

EXHIBIT B

FIRST AMENDMENT TO

RESIDENTIAL REFUSE AND RECYCLING AGREEMENT

This First Amendment to Residential Refuse and Recycling Agreement ("First Amendment") is made and entered into on this, the 16th day of October, 2013 (the "Effective Date") by and between the CITY OF ARCADIA, a Municipal Corporation, hereinafter referred to as CITY, and USA WASTE OF CALIFORNIA, INC. DBA WASTE MANAGEMENT OF SAN GABRIEL/POMONA VALLEY, a Delaware Corporation, hereinafter referred to as CONTRACTOR.

WHEREAS, the City is responsible for providing solid waste handling services to its citizens, including source reduction, recycling activities and the collection, transfer and disposal of solid waste within the City boundaries subject to solid waste handling jurisdiction, as provided in Section 40057 through 40059 of the Public Resources Code (Waste Management Act (the "Act")); and

WHEREAS, the purposes of the Act are to promote the reduction, recycling and reuse of solid waste to the maximum extent feasible in an efficient and cost-effective manner, to improve regulation of landfills, to streamline permitting procedures and to specify the role of local agencies to develop and implement integrated waste management programs, including setting the level of services, charges and the nature, location and extent of the provision of solid waste handling services; and

WHEREAS, the collection of residential solid waste and recycling is crucial to the health, safety, and welfare of the City.

WHEREAS, City and Contractor entered into that agreement entitled Residential Refuse and Recycling Agreement dated March 10, 2009 ("Agreement"); and

WHEREAS, as permitted in Section DD of the Agreement, City and Contractor desire to extend the term and modify the performance requirements of the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants, guaranties and conditions contained in this Agreement and for other good and valuable consideration, the City and Contractor agree to the terms and conditions set forth in this First Amendment.

1. Section B.1(e) of the Agreement is amended to read in full as follows:

"Sharps. Contractor shall ensure the safe collection and disposal of sharps generated by single-family and multi-family residential customers at no charge to the City and the customers."

2. Section B.1(f) of the Agreement is added to read in full as follows:

"HHW Disposal. Contractor shall collect, accept and dispose of Household Hazardous Waste (as defined in 14, California Code of Regulations, Section 18502 or successor laws and regulations as may be amended from time to time) generated from customers in compliance with all applicable law at no charge to the City or customers. Specifically, Contractor shall provide up to three Household Hazardous Waste collections as requested by each dwelling unit per year. Contractor shall be solely responsible for complying with this section and shall indemnify and hold the City harmless from its failure to do so.

Notwithstanding any provision herein to the contrary, the total value of services provided by Contractor at no charge under this Section B.1.(f) and Section B.2(l) shall not exceed, in the aggregate, Twenty Five Thousand Dollars (\$25,000.00) per year."

3. Section B.2(l) of the Agreement is added to read in full as follows:

"Hazardous Waste Disposal. Contractor shall collect, accept and dispose of Hazardous Waste (as defined in 14, California Code of Regulations, Section 18502 or successor laws and regulations as may be amended from time to time) generated from City facilities in compliance with all applicable law at no charge to the City or customers upon the City's request. Notwithstanding any provision herein to the contrary, the total value of services provided by Contractor at no charge under this Section B.2(l) and Section B.1.(f) shall not exceed, in the aggregate, Twenty Five Thousand Dollars (\$25,000.00) per year"

4. Section B.9 of the Agreement is added to read in full as follows:

"Without limiting Contractor's obligations under this Agreement, Contractor will assist City at City's request for emergency collection and disposal service (in the event of major disaster, such as earthquake, storm, riot or civil disturbance), or as otherwise determined necessary by the City, by providing collection vehicles and drivers normally assigned to the City, at the rates provided in Exhibit C. The rate for this service is to remain fixed for the term of the Agreement."

5. Section G.2 of the Agreement is amended to revise the second sentence as follows:

"Beginning July 1, 2011 and on each July 1 thereafter through and including July 1, 2015, subject to the requirements of subsection 3 below, the rates shall be adjusted in accordance with the rate adjustment methodology set forth below."

6. Section G.2(a) of the Agreement is added to read in full as follows::

"Beginning July 1, 2016 and on each July 1 thereafter, subject to the requirements of subsection 3 below, the rates shall be adjusted in accordance with the rate adjustment methodology set forth below. Contractor shall submit to the City, not less than ninety (90) days prior to the effective date of the proposed adjustment, information in support of the adjustment. The City Manager shall review the information submitted by Contractor for completeness and accuracy. The City Manager shall refer the proposed adjustment to the City Council for approval, which shall not be withheld unless the City determines the information submitted by Contractor is incomplete or inaccurate. Contractor acknowledges that its late submission of the proposed adjustment and supporting information may make it impossible for the City to timely complete compliance with Proposition 218's notice and majority protest procedures so as to allow the rate increase to take effect on July 1st.

Rate Adjustment Methodology.

Service Component. The Service Component comprises sixty-five percent (65%) of the overall rates. The Service Component shall be adjusted annually by seventy-five (75%) of the percentage increase or decrease in the Consumer Price Index ("CPI"), All Urban Consumers -, for the Los Angeles-

Orange County – Riverside Metropolitan Statistical Area (MSA), as published by the United States Department of Labor, Bureau of Labor Statistics, by calculating the average of the changes in the CPI between each month during the January to December period immediately preceding the date of the rate adjustment and the same month in the preceding year. An example of the rate adjustment methodology is provided below.

Month	CPI Calculation		
	Jan-11 Dec-11	Jan-12 Dec-12	Y-O-Y % Chng
Jan	228.652	233.441	2.09%
Feb	229.729	234.537	2.09%
Mar	232.241	236.941	2.02%
Apr	233.319	236.866	1.52%
May	233.367	237.032	1.57%
Jun	232.328	236.025	1.59%
Jul	231.303	235.776	1.93%
Aug	231.833	237.222	2.32%
Sep	233.022	238.104	2.18%
Oct	233.049	240.111	3.03%
Nov	232.731	237.675	2.12%
Dec	231.567	236.042	1.93%
Average		2.03%	

$$2.03\% \times 0.75 = 1.52\%$$

Fuel Component. The Fuel Component comprises five percent (5%) of the overall rates. The Fuel Component shall be adjusted annually by the percentage increase or decrease in the annual CNG or LNG (On Highway) price published in the Official Energy Statistics, as published by the United States Department of Energy by calculating the average of the changes in the

GNG or LNG price between each month during the January to December period immediately preceding the date of the rate adjustment and the same month in the preceding year.

Disposal/Green Waste Component. The Disposal Component comprises thirty percent (30%) of the overall rates. The Disposal/Green Waste Processing Component will be adjusted annually to reflect changes in the actual cost of providing these services. First, the number of tons of solid waste and green waste collected will be calculated, and the relative percentage of each determined. The change in the disposal component will be determined by calculating the change in the landfill gate fees charged by the Riverside County Waste Management Department for solid waste generated in Riverside County at County-system landfills during the January to December period immediately preceding the date of the rate adjustment, or the anticipated change during the current January to December period, if known. The change in the green waste processing component will be calculated by determining the actual change in cost based on the gate fees charged by processors utilized by Contractor for green waste collected in the City. Finally, the changes will be allocated in accordance with the relative percentage of each material collected to determine the final disposal/green waste cost component.

7. Section L.14 of the Agreement is amended to add the following provision after the last sentence of the paragraph ending in "Contractor's failure to comply with

this paragraph.":

"As of the Effective Date of the First Amendment, Contractor is providing collection service using exclusively alternative-fuel collection vehicles, and shall remain in compliance with the requirements of Rule 1193."

8. Section R.1 of the Agreement is amended to revise the first sentence as follows:

"The term of this Agreement shall commence on the Effective Date and expire at the close of business on June 30, 2021, subject to extension as provided herein."
9. Section Z. of the Agreement is amended to delete the notice address for Contractor's legal department, the address previously identified as "Attn: Group Legal Counsel", and to substitute the following:

"Waste Management – Southern California Market Area
9081 Tujunga Avenue
Sun Valley CA 91352
Attention: Legal Counsel"

10. Section II.1 of the Agreement is added to read as follows:

"Contractor shall implement the requirements of AB 341, including its education, outreach and monitoring requirements to multi-family complexes and other affected customers. On or before February 1, 2014, Contractor shall submit to City for review and approval, a plan to provide such assistance, and more specifically, to implement a public education plan, identify all customers subject to the requirements of AB 341, provide periodic on-site visits to such premises to offer and promote recycling services and attempt to resolve any logistical detriments to providing service, and notify and request assistance from the City

for potential follow up action where there is a repeated refusal to implement recycling services as required by AB 341 or City ordinances or resolutions regarding the same. City agrees to prepare a letter for distribution to customers regarding AB 341 requirements and ensure occasional participation by City personnel in meetings with customers who repeatedly refuse to implement recycling services. As provided in this section and pursuant to the provisions set forth above, Contractor shall indemnify and hold City harmless for failure to comply with this paragraph.”

11. Except as provided herein, the terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, said City has caused its corporate name and seal to be hereunto subscribed and affixed by the City Manager and City Clerk, both thereunto duly authorized, and said Contractor has hereunto subscribed his name.

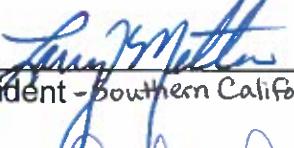
	<p>CITY OF ARCADIA A Municipal Corporation</p>
<p>ATTEST:  Vicki Mersender, Chief Deputy City Clerk</p> <p>APPROVED AS TO FORM:  Stephen P. Deitsch City Attorney</p>	<p>By:  Dominic Lazzaretto City Manager</p> <p>USA WASTE OF CALIFORNIA, INC. A Delaware Corporation</p> <p>By:  Tony Mather President - Southern California Area</p> <p>By:  Alan Gold Secretary Vice President</p>

EXHIBIT C
Emergency Collection & Disposal Service Rates

ROLL-OFF	RATE
Per Pull	\$ 250.00
Per Ton	\$ 55.00
Per Relocation	\$ 113.00
Additional Wait Time Charge for wait > 15 minutes, for each additional 15 minute period	\$ 36.25
Initial Delivery Only Charge	\$ 113.00

COMMERCIAL	RATE
Per Hour	\$ 125.00
Per Ton	\$ 55.00