transporting Recyclable Materials and Yard Debris to the Transfer
14 Station as well as any transfer costs shall be paid by Company. Company agrees
15 to use Approved Transfer Station and such site approval shall be obtained from
16 the City at least 90 days prior to use of such site.

17 **5.7.3 Cooperation with Operator**

18 Company shall cooperate with the operator of the Transfer Station and/or
19 Processing Sites with regard to operations therein, including, for example,
20 complying with directions from the operator to unload Collection vehicles in
21 designated areas, accommodating maintenance, operations, and construction of
22 new facilities, and so forth.

23 **5.7.4 Marketing**

24 The Company shall be responsible for marketing or arranging for marketing of
25 Recyclable Materials and Yard Debris it Collects in the City. With respect to Yard
26 Debris, Company shall make, or arrange for making of, end products (e.g.
27 compost) or develop end uses for materials that maximize the recovery rate as
28 calculated in accordance with Chapter 459A of ORS. Company shall not use Yard
29 Debris for the purposes of alternative daily cover (ADC) or for transformation fuel,
30 unless prior written approval is obtained from the City.

31 Upon request, Company shall provide proof to the City that all Recyclable
32 Materials and Yard Debris Collected are marketed for Recycling or reuse in such

1 a manner that maximize the City's recovery rate as calculated in accordance with
2 Chapter 459A of ORS. All residual material from the Processing activities that is
3 not marketed for use shall be accounted for as Disposal Tonnage at a permitted
4 Disposal Site. No Recyclable Materials or Yard Debris shall be transported to a
5 domestic or foreign location if Solid Waste Disposal of such material is its intended
6 use for landfill Disposal.

7 **5.7.5 Disposal of Recyclable Materials and Yard Debris Prohibited**

8 Recyclable Materials and Yard Debris may not be Disposed of in lieu of Recycling
9 the material, without the expressed written approval of the City. If Company
10 believes that it cannot divert the Recyclable Material or Yard Debris from Disposal,
11 then it shall prepare a written request for approval to Dispose of such material.
12 Such request shall contain the basis for its belief, describe the Company's efforts to
13 arrange for the diversion from Disposal of such material, the period required for
14 such Disposal, the incremental costs or cost savings resulting from such Disposal,
15 and any additional information supporting the Company's request. The City shall
16 consider the Company's request and inform Company in writing of its decision
17 within 30 calendar days. If the City approves such request, any difference in the
18 cost of such Disposal compared to diversion shall be adjustment in accordance
19 with Section 7.5.

20 **5.7.6 City Right to Select Processing Site**

21 The City reserves the right to direct Company to Processing Site(s) other than that
22 selected by Company. In such case, the Company shall be released from its
23 indemnification obligation in Section 10.1 and 10.2 as it relates to actions or
24 negligence of the owner and operator of the City-selected Processing Site(s), and
25 the City shall adjust Company's Compensation in accordance with procedures for
26 a City-directed change in scope in accordance with Section 3.3. City shall provide
27 written notice to Company not less than 90 days before effective date of the
28 change.

29 **5.7.7 Record Keeping**

30 Company shall maintain accurate records of the quantities of Recyclable Materials
31 and Yard Debris transported to the Transfer Station and/or Approved Processing

1 Sites and will cooperate with City in any audits or investigations of such
2 quantities.

3 **5.8 Disposal of Solid Waste**

4 **5.8.1 Disposal**

5 Company shall select a Disposal Site and secure sufficient capacity to Dispose of
6 All Solid Waste Collected under this Agreement. Company shall provide the City,
7 upon request, with documentation demonstrating availability of such capacity.
8 The Disposal Site selected by Company shall be approved by the City at least 90
9 days prior to use of such site.

10 Company shall keep all existing permits and approvals necessary for use of the
11 Disposal Site in full regulatory compliance. Company shall, upon request, provide
12 copies of notices of violation or permits to the City.

13 Company shall Transport to and Dispose of all Solid Waste Collected in the City
14 at the Approved Disposal Location. Company shall cooperate with the operator
15 of the Approved Disposal Location and comply with the operator's requirements
16 such as how and where to unload Collection vehicles, respecting operations and
17 construction of new facilities, cooperating with the operator's Hazardous Waste
18 Exclusion Program, and so forth. Company shall pay all costs associated with the
19 Transporting and Disposing of Solid Waste. Disposal costs shall include all
20 regulatory fees and other surcharges.

21 If the Disposal Site becomes unable to accept and dispose of City's Solid Waste for
22 reasons outside the Company's control, the Company shall, with the prior
23 approval of City, to the extent it is legally able to do so, transport and Dispose of
24 City's Solid Waste at another Disposal Site that results in the lowest possible
25 transportation and Disposal cost. Additional transportation and Disposal cost
26 incurred in delivering the Solid Waste to another Disposal Site will be the
27 responsibility of Company to recover from the Owner of the Disposal Site.

28 Company may Dispose of residue from Recyclable Materials or Yard Debris at any
29 Disposal Site selected by the Company.

1 **5.8.2 Transfer**

2 Company may use an Approved Transfer Station to handle Solid Waste Collected
3 in the City in accordance with Section 5.7.2

4 **5.8.3 City Right to Select Disposal Site**

5 The Company shall select the Approved Disposal Site subject to the City's
6 approval. The City reserves the right to direct Company to a Disposal Site other
7 than that selected by Company if the Approved Disposal Location specified on the
8 Effective Date is not owned or operated by the Company or by a company
9 affiliated with the Company. In such case, Company shall be released from its
10 indemnification obligation in Section 10.1 and 10.2 as it relates to actions or
11 negligence of the owner and operator of the City-selected Disposal Site, and the
12 City shall adjust Company's Compensation in accordance with procedures for a
13 City-directed change in scope in accordance with Section 3.3. City shall provide
14 written notice to Company not less than 90 days before effective date of the
15 change.

16 **5.8.4 Company Right to Propose Alternative Sites**

17 The Company has the right to propose an alternative Disposal Site, Recyclable
18 Material Processing Site, Yard Debris Processing Site or Transfer Station. In such
19 case the Company shall make a formal written request to the City and shall
20 provide the City with all operational and cost data to support any adjustment to
21 the Rates. The City reserves the right, at its sole discretion, to accept or reject the
22 Company's proposed site. If the City rejects the Company's proposed site there
23 shall be no change to the Approved Disposal Site, Approved Recyclable Material
24 Processing Site, Approved Yard Debris Processing Site or Approved Transfer
25 Station. If the City accepts the Company's proposal, the Company's proposed
26 Disposal Site, Recyclable Material Processing Site, Yard Debris Processing Site or
27 Transfer Station shall become the new Approved Disposal Site, new Approved
28 Recyclable Material Processing Site, new Approved Yard Debris Processing Site or
29 new Approved Transfer Station. In such case, any and all requirements,
30 indemnifications etc. associated with the then current Approved Disposal Site,
31 Approved Recyclable Material Processing Site, Approved Yard Debris Processing
32 Site or Approved Transfer Station shall apply to and/or be required of the new
33 Approved Disposal Site, Approved Recyclable Material Processing Site, Approved

1 Yard Debris Processing Site or new Approved Transfer Station.

2 **5.8.5 Record Keeping**

3 Company shall maintain accurate records of the quantities of Solid Waste
4 transported to the Transfer Station and/or Disposal Site and will cooperate with
5 City in any audits or investigations of such quantities.

6 **5.9 Service Exceptions; Hazardous Waste Notifications**

7 **5.9.1 Hazardous Waste Inspection and Reporting**

8 Company reserves the right and has the duty under law to inspect Solid Waste,
9 Recyclable Materials, and Yard Debris placed in Receptacles for Collection and to
10 reject Solid Waste, Recyclable Materials, and Yard Debris observed to be
11 contaminated with Hazardous Waste and the right not to Collect Hazardous
12 Waste put out with Solid Waste, Recyclable Materials, or Yard Debris. Company
13 shall notify all agencies with jurisdiction, if appropriate, including the State of
14 Oregon Department of Environmental Quality and Local Emergency Response
15 Providers and the National Response Center of reportable quantities of Hazardous
16 Waste found or observed in Solid Waste, Recyclable Materials, and Yard Debris
17 anywhere within City. In addition to other required notifications, if Company
18 observes any substances which it or its employees reasonably believe or suspect
19 to contain Hazardous Wastes unlawfully Disposed of or released on any City
20 property, including storm drains, streets or other public rights of way, Company
21 will immediately notify the City Manager or the City Manager's designee.

22 **5.9.2 Generator Notification**

23 When Solid Waste, Recyclable Materials, or Yard Debris is not Collected from any
24 residential Generator, Company shall notify the Generator in writing, at the time
25 Collection is not made, through the use of a "tag" (at least two inches by six inches
26 in size) or otherwise, of the reasons why the Collection was not made. When Solid
27 Waste, Recyclable Materials, or Yard Debris is not Collected from any commercial
28 Generator, Company shall notify customer by phone of the reasons why the
29 Collection was not made.

1 **5.9.3 Hazardous Waste Diversion Records**

2 Company shall maintain records showing the types and quantities, if any, of
3 Hazardous Waste found in Solid Waste, Recyclable Materials, and Yard Debris
4 and which was inadvertently Collected from service recipients within City, but
5 diverted from Disposal.

6 **5.10 Collection from City Facilities**

7 Company shall Collect Solid Waste, Recyclable Materials, and Yard Debris from
8 City locations at the service levels and collection frequency identified in Exhibit 1.
9 Such Collection shall occur at least once per week or more frequently as requested
10 by the City. Company shall provide and maintain Collection Receptacles for the
11 City’s use, with the exception of public litter and public recycling cans that shall
12 be provided and maintained by the City.

13 Company may integrate Collection of Solid Waste, Recyclable Materials, and Yard
14 Debris from City facilities with other Collection services, provided that Company
15 attributes estimated Tonnage Collected from City facilities separately from other
16 customers.

17 Company shall provide the services required by this Section at no charge to the
18 City.

19 **5.12 Motor Oil Collection**

20 On a weekly basis, Company shall Collect from Single-Family Dwelling Units and
21 Multi-Family Dwelling Units used motor oil placed Curbside for Collection in
22 Customer-provided containers. Company shall not be required to Collect more
23 than two gallons of used motor oil per individual dwelling unit per week.
24 Company shall Recycle, or arrange for Recycling, all used motor oil Collected.

25 **5.13 Infectious Waste Collection**

26 Company shall Collect, transport, Process, and Dispose of Infectious Waste from
27 Residential and Commercial Premises. The Collection frequency and method of
28 Collection shall be mutually agreed upon by the Company and the Generator.

29

1 books to its drivers as needed to reflect changes in customer service levels that are
2 consistent with Billings. Route supervisors shall periodically check the routes to
3 ensure that drivers are providing service in accordance with their route books,
4 which are to be consistent with Billings.

5 For inspection by the City upon request, Company shall maintain copies of said
6 Billings for a period of five years after the date of service and copies of receipts for
7 a period of two years after the date of service, each in chronological order.
8 Company may, at its option, maintain those records in computer form, on
9 microfiche, or in any other manner, provided that the records can be preserved
10 and retrieved for inspection and verification in a timely manner.

11 **6.2 Customer Service**

12 **6.2.1 Company Office**

13 The Company's office hours shall be, at a minimum, from 8:00 a.m. to 5:00 p.m.,
14 Monday through Friday, exclusive of Holidays. A responsible and qualified
15 representative of Company shall be available during office hours for
16 communication with the public. Company shall maintain a local or toll-free
17 telephone number for use by customers. Company's telephone system shall be
18 adequate to handle the volume of calls typically experienced on the busiest days.
19 Company shall have a representative, answering the telephone or voice-mail
20 service available at said after-hours telephone number.

21 **6.2.2 Complaint Documentation and Response**

22 The City and Company shall instruct Persons with service complaints to direct
23 complaints to Company. Company shall log all complaints received by telephone
24 and said log shall include the date and time the complaint was received, name,
25 address and telephone number of caller, description of complaint, employee
26 recording complaint and the action taken by Company to respond to and remedy
27 complaint.

28 All written customer complaints and inquiries shall be date-stamped when
29 received and shall be initially responded to within one business day of receipt.
30 Company shall log action taken by Company to respond to and remedy the
31 complaint.

1 Daily logs of complaints concerning Collection of Solid Waste, Recyclable
2 Materials, and Yard Debris shall be retained for a minimum of 24 months and shall
3 be available for review by City during business hours and at no cost. City shall, at
4 any time during regular Company business hours, have access to Company's
5 customer service department for purposes that may include monitoring the
6 quality of customer service or researching customer complaints.

7 **6.2.3 Resolution of Customer Complaints**

8 A customer dissatisfied with Company's decision regarding a complaint may ask
9 City to review the complaint. Company shall provide the customer with the
10 telephone number of the City Liaison, as designated in accordance with Section
11 6.2.4. The City Liaison shall contact Company's Government Liaison (as
12 designated in accordance with Section 6.2.4) to request additional information and
13 ask Company to respond to the complaint. Company shall attempt to cure the
14 complaint and notify City Liaison by telephone or in writing of resolution.

15 If the customer is still dissatisfied, the matter may be referred to the City Manager.
16 The decision of City Manager or his/her designee shall be final on any matter.
17 Nothing in this Section is intended to affect the remedies of third parties against
18 Company.

19 **6.2.4 Liaisons**

20 Upon execution of this Agreement, Company shall designate in writing a
21 "Government Liaison" who shall be responsible for working with City Manager
22 and/or City's designated representative(s) to resolve customer complaints. City
23 shall designate in writing a "City Liaison" who shall be responsible for working
24 with Company and/or Company's designated representative to resolve customer
25 complaints. The Parties shall inform each other of changes in these representations
26 within two business days of the change.

27 **6.3 Public Education**

28 **6.3.1 Education Requirements**

29 Company public education program shall focus on providing information to
30 customers to comply with requirements of ORS 459A.010(2)(c), which generally
31 requires a public education program to inform solid waste Generators of the

1 manner and benefits of reducing, reusing, recycling and composting material and
2 to promote use of recycling services. At a minimum, the Company shall provide
3 the following public education:

4 A. **Service Initiation.** Education materials shall be distributed to all residents and
5 businesses prior to the commencement of services describing the Collection
6 services offered by the Company and Rates for such services, and soliciting
7 customer's preferences regarding Receptacle size and Collection frequency for
8 Solid Waste, Recyclable Materials, and Yard Debris. These educational
9 materials shall also educate customers about source reduction, reuse, and
10 Recycling opportunities.

11 B. **New customer education.** Education materials shall be provided to all new
12 Collection service customers that includes Recyclable Materials Collection
13 notification and education packets that include, at a minimum, the materials
14 Collected, the schedule for Collection, the way to prepare materials for
15 Collection and the reasons Persons should separate Recyclable Materials and
16 Yard Debris for separate Collection. The educational and promotional
17 materials provided to commercial Collection customers should be targeted to
18 meet the needs of various types of businesses and should include reasons to
19 Recycle, including economic benefits, common barriers to Recycling and
20 solutions, additional resources for commercial Generators of Solid Waste and
21 other information designed to assist and encourage Recycling efforts. The
22 educational and promotional materials provided to commercial Collection
23 customers shall encourage each commercial Collection customer to have a goal
24 to achieve 50 percent recovery from its Solid Waste stream.

25 C. **Quarterly newsletter or promotion.** Education materials in a variety of
26 formats and materials at least four times a calendar year to Collection service
27 customers that includes, at a minimum, promotion of Recyclable Materials and
28 Yard Debris programs, a description of the materials Collected by Company,
29 and the schedule for Collection.

30 D. **Annual promotion.** Education materials at least annually to all Collection
31 service customers, of the information under subsection B above.

32 E. **Other promotion.** Education materials or events targeting of community and
33 media events to promote Recycling.

1 **6.3.2 Format of Promotional Materials**

2 Company’s educational media may include newsletters, flyers, door hangers,
3 notification tags, and direct contact. Materials shall be printed on paper containing
4 the highest levels of recycled content material as is reasonably practical with a
5 minimum requirement of 30% post-consumer content based on Federal standards.

6 **6.3.3 City Review**

7 Company shall submit all promotional materials to the City for review and
8 approval prior to publication or distribution to customers. The City shall review
9 and approve the materials within five business days of receipt.

10 **6.3.4 Cooperation with County Efforts**

11 From time to time, Clackamas County prepares public education information that
12 includes data on the City’s programs and provides education and technical
13 assistance to residents and businesses in the City. The Company shall cooperate
14 with Clackamas County by: (i) providing, upon the County’s request, information
15 regarding the Collection, Processing, and Disposal services provided in the City,
16 and (ii) responding to County inquiries or requests related to specific customers.

17 **6.4 Waste Generation and Characterization Studies**

18 Company acknowledges that City must perform Solid Waste generation and
19 Disposal characterization studies periodically to comply with ORS 459A.035.
20 Company agrees to participate and cooperate with City and its agents and to
21 accomplish studies and data collection and prepare reports, as needed, to
22 determine weights and volumes of Solid Waste and characterize Solid Waste
23 generated, Disposed, diverted or otherwise handled or Processed.

1 **ARTICLE 7**
2 **COMPANY'S COMPENSATION AND RATES**

3 **7.1 Company's Compensation**

4 The Company's Compensation for performance of all its obligations under this
5 Agreement shall be the actual gross Rate revenues remitted to Company by
6 customers less fees due to the City and County in accordance with Article 4.
7 Company's Compensation provided for in this Article shall be the full, entire, and
8 complete compensation due to Company pursuant to this Agreement for all labor,
9 equipment, materials and supplies, Processing and Disposal fees, taxes, insurance,
10 bonds, overhead, operations, profit and all other things necessary to perform all
11 the services in the manner required by this Agreement.

12 If Company's costs are more than actual gross Rate revenues retained by
13 Company, Company shall not be compensated for the difference in costs and
14 revenues. If Company's costs are less than the actual gross Rate revenues retained
15 by the Company, Company shall retain the difference. In addition, calculations of
16 Rates shall not be adjusted for variances of actual costs or revenues during prior
17 periods of time.

18 **7.2 Rates**

19 Under this Agreement, Company shall have the right and obligation to charge and
20 collect from customers, Rates that are approved by the City. The Rates, which are
21 contained in Exhibit 2, are set by City Council Resolution and are effective May 1,
22 2015 through December 31, 2016. The Company shall bill customers and collect
23 payments in accordance with the Rates set forth in Exhibit 2 and pursuant to
24 Section 6.1.

25 The Rates shall be fixed, as per Exhibit 2, for Rate Period One, commencing May
26 1, 2015 and ending December 31, 2016, and shall not be adjusted to reflect either
27 increases or decreases in costs from those anticipated by Company. The Rates
28 shall be adjusted annually, with City Council approval, commencing January 1,
29 2017 through the remaining Term of this Agreement including any extension
30 periods, as described in Section 7.3.

31 The City reserves the right to adjust Rate relationships in the future provided that
32 the Company is made whole in terms of Gross Revenues.

1 **7.3 Annual Adjustment of Rates**

2 **7.3.1 Annual Adjustment**

3 Subject to the terms herein, the Company shall be entitled to an annual adjustment
4 of all Rates. Each Rate includes an Operating Component and Tipping Fee
5 Component, which are annually adjusted. The City Council shall make a good
6 faith effort to approved adjusted Rates by November 1 of each year, and such Rates
7 shall be effective on each January 1. If Rate adjustments are not approved by
8 November 1, then prior Rates remain in effect until such adjustment is made.

9 Each Rate is annually adjusted as specified in Section 7.3.2 through 7.3.4.

10 **7.3.2 Adjustment of the Operating Component**

11 The Operating Component of the Rates specified in Exhibit 2 shall be adjusted
12 annually, using the method below, to reflect 80% of the change in the All Urban
13 Consumers Index Half1 (CPI-U) compiled and published by the U.S. Department
14 of Labor, Bureau of Labor Statistics or its successor agency, using the following
15 parameters, or by 5%, which ever is less.

16 CPI-U Parameters:

- 17 • Area - Portland - Salem, OR - WA
- 18 • Item - All Items
- 19 • Base Period - Current 1982-84=100
- 20 • Not seasonally adjusted
- 21 • Periodicity - Semi-annual

22 Step 1: Calculate the Change in Half1 CPI-U as follows:

23 Change in Half1 CPI-U = ((Most current Half1 CPI-U - previous 12-
24 month Half 1 CPI-U)/previous 12-month Half1 CPI-U) x 0.80) or 0.05,
25 whichever is less

26 Step 2: Calculate the Adjusted Operating Component as follows:

27 Adjusted Operating Component = Then-current Operating
28 Component x (1 + the Change in Half1 CPI-U as calculated in Step 1
29 above)

30 The Operating Component shall be rounded to the nearest cent.

1

2

For example, assuming:

3

4

1. Most-recently published Half1 CPI-U (Half1 2003) = 186.0

5

2. Half1 CPI-U published 12 months prior (Half1 2002) = 183.5

6

3. Then-current Operating Component = \$5.00

7

8

Change in Half1 CPI-U = $((186.0 - 183.5)/183.5) \times 0.80 = 0.0109$, which is less than 0.05; therefore, the Change in Half1 CPI-U is 0.0109

10

11

Adjusted Operating Component = $\$5.00 \times (1 + 0.0109) = \5.05

12

If the CPI-U is discontinued or revised during the Term by the United States Department of Labor, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the CPI-U had not been discontinued or revised.

13

14

15

16

7.3.3 Adjustment of the Tipping Fee Component

17

The Solid Waste Disposal and Yard Debris Processing Tipping Fee Component of each Rate will be adjusted to reflect any percentage change in the per-ton tipping fees charged at the Approved Transfer Station and the Approved Yard Debris Processing Site, as appropriate. There shall be no adjustment to the Recyclables Materials Processing Tipping Fee Component of each rate over the Term of the Agreement. The tipping fee component adjustment shall equal:

18

19

20

21

22

23

$$\begin{aligned} \text{Adjusted Tipping Fee Component} &= \text{Then-current Tipping Fee Component} \times \left(\frac{\text{Current Approved Tipping Fee}}{\text{Prior Approved Tipping Fee}} \right) \end{aligned}$$

24

For example, assuming:

25

1. Then-current Tipping Fee Component = \$1.50, which includes a Solid Waste Disposal component = \$1.00 and Yard Debris Processing Component = \$0.50

26

27

28

2. Current Approved Tipping Fee for the Approved Disposal Location = \$30.00 per Ton

29

30

3. Prior Approved Tipping Fee for the Approved Disposal Location = \$28.80 per Ton

31

32

4. Current Approved Tipping Fee for the Approved Yard Debris Processing Location = \$5.00 per Ton

33

- 1 5. Prior Approved Tipping Fee for the Approved Yard Debris Processing
2 Location = \$4.75 per Ton
3 6. Adjusted Tipping Fee Component = $\$1.00 \times (\$30.00 / \$28.80) + \$0.50 \times$
4 $(\$5.00 / \$4.75) = \$1.04 + \$0.53 = \$1.57$

5 The Adjusted Tipping Fee Component shall be rounded to the nearest cent.

6 The Prior Approved Tipping Fee is the fee last used to set Rates. As of the Effective
7 Date of this Agreement, the Approved Transfer Station Tipping Fee is \$62.50 per
8 ton; and the Approved Processing Site Location Tipping Fee for Yard Debris is
9 \$5.50 per compacted yard. These fees shall be used as the prior Approved Tipping
10 Fee for the first adjustment of the Tipping Fee components.

11 **7.3.4 Calculation of Adjusted Rates**

12 Adjusted Rates shall be calculated as follows:
13

$$\begin{array}{l} \text{Adjusted} \\ \text{Rate} \end{array} = \begin{array}{l} \text{Adjusted Operating} \\ \text{Component} \end{array} + \text{Adjusted Tipping Fee}$$

14

15 For example, assuming:
16

- 17 1. The Rate being adjusted is a Residential Solid Waste Collection Rate
18 2. Adjusted Operating Component = \$5.05 (as calculated in Section 7.3.2)
19 3. Adjusted Tipping Fee Component = \$1.57 (as calculated in Section
20 7.3.3)
21

22 Adjusted Collection Rate = $\$5.05 + \$1.57 = \$6.62$

23 **7.4 Annual Rate Application Process**

24 On or before September 1 of each Rate Period, Company shall submit an
25 application requesting the Rate adjustment for the following Rate Period. The
26 application shall present each Rate for the then-current Rate Period and calculation
27 of each adjusted Rate for the following Rate Period. The application shall include
28 all supporting documentation for calculation of the adjusted Rates including CPI-
29 U and Tipping Fee data.

30 The Company's Rate application shall be reviewed by the City. The City Council
31 shall adjust Rates to reflect the adjustments made in accordance with Section 7.3.

1 The City Council shall act in good faith to approve such Rate adjustments by
2 November 1 of each year so that approved Rates take effect at the commencement
3 of the Rate Period. Notwithstanding the provisions of Section 7.3, the adjusted
4 Rates will not take effect until the City Council has approved such Rates.

5 If the Company submits its Rate application on or before September 1, and the City
6 does not adjust Rates to be effective on or before January 1 of a Rate Period, the
7 City shall include a surcharge on the Rates that shall be effective for the remainder
8 of the Rate Period to recover revenues lost by the Company, if any. If the effective
9 date of the Rates is March 1 or later, the City shall adjust the Rates to recoup lost
10 revenues, if any, as well as interest due the Company on lost revenues, where
11 interest shall be calculated using the most-recently published average daily
12 interest rate for the Oregon Local Government Investment Pool (LGIP) published
13 by the Oregon State Treasurer's office. To determine the amount of lost revenues,
14 if any, the City and Company shall meet and confer to determine the effect the
15 delay in adopting Rates has on the Company's revenue. The assessment of the
16 revenue impact shall consider the Company's billing cycle (e.g., impact to
17 Customers billed in advance and to Customers billed in arrears), the ability of
18 Company to delay issuance of bills, the payment cycle of Customers, and other
19 variables.

20 If the Company does not submit the application by September 1, Rates may not be
21 adjusted by November 1. In such case, all Rates shall be adjusted to be effective
22 the first of the month of the next billing cycle following approval by the City
23 Council. If the Company does not submit the application by September 1, no
24 retroactive adjustment will be made to allow the Company to recover revenues
25 that it would have collected, had the Rate adjustment been implemented in
26 accordance with the prescribed schedule.

27 **7.5 Special Rate Review**

28 **7.5.1 Eligible Items**

29 The Company is entitled to apply to the City for consideration of a special Rate
30 review, or the City may initiate such a review, should one or more events listed in
31 this section occur. If the occurrence of such event or combination of events, has a
32 material effect on the Company's cost of service of \$20,000 or more annually, the
33 City shall be obligated to perform a special Rate review; however, if the occurrence

1 of such event(s) has less than a \$20,000 effect on the Company's annual cost of
2 service, the City shall not be obligated to conduct the review.
3

4 1. Documented significant changes in the cost to provide services required in
5 this Agreement as a result of an agreed-upon, City-directed change in scope,
6 as provided for under Section 3.3.

7 2. Flood, earthquake, other acts of nature, war, civil insurrection, riots, or other
8 similar catastrophic events beyond the control of Company.

9 3. Change in Law after the Effective Date that: (1) was not reasonably known
10 to the Company before the Effective Date, and (2) the Company
11 substantiates such claim.

12 4. The number and type of customers differs significantly from the number
13 and type of customers presented in Attachment 1 of the *January 2003 City of*
14 *Sandy Request for Proposals for Solid Waste, Recyclable Materials, and Yard Debris*
15 *Collection Services*, and Company submits an application for a special rate
16 review for this reason no later than September 1, 2005.

17 5. The calculated change in Half1 CPI-U in accordance with Step 1 of Section
18 7.3.2 is equal to or greater than 0.05.

19 6. Fuel price increases that result in a direct increase of more than 2% in the
20 Company's cost of providing services required by this Agreement.

21 **7.5.2 Ineligible Items**

22 The Company will not be compensated over the Term for:
23

24 1. Increases in the cost of Solid Waste, Recyclable Materials, or Yard Debris
25 Collection, transportation, Processing, or Disposal costs in excess of the
26 increases provided through the annual adjustment mechanism described in
27 Section 7.3 unless cost increases are related to eligible items listed in Section
28 7.5.1.

29 2. Increases in the cost of Solid Waste, Recyclable Materials, or Yard Debris
30 Collection, transportation, Processing, or Disposal costs that may be impacted
31 by change in Approved Disposal Location, Approved Transfer Station, or
32 Approved Processing Site operating conditions, unless such change is initiated
33 by or at the direction of the City.

- 1 3. Decreases in Revenues from the sale of Recyclable Materials or Yard Debris.
- 2 4. Growth or decline in the number of customers or their subscription levels;
3 however, the Company shall be entitled to bill all customers at the Rates set
4 forth herein and retain all Rate revenues net fees due to City collected from its
5 customers for Collection services provided under this Agreement.
- 6 5. Changes in the number of accounts related to Receptacle sizes or frequency of
7 Collection; however, the Company shall be entitled to bill all customers at the
8 Rates set forth herein and retain all Rate revenues net fees due to City collected
9 from Company's customers for Collection services provided under this
10 Agreement.
- 11 6. Change in the tonnage or composition of Solid Waste, Recyclable Materials, or
12 Yard Debris.

13 **7.5.3 Review of Costs**

14 If the Company or the City requests a special Rate review, the City shall have the
15 right to review any or all financial and operating records of Company and related-
16 party entities. The cost of the special Rate review incurred by the City and its
17 agents shall be recovered through the Rates if the City approves that requested
18 Rate adjustment. The Company shall pay the City for costs associated with the
19 review incurred by the City and its agents if the City does not approve the
20 requested Rate adjustment or if said review is initiated by the City.

21 **7.5.4 Submittal of Request**

22 If the Company is requesting a special Rate review, the Company must submit its
23 request for a special review of Rates, and cost and operational data, in a form and
24 manner specified by the City, at least 90-days before the proposed effective date
25 of any Rate adjustment.

26 If City is requesting a special Rate review, the City shall notify the Company at
27 least seven months before the proposed effective date of any Rate adjustment.
28 Upon such notification, Company shall, within 30 calendar days, submit
29 reasonable cost and operational data as requested by the City, in a form and
30 manner specified by the City.

31 A request for special Rate review shall include a proposal on whether the Rate
32 adjustment resulting from the special Rate review will be an adjustment in

1 addition to or in lieu of the annual Rate adjustment to be performed in accordance
2 with Section 7.3.

3 **7.5.5 Burden of Justification**

4 Company shall bear the burden of justifying to the City by substantial evidence
5 any entitlement to current, as well as increased, Rates under this Section 7.5. If the
6 City determines that the Company has not met its burden, the Company may
7 request one hearing to produce additional evidence. Upon such request, the City
8 shall permit said additional hearing. In the event the City denies Company's
9 request, Company shall have the right to present its claim in a court of competent
10 jurisdiction.

11 **7.5.6 Grant of Request**

12 Based on evidence the Company submits, the City Council may grant some, all or
13 none of the requested increase and approve adjusted Rates.

14 **7.5.7 Compensation**

15 The Party requesting the special Rate review shall bear all reasonable costs of both
16 Parties for participating in such review up to a maximum of \$25,000 per Party and
17 such costs shall not be reimbursed through Rates charged customers.

18 **7.6 Rates for Changes in Scope**

19 In the event either the City or Company requests a change in scope in accordance
20 with Section 3.3, the Company shall furnish the City with projected operational
21 and cost data for the change in scope to support any adjustment to Rates. For the
22 purposes of analyzing cost impacts of changes in scope, the Company's profit shall
23 be calculated using an operating ratio of 88% of actual reasonable and necessary
24 costs net of Disposal expenses and Franchise Fees. The City reserves the right to
25 require that the Company supply any additional cost data or other information it
26 may reasonably need to ascertain the appropriate Rate adjustment, if any, for the
27 change in scope. The City shall review this operational and cost data, and the City
28 Council shall establish Rates for the change in scope, if warranted.

29 The granting of any change in scope shall be contingent upon City approval and
30 establishment of new Rates. The City shall adjust Rates, in good faith, coincident

1 with any adjustment made pursuant to this Section so that the change in scope and
2 the corresponding Rates become effective on the same date.

3 **7.7 Notice of Rate Adjustments**

4 The Company shall provide all customers with advance written notice of
5 approved Rate changes, in the form of a bill insert at least 30 calendar days before
6 the effective date of such changes.

7 **7.8 Market Test of Rates**

8 The City shall have the right to conduct a market test of the rates that Company
9 charges customers in comparison with rates charged customers in cities and
10 counties in the surrounding area of similar size and with similar collection
11 programs provided that such comparison includes adjustments to rates to reflect
12 differences related to local fees (including franchise fees) and the City pays for the
13 market test analysis. If the Company's Rates are not ranked comparable to these
14 communities, the City shall have the right to conduct a detailed, comprehensive
15 operational and financial review of the Company's operations to determine the
16 reasonableness of Company's Compensation requirement and make reasonable
17 reductions to the Company's Compensation based on such review, if the City
18 determines the Company's Compensation is not reasonable. The Company shall
19 cooperate with the City's operational and financial review. The adjustment to
20 compensation shall be conducted in a manner equivalent to the special Rate review
21 procedures described in Section 7.5.

22

1 **ARTICLE 8**
2 **REVIEW OF SERVICES AND PERFORMANCE**
3

4 **8.1 Performance Hearing**

5 Annually City may, but is not required to, hold a public hearing on or about 90
6 calendar days after receipt of the Company's annual report (required by Section
7 9.3.3) at which time Company shall be present and shall participate, to review the
8 Solid Waste, Recyclable Materials, and Yard Debris Collection services and overall
9 Company's performance. The purpose of the hearing is to provide for a discussion
10 and review of technological, economic, and regulatory changes in Collection to
11 achieve a continuing, advanced Solid Waste, Recyclable Materials, and Yard
12 Debris Collection system; and to ensure services are being provided with adequate
13 quality, effectiveness, and economy.

14 Forty-five calendar days after receiving notice from City of a Solid Waste,
15 Recyclable Materials, and Yard Debris Collection Services and Performance
16 Review Hearing, Company shall, at a minimum, submit a report to City indicating
17 the following:

- 18 a) Changes recommended and/or new services to improve Collection
19 Services and to contain costs and minimize impacts on Rates.
- 20 b) Any specific plans for provision of changed or new services by Company.

21 The reports required by Section 9.3.2 of this Agreement regarding customer
22 complaints may be used as one basis for review. Company may submit other
23 relevant performance information and reports for consideration. City may
24 request, and Company shall submit, specific information related to the
25 performance for the hearing. In addition, any customer may submit comments or
26 complaints during or before the hearing, either orally or in writing, and these shall
27 be considered.

28 Topics for discussion and review at the Solid Waste, Recyclable Materials, and
29 Yard Debris Collection Services and Performance Review Hearing shall include,
30 but shall not be limited to, services provided, feasibility of providing new services,
31 application of new technologies, customer complaints, amendments to this

1 Agreement, developments in the law, regulatory constraints, and Company
2 performance. City and Company may each select additional topics for discussion
3 at any Solid Waste, Recyclable Material, and Yard Debris Collection Services and
4 Performance Review Hearing.

5 Not later than 60 calendar days after the conclusion of each Solid Waste,
6 Recyclable Material, and Yard Debris Collection Services and Performance Review
7 Hearing, City may issue a report. As a result of the review, City may require
8 Company to provide expanded or new services within a reasonable time and for
9 reasonable Rates and compensation, as determined in the City Council's good
10 faith legislative discretion, and City may direct or take corrective actions for any
11 performance inadequacies.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

ARTICLE 9
RECORDS, REPORTS AND INFORMATION REQUIREMENTS

9.1 General

Company shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the financial statements and other reports required by this Agreement. Also, Company agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulation and to meet the reporting and Solid Waste, Recyclable Materials, and Yard Debris program management needs of City. To this extent, such requirements set out in this and other Articles of this Agreement shall not be considered limiting or necessarily complete. In particular, this Article is intended to only highlight the general nature of records and reports and is not meant to define exactly what the records and reports are to be and their content. Further, with the written direction or approval of City, the records and reports to be maintained and provided by Company in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency. The foregoing is not intended to require significant additional administrative labor or the modification of Company’s computer software.

9.2 Records

9.2.1 General

Company shall maintain records required to conduct its operations, to support requests it may make to City, and to respond to requests from City in the conduct of City business. Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated including, but not limited to, fire, theft, and earthquake. Electronically maintained data/records shall be protected and backed up. All records shall be maintained for five years after the expiration of this Agreement, with the exception of accounts payable records, which will be maintained for three years after payment.

1 Company agrees that the records addressed in the Agreement shall be provided
2 or made available to City and its official representatives during normal business
3 hours.

4 **9.2.2 Financial Records**

5 Financial records shall be maintained in a manner such that cost and revenue
6 information can be allocated among the service types (residential, commercial and
7 drop box) and to the City.

8 **9.2.3 Solid Waste, Recyclable Materials, and Yard Debris Records**

9 Records shall be maintained by Company for City relating to:

- 10 a) Customer services and Billings;
- 11 b) Weight and volume of Solid Waste, Recyclable Materials and Yard Debris
12 Collected. Information is to be separated between Single-Family Dwelling
13 Unit, Commercial Premises, and Drop Box Collection service. If Solid
14 Waste, Recyclable Materials, and Yard Trimmings Collected in the City are
15 combined with materials collected from other jurisdictions, Contractor shall
16 allocate weight and volume of such material to the City's Collection
17 program based on volume or tonnage using a method approved by the
18 City.
- 19 c) Routes;
- 20 d) Facilities, equipment, and personnel used;
- 21 e) Facilities and equipment operations, maintenance and repair;
- 22 f) Disposal of Solid Waste;
- 23 g) Processing of Recyclable Materials;
- 24 h) Processing of Yard Debris;
- 25 i) Complaints; and,
- 26 j) Missed pick-ups.

1 d) Evaluate customer service and complaints.

2 Company may propose report formats that are responsive to the objectives and
3 audiences for each report. The format of each report will be mutually agreed upon
4 by City and Company. Company agrees to submit all reports on computer discs
5 or via e-mail in a mutually agreed upon format at no additional charge, if
6 requested by City. Company will provide a certification statement, under penalty
7 of perjury, by the responsible Company official, that the report being submitted is
8 true and correct.

9 Quarterly reports shall be submitted no later than 45 calendar days after the end
10 of the quarter. Quarters end on September 30, December 31, March 31, and June
11 30. Annual reports shall be submitted before September 30 following the end of
12 the Rate Period.

13 All reports shall be submitted to:

14 City Manager
15 City of Sandy
16 39250 Pioneer Blvd.
17 Sandy, OR 97055

18 **9.3.2 Quarterly Reports**

19 The information listed shall be the minimum reported for each service:

20 **A. Regular Services**

21 1) Solid Waste Collected monthly by Company in tons, listed separately
22 for Single-Family Dwelling Units and Commercial Premises and the
23 Disposal Site used.

24 2) Recyclable Materials Collected monthly by Company in tons, listed
25 separately for Single-Family Dwelling Units and Commercial Premises
26 and the Processing Facility used.

27 3) Yard Debris Collected monthly by Company in tons, listed separately
28 for Single-Family Dwelling Units and Commercial Premises and the
29 Processing Facility used.

- 1 4) Complaint summary, for month and cumulative for Rate Period,
2 summarized by nature of complaints.
- 3 5) Narrative summary of problems encountered (including scavenging)
4 and actions taken with recommendations for City, as appropriate.
- 5 6) A summary or copy of the Hazardous Waste records required in Section
6 5.9.
- 7 7) Other information or reports that City may reasonably request or
8 require.

9 **B. Summary Assessment.** Provide a summary assessment of the overall Solid
10 Waste, Recyclable Materials, and Yard Debris program from Company's
11 perspective relative to financial and physical status of program. The physical
12 status is to relate to how well the program is operating for efficiency, economy,
13 and effectiveness relative to meeting all the goals and objectives of this Agreement
14 and ORS 459A. Provide recommendations and plans to improve. Highlight
15 significant accomplishments and problems.

16 **9.3.3 Annual Report**

17 The Annual Report is to be essentially in the form and content of the quarterly
18 reports. In addition, Company's annual audited financial statements for the most-
19 recently completed Fiscal Year shall be included. The annual report shall also
20 include a list of Company's officers and members of its board of directors.

21 **A. Financial Statements.** Financial statements shall show Company's results of
22 operations for City, including the specific revenues and expenses in connection
23 with the operations provided for in this Agreement. The financial statements
24 and footnotes shall be prepared in accordance with Generally Accepted
25 Accounting Principles (GAAP). The financial statements shall be reviewed in
26 accordance with Generally Accepted Auditing Standards (GAAS) by a certified
27 public accountant (CPA) licensed (in good standing) to practice public
28 accounting in the State of Oregon as determined by the State of Oregon Board
29 of Accountancy.

1 **B. Customer Billing List.** Summary customer billing list that identifies each
2 customer account code (e.g., 1 cubic yard Container with 1 pick-up per week)
3 and the number of customers receiving such service.

4 **9.4 Adverse Information**

5 **9.4.1 Reporting Adverse Information.** Company shall provide City two copies
6 (one to the City Manager, one to the City Attorney) of all reports, pleadings,
7 applications, notifications, Notices of Violation, or other formal actions relating
8 specifically to Company's performance of services pursuant to this Agreement,
9 submitted by Company to, or received by Company from, the United States
10 Environmental Protection Agency, the Oregon Department of Environmental
11 Quality, the Securities and Exchange Commission or any other federal, state, or
12 local agency, including any federal or state court actions brought by any of the
13 aforementioned agencies, with regard to Company's operations in the State of
14 Oregon. Copies shall be submitted to City simultaneously with Company's filing
15 or submission of such matters with said agencies. Company's routine
16 correspondence to said agencies need not be routinely submitted to City, but shall
17 be made available to City promptly upon City's written request.

18 **9.4.2 Failure to Report.** The refusal or failure of Company to submit any
19 required reports or to provide required information to City shall result in
20 liquidated damages as described in Section 12.3.2.D, or the inclusion of any
21 materially false or misleading statement or representation by Company in such
22 report shall be deemed an event of default of the Agreement as described in
23 Section 12.1 and shall subject Company to all remedies which are available to City
24 under the Agreement or otherwise.

1 **ARTICLE 10**
2 **INDEMNIFICATION, INSURANCE AND BOND**

3 **10.1 Indemnification**

4 Company hereby agrees to and shall indemnify and hold harmless City, its elected
5 and appointed boards, commissions, officers, employees, and agents (collectively,
6 indemnitees) from and against any and all loss, liability, penalty, forfeiture, claim,
7 demand, action, proceeding or suit in law or equity of any and every kind and
8 description (including, but not limited to, injury to and death of any Person and
9 damage to property, or for contribution or indemnity claimed by third parties)
10 arising or resulting from and in any way connected with (1) the negligence or
11 willful misconduct of Company, its officers, employees, agents, contractors
12 and/or Subcontractors in performing services under this Agreement; (2) the
13 failure of Company, its officers, employees, agents, contractors, and/or
14 Subcontractors to comply in all respects with the provisions of this Agreement,
15 applicable laws (including, without limitation, the Environmental Laws),
16 ordinances, and regulations, and/or applicable permits and licenses; (3) the acts
17 of Company, its officers, employees, agents, contractors, and/or Subcontractors in
18 performing services under this Agreement for which strict liability is imposed by
19 law (including, without limitation, the Environmental Laws). The foregoing
20 indemnity shall apply regardless of whether such loss, liability, penalty, forfeiture,
21 claim, demand, action, proceeding, suit, injury, death, or damage is also caused in
22 part by any of the indemnitees' negligence, but shall not extend to matters
23 resulting from the indemnitees' negligence, willful misconduct, or breach of this
24 Agreement. Company further agrees to and shall, upon demand of City, at
25 Company's sole cost and expense, defend (with attorneys acceptable to City) City,
26 its elected and appointed boards and commissions, officers, employees, and
27 agents against any claims, actions, suits in law or equity or other proceedings,
28 whether judicial, quasi-judicial or administrative in nature, arising or resulting
29 from any of the aforementioned events.

30 Company, upon demand of City, made by and through the City Attorney, shall
31 protect City and appear in and defend City and its elected officials, officers,
32 employees and agents, in any claims or actions by third parties, whether judicial,
33 administrative or otherwise, including, but not limited to disputes and litigation
34 over the definitions of "Solid Waste" or the limits of City's authority with respect

1 to the grant of licenses, or agreements, exclusive or otherwise, asserting rights
2 under the Dormant Commerce Clause or federal or state laws to provide Solid
3 Waste, Recyclable Materials, or Yard Debris services in City. This provision shall
4 survive the expiration of the period during which Collection services are to be
5 provided under this Agreement. City and Company agree to confer following any
6 trial to decide jointly whether to appeal or to oppose any appeal. In the event City
7 and Company jointly agree to appeal, or to oppose any appeal, City and Company
8 agree to share equally the costs of appeals. Should either City or Company decide
9 to appeal, or to oppose an appeal, and the other decide not to appeal, or to oppose
10 an appeal, the Party which decides to appeal, or to oppose an appeal, shall bear all
11 fees and costs of the appeal or the opposition to the appeal.

12 Company's duty to indemnify and defend from the aforementioned events arising
13 during the Term of the Agreement and as it may be extended shall survive the
14 expiration or earlier termination of this Agreement.

15 **10.2 Hazardous Substances Indemnification**

16 Company shall indemnify, defend with counsel reasonably acceptable to City,
17 protect and hold harmless City, its elected and appointed boards, commissions,
18 officers, employees, and agents (collectively, Indemnitees) from and against all
19 claims, damages (including but not limited to special, consequential, natural
20 resources and punitive damages), injuries, costs, (including without limit any and
21 all response, remediation and removal costs), losses, demands, debts, liens,
22 liabilities, causes of action, suits, legal or administrative proceedings, interest,
23 fines, charges, penalties, attorney's fees for the adverse party and expenses
24 (including without limit attorneys' and expert witness fees and costs incurred in
25 connection with defending against any of the foregoing or in enforcing this
26 indemnity), (collectively, "Damages") of any kind whatsoever paid, incurred or
27 suffered by, or asserted against, Indemnitees arising from or attributable to the
28 acts or omissions of Company, its officers, directors, employees, companies or
29 agents, whether or not negligent or otherwise culpable, in connection with or
30 related to the performance of this Agreement, including without limit Damages
31 arising from or attributable to any repair, cleanup or detoxification, or preparation
32 and implementation of any removal, remedial, response, closure or other plan
33 (regardless of whether undertaken due to governmental action) concerning any
34 Hazardous Substance, Hazardous Waste, and/or Household Hazardous Waste

1 (Collectively, "Waste") at any places where Company Collects and transports,
2 Processes, stores, or Disposes of City Solid Waste, Recyclable Materials, Yard
3 Debris, and/or street debris, or other waste. The foregoing indemnity is intended
4 to operate as an agreement pursuant to §107(e) of the Comprehensive
5 Environmental Response, Compensation and Liability Act, CERCLA, 42 USC.
6 §9607(e), to defend, protect, hold harmless, and indemnify City from liability. This
7 provision is in addition to all other provisions in this Agreement and shall survive
8 the end of the Term of this Agreement.

9 **10.3 Insurance**

10 City does not, and shall not, waive any rights against Company which it may have
11 by reason of the aforesaid hold harmless agreements, because of acceptance by
12 City or the deposit with City by Company of the insurance policies described in
13 this provision. Company shall maintain insurance policies meeting the following
14 specifications at all times during the Term of this Agreement.

15 **10.3.1 Minimum Scope of Insurance**

16 Coverage shall be at least as broad as:

- 17 1) Comprehensive General Liability or Commercial General Liability
18 insurance.
- 19 2) Automobile Liability insurance.
- 20 3) Workers' Compensation insurance as required by the State of
21 Oregon and Employers Liability insurance.

22 **10.3.2 Minimum Limits of Insurance**

23 Company shall maintain in force for the Term of this Agreement limits no less
24 than:

- 25 1) Comprehensive General Liability: Five Million Dollars (\$5,000,000)
26 aggregate, One Million Dollars (\$1,000,000) combined single limit
27 per occurrence for bodily injury, personal injury and property
28 damage.

1 appointive boards, commissions, employees, agents or
2 volunteers shall be excess of Company's insurance and shall
3 not contribute with it.

4 c) Any failure to comply with reporting provisions of the policies
5 shall not affect coverage provided to City, its officials, elective
6 and appointive boards, commissions, employees, agents or
7 volunteers.

8 d) Coverage shall state that Company's insurance shall apply
9 separately to each insured against whom claim is made or suit
10 is brought, except with respect to the limits of the insurer's
11 liability.

12 2) Workers' Compensation and Employers Liability Coverage - The
13 insurer shall agree to waive all rights of subrogation against City, its
14 officials, elective and appointive boards, commissions, employees,
15 agents and volunteers for losses arising from work performed by
16 Company for City.

17 3) All Coverage - Each insurance policy required by this clause shall be
18 endorsed to state that coverage shall not be suspended, voided,
19 canceled by either party, reduced in coverage or in limits except after
20 30 calendar days' prior written notice by certified mail, return receipt
21 requested, has been given to City.

22 **10.3.5 Acceptability of Insurers.** The insurance policies required by this Article
23 shall be issued by an insurance company or companies authorized to do business
24 in the State of Oregon and with a rating in the most recent edition of Best's
25 Insurance Reports of A+ or better.

26 **10.3.6 Verification of Coverage.** Simultaneously with the execution of this
27 Agreement, Company shall furnish City with certificates of insurance and with
28 original endorsements affecting coverage required hereunder, in form and
29 substance satisfactory to City. The certificates and endorsements for each
30 insurance policy are to be signed by a Person authorized by that insurer to bind
31 coverage on its behalf. Such certificates and endorsements shall show the type and
32 amount of coverage, effective date and dates of expiration of policies, and shall

1 have all required endorsements. City reserves the right to review copies of all
2 required insurance policies, at City Hall, upon the reasonable request of City.

3 Renewal certificates will be furnished periodically to City to demonstrate
4 maintenance of the required coverage throughout the Term.

5 If Company fails to procure and maintain any insurance required by this
6 Agreement, City may take out and maintain, at Company's expense, such
7 insurance as it may deem proper.

8 **10.3.7 Contractors and Subcontractors.** Company shall include all contractors
9 and Subcontractors providing Collection services under this Agreement as
10 insureds under its policies or shall furnish separate certificates and endorsements
11 for each contractor and Subcontractor. All coverage for contractors and
12 Subcontractors shall be subject to all of the requirements stated herein. All other
13 Subcontractors having face-to-face contact with the customers shall be required by
14 Company to carry general liability insurance.

15 **10.3.8 Required Endorsements**

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

18 "Thirty calendar days prior written notice by certified mail, return
19 receipt requested, shall be given to City in the event of cancellation,
20 reduction in coverage, or non-renewal of this policy. Such notice
21 shall be sent to:

22 City Manager
23 City of Sandy
24 39250 Pioneer Blvd.
25 Sandy, OR 97055
26

27 2) The Public Liability policy shall contain endorsements in
28 substantially the following form:

29 a) "Thirty calendar days prior written notice by certified mail,
30 return receipt requested, shall be given to City in the event of

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

City Manager
City of Sandy
39250 Pioneer Blvd.
Sandy, OR 97055

- b) "City, its officers, elective and appointive boards, commissions, employees, and agents are additional insureds on this policy."
- c) "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by City, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."
- d) "Inclusion of City as an insured shall not affect City's rights as respects any claim, demand, suit or judgment brought or recovered against Company. This policy shall protect Company and City in the same manner as though a separate policy had been issued to each, but this shall not operate to increase Company's liability as set forth in the policy beyond the amount shown or to which Company would have been liable if only one party had been named as an insured."

10.4 Faithful Performance Bond

Company shall deposit either a letter of credit or a performance bond (collectively referred to as "Performance Bond") in the amount of Two Hundred Thousand dollars (\$200,000). The letter of credit or Performance Bond shall be in a form acceptable to City (see Exhibit 3). The Performance Bond shall serve as security for the faithful performance by Company of all the provisions and obligations of this Agreement. City may proceed against the Performance Bond upon Company's default as defined in Article 12.

1 **ARTICLE 11**
2 **CITY'S RIGHT TO PERFORM SERVICE**

3 **11.1 General**

4 In the event that Company, for any reason whatsoever, fails, refuses, or is unable
5 to Collect or transport any or all Solid Waste, Recyclable Materials, or Yard Debris
6 which it is required to by this Agreement, at the time and in the manner provided
7 in this Agreement, for a period of more than 48 hours, and if, as a result thereof,
8 Solid Waste, Recyclable Materials, or Yard Debris should accumulate in City to
9 such an extent, in such a manner, or for such a time that City should find that such
10 accumulation endangers or menaces the public health, safety or welfare, then City
11 shall have the right, but not the obligation, upon 24 hour prior written notice to
12 Company during the period of such emergency as determined by City, (1) to
13 perform, or cause to be performed, such services itself with its own or other
14 personnel without liability to Company; and/or (2) to take temporary possession
15 of any or all of Company's land, equipment, and other property used or useful in
16 the Collection and transportation of Solid Waste, Recyclable Materials, and Yard
17 Debris and to use such property to Collect and transport any Solid Waste,
18 Recyclable Materials, and Yard Debris generated within City which Company
19 would otherwise be obligated to Collect and transport pursuant to this Agreement.

20 If Solid Waste, Recyclable Materials, or Yard Debris accumulates in City to such
21 an extent, in such a manner or for such a time that City finds that such
22 accumulation represents an immediate danger or menace to the public health
23 safety or welfare, City shall not be required to provide the 24 hour prior written
24 notice set forth above in order to take the above actions.

25 Notice of Company's failure, refusal or neglect to Collect and transport Solid
26 Waste, Recyclable Materials, or Yard Debris may be given orally by City by
27 telephone to Company at its principal office and shall be effective immediately.
28 Written confirmation of such oral notification shall be sent by City to Company
29 within 24 hours of the oral notification.

30 Company further agrees that in such event:

- 31 **A.** It will take direction from City to effect the transfer of possession of
32 equipment and property to City for City's use.

1 **B.** It will, if City so requests, keep in good repair and condition all of such
2 equipment and property, provide all motor vehicles with fuel, oil and other
3 service, and provide such other service as may be necessary to maintain said
4 property in operational condition.

5 **C.** City may immediately engage all or any personnel necessary or useful for
6 the Collection and transportation of Solid Waste, Recyclable Materials, and Yard
7 Debris, including, if City so desires, employees previously or then employed by
8 Company, Company further agrees, if City so requests, to furnish City the services
9 of any or all management or office personnel employed by Company whose
10 services are necessary or useful for Solid Waste, Recyclable Materials, and Yard
11 Debris Collection, transportation, Processing and Disposal operations and for the
12 Billing and Collection of fees for these services.

13 City agrees that it assumes complete responsibility for the proper and normal use
14 of such equipment and facilities while in its possession.

15 If the interruption or discontinuance in service is caused by any of the reasons
16 listed in Section 12.4, City shall pay to Company the reasonable rental value of the
17 equipment and facilities, possession of which is taken by City, for the period of
18 City's possession, if any, which extends beyond the period of time for which
19 Company has rendered bills in advance of service, for the class of service involved.

20 Except as otherwise expressly provided in the previous paragraph, City's exercise
21 of its rights under this Article: (1) does not constitute a taking of private property
22 for which compensation must be paid; (2) will not create any liability on the part
23 of City to Company; and (3) does not exempt Company from any of the indemnity
24 or insurance provisions of this Agreement, which are meant to extend to
25 circumstances arising under this Section, provided that Company is not required
26 to indemnify City against claims and damages arising from the negligence or
27 willful misconduct of City, its elective and appointive boards, commissions,
28 officers, employees and agents in the operation of Collection vehicles during the
29 time City has taken possession of such vehicles.

30 **11.2 Temporary Possession of Company's Property**

31 If City suffers an interruption or discontinuance of service (including interruptions
32 and discontinuance due to events described in Section 12.4), City may take

1 possession of and use all of Company's property described above until other
2 suitable arrangements can be made for the provision of Solid Waste, Recyclable
3 Materials, and Yard Debris services.

4 **11.3 Billing and Compensation to City during City's Possession**

5 During such time that City is providing Solid Waste, Recyclable Materials, and
6 Yard Debris services, as above provided, Company shall bill and Collect payment
7 from all users of the above-mentioned services as described in Section 6.1.
8 Company further agrees that, in such event, it shall reimburse City for any and all
9 costs and expenses incurred by City beyond that billed and received by Company
10 in taking over possession of the above-mentioned equipment and property for
11 Solid Waste, Recyclable Materials, and Yard Debris service in such manner and to
12 an extent as would otherwise be required of Company under the Terms of this
13 Agreement. Such reimbursement shall be made from time to time after
14 submission by City to Company of each statement listing such costs and expenses,
15 but in no event later than five business days from and after each such submission.

16 **11.4 City's Right to Relinquish Possession**

17 It is further mutually agreed that City may at any time at its discretion relinquish
18 possession of any or all of the above-mentioned property to Company and
19 thereupon demand that Company resume the Solid Waste, Recyclable Materials,
20 and Yard Debris services as provided in this Agreement, whereupon Company
21 shall be bound to resume the same.

22 **11.5 Duration of City's Possession**

23 City's right pursuant to this Article to retain temporary possession of Company's
24 facilities and equipment, and to render Collection services, shall terminate when
25 the event which caused the taking possession under Section 11.1 is cured and the
26 Performance Bond is fully restored. In any case, City has no obligation to maintain
27 possession of Company's property or equipment and/or continue its use for any
28 period of time and may at any time, in its sole discretion, relinquish possession to
29 Company.

1 **ARTICLE 12**
2 **DEFAULT, REMEDIES AND LIQUIDATED DAMAGES**

3 **12.1 Events of Default**

4 All provisions of the Franchise and this Agreement to be performed by Company
5 are considered material. Each of the following shall constitute an event of default.

6 **A. Fraud or Deceit.** If Company practices any fraud or deceit upon City.

7 **B. Insolvency or Bankruptcy.** If Company becomes insolvent, unable, or
8 unwilling to pay its debts, or upon listing of an order for relief in favor of Company
9 in a bankruptcy proceeding.

10 **C. Failure to Maintain Coverage.** If Company fails to provide or maintain in
11 full force and effect the Workers' Compensation, liability, or indemnification
12 coverage as required by this Agreement unless such insurance becomes
13 unavailable.

14 **D. Violations of Regulation.** If Company violates any orders or filings of any
15 regulatory body having jurisdiction over Company, which orders or filings have
16 a material impact on Company's ability to perform this Agreement, provided that
17 Company may contest any such orders or filings by appropriate proceedings
18 conducted in good faith, in which case no breach of the Franchise and this
19 Agreement shall be deemed to have occurred.

20 **E. Failure to Perform.** If Company ceases to provide Collection services as
21 required under this Agreement for a period of two consecutive days or more, for
22 any reason within the control of Company, including labor disputes. If City
23 performs service under Article 11, the Company's failure to perform shall not be
24 considered a default.

25 **F. Failure to Pay.** If Company fails to make any payments required under this
26 Agreement and/or refuses to provide City with required information, reports,
27 and/or records in a timely manner as provided for in the Agreement.

28 **G. Acts or Omissions.** Any other act or omission by Company which violates
29 the terms, conditions, or requirements of this Agreement, ORS 459 and ORS 459A,
30 as it may be amended from time to time, or any law, statute, ordinance, order,
31 directive, rule, or regulation issued thereunder and which is not corrected or

1 remedied within the time set in the written notice of the violation or, if Company
2 cannot reasonably correct or remedy the breach within the time set forth in such
3 notice, if Company should fail to commence to correct or remedy such violation
4 within the time set forth in such notice and diligently effect such correction or
5 remedy thereafter.

6 **H. False or Misleading Statements.** Any material representation or disclosure
7 made to City by Company in connection with or as an inducement to entering into
8 this Agreement, or any future amendment to this Agreement, which proves to be
9 false or misleading in any material respect as of the time such representation or
10 disclosure is made, whether or not any such representation or disclosure appears
11 as part of this Agreement.

12 **I. Attachment.** There is a seizure of, attachment of, or levy on, the operating
13 equipment of Company, including without limits its equipment, maintenance or
14 office facilities, and any part thereof for a period of more than 60 calendar days.

15 **J. Failure to Provide Assurance of Performance.** If Company fails to provide
16 reasonable assurances of performance as required under Section 12.6.

17 Company shall be given 48 hours from notification by City to cure any default
18 arising under Sections 12.1.C, 12.1.E, 12.1.F, 12.1.I, and 12.1.J provided, however,
19 that City shall not be obligated to provide Company with a notice and cure
20 opportunity if the Company has committed the same or similar breach within a
21 24-month period.

22 **12.2 Right to Terminate upon Default**

23 In the event that Company should default and subject to the right of the Company
24 to cure, in the performance of any provisions of this contract, and the default is not
25 cured within 48 hours from notification of default from City for any default arising
26 under Sections 12.1.C., 12.1.E, 12.1.F, 12.1.I, or 12.1.J, or 10 calendar days' notice if
27 the public health or safety is threatened, or otherwise 30 calendar days after receipt
28 of written notice of default from City, then City may, at its option, hold a hearing
29 at its next practically available City Council meeting to determine whether this
30 contract should be terminated. In the event City decides to terminate this contract,
31 City shall serve 30 calendar days' written notice of its intention to terminate upon
32 Company. In the event City exercises its right to terminate this contract, City may,

1 at its option, either directly undertake performance of the services or arrange with
2 other Persons to perform the services with or without a written agreement. This
3 right of termination is in addition to any other rights of City upon a failure of
4 Company to perform its obligations under this Agreement.

5 City's right to terminate this Agreement and to take possession of Company's
6 Facility(ies) are not exclusive, and City's termination of this Agreement shall not
7 constitute an election of remedies. Instead, they shall be in addition to any and all
8 other legal and equitable rights and remedies that City may have.

9 By virtue of the nature of this Agreement, the urgency of timely continuous and
10 high-quality service, the time required to effect alternative service, and the rights
11 granted by City to Company, the remedy of damages for a breach hereof by
12 Company may be inadequate and City may seek injunctive relief.

13 **12.3 Liquidated Damages**

14 **12.3.1 General**

15 City finds, and Company agrees, that as of the time of the execution of this Agreement, it
16 is impractical, if not impossible, to reasonably ascertain the extent of damages
17 which shall be incurred by City as a result of a breach by Company of its
18 obligations under this Agreement. The factors relating to the impracticability of
19 ascertaining damages include, but are not limited to, the fact that: (i) substantial
20 damage results to members of the public who are denied services or denied quality
21 or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and
22 deprivation of the benefits of the Agreement to individual members of the general
23 public for whose benefit this Agreement exists, in subjective ways and in varying
24 degrees of intensity which are incapable of measurement in precise monetary
25 terms; (iii) that Franchise services might be available at substantially lower costs
26 than alternative services and the monetary loss resulting from denial of services
27 or denial of quality or reliable services is impossible to calculate in precise
28 monetary terms; and (iv) the termination of this Agreement for such breaches, and
29 other remedies are, at best, a means of future correction and not remedies which
30 make the public whole for past breaches.

- 2) For each failure to Collect Solid Waste, Recyclable Materials, or Yard Debris which has been properly set out for Collection, from an established customer account on the scheduled Collection day and not Collected within 24 hours which exceeds 12 such occurrences annually: \$150.00
- 3) For each failure to Collect Solid Waste, Recyclable Materials, or Yard Debris which has been properly set out for Collection, from the same customer on two consecutive scheduled pickup days which exceeds 12 (such occurrences annually): \$150.00

B. Collection Quality

- 1) For each occurrence of damage to private property which exceeds 12 such occurrences annually: \$250.00
- 2) For each occurrence of failure to properly return empty Receptacles to avoid pedestrian or vehicular traffic impediments which exceeds 12 such occurrences annually: \$150.00
- 3) For each occurrence of excessive noise or discourteous behavior which exceeds 12 such occurrences annually: \$250.00
- 4) For each failure to clean up Solid Waste, Recyclable Materials, or Yard Debris spilled from Receptacles which exceeds 12 such failures annually: \$150.00
- 5) For each occurrence of Collecting Solid Waste, Recyclable Materials, or Yard Debris during unauthorized hours which exceeds 12 such occurrences annually: \$250.00

C. Customer Responsiveness

- 1) For each failure to initially respond to a customer complaint within one business day which exceeds 12 such failures annually: \$100.00
- 2) For each failure to process customer complaints to City as required by Section 6.2 which exceeds 12 such failures annually: \$100.00

D. Timeliness of Submissions to City

Any report shall be considered late until such time as City receives a correct and complete report. For each calendar day a report is late, the daily liquidated damage amount shall be:

- 1) Quarterly Reports: \$100 per day
- 2) Annual Reports: \$100 per day

1 **12.3.3 Process**

2 Liquidated damages will only be assessed after Company has been given the
3 opportunity but failed to rectify the damages as described in this Agreement.

4 City may determine the occurrence of events giving rise to liquidated damages
5 through the observation of its own employees or representative or investigation of
6 customer complaints.

7 Prior to assessing liquidated damages, City shall give Company notice of its
8 intention to do so. The notice will include a brief description of the
9 incident(s)/non-performance. Company may review (and make copies at its own
10 expense) all information in the possession of City relating to incident(s)/non-
11 performance. Company may, within 10 calendar days after receiving the notice,
12 request a meeting with City. Company may present evidence in writing and
13 through testimony of its employees and others relevant to the incident(s)/non-
14 performance. City will provide Company with a written explanation of its
15 determination on each incident(s)/non-performance prior to authorizing the
16 assessment of liquidated damages. The decision of City shall be final.

17 **12.3.4 Amount**

18 City may assess liquidated damages for each calendar day or event, as appropriate, that
19 Company is determined to be liable in accordance with this Agreement.

20 **12.3.5 Timing of Payment**

21 Company shall pay any liquidated damages assessed by City within 10 days after they
22 are assessed unless Company requests a meeting with City in accordance with
23 Section 12.3.3. If they are not paid within the 10-day period, City may proceed

1 against the Performance Bond required by the Agreement or order the termination
2 of the Franchise granted by this Agreement, or both.

3 **12.4 Excuse from Performance**

4 The Parties shall be excused from performing their respective obligations
5 hereunder in the event they are prevented from so performing by reason of floods,
6 earthquakes, other natural disasters, war, civil insurrection, riots, acts of terrorism,
7 acts of any government (including judicial action), and other similar catastrophic
8 events which are beyond the control of and not the fault of the Party claiming
9 excuse from performance hereunder. Labor unrest, including, but not limited to,
10 strike, work stoppage or slowdown, sick-out, picketing, or other concerted job
11 action conducted by Company's employees or directed at Company is not an
12 excuse from performance and Company shall be obligated to continue to provide
13 service notwithstanding the occurrence of any or all of such events.

14 The Party claiming excuse from performance shall, within two calendar days after
15 such Party has notice of such cause, give the other Party notice of the facts con-
16 stituting such cause and asserting its claim to excuse under this Section.

17 The interruption or discontinuance of Company's services caused by one or more
18 of the events excused shall not constitute a default by Company under this
19 Agreement. Notwithstanding the foregoing, however, if Company is excused
20 from performing its obligations hereunder for any of the causes listed in this
21 Section for a period of seven calendar days or more, City shall nevertheless have
22 the right, in its sole discretion, to terminate this Agreement by giving 10 days'
23 notice, in which case the provisions relative to taking possession of Company's
24 land, equipment and other property and engaging Company's Personnel in Article
25 11 and this Article will apply.

26 **12.5 Notice, Hearing and Appeal of City Breach**

27 Should Company contend that City is in breach of this Agreement, it shall file with
28 the City Manager a written request with City for an administrative hearing. Said
29 request shall be made within 90 calendar days of the event or incident that
30 allegedly gave rise to the breach. City shall notify Company of the time and date
31 said hearing shall be held within 30 calendar days of receipt of Company's request.
32 Company shall present its position and all relevant facts after City staff has made

1 its presentation. Company shall be notified of City's ruling in writing within 14
2 calendar days of the administrative hearing.

3 If Company is not in agreement with the ruling issued by City at the
4 administrative hearing, it shall have the right to appeal this ruling to the City
5 Council or to a three Person appeal/review board, one member appointed by the
6 City Council, another member appointed by Company, and the third member
7 selected by the other two appointees. This appeal shall be made in writing to City
8 no later than 14 calendar days after receipt of the administrative hearing ruling.
9 City shall notify Company of the time and date the Board will review Company's
10 allegation. Company shall present its position and all relevant facts after staff has
11 made its presentation. Company shall be notified in writing within 30 calendar
12 days of the Board's ruling. The Board's ruling shall be final, and Company shall
13 have no further rights of appeal.

14 Notwithstanding any other provision to the contrary in this Agreement,
15 Company's sole remedy for any dispute or claim it may have relating to
16 compensation or Rates is to file a petition for writ of review pursuant to. Company
17 shall have no cause of action for damages against City in relation to any such
18 dispute or claim.

19 **12.6 Assurance of Performance**

20 Each Party may, at its option and in addition to all other remedies it may have,
21 demand from the other Party reasonable assurances of timely and proper
22 performance of this Agreement, citing specific reasons for the Party's concern over
23 the other Party's ability to perform, in such form and substance as the Party may
24 require. If the other Party fails or refuses to provide satisfactory assurances of
25 timely and proper performance in the form and by the date required by the Party,
26 such failure or refusal shall be an event of default.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

ARTICLE 13
OTHER AGREEMENTS OF THE PARTIES

13.1 Relationship of Parties

The Parties intend that Company shall perform the services required by this Agreement as an independent Company engaged by City and not as an officer or employee of City nor as a partner of or joint venture with City. No employee or agent or Company shall be or shall be deemed to be an employee or agent of City. Except as expressly provided herein, Company shall have the exclusive control over the manner and means of conducting the Solid Waste, Recyclable Materials, and Yard Debris Collection services performed under this Agreement, and all Persons performing such services. Company shall be solely responsible for the acts and omissions of its officers, employees, contractors, Subcontractors and agents. Neither Company nor its officers, employees, contractors, Subcontractors and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to City employees by virtue of their employment with City.

13.2 Compliance with Law

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

13.3 Governing Law

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

13.4 Jurisdiction

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

1 With respect to venue, the Parties agree that this Agreement is made in and will
2 be performed in Clackamas County.

3 **13.5 Assignment**

4 **13.5.1 Company's Assignment**

5
6 A. **Permitted Assignments.** Company shall have the right to assign the
7 entirety of this Agreement to any other company which is owned and
8 controlled by Company provided that: (i) such company is qualified to do
9 business and has a place of business in Oregon, has a net worth at least
10 equal to that of Company at the time of the assignment, and assumes in
11 writing all of Company's obligations under this Agreement prior to or
12 concurrently with such assignment; and, (ii) the performance bond
13 described in Section 10.4 remains in full force and effect. Company shall
14 not otherwise assign its rights nor delegate or otherwise transfer its
15 obligations under this Agreement to any other Person without the prior
16 written consent of the City. Any such assignment made without the
17 consent of the City shall be void and the attempted assignment shall
18 constitute a breach of this Agreement.

19 B. **Assignment Defined.** For the purpose of this Section, "assign" or
20 "assignment" shall include, but not be limited to: (i) a sale, exchange or
21 other transfer to either a related or a third party of substantially all of
22 Company's (or its Parent Company's) assets dedicated to service under this
23 Agreement; (ii) the issuance of new stock to or the sale, exchange, or other
24 transfer of 10% or more of the then outstanding common stock of Company
25 (or its Parent Company) to a Person other than the shareholder or an
26 affiliate of shareholder owning said stock at the Effective Date. "Parent
27 Company" refers to a company owning more than 50% of the shares of
28 another company (subsidiary) or a company that has management control
29 over such subsidiary.

30 C. **Consent Requirements.** Except as provided in Section 13.5.1A above, this
31 Agreement and the duties and obligations of Company hereunder may not
32 be assigned. Provided, however, nothing herein is intended to prevent
33 Company from requesting that the City consider waiving this restriction
34 and consenting to an assignment. In connection with any such request,
35 Company anticipates that it will undertake or furnish the following:

- 1 1. Company shall undertake to pay the City the reasonable expenses
2 for attorneys' and consultants' fees and costs necessary to investigate
3 the suitability of any proposed assignee, and reasonable expenses
4 incurred in reviewing and finalizing any documentation required for
5 approving any such assignment proffered;
- 6 2. Company shall furnish the City with audited financial statements of
7 the proposed assignee's operations for the immediately preceding
8 three (3) operating years;
- 9 3. Company shall furnish the City with satisfactory proof that: (i) the
10 proposed assignee has directly related Solid Waste management
11 Collection experience; (ii) in the last five (5) years, the proposed
12 assignee has not suffered any material citations or other material
13 censure from any federal, state, or local agency having jurisdiction
14 over its collection, processing, transfer station or landfill operations
15 due to any significant failure to comply with federal, state or local
16 waste management laws and that the assignee has provided the City
17 with a complete list of any citations and censures (whether material
18 or not); (iii) the proposed assignee has at all times conducted its
19 Collection, Processing, transfer station, and landfill operations in an
20 environmentally safe and conscientious fashion; (iv) the proposed
21 assignee conducts its Solid Waste collection, processing, transfer
22 station, and landfill management practices in material compliance
23 with all federal, state, and local laws regulating the Collection,
24 Processing, transfer and Disposal of Solid Waste; (v) that the
25 Guaranty Agreement provided by the proposed assignee is
26 satisfactory to the City and is binding and enforceable upon the
27 guarantor; and, (vi) any other information reasonably required by
28 the City to ensure the proposed assignee can fulfill the Terms of this
29 Agreement in a timely, safe, and effective manner.

30 **13.5.2 City's Assignment**

31 City may assign and delegate all rights and duties of City, and its Council, Boards,
32 and Officials, its rights under this Agreement to any joint powers authority or
33 other public agency; provided, however, that this Agreement will continue to

1 govern only the Collection and Transportation of Solid Waste, Recyclable
2 Materials, and Yard Debris generated within City.

3 **13.6 Contracting or Subcontracting**

4 Company shall not engage any contractors or Subcontractors for Collection,
5 transporting, Processing, or Disposing of Solid Waste, Recyclable Materials, and
6 Yard Debris without the prior written consent of City. Company is expressly
7 permitted to subcontract for the collection and handling of infectious medical waste that
8 is generated in the City.

9 **13.7 Binding on Assigns**

10 The provisions of this Agreement shall inure to the benefit to and be binding on
11 the permitted assigns of the Parties.

12 **13.8 Transition to Next Company**

13 If the transition of services to another company occurs through expiration of Term,
14 default and termination, or otherwise, Company will cooperate with City and
15 subsequent company(ies) to assist in an orderly transition which will include
16 Company providing route lists and billing information.

17 **13.9 Parties in Interest**

18 Nothing in this Agreement, whether express or implied, is intended to confer any
19 rights on any Persons other than the Parties to it and their representatives,
20 successors and permitted assigns.

21 **13.10 Condemnation**

22 City fully reserves the rights to acquire Company's property utilized in the
23 performance of this Agreement, by purchase or through the exercise of the right
24 of eminent domain. This provision is additive, and not intended to alter the rights
25 of the Parties set forth in Article 11.

26 **13.11 Notice**

27 All notices, demands, requests, proposals, approvals, consents and other
28 communications which this Agreement requires, authorizes or contemplates shall
29 be in writing and shall either be personally delivered to a representative of the

1 Parties at the address below or be deposited in the United States mail, first class
2 postage prepaid, addressed as follows:

3 If to City:

4 City Manager
5 City of Sandy
6 39250 Pioneer Blvd.
7 Sandy, OR 97005

8 If to Company:

9 Hoodview Disposal & Recycling, Inc.
10 Post Office Box 1110
11 Canby, OR 97013

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

14 Notice shall be deemed given on the day it is personally delivered or, if mailed,
15 three business days from the date it is deposited in the mail.

16 **13.12 Representatives of the Parties**

17 References in this Agreement to the "City" shall mean the City Council and all
18 actions to be taken by City shall be taken by the City Council except as provided
19 below. The City Council may delegate, in writing, authority to the City Manager,
20 and/or to other City employees and may permit such employees, in turn, to
21 delegate in writing some or all of such authority to subordinate employees.
22 Company may rely upon actions taken by such delegates if they are within the
23 scope of the authority properly delegated to them.

24 Company shall, by the Effective Date, designate in writing a responsible officer
25 who shall serve as the representative of Company in all matters related to the
26 Agreement and shall inform City in writing of such designation and of any
27 limitations upon his or her authority to bind Company. City may rely upon action
28 taken by such designated representative as actions of Company unless they are
29 outside the scope of the authority delegated to him/her by Company as
30 communicated to City.

1 **13.13 City Free to Negotiate with Third Parties**

2 During the Term of this Agreement, City may investigate all options for the
3 Collection, transportation, Processing, and Disposal of Solid Waste, Recyclable
4 Materials, and Yard Debris after the expiration of the Term. Without limiting the
5 generality of the foregoing, City may solicit proposals from Company and from
6 third parties for the provision of Collection services, and may negotiate and
7 execute agreements for such services that will take effect upon the expiration or
8 earlier termination under Article 12.

9 **13.14 Compliance with Municipal Code**

10 Company shall comply with those provisions of the municipal code of City which
11 are applicable, and with any and all amendments to such applicable provisions
12 during the Term of this Agreement.

13 **13.15 Privacy**

14 Company shall strictly observe and protect the rights of privacy of customers.
15 Information identifying individual customers or the composition or contents of a
16 customer's waste stream shall not be revealed to any Person, governmental unit,
17 private agency, or company, unless upon the authority of a court of law, by statute,
18 or upon valid authorization of the customer. This provision shall not be construed
19 to preclude Company from preparing, participating in, or assisting in the
20 preparation of waste composition studies or waste stream analyses which may be
21 required by ORS 459A.035.

22 **13.16 Attorney Fees and Cost Recovery**

23 The prevailing Party in any action brought to enforce the terms of this Agreement
24 or arising out of this Agreement may recover its reasonable costs and attorneys'
25 fees expended in connection with such an action from the other Party.

1
2
3
4 **ARTICLE 14**
5 **MISCELLANEOUS AGREEMENTS**

6
7 **14.1 Entire Agreement**

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

10
11 **14.2 Article and Section Headings**

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

15
16 **14.3 References to Laws and Other Agreements**

17 All references in this Agreement to laws shall be understood to include such laws
18 as they may be subsequently amended or recodified, unless otherwise specifically
19 provided. This Agreement supersedes any and all agreements heretofore entered
20 into by the Parties.

21
22 **14.4 Interpretation**

23 This Agreement, including the Exhibits attached hereto, shall be interpreted and
24 construed reasonably and neither for nor against either Party, regardless of the
25 degree to which either Party participated in its drafting.

26
27 **14.5 Agreement**

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

14.6 Severability

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

1 **14.7 Exhibits**

2 Each of the Exhibits identified as Exhibits 1 through 4 is attached hereto and
3 incorporated herein and made a part hereof by this reference. In the case of conflict
4 between the Exhibits and the Agreement, the Agreement shall govern.

5 **14.8 Waiver**

6 The waiver by either Party of any breach or violation of any provisions of this
7 Agreement shall not be deemed to be a waiver of any breach or violation of any
8 other provision nor of any subsequent breach or violation of the same or any other
9 provision. The subsequent acceptance by either Party of any moneys that become
10 due hereunder shall not be deemed to be a waiver of any pre-existing or
11 concurrent breach or violation by the other Party of any provision of this
12 Agreement.

13 Failure of either Party to exercise any of the remedies set forth herein within the
14 time periods provided for shall not constitute a waiver of any rights of that Party
15 with regard to that failure to perform or subsequent failures to perform, whether
16 determined to be a breach, excused performance or unexcused defaults by the
17 other Party.

18

1 IN WITNESS WHEREOF, City and Company have executed this Agreement as of the day
2 and year first above written.

3

4 COMPANY

CITY OF SANDY

5

A Municipal Corporation

6 By Fred Kahut

By Seth Atkinson

7 Name: Fred Kahut

Name: Seth Atkinson

8 Title: President

Title: City Manager

9

10

APPROVED AS TO FORM:

11

12



13

City Attorney

14

15

ATTEST:

16



17

City Clerk

18

EXHIBIT 1
CITY FACILITIES

Exhibit 1
City Facilities

Company shall provide Solid Waste and Recyclable Materials Collection services to the City's public facilities, parks, public litter cans, and public recycling cans as listed below. The City may, at any time, modify the service requirements to increase the volume Collected or the frequency of Collection.

Service Location	Solid Waste		Recyclable Materials	
	No. of Receptacles and Sizes	Frequency of Collection	No. of Receptacles and Sizes	Frequency of Collection
City Hall	3-yd	Weekly	Bagged	Weekly
Public Works	3-yd	Weekly	Bagged	Weekly
Wastewater Treatment Plant	3-yd	Weekly	Bagged	Weekly
Police/Library	3-yd	Weekly	Bagged	Weekly
Community Center	2-yd	Weekly	Bagged	Weekly
Downtown Sidewalks (future – some time in next 4 years)	Up to 20 public litter cans	Twice Weekly		
Meinig Park	Three 90-gallon Carts	Weekly		

EXHIBIT 2
RATES FOR RATE PERIOD
MAY 1, 2015 THROUGH DECEMBER 31, 2015

Residential Rates

Regularly Scheduled Curbside Collection Services

Size of Solid Waste Receptacle	Service Frequency	Operating and Solid Waste Components Rate Factor	Tipping Fee Component				Estimated Number of Accounts	Estimated Annual Revenues
			Operating Component	Solid Waste Disposal	Recyclable Materials Processing	Yard Debris Processing		
20-gal cart	1 pick-up/wk	0.84	\$9.18	\$4.32	\$2.52	\$2.37	133	\$29,347
35-gal cart	1 pick-up/wk	1.00	\$10.93	\$5.14	\$3.00	\$2.82	1193	\$313,377
60-gal cart	1 pick-up/wk	1.60	\$17.49	\$8.22	\$4.80	\$4.51	162	\$68,087
90-gal cart	1 pick-up/wk	1.78	\$19.46	\$9.15	\$5.34	\$5.02	90	\$42,081
32-gal can	1 pick-up/month	0.86	\$5.12	\$2.88	\$1.68	\$1.58	30	\$4,413

Regularly Scheduled Curbside Collection Services (cont.)

Size of Yard Debris Receptacle	Service Frequency	Operating and Solid Waste Components Rate Factor	Tipping Fee Component				Estimated Number of Accounts	Estimated Annual Revenues
			Operating Component	Solid Waste Disposal	Recyclable Materials Processing	Yard Debris Processing		
65-gal cart	1 pick-up/wk	N.A.	\$0.00	N.A.	N.A.	\$0.00	167	\$0

Yard Debris (Scenario 1 Only; Monthly rates to collect and process Yard Debris for Scenarios 2 and 3 should be included in the Basic Service above)

Residential Rates

Recyclable Materials (Customers that do not subscribe to weekly solid waste service can receive recyclable materials collection service at no charge.)									
Size of Recyclable Materials Receptacle	Service Frequency	Operating and Solid Waste Components Rate Factor	Tipping Fee Component				Estimated Number of Accounts	Estimated Annual Revenues	
			Operating Component	Solid Waste Disposal	Recyclable Materials Processing	Yard Debris Processing			Total Rate
95-gal cart for commingled materials and 14-gallon bin for glass	1 pick-up/wk	N.A.	N.A.	N.A.	N.A.	\$0.00	2	\$0	
Extra Pick-Ups/On-Call Collection Services									
Type of Service	Size of Receptacle	Operating and Solid Waste Components Rate Factor	Tipping Fee Component				Estimated Number of Accounts	Estimated Annual Revenues	
			Operating Component	Solid Waste Disposal	Recyclable Materials Processing	Yard Debris Processing			Total Rate
Extra can or bag of Solid Waste collected on customer's regularly scheduled collection day	32-gal can or bag	Ops Component = basic service rate for weekly 35-gallon cart	\$4.50	\$1.19	N.A.	N.A.	20	\$114	
Extra can or bag of Solid Waste collected on a day other than the customer's regularly scheduled collection day	32-gal can or bag	N.A.	\$6.07	\$1.19	N.A.	N.A.	N.A.	N.A.	
Extra can or bag of Yard Debris collected on customer's regularly scheduled collection day	32-gal can, 32-gal bag, or 2 foot x 2 foot bundle	Op Component = rate for weekly yard debris	\$1.62	N.A.	N.A.	\$0.91	N.A.	N.A.	
Extra can or bag of Yard Debris collected on a day other than the customer's regularly scheduled collection day	32-gal can, 32-gal bag, or 2 foot x 2 foot bundle	N.A.	\$7.02	N.A.	N.A.	\$0.00	N.A.	N.A.	
Backyard/Sideyard Service									
Description	Distance from Curb to Receptacle	Operating and Solid Waste Components Rate Factor	Tipping Fee Component				Estimated Number of Accounts	Estimated Annual Revenues	
			Operating Component	Solid Waste Disposal	Recyclable Materials Processing	Yard Debris Processing			Total Rate
Extra monthly fee paid by able-bodied customers for backyard or sideyard Collection of all Customer Receptacles (including Solid Waste, Recyclable Materials, and Yard Debris Receptacles)	Walk-In or Drive-In Service: 50 feet or less	N.A.	\$35.08	N.A.	N.A.	N.A.	N.A.	N.A.	
	Drive In Service:								
	51 - 100 feet	N.A.	\$38.78	N.A.	N.A.	N.A.	N.A.	N.A.	
	101 - 200 feet	N.A.	\$41.47	N.A.	N.A.	N.A.	N.A.	N.A.	
	201 - 400 feet	N.A.	\$46.87	N.A.	N.A.	N.A.	N.A.	N.A.	
	401 - 600 feet	N.A.	\$52.26	N.A.	N.A.	N.A.	N.A.	N.A.	
	601 feet or more	N.A.	\$57.66	N.A.	N.A.	N.A.	N.A.	N.A.	

Residential Rates

Miscellaneous Charges

Service Type	Description	Operating and Solid Waste Components Rate Factor	Tipping Fee Component					Estimated Number of Accounts	Estimated Annual Rate Revenues
			Operating Component	Solid Waste Disposal	Recyclable Materials Processing	Yard Debris Processing	Total Rate		
Call back charge	Extra fee paid if customer did not set Receptacles Curbside for Collection before Company's vehicle passes customer's house and customer requests Company to return to Premises to pick-up materials	N.A.	\$5.39	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Restart service	Extra fee paid if customer stops and then restarts Collection services more than once during the year or when service is reinstated after it has been stopped due to non-payment	N.A.	\$9.44	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Cart delivery/pick-up	Extra fee paid if customer requests a change in Cart size more than once per year	N.A.	\$12.62	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Cart replacement	Extra fee paid if customer requires Cart replacement (one replacement per year at no cost)	N.A.	\$43.14	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Hourly fee for services	Truck and one person	N.A.	\$56.58	Actual costs billed to customer	N.A.	N.A.	N.A.	N.A.	N.A.
Hourly fee for services	Truck and two persons	N.A.	\$76.42	Actual costs billed to customer	N.A.	N.A.	N.A.	N.A.	N.A.
Miscellaneous Charges (cont.)									
Tire collection	Fee per tire for 18" and under rim size, tire off the rim	N.A.	\$6.47	\$2.04	N.A.	N.A.	N.A.	N.A.	N.A.
Tire collection	Fee per tire for 18" and under rim size, tire on the rim	N.A.	\$2.18	\$7.48	N.A.	N.A.	N.A.	N.A.	N.A.
Furniture and recyclable appliances	Fee per item Collected								

\$5.50 to \$60.00 based on weight and need for special handling. If item not easily accessible, hour rate applies. Freon removal charged for air conditions and refrigerators will be added onto rate.

Commercial Rates

Type of Service	Receptacle	Service Frequency (Pick-Ups/Week)	Tipping Fee Component				Estimated Number of Accounts	Estimated Annual Rate Revenues	
			Rate Factor	Operating Component	Solid Waste Disposal	Recyclable Materials Processing			Total Rate
Regularly Scheduled Cart Services*									
Solid Waste	One 35-gallon cart	1	1.00	\$10.93	\$5.14	\$3.00	9	\$19.07	\$2,060
Solid Waste	Two 35-gallon carts	1	2.00	\$21.86	\$10.28	\$6.00	0	\$38.14	\$0
Solid Waste	One 60-gallon cart	1	1.62	\$17.66	\$8.30	\$4.85	14	\$30.81	\$5,176
Solid Waste	Two 60-gallon carts	1	3.10	\$33.90	\$15.94	\$9.30	1	\$59.15	\$710
Solid Waste	One 90-gallon cart	1	1.75	\$19.10	\$8.98	\$5.24	17	\$33.33	\$6,799
Solid Waste	Two 90-gallon carts	1	3.36	\$36.68	\$17.25	\$10.07	5	\$63.99	\$3,839
Solid Waste	Additional 90 gallon cart	1	1.67	\$18.22	\$8.57	\$5.00	6	\$31.78	\$2,288
Regularly Schedule Container Services*									
Solid Waste	1 cubic yard container	1	1.00	\$59.45	\$26.64	\$15.00	19	\$101.09	\$23,049
Solid Waste	1 cubic yard container	2	1.90	\$112.95	\$50.62	\$28.50	0	\$192.08	\$0
Solid Waste	1 cubic yard container	3	2.85	\$169.43	\$75.94	\$42.75	0	\$288.11	\$0
Solid Waste	1 cubic yard container	4	3.80	\$225.91	\$101.25	\$57.00	0	\$384.15	\$0
Solid Waste	1 cubic yard container	5	4.75	\$282.38	\$126.56	\$71.25	0	\$480.19	\$0
Solid Waste	1 cubic yard container	6	5.70	\$338.86	\$151.87	\$85.50	0	\$576.23	\$0
Solid Waste	1.5 cubic yard container	1	1.39	\$82.37	\$36.92	\$20.78	24	\$140.07	\$40,341
Solid Waste	1.5 cubic yard container	2	2.58	\$153.47	\$68.78	\$38.72	2	\$260.97	\$6,263
Solid Waste	1.5 cubic yard container	3	3.81	\$226.58	\$101.55	\$57.17	0	\$385.30	\$0
Solid Waste	1.5 cubic yard container	4	5.04	\$299.67	\$134.30	\$75.61	0	\$509.58	\$0
Solid Waste	1.5 cubic yard container	5	6.26	\$372.02	\$166.73	\$93.87	1	\$632.62	\$7,591
Solid Waste	1.5 cubic yard container	6	7.90	\$469.52	\$210.43	\$118.47	0	\$798.42	\$0
Solid Waste	2 cubic yard container	1	1.68	\$99.72	\$44.69	\$25.16	23	\$169.58	\$46,804
Solid Waste	2 cubic yard container	2	3.22	\$191.25	\$85.72	\$48.26	7	\$325.22	\$27,319
Solid Waste	2 cubic yard container	3	4.76	\$282.71	\$126.71	\$71.33	4	\$480.75	\$23,076
Solid Waste	2 cubic yard container	4	6.30	\$374.24	\$167.73	\$94.43	0	\$636.40	\$0
Solid Waste	2 cubic yard container	5	7.83	\$465.74	\$208.74	\$117.51	0	\$791.99	\$0
Solid Waste	2 cubic yard container	6	9.56	\$568.42	\$254.76	\$143.42	0	\$966.60	\$0

Commercial Rates

Solid Waste	3 cubic yard container	1	2.30	\$136.98	\$61.39	\$34.56	\$232.93	12	\$33,542
Solid Waste	3 cubic yard container	2	4.39	\$260.82	\$116.89	\$65.81	\$443.52	5	\$26,611
Solid Waste	3 cubic yard container	3	6.61	\$393.15	\$176.20	\$99.20	\$668.56	2	\$16,045
Solid Waste	3 cubic yard container	4	8.85	\$525.98	\$235.74	\$132.71	\$894.43	0	\$0
Solid Waste	3 cubic yard container	5	11.08	\$658.75	\$295.24	\$166.21	\$1,120.20	1	\$13,442
Solid Waste	3 cubic yard container	6	13.13	\$780.77	\$349.93	\$197.00	\$1,327.71	0	\$0
Solid Waste	4 cubic yard container	1	2.97	\$176.69	\$79.19	\$44.58	\$300.46	17	\$61,293
Solid Waste	4 cubic yard container	2	5.15	\$306.04	\$137.16	\$77.22	\$520.41	5	\$31,225
Solid Waste	4 cubic yard container	3	7.68	\$456.42	\$204.56	\$115.16	\$776.14	4	\$37,254
Solid Waste	4 cubic yard container	4	10.21	\$606.70	\$271.91	\$153.08	\$1,031.69	0	\$0
Solid Waste	4 cubic yard container	5	12.74	\$757.11	\$339.32	\$191.03	\$1,287.47	1	\$15,450
Solid Waste	4 cubic yard container	6	16.94	\$1,007.12	\$451.37	\$254.11	\$1,712.61	0	\$0
Solid Waste	6 cubic yard container	1	4.22	\$250.63	\$112.33	\$63.24	\$426.20	3	\$15,343
Solid Waste	6 cubic yard container	2	8.17	\$485.64	\$217.66	\$122.54	\$825.84	1	\$9,910
Solid Waste	6 cubic yard container	3	12.12	\$720.62	\$322.97	\$181.82	\$1,225.41	1	\$14,705
Solid Waste	6 cubic yard container	4	16.07	\$955.59	\$428.28	\$241.11	\$1,624.99	0	\$0
Solid Waste	6 cubic yard container	5	20.03	\$1,190.57	\$533.59	\$300.40	\$2,024.56	0	\$0
Solid Waste	6 cubic yard container	6	24.03	\$1,428.61	\$640.28	\$360.46	\$2,429.36	0	\$0
Solid Waste	8 cubic yard container	1	5.62	\$334.18	\$149.77	\$84.32	\$568.27	0	\$0
Solid Waste	8 cubic yard container	2	10.89	\$647.52	\$290.21	\$163.38	\$1,101.11	0	\$0
Solid Waste	8 cubic yard container	3	16.16	\$960.82	\$430.62	\$242.43	\$1,633.88	0	\$0
Solid Waste	8 cubic yard container	4	21.43	\$1,274.13	\$571.04	\$321.48	\$2,166.65	0	\$0
Solid Waste	8 cubic yard container	5	26.70	\$1,587.43	\$711.46	\$400.54	\$2,699.42	0	\$0
Solid Waste	8 cubic yard container	6	32.04	\$1,904.82	\$853.71	\$480.62	\$3,239.14	0	\$0

*Note that the rates provided herein shall be for basic collection services; and therefore, shall include collection of solid waste at the service level noted and collection of recyclable materials in receptacles selected by customer.

Commercial Rates

Other Services

Service Description	Unit	Rate	Frequency	Notes
Compacted Container Service	1 to 8 cubic yard container	N.A.	1 to 6 pickups per week	Rates for compacted containers shall equal 3 times the container rate listed above.
Extra can or bag of Solid Waste collected on customer's regularly scheduled collection day	32-gal can or bag	\$3.56	Per occurrence	\$2.37
Extra can or bag of Solid Waste collected on a day other than the customer's regularly scheduled collection day	32-gal can or bag	\$6.07	Per occurrence	\$1.19
Extra pick-up for on-call service or overage pick-up service for regular container customers	1 to 8 cubic yard container	\$16.71	Per cubic yard per occurrence	\$6.15
Push/pull	N.A.	\$10.79	Per Month	N.A.
Lock/unlock	N.A.	\$10.79	Per Month	N.A.
Steam cleaning	N.A.	\$53.93	Per occurrence	N.A.

Note: Miscellaneous charges listed on the residential rate sheet apply to commercial customers as appropriate

Drop Box Rates

Type of Service	Receptacle	Service Frequency	Operating Component	Tipping Fee Component	Total Rate	Estimated Number of Accounts	Estimated Annual Rate Revenues
-----------------	------------	-------------------	---------------------	-----------------------	------------	------------------------------	--------------------------------

Regularly Scheduled Collection Service (Monthly Rate not including rental & delivery fees which are charged separately)

All Material Types	10 cubic yard drop box	1 pickup/week	\$92.81	Company to bill customer	\$92.81	0	\$0
All Material Types	20 cubic yard drop box	1 pickup/week	\$92.81	actual tipping	\$92.81	4	\$4,455
All Material Types	30 cubic yard drop box	1 pickup/week	\$113.23	cost	\$113.23	1	\$1,359
All Material Types	40 cubic yard drop box	1 pickup/week	\$113.23		\$113.23	2	\$2,718

On-Call Collection Service (Per Pick-Up Rate not including rental and delivery fees which are charged separately)

All Material Types	10 cubic yard drop box	On-call pickup	\$119.14	Company to bill customer	\$119.14	N.A.	N.A.
All Material Types	20 cubic yard drop box	On-call pickup	\$119.14	actual tipping	\$119.14	N.A.	N.A.
All Material Types	30 cubic yard drop box	On-call pickup	\$145.35	cost	\$145.35	N.A.	N.A.
All Material Types	40 cubic yard drop box	On-call pickup	\$145.35		\$145.35	N.A.	N.A.

Rental Service

Rental	All drop box sizes	Per day**	\$7.28	N.A.	\$7.28	N.A.	N.A.
Rental	All drop box sizes	Per month**	\$72.82	N.A.	\$72.82	N.A.	N.A.

** Customer receives two days of drop box use at no cost; rental fee charged per day for each day in excess of the first two days of use. Total charge shall be based on the per-day rate or per-month rate whichever is less.

Delivery Service

Delivery	All drop box sizes	Initial delivery to collection site	\$23.03	N.A.	\$23.03	N.A.	N.A.
----------	--------------------	-------------------------------------	---------	------	---------	------	------

Commercial/Industrial/Institutional Rates...

Commercial/Industrial/Institutional Rates Continued...

Other Services

Compacted Container Service	1 to 8 cubic yard container	1 to 6 pick-ups per week	N.A.	Rates for compacted containers shall equal 3 times the container rate listed above.				N.A.	N.A.
Extra can or bag of Solid Waste collected on customer's regularly scheduled collection day	32-gal can or bag	Per occurrence	N.A.	\$3.31	\$1.74	N.A.	\$5.05	N.A.	N.A.
Extra can or bag of Solid Waste collected on a day other than the customer's regularly scheduled collection day	32-gal can or bag	Per occurrence	N.A.	\$5.63	\$0.87	N.A.	\$6.50	N.A.	N.A.
Extra pick-up for on-call service or overage pick-up service for regular container customers	1 to 8 cubic yard container	Per cubic yard per occurrence	N.A.	\$15.50	\$4.50	N.A.	\$20.00	N.A.	N.A.
Push/pull	N.A.	Per Month	N.A.	\$10.00	N.A.	N.A.	\$10.00	N.A.	N.A.
Lock/unlock	N.A.	Per Month	N.A.	\$10.00	N.A.	N.A.	\$10.00	N.A.	N.A.
Steam cleaning	N.A.	Per occurrence	N.A.	\$50.00	N.A.	N.A.	\$50.00	N.A.	N.A.

Note: Miscellaneous charges listed on the residential rate sheet apply to commercial customers as appropriate

Infectious Medical Waste Rates

EXHIBIT 3
FAITHFUL PERFORMANCE BOND



January 22, 2014

Dave Kilhefner
KBI INSURANCE INC (0JG051)
PO BOX 888
TUALATIN, OR 97062-0888

Roselily D Belo
1501 Fourth Avenue, Suite 1000
SEATTLE, WA 98101

Phone: (206) 326-4267
Fax: (206) 326-4292
Email: RBELO@travelers.com
License No.

This is the Renewal for: HOODVIEW DISPOSAL & RECYCLING, INC.
PO BOX 550
BARLOW, OR 97013

Bond Number: 104490180
Company Name: Travelers Casualty and Surety Company of America
Branch Number: 042
Contiguous Bond No.:
Type of Bond: Garbage Collection Service Performance Bond
Project Name: CITY OF SANDY

Project City, State & Zip: SANDY, OR 97055
Project Description: Solid Waste, Recyclable Materials and Yard Debris Collection Services

Obligee Name: CITY OF SANDY
Obligee Address: CITY MANAGER, 39250 PIONEER BLVD.
Obligee City, State & Zip: SANDY, OR 97055 USA
Transaction Effective Date: May 01, 2014 ✓
Premium Effective Date: May 01, 2014
Bond Limit: \$200,000.00
Contract Price: \$200,000.00
Bond Premium: \$3,000.00
Premium Expiry Date: May 01, 2015 ✓

Special Commission: \$0.00
Countersignature Branch:
Countersignature Commission: \$0.00
Countersignature Rate: 0%
State Tax: \$0.00
State Surcharge: \$0.00
TOTAL PREMIUM: \$3,000.00

Comments:

Thank you for placing your business with us.
Producer Name: KILHEFNER, DAVID C

PE-006 (4/98)



Travelers Casualty and Surety Company of America

CONTINUATION CERTIFICATE
FIDELITY OR SURETY BONDS/POLICIES

License No. _____

In consideration of \$3,000 dollars renewal premium, the term of Bond/Policy No. 104490180 in the amount of \$200,000, issued on behalf of Hoodview Disposal & Recycling, Inc., whose address is PO Box 550, Barlow, OR 97013 in favor of City of Sandy whose address is 39250 Pioneer Blvd., Sandy, Oregon 97055 in connection with Faithful Performance Bond is hereby extended to May 1, 2008, subject to all covenants and conditions of said bond/policy.

This certificate is designed to extend only the term of the bond/policy. It does not increase the amount which may be payable thereunder. The aggregate liability of the Company under the said bond/policy together with this certificate shall be exactly the same as, and no greater than it would have been, if the said bond/policy had originally been written to expire on the date to which it is now being extended.

Signed, sealed and dated April 30, 2007

Travelers Casualty and Surety Company of America


By: 
David C. Kilhefner Attorney-in-Fact

EXHIBIT 4
NOTARY CERTIFICATION

Exhibit 4

Notary Certification

STATE OF OREGON

COUNTY OF CLACKAMAS

On July 21, 2014, before me, Mary J. Stoller the undersigned, a Notary Public in and for the State of Oregon, personally appeared **Fred Kahut** known to me to be the **President** of Company that executed the within instrument on behalf of the Company therein named, and acknowledged to me that such Company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Clackamas this 21st day of July, 2014.



Notary Public

My Commission Expires: 3/18/2017





August 19, 2021

VIA E-MAIL: jwheeler@ci.sandy.or.us

Jordan Wheeler
City Manager
City of Sandy, Oregon

RE: Transfer in Control of Hoodview Franchise

Dear Jordan:

In support of the request for the City's consent, I attach the following:

- A letter from Hoodview and Waste Connections requesting the consent and committing to a seamless transfer of control;
- Waste Connections' 2020 Financial Statement; and
- A brochure describing Waste Connections and its commitment to sustainability.

The following are answers to the approval criteria for the transfer in control:

- Audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years [SEE PAGES 11-17 IN THE ATTACHED "WCN 2020 SUMMARY" DOCUMENT]
- The proposed assignee has directly related Solid Waste management Collection experience; [WASTE CONNECTIONS HAS SIGNIFICANT EXPERIENCE IN THESE AREAS. THE ATTACHED ANNUAL REPORT AND SUSTAINABILITY REPORT DESCRIBE THIS]
- In the last five (5) years, the proposed assignee has not suffered any material citations or other material censure from any federal, state, or local agency having jurisdiction over its collection, processing, transfer station or landfill operations due to any significant failure to comply with federal, state or local waste management laws and that the assignee has provided the City with a complete list of any citations and censures (whether material or not); [NO MATERIAL CITATIONS]

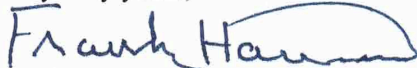
503-837-3471

1050 SW 6th Ave., Suite 1100, Portland, OR 97204
frank@frankhammondlaw.com
frankhammondlaw.com

- The proposed assignee has at all times conducted its Collection, Processing, transfer station, and landfill operations in an environmentally safe and conscientious fashion; [CORRECT; SEE ATTACHED SUSTAINABILITY REPORT]
- The proposed assignee conducts its Solid Waste collection, processing, transfer station, and landfill management practices in material compliance with all federal, state, and local laws regulating the Collection, Processing, Transfer and Disposal of Solid Waste; [CORRECT]
- That the Guaranty Agreement provided by the proposed assignee is satisfactory to the City and is binding and enforceable upon the guarantor; [PLEASE PROVIDE FOR WASTE CONNECTIONS' CONSIDERATION]
- And any other information reasonably required by the City to ensure the proposed assignee can fulfill the Terms of this Agreement in a timely, safe, and effective manner. [SEE ATTACHED]

Please let me know if you need additional information to process the request. Thank you for your consideration.

Very truly yours,



Frank Hammond

FH/jh

cc: Ray Kahut
Michael Dell
Jason Hudson
Dan Schooler

August 17, 2021

By Email to jwheeler@ci.sandy.or.us

Jordan Wheeler
City Manager
City of Sandy

Re: Kahut Companies Holdings, Inc., purchase of Hoodview Disposal & Recycling, Inc.

Dear Mr. Wheeler:

Kahut Companies Holdings, Inc. (KCH), a wholly owned subsidiary of Waste Connections US, Inc., is purchasing all the stock in Hoodview Disposal & Recycling, Inc. (HDR). The target date for closing the transaction is October 1, 2021. KCH will retain all employees and equipment of HDR upon transfer. All customers will be notified of the transfer.

We are committed to providing residents and businesses with a seamless transition from HDR to KCH. KCH and HDR agree to pay all of the City's reasonable costs in processing this request.

Sincerely,



Andy Kahut
President
Hoodview Disposal & Recycling, Inc.



Worthing F. Jackman
President and Chief Executive Officer
Kahut Companies Holdings, Inc.



WASTE CONNECTIONS
Connect with the Future®

2020 ANNUAL REPORT





ENVIRONMENTAL

Committed to environmental stewardship and the advancement of new technologies.



SOCIAL

Investing in our people by enhancing safety, training and inclusion; supporting communities through charitable programs.



GOVERNANCE

Maintaining sound governance policies that align the interests of shareholders with the Board and Management.

OUR VISION

Our goal is to create an environment where self-directed, empowered employees strive to consistently fulfill our constituent commitments and seek to create positive impacts through interactions with customers, communities, and fellow employees, always relying on our Operating Values as the foundation for our existence.

OUR PURPOSE

Honoring our commitments provides our stakeholders peace of mind and establishes us as the premier waste services company in the markets we serve. This creates a safe and rewarding environment for our employees while protecting the health and welfare of the communities we serve, thereby increasing value for our shareholders.

Waste Connections Cares...

cares about our employees and their families, customers and communities, sustainability, diversity and inclusion, and shareholders.



We often share our belief that culture, values and human capital are our greatest assets and instrumental in delivering differentiated results. This belief guided our response to the COVID-19 pandemic, which focused on reducing employee concerns regarding income, healthcare and family obligations in order to provide continuity of service, a bit of normalcy for our customers, and superior operating and financial results.

Waste Connections delivered another year of strong operating and financial performance in 2020, in spite of the impacts from the COVID-19 pandemic. The strength of our performance, continued improvements in safety and voluntary turnover, increased employee engagement, above average acquisition activity, and our advancement of objectives to both enhance sustainability and promote diversity and inclusion in 2020, all reflect our culture and values, and the efforts of every Waste Connections employee, whether in the field, in an office or working remotely. More importantly, we provided a differentiated level of employee and family support to address the year's unprecedented health, economic and social challenges.

Waste Connections Cares about our Employees and their Families, Customers and Communities

From the onset of the COVID-19 pandemic, we recognized that as an essential services provider, our communities would count on us, and we on each other, to honor our commitments. As such, protecting the health, safety and welfare of our employees was our top priority. Recognizing the potential for financial hardship and other challenges, we provided a safety net for our employees on issues of income and family health through the addition of over \$35 million in discretionary spending primarily directed to frontline employee support through supplemental pay and bonuses. We covered COVID-19-related testing and medical costs, expanded and extended access to medical benefits, and provided wages for those with childcare issues.

We also proactively raised our targeted minimum wage to \$15 per hour, above many state and provincial requirements. To support and protect our employees, we established protocols and implemented operational changes focused on the health and safety of our employees and achieved seamless transitions to remote work environments for customer service representatives and other support personnel.

Through these efforts, we enabled our employees to make the right decisions about the health of their families and the well-being of their colleagues, which resulted in continuity of service to the communities we have the privilege to serve.



In addition, we expanded our Employee Relief Fund for those experiencing financial hardship and launched the Waste Connections Scholarship Program to assist our employees' children in pursuing their educational goals. We introduced new technologies to increase employee connectivity and engagement, particularly important during pandemic-imposed distancing.

We also recognized the needs of the communities where we live and work, increasing our level of charitable support to assist food banks, families at risk, and organizations with a focus on addressing racial inequities at a local or national level, providing meals for healthcare workers and higher risk populations, and donating critical personal protective equipment.

We are so grateful for the expressions of gratitude, recognition and support for our essential worker employees from customers and communities as they recognize the role of our essential services in providing a sense of normalcy and certainty during unsettled times.

Waste Connections Cares about Sustainability

At Waste Connections, environmental stewardship through sustainability initiatives has always been integral to and consistent with our strategy and focus on long-term value creation for our shareholders. In 2020, we published expanded disclosure around our Environmental, Social and Governance (“ESG”) efforts in our 2020 Sustainability Report, which includes long-term, aspirational targets and our commitment of over \$500 million over fifteen years for investments to meet or exceed our targets. We view ESG as an avenue for growth with attractive returns and operational benefits. Advancing sustainability by generating additional offsets to our emissions, increasing resource recovery and on-site water management, continuing improvement to our safety record, voluntary turnover and Servant Leadership scores is core to who we are at Waste Connections.

Waste Connections Cares about Promoting Diversity and Inclusion

Waste Connections is a signatory to the CEO Action for Diversity & Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion (“D&I”) within the workplace. We are committed to building and developing diverse teams that function in an environment of mutual respect, where employees feel valued, empowered to contribute and positioned for success. To this end, we have undertaken several purposeful initiatives, including the 2019 introduction of a formal Diversity Policy for our Board of Directors and Senior Management with aspirational targets for female Board representation, and the publication of additional disclosure on the composition of our workforce. In 2020, we furthered our efforts to incorporate D&I into our Servant Leadership training, focused our leadership summit on understanding and mitigating unintended biases, incorporated D&I into assessments of managers by their employees, and enhanced our recruiting practices. We also supported the development and expansion of employee resource groups including our Women’s Network and Veterans’ S.E.R.V.E. Network.

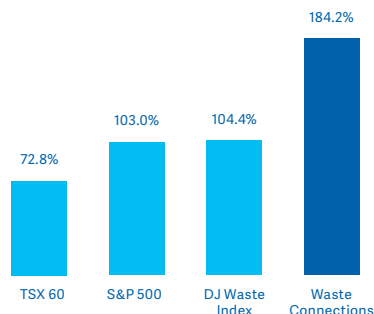
Waste Connections Cares about our Shareholders

For shareholders, 2020 marked Waste Connections’ 17th consecutive year of positive total shareholder returns, with double-digit percentage returns, and our tenth consecutive year of double-digit percentage increases in our cash dividend. Our comparative performance over the five-year period ending December 31, 2020, continued to outperform sector and market indices.

2020 Results

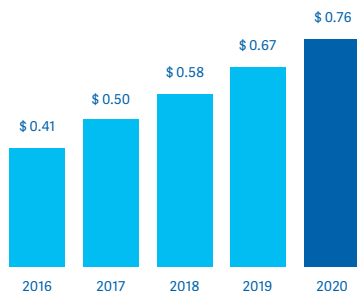
Given the COVID-19-related challenges we were able to overcome, 2020 was another remarkable year for Waste Connections, demonstrating the resilience of our business model and the benefits of a culture built on trust and accountability, as well as caring. COVID-19-driven shutdowns and other restrictions on business activity in many markets negatively impacted commercial solid waste and E&P waste activity beginning in Q2, with high decremental margins. In spite of these impacts and over \$35 million in discretionary costs for employee support, revenue increased to

TOTAL SHAREHOLDER RETURNS : 184.2%



5-Year Period ended 12/31/2020

CASH DIVIDENDS PER SHARE: 16.6% CAGR



5-Year Period ended 12/31/2020

\$5.446 billion in 2020, with adjusted EBITDA* of \$1.662 billion, or 30.5% of revenue. Adjusted free cash flow* in the year was \$841.9 million, or 15.5% of revenue and 50.7% of adjusted EBITDA*.

Voluntary turnover declined 18% in 2020, and safety-related incident rates decreased 12%, with over 60% of our operating locations either posting zero safety-related incidents or driving year-over-year improvements. Our Total Recordable Injury Rate ended the year at less than half the industry average.

We deployed approximately \$1.05 billion for capital expenditures and acquisitions to reinvest in and expand our business and returned over \$305 million to our shareholders through dividends and opportunistic share repurchases. Our approximately \$664.6 million in capital expenditures included \$67.5 million for undeveloped landfill property, as we capitalized on attractive opportunities to reposition ourselves for future growth. To that end, we also completed 21 acquisitions in 2020 with approximately \$180 million in annualized revenue encompassing new market entries or market expansions in 16 states in the U.S., including Colorado, Delaware, Iowa, Minnesota, Nebraska, New York, Tennessee, and Washington, and in Ontario, Canada.

We ended 2020 with over \$600 million of cash, \$1.8 billion in liquidity, and the lowest leverage ratio among our large cap industry peers. We maintained the strength of our balance sheet and further diversified our lending sources, extending the tenor of our outstanding debt through two public offerings totaling \$1.1 billion aggregate principal amount of investment grade senior notes. As a result, we remain well-positioned for continued execution of our growth strategy along with increased return of capital to our shareholders. And to that end, in August, we renewed our Normal Course Issuer Bid for repurchases of up to 5% of our outstanding shares.

Looking at 2021

The successes of 2020, in spite of the COVID-19 pandemic, enabled us to emerge from the challenging period better positioned operationally and financially, with tremendous capital allocation flexibility and operating leverage, multi-year low levels of safety incident frequency, and a more stable, engaged and motivated workforce. We exited 2020 with improving trends: acceleration in acquisition activity, recovering solid waste volumes, increasing values for recycled commodities and renewable fuels, all with the potential for continued improvement given a reopening and improving economy and a regulatory environment that aligns with our focus on resource recovery and environmental stewardship. We are well positioned for continued revenue growth, margin expansion and double-digit percentage growth in adjusted free cash flow* in 2021. Finally, we expect to increase the return of capital to shareholders through double-digit percentage increases in both our cash dividend and share repurchases.

Culture, values and human capital are our greatest assets, instrumental in delivering differentiated results and positioning us for continuing success in 2021 and beyond. The lessons we have learned throughout the COVID-19 pandemic made us more resilient and better connected as we move forward.

We are extremely grateful for the tireless efforts of our 19,000 employees to drive not only outsized financial performance during this challenging period but operational excellence as well, as we honor commitments to our customers, communities and each other. *Waste Connections Cares.*


Thank you for your continued support.



Ronald J. Mittelstaedt
Executive Chairman



Worthing F. Jackman
President and
Chief Executive Officer



Mary Anne Whitney
Executive Vice President and
Chief Financial Officer



Our commitment towards achieving our sustainability targets.

At Waste Connections, environmental stewardship through sustainability initiatives has always been integral to and consistent with our strategy and focus on long-term value creation for our shareholders.



REDUCING ENVIRONMENTAL IMPACT



EMPLOYEE SAFETY AND ENGAGEMENT



To learn more about our long-term, aspirational sustainability targets, please visit us online: www.wasteconnections.com/sustainability



Our people and our values set us apart.

SAFETY

We strive to assure complete safety of our employees, our customers and the public in all of our operations. Protection from accident or injury is paramount in all we do.

INTEGRITY

We define integrity as “saying what you will do and then doing it.” We keep our promises to our customers, our employees and our shareholders. Do the right thing, at the right time, for the right reason.

CUSTOMER SERVICE

We provide our customers the best possible service in a courteous, effective manner, showing respect for those we are fortunate to serve.

TO BE A GREAT PLACE TO WORK

We maintain a growth culture where our employees can maximize their potential personally and professionally. Our objective is to provide an environment where people enjoy what they do and take pride in their work. We wish to embody a work hard, play harder culture.

TO BE THE PREMIER WASTE SERVICES COMPANY IN THE U.S. AND CANADA

We continue to provide superior returns, remain environmentally responsible, and grow in a disciplined way, deploying resources intelligently and benefiting communities we live in. We remain a “different breed”.



FINANCIAL HIGHLIGHTS

SUMMARY BALANCE SHEET

	2019	2020
Current assets	\$ 1,130,598	\$ 1,408,272
Property and equipment, net	5,516,347	5,284,506
Goodwill	5,510,851	5,726,650
Intangible assets, net	1,163,063	1,155,079
Other non-current assets, net	416,836	417,857
Total assets	\$ 13,737,695	\$ 13,992,364
Current liabilities	\$ 1,007,228	\$ 1,028,654
Long-term debt and notes payable	4,353,782	4,708,678
Deferred income taxes	818,622	760,044
Other long-term liabilities	619,709	631,550
Total equity	6,938,354	6,863,438
Total liabilities and equity	\$ 13,737,695	\$ 13,992,364

SUMMARY INCOME STATEMENT

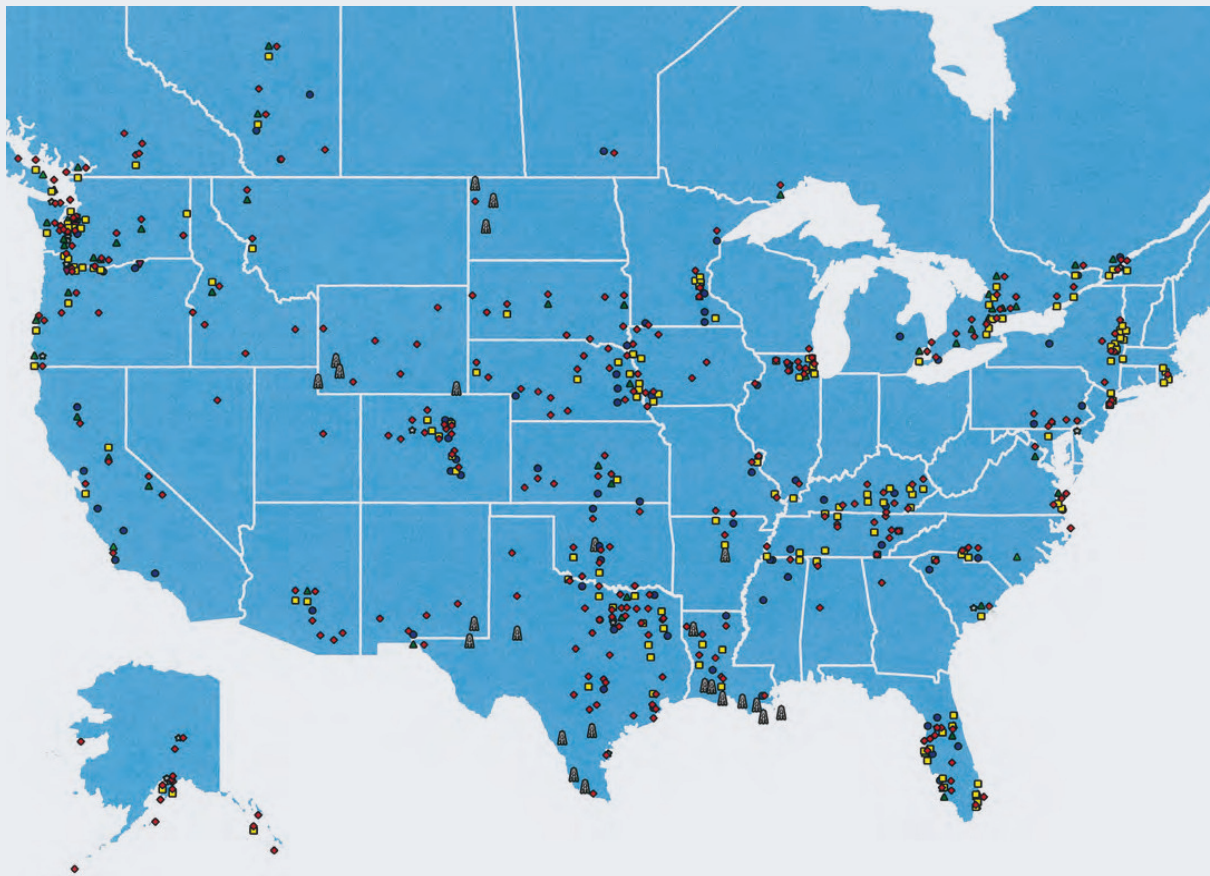
	2019	2020
Revenue	\$ 5,388,679	5,445,990
Adjusted EBITDA*	\$ 1,673,554	1,661,984
Net income attributable to Waste Connections	\$ 566,841	204,677
Adjusted net income attributable to Waste Connections*	\$ 719,561	695,786

SUMMARY CASH FLOW DATA

	2019	2020
Net cash provided by operating activities	\$ 1,540,547	1,408,521
Capital expenditures for property and equipment	\$ 634,406	597,053
Adjusted free cash flow*	\$ 916,777	841,898

* Non-GAAP measure. See Non-GAAP Measures on pages 75-77 of our Annual Report on Form 10-K for the year ended December 31, 2020.

This 2020 Annual Report should be read together with our Annual Report on Form 10-K for the year ended December 31, 2020, including Item 1A - Risk Factors.



Waste Connections is an integrated solid waste services company that provides non-hazardous waste collection, transfer and disposal services, along with resource recovery primarily through recycling and renewable fuels generation. The Company serves more than seven million residential, commercial and industrial customers in mostly exclusive and secondary markets across 43 states in the U.S. and six provinces in Canada. Waste Connections also provides non-hazardous oilfield waste treatment, recovery and disposal services in several basins across the U.S., as well as intermodal services for the movement of cargo and solid waste containers in the Pacific Northwest. For more information, visit Waste Connections at www.wasteconnections.com.

[Table of Contents](#)

WASTE CONNECTIONS, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	December 31,	
	2020	2019
ASSETS		
Current assets:		
Cash and equivalents	\$ 617,294	\$ 326,738
Accounts receivable, net of allowance for credit losses of \$19,380 and \$16,432 at December 31, 2020 and 2019, respectively	630,264	662,808
Prepaid expenses and other current assets	160,714	141,052
Total current assets	1,408,272	1,130,598
Restricted cash	97,095	96,483
Restricted investments	57,516	51,179
Property and equipment, net	5,284,506	5,516,347
Operating lease right-of-use assets	170,923	183,220
Goodwill	5,726,650	5,510,851
Intangible assets, net	1,155,079	1,163,063
Other assets, net	92,323	85,954
Total assets	<u>\$ 13,992,364</u>	<u>\$ 13,737,695</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 290,820	\$ 436,970
Book overdraft	17,079	15,954
Accrued liabilities	404,923	280,808
Current portion of operating lease liabilities	30,671	29,929
Current portion of contingent consideration	43,297	26,659
Deferred revenue	233,596	216,443
Current portion of long-term debt and notes payable	8,268	465
Total current liabilities	1,028,654	1,007,228
Long-term portion of debt and notes payable	4,708,678	4,353,782
Long-term portion of operating lease liabilities	147,223	160,033
Long-term portion of contingent consideration	28,439	42,825
Deferred income taxes	760,044	818,622
Other long-term liabilities	455,888	416,851
Total liabilities	7,128,926	6,799,341
Commitments and contingencies (Note 12)		
Equity:		
Common shares: 262,899,174 shares issued and 262,824,990 shares outstanding at December 31, 2020; 263,699,675 shares issued and 263,618,161 shares outstanding at December 31, 2019	4,030,368	4,135,343
Additional paid-in capital	170,555	154,917
Accumulated other comprehensive loss	(651)	(10,963)
Treasury shares: 74,184 and 81,514 shares at December 31, 2020 and 2019, respectively	—	—
Retained earnings	2,659,001	2,654,207
Total Waste Connections' equity	6,859,273	6,933,504
Noncontrolling interest in subsidiaries	4,165	4,850
Total equity	6,863,438	6,938,354
	<u>\$ 13,992,364</u>	<u>\$ 13,737,695</u>

The accompanying notes are an integral part of these consolidated financial statements.

[Table of Contents](#)

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF NET INCOME
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Years Ended December 31,		
	2020	2019	2018
Revenues	\$ 5,445,990	\$ 5,388,679	\$ 4,922,941
Operating expenses:			
Cost of operations	3,276,808	3,198,757	2,865,704
Selling, general and administrative	537,632	546,278	524,388
Depreciation	621,102	618,396	572,708
Amortization of intangibles	131,302	125,522	107,779
Impairments and other operating items	466,718	61,948	20,118
Operating income	412,428	837,778	832,244
Interest expense	(162,375)	(147,368)	(132,104)
Interest income	5,253	9,777	7,170
Other income (expense), net	(1,392)	5,704	(170)
Income before income tax provision	253,914	705,891	707,140
Income tax provision	(49,922)	(139,210)	(159,986)
Net income	203,992	566,681	547,154
Plus (Less): Net loss (income) attributable to noncontrolling interests	685	160	(283)
Net income attributable to Waste Connections	\$ 204,677	\$ 566,841	\$ 546,871
Earnings per common share attributable to Waste Connections' common shareholders:			
Basic	\$ 0.78	\$ 2.15	\$ 2.07
Diluted	\$ 0.78	\$ 2.14	\$ 2.07
Shares used in the per share calculations:			
Basic	263,189,699	263,792,693	263,650,155
Diluted	263,687,539	264,526,561	264,395,618
Cash dividends per common share	\$ 0.760	\$ 0.665	\$ 0.580

The accompanying notes are an integral part of these consolidated financial statements.

[Table of Contents](#)

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(IN THOUSANDS OF U.S. DOLLARS)

	Years Ended December 31,		
	2020	2019	2018
Net income	\$ 203,992	\$ 566,681	\$ 547,154
Other comprehensive income (loss), before tax:			
Interest rate swap amounts reclassified into interest expense	9,778	(8,027)	(5,669)
Fuel hedge amounts reclassified into cost of operations	—	—	(6,531)
Changes in fair value of interest rate swaps	(64,664)	(43,873)	(1,213)
Changes in fair value of fuel hedges	—	—	2,651
Foreign currency translation adjustment	50,653	101,970	(175,233)
Other comprehensive income (loss), before tax	(4,233)	50,070	(185,995)
Income tax benefit related to items of other comprehensive income (loss)	14,545	13,753	2,796
Other comprehensive income (loss), net of tax	10,312	63,823	(183,199)
Comprehensive income	214,304	630,504	363,955
Plus (less): Comprehensive loss (income) attributable to noncontrolling interests	685	160	(283)
Comprehensive income attributable to Waste Connections	<u>\$ 214,989</u>	<u>\$ 630,664</u>	<u>\$ 363,672</u>

The accompanying notes are an integral part of these consolidated financial statements.

[Table of Contents](#)

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT SHARE AMOUNTS)

	WASTE CONNECTIONS' EQUITY								
	COMMON SHARES		ADDITIONAL PAID-IN CAPITAL	OTHER COMPREHENSIVE INCOME (LOSS)	TREASURY SHARES		RETAINED EARNINGS	NONCONTROLLING INTERESTS	TOTAL
	SHARES	AMOUNT			SHARES	AMOUNT			
Balances at December 31, 2017	263,494,670	\$ 4,187,568	\$ 115,743	\$ 108,413	166,133	\$ —	\$ 1,856,946	\$ 5,400	\$ 6,274,070
Sale of common shares held in trust	36,244	2,667	—	—	(36,244)	—	—	—	2,667
Vesting of restricted share units	483,232	—	—	—	—	—	—	—	—
Vesting of performance-based restricted share units	154,181	—	—	—	—	—	—	—	—
Restricted share units released from deferred compensation plan	5,069	—	—	—	—	—	—	—	—
Fair value adjustment for common shares in deferred compensation plan exchanged for other investment options	—	—	(1,734)	—	—	—	—	—	(1,734)
Tax withholdings related to net share settlements of equity-based compensation	(217,850)	—	(15,032)	—	—	—	—	—	(15,032)
Equity-based compensation	—	—	34,600	—	—	—	—	—	34,600
Exercise of warrants	17,571	—	—	—	—	—	—	—	—
Repurchase of common shares	(831,704)	(58,928)	—	—	—	—	—	—	(58,928)
Cash dividends on common shares	—	—	—	—	—	(152,550)	—	—	(152,550)
Amounts reclassified into earnings, net of taxes	—	—	—	(9,071)	—	—	—	—	(9,071)
Changes in fair value of cash flow hedges, net of taxes	—	—	—	1,105	—	—	—	—	1,105
Foreign currency translation adjustment	—	—	—	(175,233)	—	—	—	—	(175,233)
Cumulative effect adjustment from adoption of new accounting pronouncement	—	—	—	—	—	13,243	—	—	13,243
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(103)	(103)
Net income	—	—	—	—	—	546,871	—	283	547,154
Balances at December 31, 2018	263,141,413	4,131,307	133,577	(74,786)	129,889	—	2,264,510	5,580	6,460,188
Sale of common shares held in trust	48,375	4,036	—	—	(48,375)	—	—	—	4,036
Vesting of restricted share units	416,691	—	—	—	—	—	—	—	—
Vesting of performance-based restricted share units	180,258	—	—	—	—	—	—	—	—
Restricted share units released from deferred compensation plan	16,375	—	—	—	—	—	—	—	—
Tax withholdings related to net share settlements of equity-based compensation	(210,018)	—	(17,660)	—	—	—	—	—	(17,660)
Equity-based compensation	—	—	39,000	—	—	—	—	—	39,000
Exercise of warrants	25,067	—	—	—	—	—	—	—	—
Cash dividends on common shares	—	—	—	—	—	(175,067)	—	—	(175,067)
Amounts reclassified into earnings, net of taxes	—	—	—	(5,900)	—	—	—	—	(5,900)
Changes in fair value of cash flow hedges, net of taxes	—	—	—	(32,247)	—	—	—	—	(32,247)
Foreign currency translation adjustment	—	—	—	101,970	—	—	—	—	101,970
Cumulative effect adjustment from adoption of new accounting pronouncement	—	—	—	—	—	(2,077)	—	—	(2,077)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(570)	(570)
Net income (loss)	—	—	—	—	—	566,841	—	(160)	566,681
Balances at December 31, 2019	263,618,161	\$ 4,135,343	\$ 154,917	\$ (10,963)	81,514	\$ —	\$ 2,654,207	\$ 4,850	\$ 6,938,354

The accompanying notes are an integral part of these consolidated financial statements.

[Table of Contents](#)

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT SHARE AMOUNTS)

	WASTE CONNECTIONS' EQUITY								
	COMMON SHARES		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE LOSS	TREASURY SHARES		RETAINED EARNINGS	NONCONTROLLING INTERESTS	TOTAL
	SHARES	AMOUNT			SHARES	AMOUNT			
Balances at December 31, 2019	263,618,161	\$ 4,135,343	\$ 154,917	\$ (10,963)	81,514	\$ —	\$ 2,654,207	\$ 4,850	\$ 6,938,354
Sale of common shares held in trust	7,330	679	—	—	(7,330)	—	—	—	679
Vesting of restricted share units	377,006	—	—	—	—	—	—	—	—
Vesting of performance-based restricted share units	281,186	—	—	—	—	—	—	—	—
Restricted share units released from deferred compensation plan	23,857	—	—	—	—	—	—	—	—
Fair value adjustment for common shares in deferred compensation plan exchanged for other investment options	—	—	(678)	—	—	—	—	—	(678)
Tax withholdings related to net share settlements of equity-based compensation	(230,698)	—	(23,446)	—	—	—	—	—	(23,446)
Equity-based compensation	—	—	39,762	—	—	—	—	—	39,762
Exercise of warrants	20,125	—	—	—	—	—	—	—	—
Repurchase of common shares	(1,271,977)	(105,654)	—	—	—	—	—	—	(105,654)
Cash dividends on common shares	—	—	—	—	—	(199,883)	—	—	(199,883)
Amounts reclassified into earnings, net of taxes	—	—	—	7,187	—	—	—	—	7,187
Changes in fair value of cash flow hedges, net of taxes	—	—	—	(47,528)	—	—	—	—	(47,528)
Foreign currency translation adjustment	—	—	—	50,653	—	—	—	—	50,653
Net income (loss)	—	—	—	—	—	204,677	(685)	—	203,992
Balances at December 31, 2020	<u>262,824,990</u>	<u>\$ 4,030,368</u>	<u>\$ 170,555</u>	<u>\$ (651)</u>	<u>74,184</u>	<u>\$ —</u>	<u>\$ 2,659,001</u>	<u>\$ 4,165</u>	<u>\$ 6,863,438</u>

The accompanying notes are an integral part of these consolidated financial statements.

[Table of Contents](#)

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS OF U.S. DOLLARS)

	Years Ended December 31,		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 203,992	\$ 566,681	\$ 547,154
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss on disposal of assets and impairments	445,647	60,592	10,193
Depreciation	621,102	618,396	572,708
Amortization of intangibles	131,302	125,522	107,779
Deferred income taxes, net of acquisitions	(50,487)	54,637	77,859
Amortization of debt issuance costs	7,509	5,001	4,158
Share-based compensation	45,751	42,671	43,803
Interest accretion	17,205	16,426	14,861
Payment of contingent consideration recorded in earnings	(10,371)	—	(11)
Adjustments to contingent consideration	18,418	1,498	349
Other	2,426	(2,240)	943
Changes in operating assets and liabilities, net of effects from acquisitions:			
Accounts receivable, net	46,841	(22,933)	(37,724)
Prepaid expenses and other current assets	(17,749)	9,135	39,758
Accounts payable	(148,362)	71,147	16,135
Deferred revenue	14,981	19,156	17,916
Accrued liabilities	88,612	(22,938)	1,314
Capping, closure and post-closure expenditures	(6,484)	(5,062)	(2,702)
Other long-term liabilities	(1,812)	2,858	(3,258)
Net cash provided by operating activities	<u>1,408,521</u>	<u>1,540,547</u>	<u>1,411,235</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for acquisitions, net of cash acquired	(388,789)	(736,610)	(830,091)
Capital expenditures for property and equipment	(597,053)	(634,406)	(546,145)
Capital expenditures for undeveloped landfill property	(67,508)	(31,683)	—
Investment in noncontrolling interest	—	(25,000)	—
Proceeds from disposal of assets	19,084	3,566	5,385
Other	(11,777)	(1,873)	(969)
Net cash used in investing activities	<u>(1,046,043)</u>	<u>(1,426,006)</u>	<u>(1,371,820)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term debt	1,815,625	1,575,795	1,022,737
Principal payments on notes payable and long-term debt	(1,542,958)	(1,470,711)	(970,773)
Payment of contingent consideration recorded at acquisition date	(12,566)	(3,200)	(6,127)
Change in book overdraft	1,096	(2,564)	(839)
Payments for repurchase of common shares	(105,654)	—	(58,928)
Payments for cash dividends	(199,883)	(175,067)	(152,550)
Tax withholdings related to net share settlements of equity-based compensation	(23,446)	(17,660)	(15,032)
Debt issuance costs	(11,117)	(5,953)	(8,630)
Proceeds from sale of common shares held in trust	679	4,036	2,667
Distributions to noncontrolling interests	—	(570)	(103)
Net cash used in financing activities	<u>(78,224)</u>	<u>(95,894)</u>	<u>(187,578)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>6,914</u>	<u>608</u>	<u>(1,290)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	291,168	19,255	(149,453)
Cash, cash equivalents and restricted cash at beginning of year	423,221	403,966	553,227
Plus: change in cash held for sale	—	—	192
Cash, cash equivalents and restricted cash at end of year	<u>\$ 714,389</u>	<u>\$ 423,221</u>	<u>\$ 403,966</u>

The accompanying notes are an integral part of these consolidated financial statements.

[Table of Contents](#)

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS OF U.S. DOLLARS)

SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION AND NON-CASH TRANSACTIONS:

	Years Ended December 31,		
	2020	2019	2018
Cash paid for income taxes	\$ 104,618	\$ 81,049	\$ 52,464
Cash paid for interest	\$ 142,310	\$ 139,694	\$ 124,338
Changes in accrued capital expenditures for property and equipment	\$ (10,940)	\$ (7,528)	\$ 1,825
In connection with its acquisitions, the Company assumed liabilities as follows:			
Fair value of assets acquired	\$ 514,234	\$ 913,793	\$ 1,100,880
Cash paid for current year acquisitions	(388,789)	(736,610)	(830,091)
Change in open working capital settlements at year end	(1,505)	(5,272)	8,507
Liabilities assumed and notes payable issued to sellers of businesses acquired	\$ 123,940	\$ 171,911	\$ 279,296

The accompanying notes are an integral part of these consolidated financial statements.



WASTE CONNECTIONS
Connect with the Future®

.....
2020 SUSTAINABILITY REPORT
.....



ABOUT WASTE CONNECTIONS

Waste Connections is an integrated solid waste services company that provides non-hazardous waste collection, transfer and disposal services, along with recycling and resource recovery, in mostly exclusive and secondary markets across 42 states in the U.S. and six provinces in Canada. The Company serves more than seven million residential, commercial and industrial customers. Waste Connections also provides non-hazardous oilfield waste treatment, recovery and disposal services in several basins across the U.S., as well as intermodal services for the movement of cargo and solid waste containers in the Pacific Northwest.

IN THIS REPORT

Letter from the Chief Executive Officer	2	Employee Engagement	28
COVID-19 Focus	4	— <i>Servant Leadership</i>	30
Summary Statistics	8	— <i>Engagement</i>	32
Operating Values	10	— <i>Diversity and Inclusion</i>	33
Targets	12	— <i>Safety</i>	34
Environmental Stewardship	16	Community Impact	36
— <i>Zero Waste</i>	18	— <i>Giving Back</i>	37
— <i>Environmental Management System</i>	19	— <i>Community Engagement</i>	41
— <i>Recycling</i>	20	Governance and Ethics	42
— <i>Landfill Gas Recovery</i>	22	GRI Emissions Disclosure	47
— <i>Leachate Management</i>	24	Sustainability Accounting	50
— <i>Fleet Initiatives</i>	26	Standards Board Disclosure (SASB)	



OUR PURPOSE

Honoring our commitments provides our stakeholders peace of mind and establishes us as the premier waste services company in the markets we serve. This creates a safe and rewarding environment for our employees while protecting the health and welfare of the communities we serve, thereby increasing value for our shareholders.

**SUSTAINABILITY INITIATIVES
THAT BENEFIT ALL STAKEHOLDERS**



ENVIRONMENTAL

Committed to environmental stewardship and the advancement of new technologies.



SOCIAL

Investing in our people by enhancing safety, training and inclusion; supporting communities through charitable programs.



GOVERNANCE

Maintaining sound governance policies that align the interests of shareholders with the Board and Management.



LETTER FROM THE CHIEF EXECUTIVE OFFICER

Thank you for your interest in sustainability efforts at Waste Connections. We recognize the importance to our stakeholders of our commitments to minimize our impact on the environment, invest in our employees, expand the positive impacts we have on the communities we serve, maintain the strong financial health of our Company, and increase returns to our shareholders. We view sustainability as an integral part of our business, with initiatives consistent with our objective of long-term value creation.

We recognize that our employees identify and lead many of our sustainability efforts at a local level. As a result, the safety, welfare and development of our employees is critical. Our corporate culture is centered on the principles of Servant Leadership, which hold management accountable to employees in their professional and personal lives. We analyze and track our success in improving Servant Leadership scores, reducing voluntary employee turnover, improving safety performance, and providing fair compensation and attractive employee benefits.

We also dedicate a significant amount of management time and resources to leadership training and

personnel development to improve the skills, promotability and career paths of our employees. At Waste Connections, we are committed to diversity and inclusion in our workforce, as we strive to foster an environment in which all employees feel valued and are positioned for success.

Our culture and values have guided every decision we've made to confront this year's unprecedented health, economic and social challenges, and Waste Connections has differentiated itself thanks to the tireless efforts of all employees. As an essential services provider during these uncertain times, we knew that reducing employee concerns regarding income, healthcare and family obligations would enable us to meet our customer commitments, reduce voluntary turnover and further improve safety performance. Discretionary supplemental pay and bonuses, increased minimum wages, emergency wages, flexible scheduling, liberal use of PTO, enhanced medical benefits, extended benefits coverage, increased support from our Employee Relief Fund, and the launch of the Waste Connections Scholarship Program have all been part of our efforts to address such employee concerns, provide a sense of normalcy to customers, and drive further operating improvements.



OUR CULTURE AND VALUES HAVE GUIDED EVERY DECISION WE'VE MADE TO CONFRONT THIS YEAR'S UNPRECEDENTED HEALTH, ECONOMIC AND SOCIAL CHALLENGES, AND WASTE CONNECTIONS HAS DIFFERENTIATED ITSELF THANKS TO THE TIRELESS EFFORTS OF ALL EMPLOYEES.

Moreover, in spite of the macro challenges, we advanced our own sustainability initiatives, including, but not limited to, the following:

- :: Introduced long-term, aspirational targets that reflect the Company's sustainability priorities and its commitment of over \$500 million for investments to meet or exceed such targets;
- :: Appointed a Vice President—Engineering and Sustainability, with responsibility for managing many of our sustainability efforts;
- :: Added new recycling facilities and expanded the use of robotics to improve quality and enhance safety;
- :: Invested in fully-electric collection vehicles for beta testing;
- :: Upgraded fleet-based video telematics to introduce machine vision and artificial intelligence and further improve our industry-leading safety performance;
- :: Advanced our commitment to diversity and inclusion at the Board, corporate and senior field leadership levels; and
- :: Increased our commitments to serve and give back to our communities, including supporting organizations with a focus on women and children at risk and racial inequities.

As a leading environmental services company, sustainability is not a new concept for us, and everything we do today is with an eye towards the future. We constantly monitor and evaluate new technologies and investments that can enhance our commitment to the environment and improve our competitive positioning.

We owe our success not only to our employees, but also to the communities we serve. Our employees support more than a thousand local organizations, and we back their efforts with financial support for many of these groups. We accept the responsibility we have to increase corporate giving and broaden sustainability efforts as our Company expands.

Environmental, organizational and financial sustainability initiatives have been key components of our success since we were founded in 1997. We remain committed to growing and expanding these efforts as our industry and technology continue to evolve.

Worthing F. Jackman
President and Chief Executive Officer





OUR SAFETY-FOCUSED AND SERVANT LEADERSHIP DRIVEN CULTURE GUIDED OUR DECISIONS TO ADDRESS UNPRECEDENTED CHALLENGES STEMMING FROM COVID-19.

At Waste Connections, we believe that our safety-focused, Servant Leadership-driven culture leads to differentiated results, and therefore investing in our people, our greatest asset, is always our highest priority. As an essential services provider, we recognized from the onset of the COVID-19 pandemic that our communities would count on us and we on each other to honor our commitments; therefore, protecting the health, safety and welfare of our over 18,000 employees has guided every decision we have made.

To support and protect our employees, we established protocols and implemented operational changes focused on the health and safety of our frontline employees and achieved seamless transitions to remote work environments for customer service representatives and other support personnel. In addition, we looked to provide a safety net for our employees on issues of income and family health. To that end, we provided full wages for employees

feeling ill, under quarantine, or caring for family members, and two-thirds wages for up to 12 weeks for those with childcare issues. Through these efforts, we enabled our employees to make the right decisions about the health of their families and the well-being of their colleagues, which resulted in continuity of service to the communities we serve.

Recognizing the potential for financial hardship and the challenges unique to this period, we committed over \$35 million in incremental COVID-related costs, primarily supplemental wages which have been provided to all hourly employees, whether union or non-union, remote or on site, as well as temporary workers. We also expanded our Employee Relief Fund for those experiencing financial hardship, launched the Waste Connections Scholarship Program to assist our employees' children in pursuing their educational goals, fully covered COVID-19 related testing and

medical costs, improved medical benefits and extended access to medical benefits.

In addition to our near-term COVID-19 related financial commitments, we raised our minimum hourly wage target to \$15/hour, which exceeds state and local wage requirements and will positively impact the earnings of over 800 employees. Looking beyond our people, we also recognized the needs of the communities where we live and work, increasing the level of charitable contributions to assist food banks, families at risk, and organizations with a focus on addressing racial inequities at a local or national level, providing meals for healthcare workers and higher risk populations, and donating critical personal protective equipment.

We recognized that reducing employee concerns regarding income, healthcare and family obligations during the pandemic would be critical to providing continuity of service and a bit of normalcy for customers. Our strong operating performance during this chaotic and unprecedented period reflects the benefit of this focus and is a testament to the dedication and tireless efforts of every Waste Connections employee, whether in the field or working remotely.

SUPPORTING OUR FRONTLINE



\$35M

Discretionary COVID-19 related expenses, primarily for supplemental employee wages.



\$15/hr

Increased our minimum hourly wage target.



SUMMARY PERFORMANCE STATISTICS¹

	2017	2018	2019
Health and Safety			
Employee Hours	37,911,385	40,460,877	44,637,413
Reportable Incident Rate ²	17.4	16.3	17.4
Total Recordable Injury Rate (TRIR)	3.4	2.8	2.9
Experience Modifier Rate	0.76	0.72	0.54
People			
Total Employees as of Year End	15,283	16,356	18,204
Voluntary Turnover	15.6%	17.8%	17.8%
% of Employees that are Women ³		16.0%	16.0%
% of Employees that are Ethnic Minorities ³		41.0%	46.0%
% of Employees from Armed Services ³		9.0%	8.0%
Training/Leadership Development			
Employees in Virtual or in-Person Training Sessions	4,179	4,444	5,215
% of Total Employees	27.3%	27.2%	28.6%
Financial Statistics (\$000s USD)			
Revenue	\$ 4,630,488	\$ 4,922,941	\$ 5,388,679
Net Cash Provided by Operating Activities	\$ 1,187,260	\$ 1,411,235	\$ 1,540,547
Facilities			
Hauling Operations	261	279	300
Landfills	90	93	97
Transfer Stations	146	162	175
Intermodal Facilities	6	6	6
Recycling Facilities	66	64	66
E&P Liquid Waste Injection Wells	22	22	23
E&P Waste Treatment and Oil Recovery Facilities	19	19	19
Total	610	645	686



	2017	2018	2019
Fleet			
Total Trucks	12,765	13,360	11,903
Routed Trucks	9,069	9,752	9,476
Alternative Fuel Trucks	1,076	1,144	1,153
Routed Alternative Fuel Trucks as % of Routed Trucks	11.3%	11.3%	11.7%
Landfill Tons (tons per year)			
Municipal Solid Waste	24,297,387	27,158,637	28,922,292
Special Waste	11,225,829	11,539,499	11,943,036
C&D	5,635,951	6,821,864	7,098,672
Total	41,159,167	45,520,000	47,964,000
Recycled Commodities (tons per year)			
Old Corrugated Cardboard	463,687	436,971	452,668
Old Newspaper	121,030	60,460	39,939
Mixed/Other Paper	150,023	232,863	395,511
Glass	90,038	117,277	108,034
Metal	40,571	137,361	64,459
Aluminum	3,354	5,268	5,726
Plastics	44,750	27,219	95,134
Commingled/Other	582,765	519,625	538,046
Total	1,496,218	1,537,044	1,699,517
Landfill Gas Recovery Systems			
# of Landfill Gas Recovery Systems	50	52	53
# of Power Generation Systems	18	23	23
Standard Cubic Feet (billions)	29.4	24.2	32.5
LFG Sales as % of Revenue	1.4%	1.4%	1.0%

¹All data provided here has been subject to internal review and is believed to be correct at the time of reporting. No third party assessment of the data was obtained.

²12-month rolling incident rate, defined as the number of all reportable incidents per 200,000 employee hours worked, preventable and non-preventable.

³WCN began tracking diversity statistics as of 12/31/2018; percentage of employees calculation excludes non-respondents from the denominator.

INTEGRITY
GREAT PLACE TO WORK
SERVANT LEADERSHIP
ACCOUNTABILITY
CUSTOMER SERVICE
SAFETY

VISION FOR THE FUTURE
WE WANT TO CREATE AN ENVIRONMENT WHERE ALL EMPLOYEES
ARE EMPOWERED TO DRIVE INNOVATION AND GROWTH
AND TO DELIVER THE BEST CUSTOMER EXPERIENCE



OUR OPERATING VALUES

Safety

We strive to assure complete safety of our employees, our customers and the public in all of our operations. Protection from accident or injury is paramount in all we do.

Integrity

We define integrity as “saying what you will do and then doing it.” We keep our promises to our customers, our employees and our shareholders. Do the right thing, at the right time, for the right reason.

Customer Service

We provide our customers the best possible service in a courteous, effective manner, showing respect for those we are fortunate to serve.

To Be A Great Place To Work

We maintain a growth culture where our employees can maximize their potential personally and professionally. Our objective is to provide an environment where people enjoy what they do and take pride in their work. We wish to embody a work hard, play harder culture.

To Be The Premier Waste Services Company In The U.S. and Canada

We continue to provide superior returns, remain environmentally responsible, and grow in a disciplined way, deploying resources intelligently and benefiting communities we live in. We remain a “different breed”.

INTRODUCING OUR TARGETS:

Sustainability initiatives with clear objectives are not new to Waste Connections. In fact, they have been an integral part of our business model as a leading environmental services company.

Moreover, we have demonstrated annual progress towards their achievement over the last several years, including a safety record that is materially better than the industry average. As part of our commitment to provide increased transparency on our sustainability efforts, we are introducing fifteen-year aspirational sustainability targets utilizing 2018 as the base year. These targets reflect our sustainability priorities, and are integral to and consistent with our strategy and focus on sustainable, long-term value creation for our shareholders.

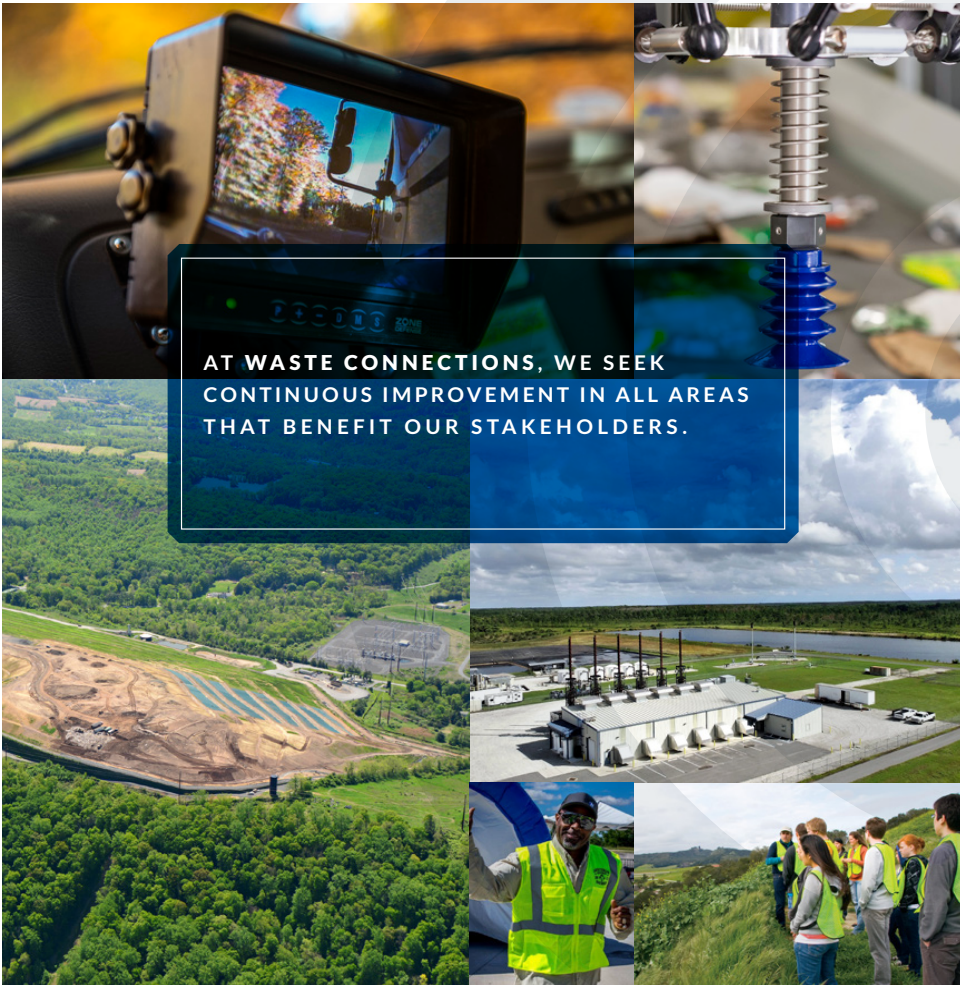
Our progress to date on these targets, detailed on the following pages, is emblematic of our commitment and reflects the investments we have already made towards furthering these objectives. With over \$500 million committed to achieve our targets, we look forward to providing regular updates on our key sustainability efforts similar to the updates we provide on financial results and other key performance metrics. Advancing sustainability by generating additional offsets to our emissions, increasing resource recovery and on-site leachate management, and continuing improvement to our safety record, voluntary turnover and Servant Leadership scores is core to who we are at Waste Connections, and we are excited to share our ongoing progress in these areas.



 ENVIRONMENTAL

 SOCIAL


 GOVERNANCE





OUR SUSTAINABILITY TARGETS

REDUCING ENVIRONMENTAL IMPACT

 **50%**
Increase offsets to emissions by at least 50%

 **50%**
Increase resources recovered by at least 50%

 **40%**
Increase biogas recovery by at least 40%

 **50%** Process at least 50% of leachate on-site

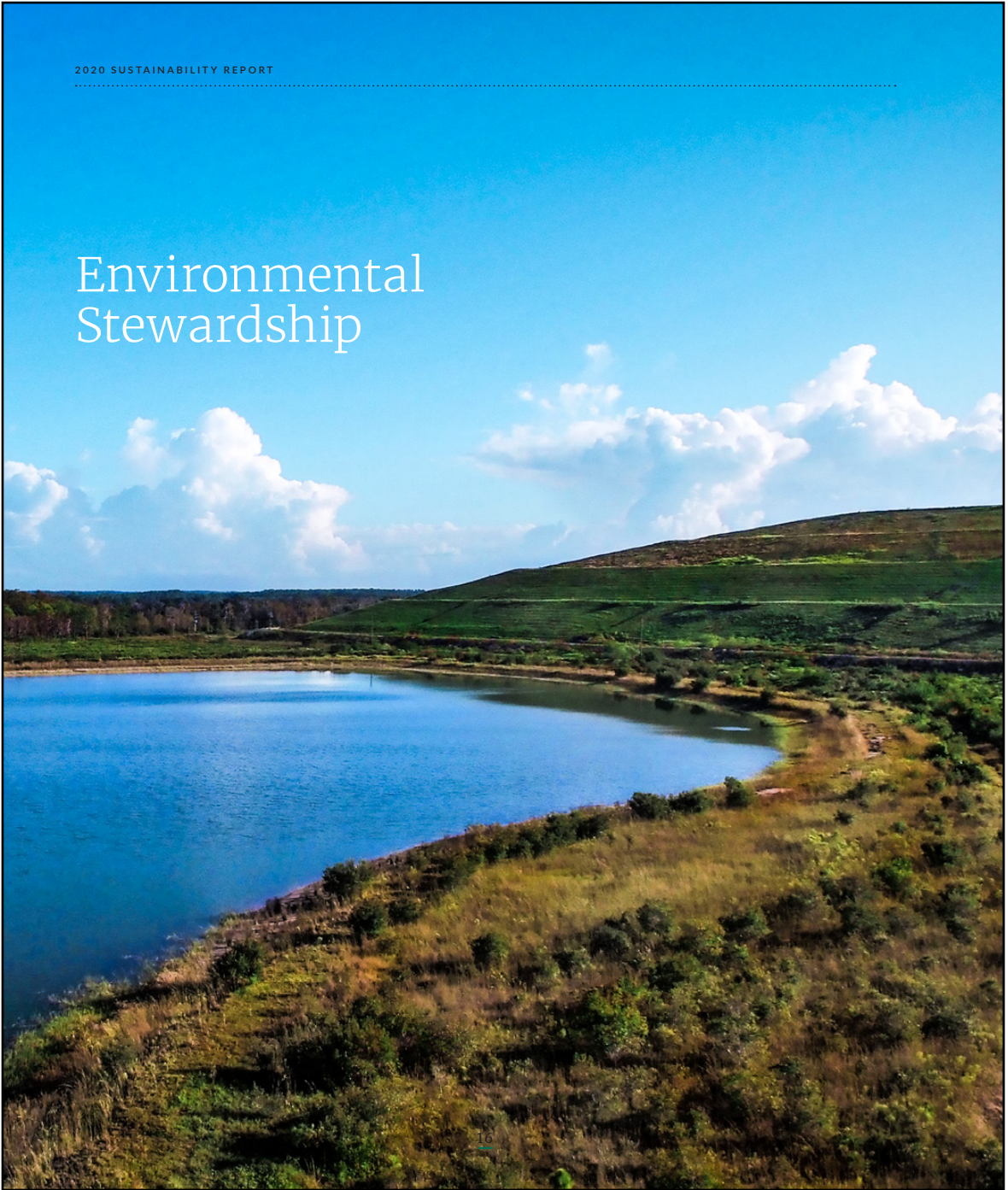
EMPLOYEE SAFETY AND ENGAGEMENT

 **25%**
Reduction in Incident Rate

 Continuous Improvement in Voluntary Turnover

 Continuous Improvement in Servant Leadership Scores

Environmental Stewardship





OUR TARGET



Increase offsets to
emissions by 50%.

As an environmental services company, Waste Connections is committed to environmental stewardship and we consider it integral to managing and growing our business. As more fully described in the aspirational targets we established in 2020 and consistent with the efforts we have been undertaking since our founding, we are committed to efforts to expand resource recovery, enhance emissions offsets and achieve greater self-sufficiency in our leachate management. Moreover, we consider these investments to be part of running a responsible business and achieving our mission to be the premier waste services provider in North America.

Organizationally, we recently announced the appointment of a Vice President–Engineering and Sustainability, with responsibility for managing many of our sustainability efforts

and progress towards achieving our fifteen-year aspirational targets, as well as oversight of our Environmental Management System. We are committed to expanding our resource recovery capacity through a number of investments, including enhanced optical sorting technology, robotics and new screening equipment at recycling facilities, and construction or acquisition of additional resource recovery facilities. We are also expanding landfill gas recovery and biogas generation through enhanced gas collection systems and the development of additional high Btu gas facilities, which may qualify for renewable energy credits. In addition to these post-collection initiatives, we anticipate taking delivery of fully electric, zero emission collection trucks for beta testing, with the expectation of expanding our deployment of alternative fuel vehicles in the future.

ZERO WASTE

We believe our sustainability initiatives align with and support the efforts of our customers and the communities we serve. We regularly work with customers to increase resource recovery and facilitate their pursuit of zero waste goals. Whether providing services like composting of yard waste and food waste or supporting the introduction of new technologies, such as anaerobic digesters, we partner with communities and industrial customers to advance their objectives to reduce their reliance on landfills, decrease waste disposal costs and reduce emissions. Our easy-to-use

reporting and analytics tool, Recycle 360°, enables our customers to develop waste management plans and track ongoing performance against waste reduction and recycling targets.





ENVIRONMENTAL MANAGEMENT SYSTEM

As part of our operating practices and risk mitigation strategy, we maintain a robust Environmental Management System (EMS). Our EMS is an all-encompassing approach to environmental protection and regulatory compliance with oversight by our Vice President–Engineering and Sustainability, along with our Executive Vice President–Engineering and Disposal, and Associate General Counsel and Director of Compliance. It is managed by our Corporate Environmental Manager along with more than 70 trained professionals in the field. Our EMS policies are designed to prioritize environmental protection and promote the rapid flow of information from the field to those overseeing the EMS.

In order to ensure and track regulatory compliance, we employ a proprietary compliance-tracking tool called *the Cube*, which provides notifications, tracking and reporting of all regulatory and permit-related tasks. *The Cube* notifies facility managers of upcoming regulatory and permit-

related tasks, documents their completion and uploads to each respective site’s operating record. Monthly progress reports are provided to corporate environmental managers, resulting in follow up at multiple levels of management.

Annually, one or more of our environmental professionals audits each of our disposal sites, reviewing operating records, infrastructure and the physical conditions at each site with potential risks of non-compliance entered into the Cube for remediation and documentation. Our EMS also regulates the day-to-day handling and documentation of waste streams generated from operations, with all wastes disposed or recycled by third party customers inventoried and tracked through our audit function to demonstrate proper handling.

All sites incorporate emergency response planning, which, depending on geography, may incorporate contingencies for responding to various natural disasters or addressing other regional or local needs.

RESOURCE RECOVERY: RECYCLING

At Waste Connections, resource recovery is a key element of sustainability and includes recycling through our material recovery facilities (MRFs). An integral part of our service offerings, we recycle or divert over 50% of our collected waste volumes in many markets, in some cases over 70%, and we continue to expand these efforts.

In fact, in spite of recent industry headwinds from recycling resulting from lower recycled commodity values and COVID-19-related operating challenges, Waste Connections has added recycling processing capacity through the acquisition of state-of-the-art facilities and the enhancement of operating capabilities at our existing MRFs through technology additions.





RECYCLING:


Key Initiatives

The quality of recycled commodities is largely dependent on front-end source separation efforts, which can vary widely and impact MRF processing costs. Source separation education includes local training efforts, coupled with our *WasteConnect* app that helps customers determine the products that are available to be recycled locally.

At the plant level, we are investing in additional optical sorters and robotics to manage headcounts at MRFs, increase productivity and improve the quality and value of recycled commodities through reduced contamination rates. We currently utilize this technology in a number of facilities and recently signed an agreement to deploy an additional 24 robots across our MRF footprint.

We see the potential for the development or acquisition of incremental recycling capacity to more fully integrate our operations, including the opportunistic acquisition of distressed recycling operators, or assets that could complement or enhance our competitive footprint in various markets. As such, our fifteen-year aspirational goals target expansion of resources recovered by at least 50%.

OUR TARGET

 **50%**
Increase resources recovered.



RESOURCE RECOVERY: LANDFILL GAS

Resource recovery also extends to our landfills, where we deploy gas recovery systems and provide renewable energy to many of the communities we serve. We have installed gas collection systems for the capture of methane gas generated at over 50 of our solid waste landfills with most of our remaining sites accepting substances such as construction and demolition debris or contaminated soils that do not generate sufficient methane gas for recovery.

From 23 of these gas recovery systems, including one of the largest such recovery plants in North America, we utilize the methane to generate electricity for local households, fuel local industrial plants, power alternative fuel vehicles, or qualify for carbon emission and renewable fuel credits. In many instances, our gas recovery systems exceed regulations in order to convert additional methane to renewable gas or to mitigate the environmental impact.






LANDFILL GAS RECOVERY:

Key Initiatives

The environmental benefits of utilizing landfill gas to generate electricity or produce pipeline-grade natural gas is compelling, with the economic benefit dependent on several factors, including landfill size, age, gas generation rates, and infrastructure costs, as well as the value of the energy produced. At our 23 existing landfill gas generation facilities, we annually process approximately 32.5 billion Standard Cubic Feet (SCF) of gas for conversion to energy, or the equivalent needed to power roughly 333,000 homes. We are pursuing a number of additional opportunities for renewable gas systems at existing landfills and look forward to expanding our biogas recovery by at least 40% to achieve our fifteen-year aspirational targets.



OUR TARGET

 **40%**
Increase
biogas recovery.



LEACHATE MANAGEMENT

When it rains or snows, water infiltrates the buried materials at landfills and mixes with the liquids and soluble substances contained in municipal solid waste, resulting in leachate, which is collected through a network of perforated drains installed at the bottom of each landfill cell. Subsequently, leachate is separated, treated and either sent to a third-party disposal facility, such as a municipal or industrial wastewater treatment plant, or treated on-site through wastewater treatment facilities or evaporation.





LEACHATE MANAGEMENT:

Key Initiatives

Through our current operations, we generate over 600 million gallons of leachate per year, over two-thirds of which has historically been disposed of off-site. Our fifteen-year aspirational target is to mitigate the environmental impact of transporting and disposing of leachate through the reduction of off-site disposal to less than 50% of leachate generated. By reducing our reliance on third party disposal outlets, Waste Connections can reduce miles driven by trucking firms and more effectively mitigate and manage the costs associated with leachate treatment and disposal.

In order to increase self-sufficiency with respect to leachate management, we will expand utilization of evaporator technology at our largest landfills, install on-site wastewater facilities where appropriate, and pursue other landfill practices such as working face reduction or installation of temporary cover to minimize penetration of rain or snow. Always looking for a more cost effective and environmentally conscious way to treat and/or dispose of leachate and other waste, we are independently funding research into new leachate disposal methods with an annual commitment of \$1 million over the next five years.

OUR TARGET



FLEET EMISSIONS AND EFFICIENCY

As a route-based business, a portion of our carbon footprint is linked to our fleet, and therefore we look to selectively utilize alternative fuel vehicles as part of our efforts to reduce fleet emissions. In addition to utilizing Compressed Natural Gas (CNG) trucks, we will soon begin beta testing fully electric collection trucks.

In addition, we focus our efforts on reducing consumption of fuel and petroleum-based products through replacement of older trucks

with newer, more efficient trucks, utilizing transfer station networks to consolidate waste onto fewer trucks, installing controls to minimize idling time, switching to synthetic motor oils with longer replacement intervals, and reducing emissions by installing more advanced engine filters. In addition, we utilize technology, including on-board tablets and route optimization software to minimize driving time, and engine diagnostics software to anticipate issues to avoid downtime.





Innovation

With the expected payload and route capacity of commercial electric collection trucks comparable to diesel trucks, we will soon begin beta testing the first production application of fully electric collection vehicles (EVs) in North America developed by The Lion Electric Co. and Boivin Évolution Inc. In addition, we will be testing a hybrid EV as well. Although at a significant initial cost premium, the fully electric trucks operate quietly, generate zero emissions and are expected to provide considerable savings in fuel and maintenance expenses relative to comparable diesel trucks. We look forward to expanding the use of alternative fuel vehicles in Waste Connections' fleet over time.



Employee Engagement





Waste Connections has a track record of superior results since its founding in 1997. We attribute that success to a differentiated strategy and a purposeful culture. Our market selection strategy, along with disciplined capital allocation, has produced superior financial results and shareholder returns. However, we believe that while strategy may have positioned us for success, it is our culture of accountability and commitment to excellence that has driven the value creation.

We maintain that our greatest differentiator is not our physical or financial assets; instead, it is our people and our purposeful culture. Our foundation is built on caring for our over 18,000 employees, prioritizing safety as our #1 Value and integrating the principles of Servant Leadership – a philosophy we have embraced and expanded upon for almost fifteen years – into our day-to-day operations.

CULTURE MATTERS

AT WASTE CONNECTIONS,
WE BELIEVE OUR CULTURE
DRIVES DIFFERENTIATED
RESULTS, AND THEREFORE
INVESTING IN OUR PEOPLE,
OUR GREATEST ASSET,
IS ALWAYS OUR PRIORITY.

THE SERVANT LEADERSHIP JOURNEY

Servant Leadership has defined our Company since 2006. The Servant Leadership concept inverts the traditional management hierarchy, positioning leaders to serve their employees both professionally and personally. The philosophy empowers employees by prioritizing their needs, sharing responsibility and driving personal development.

Our leadership development efforts include multi-day Servant Leadership training sessions, district management training, dozens of varying leadership webinar topics, and other safety, sales, maintenance, operations and financial training courses engaging every employee level throughout the Company. This year, we held a leadership summit focused on the effects that unintended biases can have on diversity and inclusion. We also incorporated diversity and inclusion topics into Servant Leadership training and manager assessments in order to ensure that all employees are valued, feel empowered to contribute and are positioned for advancement opportunities.

As an organization, we look to continually raise the level of accountability through our annual Servant Leadership survey, which provides employees the opportunity to grade their managers on an anonymous basis. The score, along with several other metrics such as talent development, are incorporated into the leader's compensation plan. We raise our level of accountability by putting Servant Leadership into action, not just words. Accordingly, we are targeting continuous improvement in Servant Leadership scores as an element of our long-term, aspirational goals.

Recognizing that we have a responsibility to those we have the privilege to lead, we look to position our employees for success, which begins with our most important value: safety. Holding every employee accountable for safety and scoring our leaders on Servant Leadership has driven accountability and produced results, evidenced by industry-leading financial metrics as well as safety and employee turnover levels that are significantly better than the industry average.





THE SERVANT LEADERSHIP
CONCEPT INVERTS THE
TRADITIONAL MANAGEMENT
HIERARCHY, POSITIONING LEADERS
TO SERVE THEIR EMPLOYEES
BOTH PROFESSIONALLY
AND PERSONALLY

ENGAGEMENT → RELATIONSHIPS = RESULTS

We identified Engagement as the foundation of our 2020 Vision, as we looked to position Waste Connections for the future with continued focus on the core values that have been integral to our success. That vision of engagement included expanding our offerings for training and development of our leaders and frontline employees, and innovating new technology platforms to increase connectivity with our employees, customers and communities in which we operate.

Specifically, we announced or expanded the following engagement-driven initiatives in 2020:

- :: Launch of *WeConnect*, our internal social networking application designed to facilitate communication, celebrate successes and build relationships across our over 400 operating locations;

- :: Implementation of our enhanced Learning Management System to expand content and increase access and visibility on training and development opportunities;
- :: Expansion of employee resource groups, including the Waste Connections Women’s Network and the Veterans S.E.R.V.E. Network; and
- :: Expansion of training and onboarding tools for new employee transition and development.

Our 2020 focus on engagement was timely, as the COVID-19 pandemic necessitated the use of remote alternatives to in-person training and development and highlighted the importance of connectivity both inside and outside of the Company. We believe that our investment in technology to enhance connectivity and its effectiveness during the pandemic will result in a stronger, more engaged team as we emerge from this period, and over time, lower voluntary turnover.





DIVERSITY AND INCLUSION

At Waste Connections, we are committed to building and developing diverse teams that function in an environment of mutual respect, where employees feel empowered to contribute. Operating across hundreds of markets in the United States and Canada, we recognize the benefits of diversity and the importance of ensuring that employees feel respected and included, encouraged to bring their unique perspectives, ideas and best skills to work each day. In keeping with our efforts to support and encourage diversity and inclusion, we have undertaken several initiatives, including the 2019 introduction of a formal Diversity Policy for our Board of Directors and Senior Management with aspirational targets for female Board representation and additional disclosure on workforce composition.

In 2020, we incorporated diversity and inclusion into Servant Leadership training, focused our leadership summit on understanding and mitigating unintended biases, expanded our Servant Leadership assessments of managers by employees to include diversity and inclusion, enhanced recruiting practices to ensure the broadest candidate pools, established financial commitments to organizations that focus on racial inequities and that support women and children at risk, and supported the development of resource groups including our Women's Network and Veterans' S.E.R.V.E. Network.

Waste Connections is a signatory to the *CEO Action for Diversity & Inclusion*, the largest CEO-driven business commitment to advance diversity and inclusion within the workplace.



TAKING SAFETY TO THE NEXT LEVEL

We believe that safety is the responsibility of each and every employee; it is ingrained in our commitment-based, safety-driven culture. Moreover, as servant leaders are responsible for each employee's success at work and beyond, safety is an integral component of this commitment. We have relied on those

relationships along with tools to develop employee risk-profile rankings and to facilitate effective communication and behavior based coaching. In 2019, our behavioral-based approach to safety resulted in over 55% of our operating locations either posting zero safety-related incidents or reducing incident frequency.





SAFETY:

Key Initiatives

While we attribute our successful safety record to our culture and behavioral based approach, we acknowledge that technology can be an important tool in identifying risky behaviors and providing coaching opportunities to address them. As we focus on our goal of a 25% reduction in incident rates, we believe that advances in fleet design and technology will help us to achieve this goal.

In 2020, we initiated a two-year, \$10 million fleet-wide upgrade of our onboard camera systems, which are the foundation for establishing our risk-based scoring approach to encouraging safe driving practices. In contrast to existing systems which largely track inertial movements in vehicles, the next generation systems utilize artificial intelligence and “Machine Vision” to identify additional risks both inside and outside of the cab. Such risk factors inside the cab include unbelted drivers, as well as distracted driving from handheld devices, food and beverages and smoking. Outside of the cab, the units can detect lane departures, rolling stops, unsafe following distances and other critical distances. We believe that this upgrade and our utilization of the additional information these new systems generate should help us drive continuous improvement in our safety performance.

Another 2020 addition to our safety program was the introduction to our fleet of Freightliner EconicSD trucks with an overhauled cab design that incorporates many of the safety features already included in passenger vehicles, as well as an integrated collision mitigation system, enhanced visibility, and several ergonomic improvements. We expect more manufacturers to incorporate these technology advances into their product offerings and believe this should also help enhance our drivers' safety over the longer term.



Community Impact





GIVING BACK AND MAKING AN IMPACT

At Waste Connections, we also attribute our success to the support we receive from communities we serve, where our employees also live and work. We provide opportunities for our employees to get involved in their communities and consider it a privilege for Waste Connections also to give back through charitable donations or sponsoring community events.

Giving Locally – Waste Connections and our employees support more than a thousand organizations through direct contributions, volunteering and/or fundraising at a local level. Each year, we donate millions of dollars to various charities, including an increasing number of organizations identified by our frontline employees that focus on racial inequities at a local or national level, and that support women and children at risk in disadvantaged communities.

Our Company-wide Culture of Giving – In addition to our local efforts, we are proud of our Company-wide traditions. In 2019, we achieved a 20-year Waste Connections Christmas Promise goal one year ahead of schedule, as employees

across the Company assembled and donated over 10,000 bicycles to deserving children, bringing our total donated since inception of Christmas Promise to approximately 65,000 bicycles. In addition, at our 11th Annual Waste Connections Golf Classic for Kids in 2019, we once again achieved our annual goal of raising more than \$1 million for charities that support at-risk youth and their families.

Sustainability and Giving – Waste Connections aligns its major financial contributions with its goal to further advance environmental sustainability. For example, our first major grant helped establish the Global Waste Research Institute (GWRI), developed in conjunction with California Polytechnic State University, San Luis Obispo. The GWRI's mission is to advance state-of-the-art research and development of sustainable technologies and practices to more effectively manage existing and emerging wastes and byproducts. We also regularly contribute to the Environmental Research Education Foundation and fund over \$1 million per year in research related to the environmental industry.

SELECT ORGANIZATIONS WE SUPPORT:

100 Black Men of Bradley County	Canadian National Autism Foundation	Girl Power 2 Cure
Alzheimer's Association	CASA	Habitat for Humanity
Alzheimer Society of Hamilton Halton	Cayuga Seneca Community Center	Hamilton-Burlington SPCA
American Cancer Society	CEOs Against Cancer	Helping Hands House
American Diabetes Association	Charleston Area Justice Ministry	Homes4Families
American Heart Association	Child & Family Center	Home with Heroes
American Lung Association	Children's Miracle Network Hospitals	Hope House
American Red Cross	Children's Wish Foundation	Illinois Special Olympics
Angel Reach	Columbia Pacific Food Bank	Inner City Outreach
Appalachian Children's Home	Daybreak Youth Services	Inspiration Ranch
Association québécoise de prévention du suicide	Disabled American Veterans	Interfaith of The Woodlands
Autism Awareness Canada	Elm Grove Elementary School	Juvenile Diabetes Research Foundation
Autism Speaks	Equal Justice Initiative	Kids 'n Kinship
Beyond Batten Disease	Feed My Starving Children	Leukemia & Lymphoma Society
Big Brothers Big Sisters	Fondation – CSSS Du Sud De Lanaudiere	Littleton Firefighter Association
Boys and Girls Clubs	Food Bank of Eastern Michigan	Love Fosters Hope
Brantford Community Food Bank	Fort Vancouver National Trust	Make-a-Wish Foundation
Canadian Association of Chiefs of Police	Freedom From Unnecessary Negatives	March of Dimes
Canadian Diabetes Association		Meals on Wheels



Mission of Hope	le développement des jeunes des communautés noires	Veterans Miracle Center
Montgomery County Food Bank	Special Olympics	WayOut Kids
Multiple Sclerosis Society of Canada	St. Jude Children's Research Hospital	Women in Need
Muscular Dystrophy Association	Susan G. Komen	Working Against Violence
National Children's Cancer Society	Take Steps for Crohn's and Colitis	Wounded Warriors in Action
National Kidney Foundation	The Marfan Foundation	Wreaths Across America
National Multiple Sclerosis Society	The Salvation Army	YES to Youth
National Wildlife Federation	SMART	
National Women's Hall Of Fame	Take Pride Winnipeg	
Northwest Association for Blind Athletes	The Children's Hospital Volunteers	
Open Door Mission	The Conservation Fund	
Pink Lemonade Project	The Menninger Clinic	
Relay for Life	The Star of Hope	
River City Youth Foundation	Tim Horton Children's Foundation	
Roger Clemens Foundation	Toby Keith Foundation	
Ronald McDonald House Charities	Toys for Tots	
Save the Children Canada	Tri-City Youth & Family Center	
Seneca Falls Rotary	UNCF	
Six Nations' Christmas Baskets	United Way	
Sommet socio-économique pour	Veterans Legal Initiative	



GIVING BACK TO EMPLOYEES

In 2017, we created the Waste Connections Employee Relief Fund to help employees and their immediate families who have experienced significant financial hardship following a natural disaster or other catastrophic event. In 2020, we expanded its applicability to address unexpected hardships experienced during COVID-19. Through contributions from Waste Connections, our employees and vendors, we assist impacted employees by helping to pay for essential living

expenses, such as food, clothing, utilities, temporary housing, property repairs, and other basic necessities.

In 2020, we also introduced the Waste Connections Scholarship Program, which awards renewable scholarships of \$2,500 each per academic year for up to four years to assist our employees' children to pursue and achieve their vocational, technical and university education goals.





COMMUNITY ENGAGEMENT

Now more than ever it is critical to increase engagement within our communities and connectivity with our customers. Through our *WasteConnect* app, customers can confirm their collection dates, search our *Waste Wizard* database to know if a waste stream is recyclable, pay their bills, and communicate with their local service provider. We have also simplified the customer onboarding process with streamlined online sign-up and service routed through our proprietary artificial intelligence-enhanced C2O software.

We partner with our communities and in many instances deploy recycling coordinators to schools, community events and residences to provide educational sessions about the benefits of recycling and proper waste management. In 2019, we launched the *Bob Davis Award for Leadership in Sustainability* to recognize employees who demonstrate exemplary leadership in advancing sustainability through implementing or serving on community projects, programs, outreach, education, initiatives or services that benefit their community, customers, coworkers or Waste Connections.



Governance and Ethics

Since our inception, we have been committed to well-defined principals of corporate governance. Our Corporate Governance Guidelines and Board Charter align the Board of Directors and its four distinct committees with management in order to promote the best interests of the Company. More recently, the Board of Directors adopted a Diversity Policy for the Board of Directors and senior management, which provides for annual progress reviews by the Board. Similarly, the Board will provide oversight of our aspirational ESG targets approved by the Board and introduced in 2020.

Highlights of what we believe exemplify our adherence to sound principles of corporate governance include:

- :: Directors are elected individually;
- :: Majority voting policy for the election of our Directors;
- :: Separate CEO and Chairman of the Board of Directors, or Board Chairman positions;
- :: Having a strong, Lead Independent Director serve on the Board of Directors;
- :: Women account for 33% of independent Board members and 25% of total Board members;
- :: Annual Board of Directors and committee evaluation processes;
- :: Board of Directors' oversight of risk;
- :: Robust risk management program related to compensation;
- :: Share ownership requirement for Directors and corporate officers;
- :: Diversity Policy including aspirational targets for Board of Directors composition;
- :: Regular executive sessions of only independent directors; and
- :: Director retirement policy.



Our Board of Directors has four standing committees: the Executive Committee, the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. Except for the Executive Committee, the committees are composed entirely of independent, non-employee directors.

The Board of Directors' Role in Oversight of Risk

The Board of Directors and its committees have an active role in overseeing management of the Company's risks. The Board of Directors regularly reviews information from members of senior management regarding the Company's safety performance, employee retention, financial performance, financial outlook, balance sheet, credit profile and liquidity, as well as the risks associated with each. The Board of Directors also receives reports from members of senior and regional management on areas of material risk to the Company, including market-specific, operational, legal, information technology, regulatory and strategic risks. The Board of Directors, with recommendations from the Audit and Compensation Committees, approves and maintains a succession plan for the

CEO and other senior management of the Company, including policies and principles for selecting and evaluating a new CEO in the event of an emergency or retirement of the CEO. The Audit Committee oversees management of financial, financial reporting and internal controls risk. The Compensation Committee assesses and monitors risks relating to the Company's corporate officer compensation policies and practices. The Nominating and Corporate Governance Committee is responsible for overseeing the management of risks associated with the independence of the Board of Directors and potential conflicts of interest.

Communications with the Board

Shareholders and other interested parties may communicate with the Board of Directors generally, with the non-employee directors as a group or with a specific director at any time by writing to the Board of Directors, the non-employee directors or a specific director, care of the Company's Secretary, at our principal administrative offices located at Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380.

Shareholder Outreach

We believe that our relationship with and accountability to multiple stakeholders are critical to our success. Engaging with our shareholders helps us to understand how they view us, to set goals and expectations for our performance, and to identify emerging issues that may affect our strategies, corporate governance, compensation practices or other aspects of our operations. Our shareholder and investor outreach includes investor road shows, analyst meetings and investor conferences, either in-person or virtual. We also communicate with shareholders and other interested parties through various media, including our annual and quarterly reports, proxy statement and other SEC and Canadian securities filings, press releases and our website. Our conference calls for quarterly earnings releases and major corporate developments are open to all. These calls are available in real time and are also archived as webcasts on our website. Our President and CEO, Board Executive Chairman, Chief Financial Officer and other senior management also regularly meet with investors to discuss our strategy, financial and business performance and to update investors on key developments.

Code of Conduct and Ethics

We have adopted a Code of Conduct and Ethics that applies to all of our directors, officers and employees. Our Code of Conduct and Ethics

details Company principles to guide employee decision-making in many areas, including:

:: *Conflicts of Interest:*

No officer, director or employee may be subject to influences, interests or relationships that conflict with the best interests of the Company.

:: *Full, Fair and Accurate Disclosure:*

It is the Company's policy that the information in its public communications, including its SEC filings and filings with the Canadian Securities Administrators, be full, fair, accurate, timely and understandable.

:: *Compliance with Laws, Rules and Regulations:*

It is the Company's policy to comply with all laws, rules and regulations applicable to the Company and its operations. The Company's strict compliance policy also extends to all other applicable laws and regulations, including compliance with the U.S. Foreign Corrupt Practices Act (FCPA), the Canadian Corruption of Foreign Public Officials Act (CFPOA), and other applicable anti-corruption laws; antitrust laws; tax laws; environmental and safety regulations; equal opportunity; non-discrimination and fair employment; and foreign asset control regulations.

:: *Prohibited Accounting Practices:*

The Company's policy is to make and keep books, records and accounts that accurately and fairly reflect the transactions of the Company.



:: **Reporting Illegal or Unethical Behavior:**

All officers, directors and employees should promptly report to senior management all actual or potential illegal or unethical behavior of Company personnel that they observe. The Company encourages and expects full and open communication with senior management even when it appears that less candor may be desirable to protect the Company or members of management.

:: **Compliance and Discipline:**

Violations of this Code by officers, directors or employees will result in disciplinary action that may include termination, referral for criminal prosecution and reimbursement to the Company for any losses or damages resulting from the violation.

:: **Fair Dealing; Moral and Ethical Standards:**

Each officer, director and employee must endeavor to deal fairly with the Company's customers, suppliers, competitors and employees and not to take unfair advantage of anyone through manipulation, concealment, abuse of privileged or misappropriated confidential information, misrepresentation of material facts or any other unfair dealing practice. More generally, each officer, director and employee must adhere to and comply with the highest moral and ethical standards of our society in conducting business on behalf of the Company.

:: **Insider Trading:**

Buying or selling securities, directly or indirectly through family members or other persons or entities, while possessing material nonpublic information or selectively disclosing such information to others who may trade based on it is prohibited by applicable securities laws.

:: **Contributions:**

Officers, directors and employees may not (directly or indirectly) contribute Company funds to, or spend Company funds in support of, any kind of political party, political action committee or other committee in the United States or Canada or to any candidate for, or holder of, any office of any national, state or local government in the United States, or any national, provincial or local government in Canada. Exceptions may be permitted for state, provincial and local contributions in jurisdictions that permit corporate political contributions, but only upon approval by the Company's Chief Executive Officer and in consultation with the General Counsel. In countries other than the United States or Canada, the policy will be determined in accordance with local law and practice as well as laws applicable to the Company.

No political contribution by any officer, director or employee may be made, or even appear to be

made, with the Company's funds, or be reimbursed from the Company's funds; nor should the selection of a candidate or a party be, or seem to be, coerced by the Company. Officers, directors and employees are prohibited from using their positions to induce, coerce or in any way influence any person, including subordinates, to support or contribute time or money to any political party, to the campaign of any candidate for office or to any charitable activity.

The Nominating and Corporate Governance Committee is responsible for, among other matters, the development and implementation of the Company's corporate governance principles, including the review of and compliance with our Corporate Governance Guidelines and Board Charter and our Code of Conduct and Ethics.

The Nominating and Corporate Governance Committee is responsible for monitoring the implementation of the Company's diversity policy on a periodic basis, and at least annually, to assess its effectiveness, monitoring and reviewing the Company's progress in achieving its aspirational targets and reporting the results to the Board, and making recommendations to the Board regarding any revisions to this policy that may be necessary or appropriate.

The Board is responsible for reviewing strategy, policies and performance related to the Company's management of environmental, social and governance (ESG) issues, including reviewing any reports on the Company's performance against ESG targets, any ESG programs, products and disclosures, and any corporate responsibility policies and programs, in coordination with other committees of the Board, as appropriate.

Copies of our Corporate Governance Guidelines and Board Charter and our Code of Conduct and Ethics are available on our website at <http://wasteconnections.investorroom.com>. A copy of the Corporate Governance Guidelines and Board Charter and our Code of Conduct and Ethics may also be obtained, free of charge, by writing to our Secretary or Investor Relations at our principal administrative offices located at Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380.



GLOBAL REPORTING INITIATIVE EMISSIONS DISCLOSURE

EMISSIONS DISCLOSURE

Waste Connections emissions disclosure was developed using the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. The Waste Connections GHG Inventory in 2017 and 2018 was prepared in a manner consistent with The Climate Registry (TCR) General Reporting Protocol (GRP) Version 2.1 dated January 2016 and its associated updates and clarifications. The Waste Connections GHG Inventory in 2019 was prepared in a manner consistent with TCR GRP Version 3.0 dated May 2019. Year-over-year increases largely reflect the impact of acquisitions.

In 2018, Waste Connections began using the SWICS calculation methodology. This methodology results in lower scope 1 emissions and was utilized for comparison purposes relative to the solid waste peer group.

G4-EN15: Direct (Scope 1) greenhouse gas (GHG) emissions

MT CO ₂ e		
2017	2018	2019
4,683,673	5,089,083	6,006,643

G4-EN17: Other indirect (Scope 3) GHG emissions

Emissions Source	MT CO ₂ e		
	2017	2018	2019
Purchased goods and services	812,663	821,606	861,763
Capital goods	212,455	233,539	292,218
Waste generated in operations	119,646	117,871	151,342
Upstream transportation and distribution	399,578	429,847	503,351
Business travel (air and vehicle)	54,617	53,166	51,142
Use of sold products	22,812	54,785	84,119
Total	1,621,771	1,710,814	1,943,939

Utilizing our previous methodology, Scope 1 emissions would have been 9,252,375, 9,622,868 and 10,162,072 MT CO₂e in 2017, 2018 and 2019, respectively.

The impact of carbon sequestration in our landfills is significant and well documented in scientific literature. Due to anaerobic conditions that exist within landfills, lignins and hemicellulosic materials remain undecomposed. They represent approximately 50% of biogenic carbon in the waste stream. Waste Connections disposed of 33,980,501 and 36,020,954 tons of Municipal Solid Waste and Construction & Demolition debris in 2018 and 2019, respectively. Approximately 50% of that material is carbonaceous. This suggests that the landfills sequestered 11,614,738 and 12,340,905 MT CO₂e in 2018 and 2019, respectively.

G4-EN16: Energy indirect (Scope 2) GHG emissions

MT CO ₂ e		
2017	2018	2019
55,718	53,993	55,442



G4-EN18: GHG emissions intensity

	Unit	2017	2018	2019
Gross Revenue	\$ US Dollars Millions	\$ 4,630	\$ 4,923	\$ 5,389
Scope 1 Emissions ¹	MT CO ₂ e	4,683,673	5,089,083	6,006,643
MT CO ₂ e/\$M Revenue		1,012	1,034	1,115
Scope 2 Emissions	MT CO ₂ e	55,718	53,993	55,442
MT CO ₂ e/\$M Revenue		12	11	10
Scope 1 & 2 Emissions	MT CO ₂ e	4,739,391	5,143,076	6,062,085
MT CO ₂ e/\$M Revenue		1,024	1,045	1,125

¹ Utilizing the EPA methodology, Scope 1 emissions would have been 9,252,375 and 9,622,868 and 10,162,072 MT CO₂e in 2017, 2018 and 2019, respectively.

G4-EN19: Reduction of GHG emissions

Waste Connections has undertaken several initiatives to reduce GHG emissions. The Company operated 23 landfill gas to energy facilities in both 2018 and 2019. Operation of these facilities resulted in annual avoided GHG emissions estimated at 646,668 and 848,838 MT CO₂e in 2018 and 2019, respectively. The estimate of avoided emissions assumed that natural gas was the fuel replaced by the use of landfill gas. The avoided emissions were calculated using default methodologies from TCR included CO₂, CH₄ and N₂O emissions.

Waste Connections diverts over 50% of collected waste volumes in certain markets, in some cases over 70%. The estimated avoided GHG emissions in 2018 and 2019 from recycling was 4,807,858 and 5,037,064 MT CO₂e, respectively. These values were calculated using the USEPA Waste Reduction Model (WARM).

Over the past several years, Waste Connections has deployed vehicles using alternative fuels such as compressed natural gas (CNG) and biodiesel as a means of reducing its GHG footprint. Waste Connections currently deploys nearly 1,200 CNG vehicles. The estimated annual reduction in GHG emissions from CNG vehicles was 16,700 and

18,200 MT CO₂e in 2018 and 2019, respectively. The calculation uses an equivalent diesel vehicle as a baseline.

G4-EN22: Water discharge by quality and destination

In 2018, Waste Connections collected 615,420,838 gallons of leachate with 413,921,040 gallons being sent to a third party for treatment. In 2018, Waste Connections also collected 639,205,013 gallons of E&P produced water for on-site treatment. A total of 11,677,770 gallons of E&P produced water was sent to third parties for treatment in 2018.

In 2019, Waste Connections collected 703,342,262 gallons of leachate with 470,251,239 gallons being sent to a third party for treatment. In 2019, Waste Connections also collected 659,722,620 gallons of E&P produced water for on-site treatment. A total of 31,764,417 gallons of E&P produced water was sent to third parties for treatment in 2019.

Our E&P water treatment technologies allow us to process and dispose 100% of drilling-related waters without discharging to surface waters. The majority of waste fluids are injected into brine formations via deep wells.

**SUSTAINABILITY ACCOUNTING
STANDARDS BOARD DISCLOSURE**



SASB APPENDIX

Greenhouse Gas Emissions

	Unit	2018	2019
Gross global Scope 1 emissions	MT CO ₂ e	5,089,083	6,006,643
Scope 1 coverage under emissions-limiting regulations	Percentage (%)	84%	85%
Scope 1 coverage under emissions-reporting regulations	Percentage (%)	84%	85%
Total landfill gas recovered	Million British Thermal Units (MMBtu)	18,476,404	18,521,770
Total landfill gas recovered	Standard Cubic Feet (Billions)	24.2	32.5
Landfill gas flared	Percentage (%)	52%	39%
Landfill gas used for energy ¹	Percentage (%)	41%	61%

Fleet Fuel Management

	Unit	2018	2019
Fleet fuel consumed	Gigajoules (GJ)	9,563,973	10,501,924
Natural gas as a % of fuel consumed	Percentage (%)	6.6%	8.0%
Alternative fuel vehicles as % of fleet	Percentage (%)	11.3%	11.7%

Air Quality

	Unit	2018	2019
NO _x (Excluding N ₂ O)	Metric Tons (t)	N/A	265
SO _x	Metric Tons (t)	N/A	62
Number of facilities in or near dense population centers	Number	7	7
Non-compliant air emissions issues	Number	0	2

¹ Landfill gas flared and gas used for energy does not total 100% in 2018 as 7% is mixed use and unable to be separated by category.

Management of Leachate

	Unit	2018	2019
Total leachate collected	Gallons (000)	615,421	703,342
Total leachate treated by third parties	Gallons (000)	413,921	470,251
Corrective actions implemented for landfill releases	Number	0	0
Incidents of non-compliance associated with environmental impacts	Number	0	0

Labor Practices

	Unit	2018	2019
Active workforce covered under collective bargaining agreements	Number	3,096	3,159
Work stoppages	Number	0	0
Total days idle	Days	0	0

Workforce Health & Safety

	Unit	2018	2019
Total recordable incident rate (TRIR)	Rate	2.83	2.91
Incident rate (I-Rate)	Rate	16.3	17.4
Fatality rate	Rate	0.01	0.00



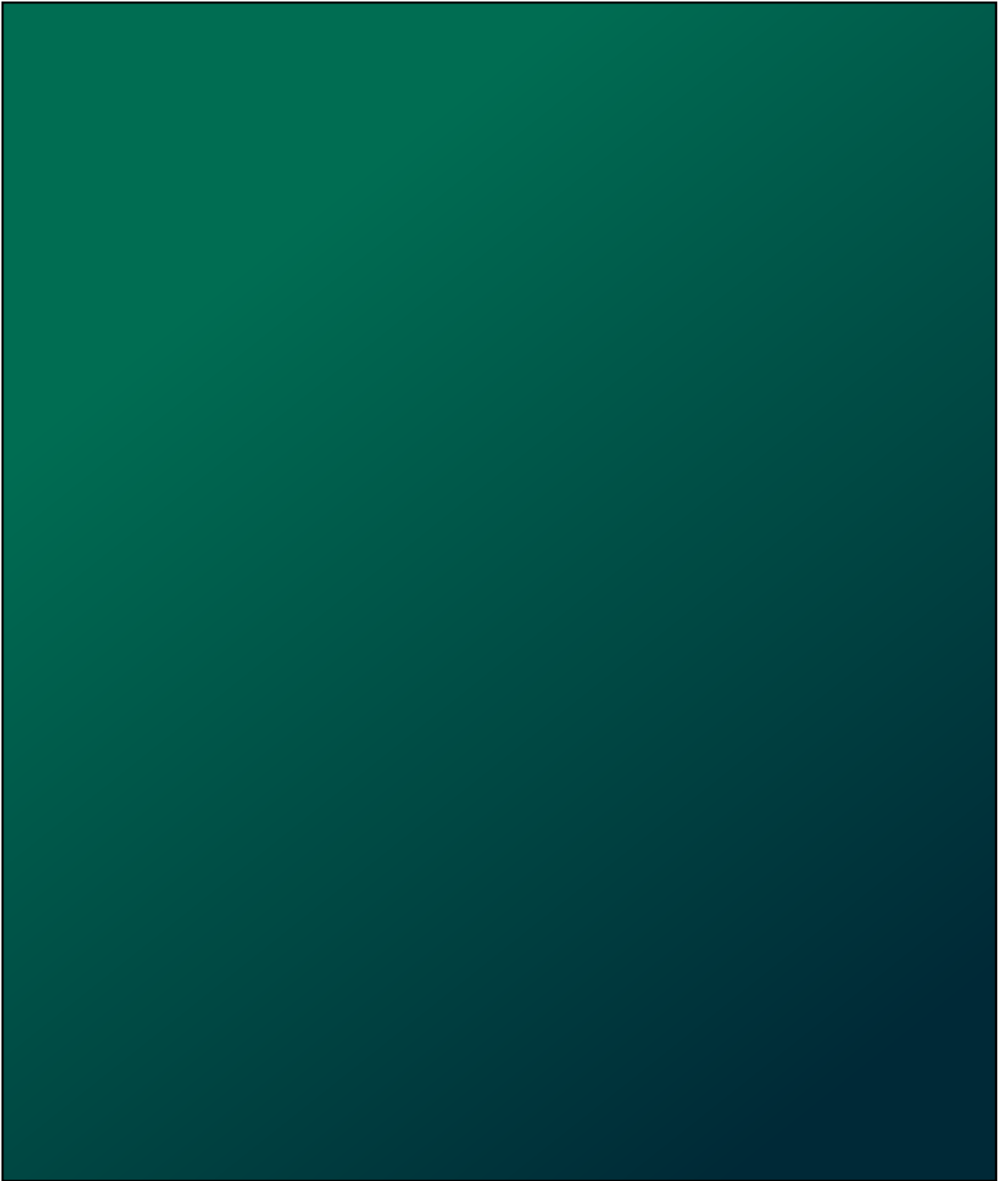
Recycling & Resource Recovery

	Unit	2018	2019
Waste incinerated	Metric Tons (t)	0	0
Hazardous waste incinerated as percent of waste incinerated	Percentage (%)	0%	0%
Energy recovery from waste incinerated	Percentage (%)	0%	0%
Customers receiving recycling	Percentage (%)	50%	50%
Customers receiving composting	Percentage (%)	27%	27%
Amount of material recycled	Metric Tons (t)	1,394,397	1,541,792
Amount of material composted	Metric Tons (t)	178,465	210,757
Amount of material processed as waste-to-energy	Metric Tons (t)	N/M	N/M
Amount of electronic waste collected	Metric Tons (t)	N/M	N/M
Percentage of electronic waste recovered through recycling	Percentage (%)	N/M	N/M

Activity Metrics

	Unit	2018	2019
Customers	Number		
Municipal Contracts	Number	2,000	2,000
Commercial	Number	600,000	600,000
Industrial	Number	100,000	100,000
Residential	Number	6,500,000	6,500,000
Other	Number	200,000	200,000
Vehicle fleet size	Number	13,360	11,903
Landfills	Number	93	97
Transfer stations	Number	162	175
Recycling centers	Number	64	66
Composting centers	Number	6	6
Incinerators	Number	0	0
All other facilities	Number	320	342







WASTE CONNECTIONS
Connect with the Future®

Company Headquarters

610 Applewood Crescent, 2nd Floor
Vaughan, Ontario L4K OE3
Canada

Principal Administrative Offices

3 Waterway Square Place, Suite 110
The Woodlands, Texas 77380
USA
832.442.2200

www.wasteconnections.com



Staff Report

Meeting Date: September 7, 2021

From Mike Walker, Public Works Director

SUBJECT: Hwy 26 - Ten Eyck to Vista Loop Pedestrian Improvements Project

BACKGROUND:

The City has been planning for and working with ODOT on constructing pedestrian improvements between Vista Loop and Ten Eyck for many years. In March 2019, the City entered into an intergovernmental agreement with ODOT to complete the improvements. The project is managed by ODOT as a State Transportation Improvement Program project. The project would construct approximately 2,600 lineal feet of 6 ft. wide sidewalk on the north side of Hwy 26 between the existing sidewalk at the Police Station and the existing sidewalk in front of the Sandy Vista Apartments. The work includes retaining walls, storm drainage and acquisition of right of way. Design is now complete and right-of-way acquisition is nearly complete.

The project is going through ODOT's internal process prior to bid letting. It is expected to be advertised for bid in October of this year. The current construction cost estimate (construction and construction engineering) is \$2,342,956. There are \$1,720,048 in Federal funds available for construction. Based on this estimate, the City's share would be \$685,200 (14.5% of the total project cost).

The City is using our Surface Transportation Program (STP) dollars for our match. Surface Transportation Program funds are Federal dollars distributed to urban areas greater than 5,000 population based on population. These funds are retained by ODOT on the City's behalf until we identify an eligible project for their use (they are not deposited in a city account or accounted for in the city budget). We currently have \$662,590 in STP funds and receive roughly an additional \$130,000 annually.

DECISION FOR THE COUNCIL:

Whether to authorize entering into a fund exchange agreement with ODOT to use the City's Surface Transportation Block Grant Funds for our share of the project costs.

BUDGETARY IMPACT:

ODOT has requested that the City contribute \$685,200 prior to the project being let for bidding. The City has \$662,590 in Surface Transportation Block Grant funds (STBG - federal fuel tax distributed based on population) set aside in Salem. We expect to receive at least an additional \$130,000 in STBG funds after October 1, 2021. There will be sufficient STBG funds after October 1 to proceed to bid letting with the project. If the lowest responsive bid exceeds 110% of the construction cost estimate of \$2,342,956 a

contract will be awarded without any input from the City. If the bids come greater than 110% of the estimate the City has a choice whether to proceed with the project and make up the difference with its own funds or put the project on hold until we are able to identify additional funding. Staff would return to City Council for direction after bids are open if the lowest responsive bid exceeds 110% of the estimate.

RECOMMENDATION:

Authorize City staff to enter into a Fund Exchange agreement with ODOT for \$685,200 to cover the City's share of the Hwy 26 - Ten Eyck to Vista Loop Pedestrian Improvement project and direct staff to return to Council after bids are open if the lowest responsive bid exceeds the cost estimate by more than 10%.

SUGGESTED MOTION:

I move to authorize City staff to enter into a Fund Exchange agreement with ODOT for \$685,200 to cover the City's share of the Hwy 26 - Ten Eyck to Vista Loop Pedestrian Improvement project and direct staff to return to Council after bids are open if the lowest responsive bid exceeds \$2,577,251.

LIST OF ATTACHMENTS/EXHIBITS:

1. Project Exhibit

K18823: US26: TEN EYCK RD/WOLF DR - VISTA LOOP (SANDY)





Staff Report

Meeting Date: September 7, 2021

From Mike Walker, Public Works Director
GMP Package 2 - WWTP Condition Assessment Improvements

SUBJECT: Project

BACKGROUND:

Slayden Construction, the Construction Manager/General Contractor (CM/GC) for the existing Wastewater Treatment Plant Improvements project, has submitted a guaranteed maximum price (GMP) proposal for the second 'package' of work at the wastewater treatment plant. This work consists of: 1) adding floating aerators to the existing equalization basin; 2) chemical feed equipment and shelter for pH and alkalinity control and replacing the current temporary system at the headworks; 3) new waste and stormwater piping and pump station that will eliminate the site stormwater discharge to Tickle Creek in all but the largest storm events; and 4) electrical work associated with these improvements.

These project components are important for helping the plant achieve NPDES permit compliance. Like the first GMP package, we have seen prices increase since the original pre-design estimates due to high inflation. The original engineer's estimate in March 2021 for these improvements was approximately \$920,000. The updated construction estimate in July 2021 was \$1,541,090.

Slayden's proposed GMP is \$1,477,235. The unit prices and subcontractor/equipment supplier quotes have been reviewed by the design engineer (West-Yost) and our Owner's Representative, Leeway Engineering. The updated cost estimated was shared with the Council Project Oversight Committee last month.

The third and final GMP package is under design and it will be another month until we have an updated cost estimate on that portion of the project. However, we can anticipate that we will see cost escalation from the original estimate on that package.

BUDGETARY IMPACT:

The proposed GMP is \$1,477,235. The city is funding the Wastewater Treatment Plant Improvements Project with the Clean Water State Revolving Loan Fund which was recently amended and approved at the August 16, 2021 City Council meeting.

RECOMMENDATION:

Accept the price proposal from Slayden Construction and authorize the City Manager to enter into an agreement with Slayden Construction for work package #2 improvements at the Wastewater Treatment Plant.

SUGGESTED MOTION:

I move to accept the Guaranteed Maximum Price Proposal from Slayden Construction for work package #2 improvements at the existing wastewater treatment plant in the amount of \$1,477,235.

LIST OF ATTACHMENTS/EXHIBITS:

1. Description of Work and Cost Summary from Work Package #2 GMP proposal (cost figure has been refined by \$1,273 since the table was developed)

City of Sandy Oregon

Sandy WWTP Condition Assessment Improvements

GMP - 2

August 31st, 2021



City of Sandy Oregon

Sandy WWTP Condition Assessment Improvements

100% Design GMP 2

Table of Contents

Section 1: Description of Work

Section 2: Cost Summary

Section 3: Detailed Estimate Cost Report

Section 4: Assumptions and Clarifications Log

Section 5: Allowance Log (not used)

Section 6: Subcontractor and Supplier Quotes

Section 7: Labor & Equipment Rates

Section 8: Project Schedule

Section 9: Risk Register

Section 10: Supplemental Documents

- Drawing List
- Specification List
- Design Review Log
- Addenda 1-3

August 31st, 2021



Section 1: Sandy WWTP Condition Assessment Improvements GMP – 2

Description of Work

This proposal is for the construction services of the Sandy WWTP Condition Assessment Improvements Guaranteed Maximum Price #2 (GMP – 2). The work for GMP - 2 is in accordance with West Yost's drawings and technical specifications dated July 2021 and as modified by Addenda 1, 2, 3, & design clarification log items 1-24.

Due to the time constraints on this project various items within GMP – 2 recognized to be part of the critical work path have been procured through previous contract amendment, Early Work Agreement 4. The EWA 4 contained the procurement of the floating aerators. These pieces, along with the other items identified as highly crucial to the treatment process in the initial condition assessment, make up the work within GMP - 2. The major items identified as part of GMP – 2 consist of the following:

- Equalization Basin floating aerators
- New chemical storage and metering facilities
- Waste pump station improvements
- Other drainage & site piping improvements
- Associated electrical & civil work

Reference Section 10, Supplemental Documents, for the drawings, specifications, and design review log binding the construction work for GMP – 2.

Sandy WWTP Condition Assessments Improvements
City of Sandy, Oregon
GMP-2

Last Revision:
8/30/2021

Created By: Slayden Constructors, Inc.
Based on: West Yost Design Package 2 (GMP-2) 100% Submittal Set - July 2021

COST OF WORK			
Area	Description	Value	Notes
	Direct Costs	\$1,369,682	
	Accepted Value Engineering	-\$97,000	Delete Tank Mixer & Vault Revisions
	Subtotal - Cost of Work	\$1,272,682	
CONTINGENCIES			
	CM/GC Contingency	\$89,088	7.0%
	Subtotal - Contingencies	\$89,088	
	SUBTOTAL w/ CONTINGENCIES	\$1,361,770	
MARKUPS			
	CM/GC Fee	\$88,515	6.50%
	Bonds and Insurance	\$22,479	1.55%
	OR CATax	\$5,744	0.39%
	Subtotal - Markups	\$116,738	
	TOTAL CONSTRUCTION COST	\$1,478,508	
OTHER CONTRACTS			
	Pre-Construction Contract	\$39,457	
	EWA 1 - Slide Gate Procurement	\$94,269	
	EWA 2 - Valve & Diffuser Procurement	\$254,622	Accepted VE - Excludes Jib Crane
	EWA 3 - Clarifier, & Electrical Gear Procurement	\$833,517	
	GMP 1 - Work Package 1	\$3,320,603	
	EWA 4 - Aerator Procurement & GMP 1 VE	-\$1,259	Includes VE deducts for GMP 1
	Subtotal - Other Contracts	\$4,541,209	
	TOTAL CM/GC CONTRACT VALUE	\$6,019,717	



Staff Report

Meeting Date: September 7, 2021

From Greg Brewster, IT/SandyNet Director

SUBJECT: SandyNet Business IGA with Clackamas Broadband eXchange

BACKGROUND:

Clackamas Broadband eXchange (CBX), a department of Clackamas County, and SandyNet are proposing to enter into an intergovernmental agreement with the intent of being able to provide business and enterprise level internet service provider (ISP) services within Clackamas County. CBX was created in 2010 to deploy a dark fiber network in Clackamas County funded by a federal grant for public agencies and businesses. Under this agreement, CBX would construct, maintain, and own the fiber and the city would provide the ISP services and billing.

Clackamas County and the City of Sandy have already entered into a similar IGA in 2019, where SandyNet partnered with CBX to provide ISP services to the residents of an area defined as the Kiwanis Pilot Project. Since then, the service area has transitioned from DSL and satellite service to gigabit speeds over CBX fiber optics.

In 2020, CBX and SandyNet jointly filed for a USDA grant that would have offered similar ISP services to businesses within Clackamas County. Unfortunately, both the City and County were not awarded the grant. Since then, staff has developed an IGA with CBX to expand upon the already established Kiwanis Project model, aimed at providing a highly reliable and affordable service to businesses.

As SandyNet continues to increase its reliability and solidify its footprint within the Sandy area, SandyNet must continue to update its infrastructure, purchase additional ISP traffic, replace electronics, and hire additional staff. Providing business services by partnering with CBX provides the opportunity for SandyNet to collect additional revenue to pay down debts faster as well as achieve higher levels of support for our residents and existing customers, such as employees for weekend support/rollout of 10Gig to the existing customers and businesses, with virtually no risk and minimal additional ongoing maintenance and operational costs.

The IGA opportunity went before the SandyNet Advisory Board on August 19th and the Board unanimously agreed that it should be brought before City Council with a recommendation to approve.

Key Points

- As defined in the IGA, a business level service would include symmetrical gigabit speeds via Active Ethernet (AE) or similar medium/technology. The county would remain middle and last mile dark fiber provider, and SandyNet would offer the lit service across the fiber.
- Prices defined as the minimum agreed upon within the IGA would offer a similar level of service as existing SandyNet enterprise SLAs, accounting for the recurring and ongoing costs such as hardware/electronics replacement, travel time and distance in the event of a truck roll.
- This IGA offers SandyNet a higher revenue margin with almost no risks.
- The IGA is bound by CBX's existing mainline infrastructure and shall not leave Clackamas County.

It is difficult to estimate at this time how many business customers could potentially be reached and provided service in this CBX/SandyNet model. However, CBX's network includes over 360 miles of fiber throughout Clackamas County, passing hundreds of businesses.

QUESTION FOR COUNCIL DECISION:

Should the City enter into an intergovernmental agreement with CBX to provide ISP business service to customers in Clackamas County?

BUDGETARY IMPACT:

Costs related to SandyNet for customer turnup are a one time cost of equipment (access equipment and optics), which are less than \$500 per customer. Monthly recurring costs, such as ISP transit, IP addressing, datacenter port costs, power, leased space for access equipment, etc.), are typically less than \$25 a month per customer on average. These numbers were calculated from reviewing customer support events, equipment cost and failure, as well as backhaul equipment from past and current business customers that use similar services. For installation, the County will pay for the construction costs up to \$3,000 with any additional installation costs to be paid by the customer.

Per the agreement, the city will receive a minimum of \$120 per month per customer for providing the service.

RECOMMENDATION:

Staff recommends that the Council authorizes the City Manager to enter into an intergovernmental agreement with CBX to provide ISP business service to customers in Clackamas County.

**INTERGOVERNMENTAL AGREEMENT
BETWEEN CLACKAMAS COUNTY
AND THE CITY OF SANDY**

THIS AGREEMENT (“Agreement”) is entered into and by and between Clackamas County (“County”), a political subdivision of the State of Oregon, and the City of Sandy (“City”), a political subdivision of the State of Oregon, pursuant to ORS Chapter 190 (Cooperation of Governmental Units), collectively referred to as the “Parties” and each a “Party.”

RECITALS

WHEREAS, authority is conferred under ORS Chapter 190 to local governments to enter into agreements for the performance of any and all functions and activities that a party to the agreement, its officers or agencies have authority to perform; and

WHEREAS, the parties desire to partner for a fiber based business internet service whereby the City will serve as the Internet Service Provider (“ISP”) and the County will construct the necessary infrastructure and provide the dark fiber connections to the City’s customers (the “Project”).

NOW, THEREFORE, in consideration of the mutual promises set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Term.** This Agreement shall be effective upon execution by both Parties, and shall continue for a term of five (5) year from the date of execution. This Agreement shall automatically renew for an additional one (1) year term each year thereafter unless otherwise terminated by the parties but not to exceed a maximum of 10 years from date executed.
2. **Rights and Obligations of the County.**
 - A. Upon written request from the City, County may construct the necessary infrastructure and install a dark fiber connection to customers who have agreed to have the City serve as an ISP. Infrastructure construction shall be performed by County in its sole discretion. The County is and will remain the owner of any infrastructure and dark fiber installed as part of said construction. Prior to County performing such construction, the County will consult with the City to ensure that the specifications of the infrastructure and fiber are compatible with City’s system. Prior to the County performing the construction, the City shall ensure the following construction and installation requirements are satisfied for each property to be served:
 - i. The City has secured all easements, leases, licenses, authorizations, or other agreements from property owner as determined necessary by County to allow County to use existing pathways to, into and within each site to the demarcation point for service, and to otherwise perform the infrastructure construction.
 - ii. A path acceptable to the County is provided for the fiber optic cable from the point of entry into the service site to the termination panel or CSP (Customer Splice Point) and into the home demarcation that complies with all applicable building, electrical, fire and related codes.
 - iii. The County and its employees, agents, lessees, officers and its authorized vendors, upon reasonable notice, have the right to reasonable ingress and egress into and out of the

properties and buildings in connection with the provision of service.

- B. Following construction of such infrastructure, and throughout the term of this Agreement, County shall maintain and repair, as necessary, all County-owned infrastructure necessary to provide service to each customer receiving service pursuant to this Agreement. County shall have the sole discretion to determine how to maintain said infrastructure and make the required repairs, provided that (1) the repair is sufficient to restore service at a level equal to or better than the level that existed prior to the damage necessitating the repair, and (2) the repair is completed promptly, and in any event no later than forty-eight (48) hours after County is notified of the need for repair.
- C. Subject to the availability of funds, as determined by the County in its sole administrative discretion, the County will provide up to but not to exceed \$3,000.00 for the expansion of the fiber network to serve each customer. If the construction cost will exceed \$3,000.00, the City will collect the additional funds from the customer and distribute the funds to County either in lump sum or an agreed amount over the term of the customer's service order.
- D. County will secure all franchises, licenses, or other authorizations necessary for operating in the appropriate utility right of way ("ROW"). County will be responsible for paying all ROW specific fees and taxes. City will collect those fees and taxes on the County's behalf and transmit to County.

3. Rights and Obligations of City.

- A. If County performs the infrastructure construction necessary to serve a customer, the City will provide ISP services to the customer pursuant to those terms and conditions as may be mutually agreed to between the City and the customer. County will have no involvement or interest in, and will not be a party to, any such agreement entered into by and between City and the customer.
- B. In serving as an ISP, City shall provide all commercially reasonable ISP services including, but not limited to, IP addresses, billings, and general customer service. Customer service will, at a minimum be available Monday through Friday from 9 am to 5 pm, excluding federal holidays.
- C. As of the date of this Agreement, City will provide ISP services to customers at a minimum cost of \$225.00 per month per customer for a symmetrical 1 Gig service. Of the fees actually collected from each customer each month, \$105.00 will be distributed by the City to the County. Minimum cost does not include any fees or taxes that may be imposed on City or County, which may be added to the customer's cost. The City reserves the right to upsell, or provide over-the-top services to customers including but not limited to: phone service, television and network services, so long as it does not require any additional dark fiber connections. Any services requiring dark fiber must be mutually agreed upon between both parties.
- D. Rate increases shall occur no more than once per year and shall be mutually agreed upon by both parties and memorialized in an amendment to this agreement, unless the increase is (1) related to a government-imposed fee or tax., or (2) an amount not related to a government-imposed fee or tax which is not greater than three percent (3%) per year.

4. Location.

- A. The rights and obligations of the Parties pursuant to this Agreement apply only in the geographic area served by the Clackamas County fiber network.

5. Representations and Warranties.

- A. *City representations and warranties*: City represents and warrants to County that City has the power and authority to enter into and perform this Agreement, and this Agreement, when executed and delivered, shall be a valid and binding obligation of City enforceable in accordance with its terms.
- B. *County Representations and Warranties*: County represents and warrants to City that County has the power and authority to enter into and perform this Agreement, and this Agreement, when executed and delivered, shall be a valid and binding obligation of County enforceable in accordance with its terms.
- C. The warranties set forth in this section are in addition to, and not in lieu of, any other warranties provided.

6. Termination.

- A. The County and City, by mutual written agreement, may terminate this Agreement at any time.
- B. Either Party may terminate this Agreement for convenience upon sixty (60) day's written notice to the non-terminating Party.
- C. Either the County or City may terminate this Agreement in the event of a breach of the Agreement by the other. Prior to such termination, however, the Party seeking the termination shall give the other Party written notice of the breach and of the Party's intent to terminate. If the breaching Party has not entirely cured the breach within fifteen (15) days after such notice, or other time as may be agreed between the parties in writing, then the Party giving notice may terminate the Agreement at any time thereafter by giving written notice of termination stating the effective date of the termination. If the default is of such a nature that it cannot be completely remedied within such fifteen (15) day period, this provision shall be complied with if the breaching Party begins correction of the default within the fifteen (15) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. The Party giving notice shall not be required to give more than one (1) notice for a similar default in any twelve (12) month period.
- D. The County or City shall not be deemed to have waived any breach of this Agreement by the other Party except by an express waiver in writing. An express written waiver as to one breach shall not be deemed a waiver of any other breach not expressly identified, even though the other breach is of the same nature as that waived.
- E. Either Party may terminate this Agreement in the event the Party fails to receive expenditure authority sufficient to allow that Party, in the exercise of its reasonable administrative discretion, to continue to perform under this Agreement, or if federal or state laws, regulations or guidelines are modified or interpreted in such a way that performance under this Agreement is prohibited or a Party is prohibited from paying for such work from the planned funding source.
- F. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.
- G. Upon expiration or termination of this Agreement, regardless of cause, County's obligations under this Agreement shall nevertheless remain in full force and effect with regard to any customers then being served under this Agreement, for a period of time equal to the term of any service order then in effect for such customer, or three (3) years, whichever is less.

Upon receipt of a notice to terminate, for any reason, City shall not enroll any additional customers for the services described in this Agreement.

7. Indemnification.

- A. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, the County agrees to indemnify, save harmless and defend City, its officers, elected officials, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of the County or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which the County has a right to control.
- B. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, City agrees to indemnify, save harmless and defend the County, its officers, elected officials, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of City or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which City has a right to control.

8. **Insurance.** The Parties agree to maintain insurance levels sufficient to cover the obligations agreed to in this Agreement.

9. Party Contacts

- A. Duke Dexter or his designee will act as liaison for the County.

Contact Information:

Duke Dexter
121 Library Court
Oregon City, Oregon 97045
ddexter@clackamas.us
Fax: 503-655-8255

Greg Brewster or his designee will act as liaison for City.

Contact Information:

Greg Brewster
39250 SE Pioneer Blvd
Sandy, Oregon 97055
gbrewster@ci.sandy.or.us
(503) 489-0937

- B. Either Party may change the Party contact information, or the invoice or payment addresses, by giving prior written notice thereof to the other Party at its then current notice address.

10. General Provisions

- A. **Oregon Law and Forum.** This Agreement, and all rights, obligations, and disputes arising out of it will be governed by and construed in accordance with the laws of the State of Oregon without giving effect to the conflict of law provisions thereof. Any claim between

County and City that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Clackamas County for the State of Oregon; provided, however, if a claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this section be construed as a waiver by either Party of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court. City, by execution of this Agreement, hereby consents to the in personam jurisdiction of the courts referenced in this section.

- B. **Compliance with Applicable Law.** Both Parties shall comply with all applicable local, state and federal ordinances, statutes, laws and regulations. All provisions of law required to be part of this Agreement, whether listed or otherwise, are hereby integrated and adopted herein. Failure to comply with such obligations is a material breach of this Agreement.
- C. **Non-Exclusive Rights and Remedies.** Except as otherwise expressly provided herein, the rights and remedies expressly afforded under the provisions of this Agreement shall not be deemed exclusive, and shall be in addition to and cumulative with any and all rights and remedies otherwise available at law or in equity. The exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach, or for any other default or breach, by the other Party.
- D. **Access to Records.** The Parties shall retain, maintain, and keep accessible all records relevant to this Agreement (“Records”) for a minimum of six (6) years, following Agreement termination or full performance or any longer period as may be required by applicable law, or until the conclusion of an audit, controversy or litigation arising out of or related to this Agreement, whichever is later. The Parties shall maintain all financial records in accordance with generally accepted accounting principles. All other Records shall be maintained to the extent necessary to clearly reflect actions taken. During this record retention period each Party shall permit the other Parties’ authorized representatives’ access to the Records at reasonable times and places for purposes of examining and copying.
- E. **Debt Limitation.** This Agreement is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10, of the Oregon Constitution, and is contingent upon funds being appropriated therefore. Any provisions herein which would conflict with law are deemed inoperative to that extent.
- F. **Severability.** If any provision of this Agreement is found to be unconstitutional, illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The Court or other authorized body finding such provision unconstitutional, illegal or unenforceable shall construe this Agreement without such provision to give effect to the maximum extent possible the intentions of the Parties.
- G. **Integration, Amendment and Waiver.** Except as otherwise set forth herein, this Agreement constitutes the entire agreement between the Parties regarding its subject matter. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties and all

necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of either Party to enforce any provision of this Agreement shall not constitute a waiver by such Party of that or any other provision.

- H. **Interpretation.** The titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
- I. **Independent Contractor.** Each of the Parties hereto shall be deemed an independent contractor for purposes of this Agreement. No representative, agent, employee or contractor of one Party shall be deemed to be a representative, agent, employee or contractor of the other Party for any purpose, except to the extent specifically provided herein. Nothing herein is intended, nor shall it be construed, to create between the Parties any relationship of principal and agent, partnership, joint venture or any similar relationship, and each Party hereby specifically disclaims any such relationship.
- J. **No Third-Party Beneficiary.** City and County are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.
- K. **Assignment.** Neither Party shall assign or transfer any of its interest in this Agreement, by operation of law or otherwise, without obtaining prior written approval from the other Party, which shall be granted or denied in that Party's sole and absolute discretion. One Party's consent to any assignment shall not relieve the other Party of any of its duties or obligations under this Agreement.
- L. **Counterparts.** This Contract may be executed in several counterparts (electronic or otherwise), each of which shall be an original, all of which shall constitute the same instrument.
- M. **Survival.** The provisions of Sections 5, 7, and 10 shall survive the termination of this Agreement.
- N. **Necessary Acts.** Each Party shall execute and deliver to the others all such further instruments and documents as may be reasonably necessary to carry out this Agreement.
- O. **Successors in Interest.** The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective authorized successors and assigns.
- P. **Force Majeure.** Neither City nor County shall be held responsible for delay or default caused by events outside of City's or County's reasonable control including, but not limited to, fire, terrorism, riot, acts of God, or war.
- Q. **Confidentiality.** The Parties and their employees or agents may, in the course of this Agreement, be exposed to or acquire material identified as confidential information. Such information shall be deemed confidential information of the Party identifying it as such

("Confidential Information"). The Parties agree to hold Confidential Information in strict confidence, using at least the same degree of care that each Party uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purpose unless specifically authorized in writing under this Agreement.

R. **Notice.** Any notice required to be provided under this Agreement shall be provided to the Party Contact at the address specified in Section 9 of this Agreement. Notices shall be made by personal service, in which case they are effective on the date of service, or by certified mail, in which case they are effective on the date of delivery, or if delivery is refused, upon the date of delivery refusal.

S. **Dispute Resolution.** Should any dispute arise between the parties, it is agreed that such dispute will be submitted to a mediator prior to any litigation and the parties hereby expressly agree that no claim or dispute arising under the terms of this Agreement shall be resolved other than first through mediation and only in the event said mediation efforts fail, through litigation. The parties shall exercise good faith efforts to select a mediator who shall be compensated equally by both parties. Mediation will be conducted in Portland, Oregon, unless both parties agree in writing otherwise. Both parties agree to exercise good faith efforts to resolve disputes covered by this section through this mediation process. If a party requests mediation and the other party fails to respond within ten (10) calendar days, or if the parties fail to agree on a mediator within ten (10) calendar days, a mediator shall be appointed by the presiding judge of the Clackamas County Circuit Court upon the request of either party. The parties shall have any rights at law or in equity with respect to any dispute not covered by this Section.

IN WITNESS HEREOF, the Parties have executed this Agreement by the date set forth opposite their names below.

Clackamas County

City of Sandy

Chair, Board of County Commissioners

By:

Date

Date

Recording Secretary