

**TWENTY-EIGHTH AMENDMENT TO THE
AMENDED AND RESTATED FRANCHISE AGREEMENT
BETWEEN THE CITY OF AZUSA AND ARAKELIAN ENTERPRISES, INC.,
FOR REFUSE COLLECTION, RECYCLING, AND DISPOSAL SERVICES**

This Twenty-Eighth Amendment (“Amendment”) to the Amended and Restated Franchise Agreement Between the City of Azusa and Arakelian Enterprises, Inc., for Refuse Collection, Recycling, and Disposal Services is entered into this 20th day of June 2022 (“Effective Date”) by and between the City of Azusa, a municipal corporation (“City”), and Arakelian Enterprises, Inc., a California corporation (“Contractor”). City and Contractor may hereinafter be individually referred to as “Party” or collectively as the “Parties.”

RECITALS

A. WHEREAS, on October 2, 2000, the City Council of the City of Azusa approved the Amended and Restated Franchise Agreement for Refuse Collection, Recycling, and Disposal Services between the City and Contractor, which was modified in twenty-seven subsequent amendments addressing changes deemed necessary by the Parties from time to time (“Agreement”).

B. WHEREAS, the Parties have determined that it is in the public interest for Contractor to provide enhance service offerings or rate discounts for customers in the City, including complimentary cart roll out services to disabled customers, a 10% senior discount for certain customers who are 62 years of age or older, and temporary construction and debris collection services.

C. WHEREAS, administrative corrections to the Agreement are required to align the Agreement to the agreed upon and City-approved terms arising from the twenty-sixth amendment to the Agreement approved by City Council on November 1, 2021 in order to maintain the consistency of approved service rates and how those rates are calculated.

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the above recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree to amend the Agreement as follows:

1. **Definitions.** Section 1 of the Agreement (Definitions) is hereby amended in part to add, amend, or delete the definitions provided below. To the extent a definition included in this Amendment No. 28 is also specified in the Agreement, the definition in this Amendment No. 28 shall apply.

“Annual Rate Adjustment” means the annual adjustment of Maximum Service Rates by the greater of (i) an increase of three percent (3%) or (ii) the percentage increase in CPI for the prior 12-month period (January of the current year to January of the prior year) plus one percent (1%) (i.e., CPI +1).

2. **Roll Out Services for Disabled Customers.** A new Section 4(A)(vi) titled “Disabled Customers; Roll-out Service” shall be added to the Agreement as follows:

(vi) Roll-Out Services for Disabled Customers. Contractor shall provide Barrel roll-out service for disabled Residential Customers at no charge. To qualify for such service, Residential Customers must present to Contractor a written letter from a physician indicating that the Residential Customer is physically unable to roll out Barrels or a copy of a handicap placard issued to the Residential Customer from by the Department of Motor Vehicles. Roll-out service will be effective immediately after a Customer demonstrates proof of the foregoing.

3. Temporary Construction Debris Collection. A new Section 4.1(Q) titled “Temporary Construction Debris Service” shall be added to the Agreement as follows:

I. Temporary Construction Debris Service. Contractor shall offer temporary services for the collection of Construction Debris. Rates applicable to such services shall be set forth in Exhibit A to the Agreement.

4. Annual Rate Adjustment. Section 5.0(B) to the Agreement shall be deleted in its entirety and shall be replaced with the following:

B. Annual Rate Adjustment. For the contract year beginning July 1, 2022, and annually thereafter on July 1 through and including July 1, 2026, the Maximum Service Rates provided in Exhibit A shall be automatically adjusted annually by the Annual Rate Adjustment, provided, however, the Maximum Service Rates shall not be increased by more than ten percent (10%) in any fiscal year. After July 1, 2026, and each five years thereafter, the City Council shall agendize a vote for adoption of an extension to the Annual Rate Adjustment in accordance with applicable law, including without limitation Government Code Section 53756, and Article XIII D, section 6(a) of the California Constitution, to the extent applicable. By way of illustration, rates shall be adjusted as follows:

<u>Year</u>	<u>CPI</u>	
Year 2 (January)	276.589	
Year 1 (January)	271.311	
Difference	+ 5.2780	Year 2 CPI – Year 1 CPI
Percentage Change	+ 2.95%	$(\text{Difference} \div \text{Year 1 CPI}) \times 100\% + 1\%$

5. Rate Discounts for Seniors. A new Section 5.0(E) titled “Senior Discounts” shall be added to the Agreement as follows:

F. Senior Discounts. Residential Customers that are senior citizens may qualify for a ten percent (10%) discount for collection services (“Senior Discount”). To qualify for the Senior Discount, Customers must submit a written request to Contractor, and must satisfy all of the following requirements: (i) be the head of household as evidenced by his or her name on the utility bill for the

Residential premises for which a discount is sought; and (ii) be sixty-two (62) years of age or older, demonstrated by either by submitting a copy of a government-issued driver's license or other similar proof of age issued by a governmental entity. The Senior Discount will become effective the following month after an application has been approved and applied to the base service of three (3) thirty-two (32) gallon Barrels. Additional Barrels shall not be subject to the Senior Discount.

6. **Service Rates.** Exhibit A (Maximum Service Rates) to the Agreement is hereby amended and replaced in its entirety with a newly revised Exhibit A attached to this Amendment, which shall apply for the period beginning July 1, 2022.

7. **Due Execution.** The person(s) executing this Amendment on behalf of a Party hereto warrant(s) that (i) such Party is duly organized and existing; (ii) such person(s) are duly authorized to execute and deliver this Amendment on behalf of said Party; (iii) by so executing this Amendment, such Party is formally bound to the provisions of this Amendment; and (iv) entering into this Amendment does not violate any provision of any other agreement to which said Party is bound.

8. **Entire Amendment.** This Amendment contains the entire agreement and understanding between the Parties with respect to the subject matter of this Amendment, and supersedes any and all prior or contemporaneous oral and written representations, warranties, agreements, and understandings between the Parties concerning the subject matter of this Amendment.

9. **Full Force and Effect.** Other than as set forth in this Amendment, the terms of the Agreement shall remain unchanged and in full force and effect. In the event of any conflict between the Agreement and this Amendment, this Amendment shall apply.

10. **Counterparts.** This Amendment may be executed in counterparts, each of which shall be considered an original.

[Signatures page follows]

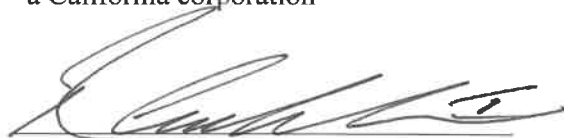
IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first set forth below.

CITY OF AZUSA

ARAKELIAN ENTERPRISES, INC.,
a California corporation



ROBERT GONZALES
Mayor



Ron Arakelian III
Executive Officer

4/26/23

Date

12/12/2022

Date

ATTEST:



JEFFREY LAWRENCE CORNEJO JR.
City Clerk

April 26, 2023

Date

APPROVED AS TO FORM



BEST BEST & KRIEGER
Marco A. Martinez, City Attorney

4/25/23

Date

EXHIBIT A
MAXIMUM SERVICE RATES
Effective July 1, 2022

			<u>Net</u> <u>Rate</u>	<u>Franchise</u> <u>Fee</u>	<u>AB 939</u> <u>Fee</u>	<u>Monthly</u> <u>Rate</u>	
Residential & Multi-Family Cart Service							
Single-family	96 Gal	Base Rate	33.47	3.72	0.82	38.01	
	32 Gal	Base Rate - Senior Discount	30.12	3.35	0.74	34.21	
	96 Gal	Add'l Cart (Any Type)	7.58	0.84	0.00	8.42	
	64 Gal	Add'l Cart (Any Type)	5.69	0.63	0.00	6.32	
	32 Gal	Add'l Cart (Any Type)	3.79	0.42	0.00	4.21	
Commercial & Multi-Family Bin							
Bin: 6-Yard	6.00	1.00	1 day/week pickup	273.45	30.38	7.99	311.82
	6.00	2.00	2 day/week pickup	430.95	47.88	15.63	494.46
	6.00	3.00	3 day/week pickup	587.61	65.29	23.95	676.85
	6.00	4.00	4 day/week pickup	744.50	82.72	31.93	859.15
	6.00	5.00	5 day/week pickup	901.85	100.21	39.91	1,041.97
	6.00	6.00	6 day/week pickup	1,175.33	130.59	47.89	1,353.81
Bin: 5-Yard	5.00	1.00	1 day/week pickup	246.31	27.37	6.66	280.34
	5.00	2.00	2 day/week pickup	379.94	42.22	13.14	435.30
	5.00	3.00	3 day/week pickup	513.05	57.01	19.96	590.02
	5.00	4.00	4 day/week pickup	646.14	71.79	26.60	744.53
	5.00	5.00	5 day/week pickup	779.70	86.63	33.14	899.46
	5.00	6.00	6 day/week pickup	1,020.45	113.38	39.91	1,173.74
Bin: 4-Yard	4.00	1.00	1 day/week pickup	219.20	24.36	5.32	248.88
	4.00	2.00	2 day/week pickup	328.95	36.55	10.65	376.15
	4.00	3.00	3 day/week pickup	438.51	48.72	15.97	503.20
	4.00	4.00	4 day/week pickup	547.79	60.87	21.27	629.93
	4.00	5.00	5 day/week pickup	657.53	73.06	26.36	756.95
	4.00	6.00	6 day/week pickup	865.56	96.17	31.93	993.66
Bin: 3-Yard	3.00	1.00	1 day/week pickup	192.36	21.37	3.99	217.72
	3.00	2.00	2 day/week pickup	278.19	30.91	7.99	317.09
	3.00	3.00	3 day/week pickup	364.16	40.46	11.98	416.60
	3.00	4.00	4 day/week pickup	449.84	49.98	15.96	515.78
	3.00	5.00	5 day/week pickup	536.00	59.56	19.96	615.52
	3.00	6.00	6 day/week pickup	728.36	80.93	23.95	833.24
Bin: 2-Yard	2.00	1.00	1 day/week pickup	174.75	19.42	2.66	196.83
	2.00	2.00	2 day/week pickup	246.74	27.42	5.34	279.50
	2.00	3.00	3 day/week pickup	318.33	35.37	8.00	361.70
	2.00	4.00	4 day/week pickup	391.86	43.54	10.66	446.06
	2.00	5.00	5 day/week pickup	463.03	51.45	13.30	527.78
	2.00	6.00	6 day/week pickup	534.21	59.36	16.00	609.57

			Net	Franchise	AB 939	Monthly	
			Rate	Fee	Fee	Rate	
Commercial & Multi-Family Bin (Continued)							
Bin: 1-1/2-Yard	1.50	1.00	1 day/week pickup	133.43	14.83	1.99	150.25
	1.50	2.00	2 day/week pickup	221.09	24.57	3.98	249.64
	1.50	3.00	3 day/week pickup	307.32	34.15	5.97	347.44
	1.50	4.00	4 day/week pickup*	345.42	38.38	7.96	391.76
	1.50	5.00	5 day/week pickup*	405.00	45.00	9.95	459.95
	1.50	6.00	6 day/week pickup	464.58	51.62	11.94	528.14
Compactor: 6-Yard	6.00	1.00	1 day/week pickup	455.54	50.62	0.00	506.16
Recycling	6.00	2.00	2 day/week pickup	795.15	88.35	0.00	883.50
	6.00	3.00	3 day/week pickup	1,133.91	125.99	0.00	1,259.90
	6.00	4.00	4 day/week pickup	1,472.94	163.66	0.00	1,636.60
	6.00	5.00	5 day/week pickup	1,812.35	201.37	0.00	2,013.72
	6.00	6.00	6 day/week pickup	2,151.79	239.09	0.00	2,390.88
Compactor: 3-Yard	3.00	1.00	1 day/week pickup	331.63	36.85	11.97	380.45
Trash	3.00	2.00	2 day/week pickup	556.72	61.86	23.97	642.55
	3.00	3.00	3 day/week pickup	781.93	86.88	35.94	904.75
	3.00	4.00	4 day/week pickup	1,006.87	111.87	47.88	1,166.62
	3.00	5.00	5 day/week pickup	1,232.29	136.92	59.88	1,429.09
	3.00	6.00	6 day/week pickup	1,457.70	161.97	71.88	1,691.55
Compactor: 2-Yard	2.00	1.00	1 day/week pickup	267.60	29.73	7.98	305.31
Trash	2.00	2.00	2 day/week pickup	432.42	48.05	16.02	496.49
	2.00	3.00	3 day/week pickup	596.85	66.32	24.00	687.17
	2.00	4.00	4 day/week pickup	763.20	84.80	31.98	879.98
	2.00	5.00	5 day/week pickup	927.22	103.02	39.90	1,070.14
	2.00	6.00	6 day/week pickup	1,091.23	121.25	48.00	1,260.48
Commercial Organics	1.00	1.00	1 day/week pickup	99.81	11.09	0.75	111.65
First Barrel	2.00	2.00	2 day/week pickup	173.79	19.31	0.75	193.85
	3.00	3.00	3 day/week pickup	247.78	27.53	0.75	276.06
	4.00	4.00	4 day/week pickup	321.77	35.75	0.75	358.27
	5.00	5.00	5 day/week pickup	395.76	43.97	0.75	440.48
	6.00	6.00	6 day/week pickup	469.75	52.19	0.75	522.69
Commercial Organics	1.00	1.00	1 day/week pickup	84.71	9.41	0.75	94.87
Each Additional Barrel	2.00	2.00	2 day/week pickup	147.87	16.43	0.75	165.05
	3.00	3.00	3 day/week pickup	211.06	23.45	0.75	235.26
	4.00	4.00	4 day/week pickup	274.22	30.47	0.75	305.44
	5.00	5.00	5 day/week pickup	337.40	37.49	0.75	375.64
	6.00	6.00	6 day/week pickup	348.40	38.71	0.75	387.86
Saturday Service				203.36	22.60	3.67	229.63
Lock-Lid Bin Change Out				101.48	11.28	0.00	112.76
Lock-Lid Ongoing Service				11.19	1.24	0.00	12.43
Temp Bins				211.37	23.49	0.84	235.70
Extra Dumps Perm or Temp - same day				77.15	8.57	0.84	86.56
Extra Dumps Perm or Temp - other day				110.03	12.23	0.84	123.10
Roll-Off Per pick-up + Actual MRF costs				526.72	58.52	7.73	592.97

Azusa Optional Additional Service Rates - Effective July 1, 2022

Optional Additional Services	Current Monthly Rate	Proposed Monthly Rate
All Accounts: Declined Payment (any reason)	\$ 28.02	\$ 29.50
All Accounts: Late Fees (1.5% of past due balance per month, minimum fee)	\$ 5.60	\$ 5.90
All Accounts: Stand-by Time (each delay of 15 minutes)	\$ 39.22	\$ 41.30
All Accounts: Stop Service and/or Resume Service	\$ 28.02	\$ 29.50
All Accounts: Container Repair (per hour, excluding parts)	\$ 103.33	\$ 108.79
Permanent Bin Accounts: Bulky Item Pickup - First Item or Dead-Run on Scheduled Bulky Item Collection	\$ 28.02	\$ 29.50
Permanent Bin Accounts: Bulky Item Pickup - Each Additional Bulky Item after First Item	\$ 16.81	\$ 17.70
Permanent Bin Accounts: Bin Exchange with Metal Lids	\$ 214.44	\$ 225.77
Permanent Bin Accounts: Custom Bin Fabrication (per cubic yard)	\$ 327.78	\$ 345.10
Permanent Bin Accounts: On-Call Bin Rental or Tipping Bin Rental (per month)	\$ 59.36	\$ 62.49
Permanent & Temporary Bin Accounts: Delivery, Exchange, Size Exchange, Removal, Wash-Out	\$ 88.43	\$ 93.11
Permanent & Temporary Bin Accounts: Dead-Run, Go-Back, Excess Waste, Excess Weight	\$ 67.24	\$ 70.80
Permanent & Temporary Bin Accounts: Bin Exchange - Burned Bin	\$ 800.00	\$ 842.28
Permanent & Temporary Bin Accounts: Push-Out or Scout Service (per bin x frequency)	\$ 6.72	\$ 7.08
Permanent & Temporary Bin Accounts: Bin Enclosure Litter Clean-Up (per enclosure)	\$ 27.78	\$ 29.24
Permanent & Temporary Bin Accounts: Bin Enclosure Pressure Washing (per hour, 1 hour minimum)	\$ 83.33	\$ 87.73
Temporary Bin Accounts: 3 Cubic Yard C&D Bin (per lift - includes 7 days rental)	\$ 327.78	\$ 345.10
Temporary Bin Accounts: Demurrage (per day - no dump in 7 days)	\$ 5.60	\$ 5.90
Permanent Cart Accounts: Cart Replacement (customer damage, stolen)	\$ 100.00	\$ 105.29
Permanent Cart Accounts: Delivery, Exchange, Size Exchange, Bring In, Wash-Out	\$ 24.63	\$ 25.93
Permanent Cart Accounts: Dead-Run, Go-Back, Excess Waste, Excess Weight, Extra Pick-Up	\$ 24.84	\$ 26.16
Permanent Cart Accounts: Roll-Out Service (per month)	\$ 22.22	\$ 23.40
Permanent Cart Accounts: Cart Wash-Out Service (includes three carts)	\$ 22.22	\$ 23.40
Permanent Cart Accounts: Cart Wash-Out Service (each cart over three carts)	\$ 5.56	\$ 5.84
Roll-Off Accounts: Overweight (in addition to disposal charges for each load exceeding 10 tons)	\$ 110.00	\$ 115.81
Roll-Off Accounts: Delivery, Bring-In, Dead-Run, Go-Back, Relocation, Same-Day Expedite	\$ 107.77	\$ 113.47
Roll-Off Accounts: Roll-Top Lid Rental (per month)	\$ 57.27	\$ 60.29
Roll-Off Accounts: Open-Top Box or Storage Box Rental (per month)	\$ 118.70	\$ 124.98
Roll-Off Accounts: Compactor Rental (per month)	\$ 534.17	\$ 562.39
Roll-Off Accounts: Plastic Liner	\$ 43.33	\$ 45.62
Roll-Off Accounts: Certificate of Destruction	\$ 50.00	\$ 52.64
Roll-Off Accounts: "Rocket Launcher" Service (per hour for actual hours billed by subcontractor)	\$ 148.89	\$ 156.76
Roll-Off Accounts: Demurrage on Hauler-Owned Containers (per day - no hauls in 30 days)	\$ 13.44	\$ 14.16
Roll-Off Accounts: Compactor Wash-Out	\$ 219.61	\$ 231.21
All Accounts: Organic Container Contamination - First Offense During Program Implementation Phase	\$ 50.00	\$ 52.64
All Accounts: Organic Container Contamination - Second Offense During Program Implementation Phase	\$ 100.00	\$ 105.29
All Accounts: Organic Container Contamination - Third Offense During Program Implementation Phase	\$ 250.00	\$ 263.21
All Accounts: Organic Container Contamination - First Offense During Program Enforcement Period	\$ 100.00	\$ 105.29
All Accounts: Organic Container Contamination - Second Offense During Program Enforcement Period	\$ 200.00	\$ 210.57
All Accounts: Organic Container Contamination - Third Offense During Program Enforcement Period	\$ 500.00	\$ 526.42

Note: All rates are "per occurrence" - unless noted otherwise.