

AMENDMENT NO. 4 TO THE
WASTE DISPOSAL AGREEMENT

On April 27, 2004, the City of Adelanto ("City") and the County of San Bernardino ("County") entered into a Waste Disposal Agreement ("WDA"). The parties hereby amend the WDA, on the Effective Date as provided herein, by their respective execution of this agreement (hereinafter "Amendment").

Recitals

- A. The parties have previously entered into the following amendments to the WDA. Amendment No. 1 allowed the County to charge the fee of \$10.00 per ton (prorated) for identified controllable waste of the City (e.g., roll off container trucks and other County/City vehicles such as pickups and dump trucks) and have such waste subject to being processed in the recycling program. Amendment No. 2 allowed the County to calculate the annual cost of living adjustment earlier in the calendar year. Amendment No. 3 extended the term of the WDA to June 30, 2021, applied an annual fixed WDA renewal discount adjustment of \$0.82 per ton for the term of the WDA, and allowed the County to enter into agreements to accept in-County waste from non-WDA users of the Disposal System at a rate lower than the WDA Contract Rate in exchange for sharing the net revenue generated from those agreements.
- B. In connection with the ongoing administration of the WDA, the parties have determined it is now in their best interests to change the termination date to June 30, 2026.
- C. This change in the termination date will assist both the City and the County in planning for future fiscal years' budgeting of solid waste disposal services and costs.
- D. The parties have determined it is in their best interests to reset the WDA Contract Rate to \$38.00 per ton, effective July 1, 2021, adjusted annually according to the WDA.

NOW THEREFORE, in consideration of the forgoing recitals and the following covenants and promises the Parties agree as follows:

- 1. Amended Section 4.2 CONTRACT RATE. (A) Generally. This section is amended in its entirety to read:

SECTION 4.2. CONTRACT RATE. (A) Generally. Effective July 1, 2021, the Contract Rate payable by each Franchise Hauler shall be \$38.00 per ton, subject to potential adjustment necessary to reflect the circumstances set forth below:

- (i) increased costs incurred by the County (in excess of available insurance proceeds) due to the occurrence of one or more Uncontrollable Circumstances, including Changes in Law; and
- (ii) escalation during the Term of this Agreement calculated in accordance with Section 4.2(B).

Prior to adjusting the Contract Rate as a result of any of the circumstances described in Section 4.2(A)(i), the County shall utilize the following remedy: reduce the costs of operating the Disposal System to the extent practicable.

Any adjustments to the Contract Rate permitted by Section 4.2(A)(i) shall be calculated by the County to reflect the actual costs or expenses of addressing the circumstance or circumstances pursuant to which the adjustment is authorized, and shall also reflect, where applicable, the then remaining capacity in the Disposal System. Such adjustment may not reflect circumstances other than the circumstances described in Section 4.2(A)(i).

2. Amended Section 4.2. CONTRACT RATE. (B) Calculation of Escalation. This section is amended in its entirety to read:

SECTION 4.2. CONTRACT RATE. (B) Calculation of Escalation. For purposes of Section 4.2(A)(ii), the Contract Rate shall be adjusted in accordance with the formula described in this Section each July 1 during the term hereof, commencing July 1, 2022. The adjustment shall be calculated in accordance with the following formula:

$$\text{Contract Rate} = \text{Fixed Portion} + [\text{Escalating Portion} \times \text{Index}]$$

Where,

$$\text{Fixed Portion} = \$10.87$$

$$\text{Escalating Portion} = \$27.13$$

Index = Price Index, which shall be determined in accordance with the following formula:

$$I = .7[\text{PPI}_1/\text{PPI}_2] + .3[\text{EI}_1/\text{EI}_2]$$

PPI_1 = The Producer Price Index, Industrial Commodities Commodity Data, as published at the United States Department of Labor, Bureau of Labor Statistics web site, Series ID WPU03 thru 15 for the month of September in the year prior to the year for which the adjustment is being made (e.g., the adjustment effective July 1, 2011 will use the September 2010 value)

PPI_2 = Producer Price Index, Industrial Commodities Commodity Data for the month of September, 1997

EI_1 = Employment Cost Index, Total Compensation, Private Industry All Workers, as published at the United States Department of Labor, Bureau of Labor Statistics web site, Series ID: CIU20100000000000I for the last quarter of the year preceding the year for which the adjustment is being made (e.g., the adjustment effective July 1, 2011 will use the third quarter, 2010 value)

EI_2 = Employment Cost Index, Compensation, Private Industry All Workers, as published at the United States Department of Labor, Bureau of Labor Statistics web site, Table 3, established for the third quarter of 1997.

Effective July 1, 2022, and each July 1 thereafter during the term of the Agreement, the Contract Rate adjustment will be calculated as provided above, except that an annual fixed WDA renewal discount adjustment of \$0.82 per ton will be applied after the annual Cost of Living Adjustment (COLA) adjustment.

If at any time either the Employment Cost Index or the Producer Price Index is no longer published, or are otherwise unavailable, then the COLA shall be determined by using standard official statistics measuring changes to, respectively, labor costs and cost of materials, as the parties shall mutually agree.

3. Amended Section 6.1 EFFECTIVE DATE AND TERM. (A) Term. This section is amended in its entirety to read:

SECTION 6.1. EFFECTIVE DATE AND TERM. (A) Term. This Agreement shall become effective, shall be in full force and effect and shall be legally binding upon the City and the County from the Contract Date and shall continue in full force and effect until June 30, 2026, unless earlier terminated in accordance with its terms.

4. Effective Date. This Amendment shall be effective if and only when all fifteen cities/towns listed on Exhibit A have each adopted and executed a counterpart of this Amendment No. 4 (the amendment number may differ for each city/town listed on Exhibit A) and such amendment has been adopted and executed by the County on or before June 30, 2021. In all events, the conditions in the forgoing sentence shall occur otherwise this Amendment No. 4 shall be null and void and without any effect whatsoever.
5. Counterparts. This Amendment may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Amendment. The parties shall be entitled to sign and transmit an electronic signature of this Amendment (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Amendment upon request.
6. No other amendments. Except as modified in this Amendment (or in any prior Amendment(s)) all other terms and conditions of the WDA, including without limit those contained in any prior Amendment, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized officers or representatives as of the day and year first above written.

COUNTY OF SAN BERNARDINO

►

Curt Hagman, Chairman, Board of Supervisors

Dated: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS
DOCUMENT HAS BEEN DELIVERED TO THE
CHAIRMAN OF THE BOARD

Lynna Monell
Clerk of the Board of Supervisors
of the County of San Bernardino

By _____
Deputy

City of Adelanto

(Print or type name of corporation, company, contractor, etc.)

By ►

(Authorized signature - sign in blue ink)

Name _____
(Print or type name of person signing contract)

Title _____
(Print or Type)

Dated: _____

Address 11600 Air Expressway

Adelanto, CA 92301

Approved as to Legal Form

►

Jolena Grider, Deputy County Counsel

Date _____

Reviewed for Contract Compliance

►

Andy Silao, P.E.

Date _____

Reviewed/Approved by Department

►

Brendon Biggs, Director

Date _____

EXHIBIT A

CITIES/TOWNS WITH A WASTE DELIVERY AGREEMENT
WITH THE COUNTY OF SAN BERNARDINO
OFFERED THIS AMENDMENT JUNE 2021
FOR AN AGREEMENT END DATE OF JUNE 30, 2026

1. ADELANTO
2. APPLE VALLEY
3. BARSTOW
4. BIG BEAR LAKE
5. COLTON
6. FONTANA
7. GRAND TERRACE
8. HESPERIA
9. HIGHLAND
10. LOMA LINDA
11. RIALTO
12. TWENTYNINE PALMS
13. VICTORVILLE
14. YUCAIPA
15. YUCCA VALLEY