



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 15

MEETING DATE: November 2, 2021

AGENDA PLACEMENT:

- ☐ Ceremonial
- ☐ Consent
- ☒ Individual
- ☐ Closed Session

CAPTION:

Discussion of and direction on an Exclusive Franchise Agreement for the Collection, Hauling, and Disposal of Municipal Solid Waste and Construction and Demolition Waste dated June 1, 2002 between the City of Johnson City and IESI TX Corporation, now Waste Connections, including, but not limited to, the following:

- Pursuant to Section 12 Term of Agreement, the provision of written notice of intent to terminate the Agreement at least 180 days prior to the Agreement expiration date of May 31, 2022. Notice must be provided by December 1, 2021.;
- The issuance of a Request for Proposal for the collection, hauling, and disposal of municipal solid waste and construction and demolition waste; and/or
- The renegotiation and approval of an agreement for the disposal of municipal solid waste and construction and demolition waste between the City and Waste Connections. (Staff)

STRATEGIC WORK PLAN:

- | | |
|------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Not Applicable | <input type="checkbox"/> Goal 5: Improve Fire Safety |
| <input type="checkbox"/> Goal 1: Increase Housing Diversity | <input type="checkbox"/> Goal 6: Improve Streets |
| <input type="checkbox"/> Goal 2: Expand Quality Lodging | <input type="checkbox"/> Goal 7: Increase Publicity & Promotion of the Community |
| <input type="checkbox"/> Goal 3: Improve Code Enforcement | <input type="checkbox"/> Goal 8: Increase Economic Development Activities |
| <input type="checkbox"/> Goal 4: Improve Streetscaping & Signage | |

EXECUTIVE SUMMARY:

The City entered into a Franchise Agreement with IESI TX Corporation (i.e. Waste Connections) for the disposal of municipal solid waste and construction and demolition waste on June 1, 2002. The Agreement term is 10 years; however, the City elected to extend the Agreement for an additional ten (10) year period on or about May 31, 2012.

The Agreement expires on May 31, 2022; however, the City must provide notice of termination one hundred eighty (180) days prior to the termination date in order to exercise its right to bid. Notice must be provided by December 1, 2021.

In City Staff's opinion, the City has three options:

- Pursuant to Section 12 Term of Agreement, the provision of written notice of intent to terminate the Agreement at least 180 days prior to the Agreement expiration date of May 31, 2022. Notice must be provided by December 1, 2021.;
- The issuance of a Request for Proposal for the collection, hauling, and disposal of municipal solid waste and construction and demolition waste; and/or
- The renegotiation and approval of an agreement for the disposal of municipal solid waste and construction and demolition waste between the City and Waste Connections. (Staff)

FINANCIAL:

In September 2020, the City of Llano issued a Request for Proposal for solid waste. Waste Connections and Hill Country Waste Solutions submitted the following bids. The City of Llano selected Waste Connections.

Residential

Service	Waste Connections	Hill Country Waste Solutions
96 Gallon Cart	\$12.40/month	\$15.80/month

Commercial

Service	Waste Connections	Hill Country Waste Solutions
96 Gallon Cart	\$17.00/month	\$18.00/month
2 Cubic Yd Container	1-\$67.46/2- \$134.94/ 3- \$202.39/month	1-\$95.00/2- \$195.00 3- \$295.00/month
3 Cubic Yd Container	1-\$99.41/2-\$180.06/ 3-\$250.87/month	1-\$135.00/2-\$245.00/ 3-\$375.00/month
4 Cubic Yd Container	1-\$128.91/2-\$228.43/ 3-\$304.20/month	1-\$155.00/2-\$295.00/ 3-\$460.00/month
6 Cubic Yd Container	1-\$184.65/2-\$310.11/ 3-\$423.74/month	1-\$195.00/2-\$345.00/ 3-\$550.00/month

Note: Residential fee is for collection once per week.

Commercial fee above is once per week for carts, and 1, 2, or 3 times per week for Containers

Average Score by Evaluators:

Waste Connections – 88.75

Hill Country Waste Solutions - 78

ATTACHMENTS:

- City of Llano RFP responses; and
- Existing Franchise Agreement.

SUGGESTED ACTION: No motion provided.

PREPARED BY: City Staff

DATE SUBMITTED: 10/29/21

Solid Waste Collection Services
Proposal Comparisons

Residential

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96 Gallon Cart	\$12.40/month	\$15.80/month

Commercial

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**EXCLUSIVE FRANCHISE AGREEMENT
FOR THE COLLECTION, HAULING AND DISPOSAL OF
MUNICIPAL SOLID WASTE AND CONSTRUCTION AND DEMOLITION WASTE
IN THE CITY OF JOHNSON CITY, TEXAS**

JUNE 1, 2002

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**EXCLUSIVE FRANCHISE AGREEMENT
FOR THE COLLECTION, HAULING AND DISPOSAL OF
MUNICIPAL SOLID WASTE AND CONSTRUCTION AND DEMOLITION WASTE
IN THE CITY OF JOHNSON CITY, TEXAS**

STATE OF TEXAS

COUNTY OF BLANCO

THIS EXCLUSIVE FRANCHISE AGREEMENT (this "Agreement") is made and entered into as of June 1, 2002, by and between IESI TX Corporation, a Texas Corporation (the "Service Provider"), and the City of Johnson City, Texas (the "City").

WHEREAS, the City, subject to the terms and conditions set forth herein and the ordinances and regulations of the City, desires to grant to the Service Provider the exclusive franchise, license and privilege to collect, haul and dispose of Municipal Solid Waste and Construction and Demolition Waste (as such terms are defined herein) within the City's corporate limits.

NOW, THEREFORE, in consideration of the premises and the mutual promises, covenants and agreements set forth herein, the Service Provider and the City hereby agree as follows:

SECTION 1. DEFINED TERMS.

The following terms, as used herein, will be defined as follows:

Bulky Item - Any item measuring in excess of either forty-eight (48) inches in length or fifty (50) pounds in weight, including, but not limited to refrigerators, stoves, washing machines, water tanks, chairs, couches, chairs and tree trimmings.

Bundles - Items not measuring in excess of either forty-eight (48) inches in length or fifty (50) pounds in weight and which are securely fastened together, including, but not limited to, brush, newspapers and tree trimmings.

Business Day - Any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the City.

Commercial Unit - Any non-manufacturing commercial facility that generates and accumulates Municipal Solid Waste during, or as a result of, its business, including, but not limited to, restaurants, stores and warehouses.

Construction and Demolition Waste - Solid Waste resulting from construction or demolition activities or that is directly or indirectly the by-product of such activities, including, but not limited to, cartons, concrete, excelsior, gypsum board, metal, paper, plastic, rubber and wood

products. Construction and Demolition Waste does not include Hazardous Waste or Municipal Solid Waste.

Container - Any receptacle, including, but not limited to, dumpsters, Roll-Offs and Roll-Outs, provided to the City by the Service Provider and utilized by a Commercial, Industrial or Residential Unit for collecting Municipal Solid Waste. Containers are designed to hold between ninety-five (95) gallons and forty (40) cubic yards of Municipal Solid Waste.

Hazardous Waste - Solid Waste identified or listed as a hazardous waste by the administrator of the United States Environmental Protection Agency (EPA) under the federal Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended, or so classified by any federal or State of Texas statute, rule, order or regulation.

Handicapped Residential Unit - Any residential dwelling that is inhabited by persons, all of whom are physically handicapped to the extent that they are unable to place Municipal Solid Waste at the curbside, and that generates and accumulates Municipal Solid Waste. The identities of the members of a Handicapped Residential Unit shall be certified by the City Manager and agreed to by the Service Provider.

Holidays - The following days:

- (1) New Year's Day (January 1st)
- (2) Memorial Day
- (3) Independence Day (July 4th)
- (4) Labor Day
- (5) Thanksgiving Day
- (6) Christmas Day (December 25th).

Industrial Unit - Any manufacturing, mining or agricultural facility that generates and accumulates Municipal Solid Waste during, or as a result of, its operations.

Landfill - Any facility or area of land receiving Municipal Solid Waste or Construction and Demolition Waste and operating under the regulation and authority of the Texas Natural Resource Conservation Committee ("TNRCC") within the State of Texas, or the appropriate governing agency for landfills located outside the State of Texas.

Multi-Family Residential Unit - Any residential dwelling that is designed for, and inhabited by, multiple family units and that generates and accumulates Municipal Solid Waste.

Municipal Solid Waste - Solid Waste resulting from or incidental to municipal, community, commercial, institutional or recreational activities, or manufacturing, mining, or agricultural operations. Municipal Solid Waste does not include Construction and Demolition Waste or Hazardous Waste.

Residential Unit - Any residential dwelling that is either a Single-Family Residential Units or a Multi-Family Residential Units.

Roll-Off - A Container with twenty (20) cubic yards to forty (40) cubic yards of capacity.

Cart - A Container with ninety-five (95) gallons of capacity.

Single-Family Residential Unit - Any residential dwelling that is designed for, and inhabited by, a single person or family unit and that generates and accumulates Municipal Solid Waste.

Solid Waste - As defined by the EPA under 40 C.F.R. § 261.2(a)(1), or by the State of Texas under the Solid Waste Disposal Act § 361.003(38).

White Good - Any item measuring in excess of either three (3) cubic feet in size or fifty (50) pounds in weight and that is manufactured primarily from metal, including, but not limited to, a bath tub, heater, hot water heater, refrigerator, sink or washer and dryer.

SECTION 2. EXCLUSIVE FRANCHISE GRANT.

The City hereby grants to the Service Provider, in accordance with the City's ordinances and regulations governing the collection, hauling and disposal of Municipal Solid Waste and Construction and Demolition Waste, the exclusive franchise, license and privilege to collect, haul and dispose of Municipal Solid Waste and Construction and Demolition Waste over, upon, along and across the City's present and future streets, alleys, bridges and public properties.

SECTION 3. OPERATIONS.

A. **Scope of Operations.** It is expressly understood and agreed that the Service Provider will collect, haul and dispose of all Municipal Solid Waste and Construction and Demolition Waste (as provided in Sections 7.B. and 9.C.) (i) generated and accumulated by Commercial, Industrial and Residential Units, and (ii) placed within Containers by those Commercial, Industrial and Residential Units receiving the services of the Service Provider (or otherwise generated and accumulated in the manner herein provided by those Commercial Units, Industrial Units and Residential Units), all within the City's corporate limits, including any territories annexed by the City during the term of this Agreement (the "Services").

B. **Nature of Operations.** The City hereby grants to the Service Provider, in accordance with the City's ordinances and regulations governing the collection, hauling and disposal of Municipal Solid Waste and Construction and Demolition Waste, the title to all Municipal Solid Waste and Construction and Demolition Waste collected, hauled and disposed of by the Service Provider over, upon, along and across the City's present and future streets, alleys, bridges and public properties. All title to and liability for materials excluded from this Agreement shall remain with the generator of such materials.

SECTION 4. SINGLE-FAMILY RESIDENTIAL UNIT COLLECTIONS.

A. Single-Family Residential Units. The Service Provider will collect Municipal Solid Waste from Single-Family Residential Units once per week; provided, that (i) such Municipal Solid Waste is placed in Roll-Outs provided by the Service Provider, and (ii) such Roll-Outs are placed within five (5) feet of the curbside or right of way adjacent to the Single-Family Residential Unit no later than 7:00 a.m. on the scheduled collection day.

B. Excess or Misplaced Municipal Solid Waste. The Service Provider shall be responsible for collecting, hauling and disposing of Municipal Solid Waste placed inside the CARTS provided by the Service Provider. Municipal Solid Waste in excess of the Carts limits, or placed outside or adjacent to the Cart, will be collected by the Service Provider. The City may require the Single-Family Residential Unit to utilize an additional Cart so that the excess or misplaced Municipal Solid Waste will be regularly contained. The Service Provider shall be compensated for these additional Services as provided for in Section 9.A. hereto.

C. Handicapped Residential Units. Notwithstanding anything to the contrary contained herein, the Service Provider agrees to assist Handicapped Residential Units with house-side collection of their Cart; provided, that the Service Provider receives prior written notice from the Handicapped Residential Unit of such special need.

SECTION 5. COMMERCIAL, INDUSTRIAL AND MULTI-FAMILY RESIDENTIAL UNIT COLLECTIONS.

The Service Provider will collect Municipal Solid Waste from Commercial, Industrial and Multi-Family Residential Units once or twice per week, as provided for in Section 9.B. hereto. The Service Provider shall only be responsible for collecting, hauling and disposing of Municipal Solid Waste placed inside the Containers provided by the Service Provider. However, the Service Provider shall be obligated to offer and provide sufficient service to Commercial, Industrial and Multi-Family Residential Units, and to increase or decrease, as necessary, the frequency of collection and the size or number of Containers so that Commercial, Industrial or Multi-Family Units' Municipal Solid Waste will be regularly contained. The Service Provider shall be compensated for these additional Services as provided for in Section 9.B. hereto.

SECTION 6. SPECIAL COLLECTIONS AND SERVICES.

A. Municipal Locations. The Service Provider will provide, at no cost to the City, up to an aggregate number of Six (6) Carts or three or four yard Containers to collect Municipal Solid Waste at certain municipal locations within the City once or twice per week, as needed. Specifically, the provisions of this Section 6.A. shall apply to the following locations (the number of Containers are indicated in parenthesis):

- City Hall (1)
- Water Plant (1)
- (2) City Yards (2)

B. Special Events. In addition, the Service Provider will provide, at no cost to the City, Six (6) Roll Off Containers to collect Municipal Solid Waste at certain special events in the City, including City Clean up day; provided, that the City gives the Service Provider reasonable prior written notice of the date of such special event as well as the number of Containers that will be required.

SECTION 7. BULKY ITEMS AND BUNDLES.

A. Pre-Arranged Collections. The Service Provider will collect Bundles from Single-Family Residential Units once per week, as designated by the Service Provider on their scheduled collection day, and (ii) the Bundles (A) are placed at the curbside no later than 7:00 a.m. on the scheduled collection day, (B) are reasonably contained, and (C) do not exceed Two (2) cubic yards in total volume or have any individual item exceeding fifty (50) pounds in weight. The Service Provider shall only be responsible for collecting, hauling and disposing Bundles from those Single-Family Residential Units that have complied with this Section 7.A.

B. Negotiated Collections. It is understood and agreed that the service provided under Section 7.A. does not include the collection of Bulky Items and Bundles comprised of Construction and Demolition Waste, White Goods and furniture or any materials resulting from remodeling, general property clean-up or clearing of property for the preparation of construction. However, the Service Provider may negotiate an agreement on an individual basis with the owner or occupant of a Single-Family Residential Unit regarding the collection of such items by utilizing the Service Provider's Roll-Off Services.

SECTION 8. TITLE TO EQUIPMENT.

Notwithstanding anything to the contrary contained herein, it is expressly understood and agreed that all equipment, including, but not limited to, Containers, provided by the Service Provider in connection with the Services, shall at all times remain the property of the Service Provider.

SECTION 9. RATES AND FEES.

Subject to adjustment, as provided in Section 10 hereto, the rates and fees to be charged and received by the Service Provider are as follows:

A. Single-Family Residential Unit Services. For the Services provided to Single-Family Residential Units under Section 4.A. hereto, the Service Provider shall charge (i) \$ 9.26 per month for each Single-Family Residential Unit utilizing one Cart, plus (ii) \$5.50 per month for each additional Cart utilized by such Single-Family Residential Unit. These rates apply to all Single-Family Residential Units that are located within the City's corporate limits and billed by the City for water or sewer services.

B. Commercial, Industrial and Multi-Family Residential Unit Services. For the Services provided to Commercial, Industrial and Multi-Family Residential Units under Section 5 hereto, the Service Provider shall charge per month for each Container utilized the following rates:

<u>Container Size</u>	<u>Collections Per Week</u>	<u>Monthly Rate</u>
95 gallons	One	\$ 12.37
4 yards	One	\$ 78.53
4 yards	Two	\$152.86
6 yards	One	\$120.26
6 yards	Two	\$231.93

For any collection that the Service Provider is required to make in excess of the above weekly figures, the Service Provider shall charge an additional \$25.00 per service per Container. The foregoing rates apply to all Commercial, Industrial and Multi-Family Residential Units that are located within the City's corporate limits and billed by the City for water or sewer services.

C. Roll-Off Services. Subject to adjustment by the Service Provider in its sole discretion, for the Services provided under Sections 7.A. and 11 hereto, the Service Provider shall charge for each Roll-Off utilized the following fees:

Delivery Fee	\$ 75.00
Rental Fee	\$ 4.00 per day
Haul Fee	
20 Yard	\$ 375.00
30 Yard	\$ 412.00
40 Yard	\$ 450.00

The Service Provider will negotiate agreements with each Commercial, Industrial or Residential Units on an individual basis regarding the Roll-Off Services to be provided. The Roll-Off Services will be billed directly to such Commercial, Industrial or Residential Unit and will be collected by the Service Provider. The Roll-Offs provided pursuant to this Section 9.C. must be located within the City in accordance with City ordinances and policies. The city will receive 5% of gross revenues for roll off services provided in the city limits as a franchise fee.

SECTION 10. RATE ADJUSTMENT.

A. CPI-U Adjustment. After the expiration of the first Eighty Four (84) months of this Agreement, the Service Provider shall have the right, in its sole discretion and upon giving prior notice to the City, to increase or decrease the rates set forth in Section 9 hereto (the "Initial Rates") in accordance with the CPI-U. As used herein, "CPI-U" shall mean the revised Consumer Price Index rate for all urban consumers (all items included) for the nearest available metropolitan area, based on the latest available figures from the Department of Labor's Bureau of Labor Statistics (the "Bureau"). The CPI-U used will be the CPI-U published by the Bureau during the month ninety (90) days preceding the adjustment under this Section 10.A. The amount of the increase or decrease under this Section 10.A. shall be equal to the percentage that the CPI-U has increased or decreased over the previous twelve (12) month period.

B. Operating Cost Adjustment. After the expiration of the first Eighty Four (84) months of this agreement the Service Provider may petition the City for additional rate and price adjustments at reasonable times on the basis of material or unusual changes in its cost of operations due to, or directly resulting from, increased fuel costs, landfill costs, ad valorem taxes, governmental fees or regulations, or revised federal, state or local laws, ordinances or regulations. At the time of any such petition, the Service Provider shall provide the City with documents and records in reasonable form and sufficient detail to reasonably establish the necessity of any requested rate adjustment. Any rate adjustment may be approved by the City Council and shall not be unreasonably withheld.

SECTION 11. EXCLUSIONS.

Notwithstanding anything to the contrary contained herein, this Agreement shall not cover the collection, hauling or disposal of any Hazardous Waste, Regulated Medical Waste, auto parts, used tires, concrete, dirt, gravel, rock or sand from any Container provided by the Service Provider located at any Commercial, Industrial or Residential Unit; provided, however, that the Service Provider and the owner or occupant of a Commercial, Industrial or Residential Unit may negotiate an agreement on an individual basis regarding the collection, hauling or disposal of Construction and Demolition Waste, auto parts, used tires, concrete, dirt, gravel, rock or sand by utilizing the Service Provider's Roll-Off Services.

SECTION 12. TERM OF AGREEMENT.

The term of this Agreement shall be for a period of Ten (10) years, commencing on June 1, 2002 and concluding on May 31, 2012. At the expiration of the term of this Agreement, the Agreement will be extended for successive periods of Ten (10) years; provided, that neither party provides the other party with written notice of intent to terminate this Agreement at least 180 days prior to the expiration date of this Agreement or 180 days prior to any of the then applicable individual Ten (10) year extension periods. If either party provides such notice, this Agreement will cease to be renewed and will terminate at the end of either this Ten (10) year Agreement, or at the end of the subsequent Ten (10) year extension period, as applicable.

SECTION 13. ASSIGNMENT.

This Agreement shall not be assignable or otherwise transferable by the Service Provider without the prior written consent of the City; provided, however, that the Service Provider may assign this Agreement to an affiliate of the Service Provider without the City's prior written consent.

SECTION 14. ENFORCEMENT.

During the term of this Agreement and any extension thereof, the City agrees to adopt and maintain ordinances that will enable the Service Provider to provide the Services set forth herein. If the Service Provider experiences recurring problems of damage or destruction to or theft of the

Containers provided by the Service Provider pursuant to this Agreement, the Service Provider may, prior to replacing or repairing such Containers, require security deposits from the Commercial, Industrial or Residential Units utilizing such Containers. The City also hereby grants to the Service Provider the right of ingress and egress from and upon the property of Commercial, Industrial and Residential Units for the purposes of rendering the Services contemplated hereby.

SECTION 15. PROCESSING, BILLING AND FEES.

A. Monthly Statement. On a monthly basis, the City agrees to bill and collect any fees charged under Section 9 hereto from all Commercial, Industrial and Residential Units possessing active water meters within the City's corporate limits, as well as from all other Commercial, Industrial and Residential Units requiring the collection, hauling and disposal of Municipal Solid Waste within the City's corporate limits. Thereafter, the City will remit to the Service Provider an amount equal to the Monthly Statement. Such remittance shall be made by the City on or before the 25th day of each month (for the immediately preceding month's service) commencing on June 1, 2002. Along with each monthly remittance, the City shall provide the Service Provider with a report indicating the service type, size, location, and rate for Commercial Units and Industrial Units, as well as the number and rate of Residential Units which have been billed for that month. Nothing herein shall prohibit the City from collecting sums in addition to those sums called for herein.

B. Taxes. In addition to the amounts billed and collected by the City under Section 15.A., the City shall also be responsible for paying any and all sales, use and service taxes assessed or payable in connection with the Services.

C. Bad Debt; Unpaid Rates/Fees. The City agrees that payments owing to the Service Provider pursuant to this Agreement shall be based solely on the Services rendered by the Service Provider. The Service Provider shall not be held responsible for the collection of "bad debt" billed by and owed to City for the Services, nor shall the Service Provider be penalized for Services rendered that remain unpaid by any Commercial, Industrial or Residential Units.

SECTION 16. SPILLAGE.

It is understood and agreed that the Service Provider shall not be required to clean up, collect or dispose of any loose or spilled Municipal Solid Waste not caused by the Service Provider's rendering of the Services, or be required to collect and dispose of any excess Municipal Solid Waste placed outside of the Containers by any Commercial or Industrial Unit. The Service Provider may report the location of such conditions to the City so that the City can issue proper notice to the owner or occupant of the Commercial or Industrial Unit instructing the owner or occupant to properly contain such Municipal Solid Waste. Should excess Municipal Solid Waste continue to be placed outside of the Containers, the City shall require the Commercial or Industrial Unit to increase the frequency of collection of such Municipal Solid Waste, or require

the Commercial or Industrial Unit to utilize a Container with sufficient capacity so that the excess Municipal Solid Waste will be regularly contained. The Service Provider shall be compensated for these additional Services as provided for in Section 9.B. hereto, and shall be entitled to receive an extra collection charge for each additional Container requiring an extra collection.

SECTION 17. NON-COLLECTION NOTICE AND FOLLOW-UP.

A. Notice from the Service Provider. It is specifically understood and agreed that where the owner or occupant of a Commercial, Industrial or Residential Unit fails to timely place a Container as directed in Sections 4 and 5 hereto, or is otherwise in violation of the City's ordinances and regulations, the Service Provider's reasonable rules adopted hereunder or the provisions of this Agreement relating to the nature, volume or weight of Municipal Solid Waste to be removed, the Service Provider may refrain from collecting all or a portion of such Municipal Solid Waste and will notify the City within eight (8) hours thereafter of the reason for such non-collection. The Service Provider will also provide written notice to the Commercial, Industrial or Residential Unit of the reason for such non-collection, unless such non-collection is the result of the Commercial, Industrial or Residential Unit's failure to timely place the Containers, Bulky Items or Bundles out for collection. Such written notice shall be attached to the Container or the uncollected Solid Municipal Waste, shall indicate the nature of the violation and shall indicate the correction required in order that such Municipal Solid Waste may be collected.

B. Notice from a Commercial, Industrial or Residential Unit. When the City is notified by an owner or occupant of a Commercial, Industrial or Residential Unit that Municipal Solid Waste has not been removed from such Commercial, Industrial or Residential Unit and where no notice of non-collection or a change in collection schedule has been received by the City from the Service Provider, or the Service Provider has failed to collect Municipal Solid Waste from the Commercial, Industrial or Residential Unit without cause, as supported by notice as described herein, then the Service Provider will use all reasonable efforts to collect such Municipal Solid Waste on the day a collection order is issued by the City; provided, however, that if the Service Provider fails to make such collection on the same day that a collection order is issued by the City, the Service Provider shall make such collection no later than 12:00 p.m. on the following Business Day, and there shall be no charge to the Service Provider for any such original non-collection or late collection so long as the Service Provider makes such collection within such time.

SECTION 18. HOURS OF SERVICE.

For all the Services provided hereunder, the Service Provider's hours of service shall be between 7:00 a.m. to 7:00 p.m., Monday through Friday. The Service Provider will not be required to

provide service on weekends or Holidays except during natural disasters or emergencies, and may, at its sole discretion, observe Holidays during the term of this Agreement.

SECTION 19. CUSTOMER SERVICE.

The City agrees to field all inquiries and complaints from Commercial, Industrial and Residential Units relating to the collection, hauling and disposal of Municipal Solid Waste and Construction and Demolition Waste. The Service Provider and the City agree to cooperate with each other in the response to any such inquiries and the resolution of any such complaints. In order to assist the City in its obligations under this Section 19, the Service Provider agrees to provide City Hall with a primary contact and toll free telephone number, as well as Service Request Forms for customer service issues such as changes in service, container repair requests and missed collections.

SECTION 20. COMPLIANCE WITH APPLICABLE LAWS.

The Service Provider shall comply with all applicable federal and state laws regarding the collection, hauling and disposal of Municipal Solid Waste and Construction and Demolition Waste, including existing and future laws that may be enacted, as well as any regulations reasonably passed by the City that are not in derogation of this Agreement. Nothing in this Agreement shall be construed in any manner to abridge the City's right to pass or enforce necessary police and health regulations for the reasonable protection of its inhabitants. The City shall have the right to make reasonable inspections of the Service Provider in order to insure compliance with this Section 20.

SECTION 21. VEHICLES AND EQUIPMENT.

Vehicles used by the Service Provider for the collection, hauling and disposal of Municipal Solid Waste and Construction and Demolition Waste shall be protected at all times while in transit to prevent the blowing or scattering of Municipal Solid Waste and Construction and Demolition Waste onto the City's public streets, or properties adjacent thereto, and such vehicles shall be clearly marked with the Service Provider's name in letters and numbers not less than two (2) inches in height. All collection vehicles used by the Service Provider shall be washed and deodorized once per week.

SECTION 22. DUE CARE.

The Service Provider shall exercise due care and caution in providing the Services so that the City's public and private property, including streets and parking areas, will be protected and preserved.

SECTION 23. PERSONNEL AND PERFORMANCE STANDARDS.

The Service Provider shall not deny employment to any person on the basis of race, creed or religion, and will insure that all federal and state laws pertaining to salaries, wages and operating

requirements are met or exceeded. The Service Provider, its agents, servants and employees shall perform the Services in a courteous, competent and professional manner. During the term of this Agreement and any extension thereof, the Service Provider shall be responsible for the actions of its agents, servants and employees while such agents, servants and employees are acting within the scope of their employment or agency.

SECTION 24. INSURANCE COVERAGE.

Pursuant to this Agreement, the Service Provider shall carry the following types of insurance in an amount equal to or exceeding the limits specified below:

<u>Coverage</u>	<u>Limits of Liability</u>
(1) Workmen's Compensation	Statutory
(2) Employer's Liability	\$500,000
(3) Bodily Injury Liability (except automobile)	\$500,000 per occurrence; \$1,000,000 in the aggregate
(4) Property Damage Liability (except automobile)	\$500,000 per occurrence; \$500,000 in the aggregate
(5) Automobile Bodily Injury Liability	\$500,000 per person; \$1,000,000 per occurrence
(6) Automobile Property Damage Liability	\$500,000 per occurrence
(7) Excess Umbrella Liability	\$25,000,000 per occurrence

To the extent permitted by law, any or all of the insurance coverage required by this Section 24 may be provided under a plan(s) of self-insurance, including coverage provided by the Service Provider's parent corporation. On an annual basis, or upon the City's request, the Service Provider shall furnish the City with a certificate of insurance verifying the insurance coverage required by this Section 24.

SECTION 25. INDEMNITY.

The Service Provider assumes all risks of loss or injury to property or persons arising from its performance of the Services. The Service Provider agrees to indemnify and hold harmless the City and its agents, directors, employees, officers and servants from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, liabilities, losses or expenses (including, but not limited to, reasonable attorneys' fees) incident to its performance of the Services that arise out of a willful or negligent act or omission of the Service Provider, its officers and employees. However, the Service Provider shall not be liable for any legal

proceedings, claims, demands, damages, costs, expenses and attorneys' fees arising out of a willful or negligent act or omission of the City, its agents, directors, employees, officers and servants.

SECTION 26. PERFORMANCE SECURITY.

During the term of this Agreement and any extension thereof, the Service Provider agrees to procure and maintain a performance bond (i) payable to the City, (ii) issued by a surety acceptable to the City, and (iii) conditioned upon the Service Provider truly and timely performing all of its obligations under this Agreement, including, but not limited to, the provisions of Section 25 hereto. Such performance bond shall be in the amount of \$ 0.00

SECTION 27. SAVINGS PROVISION.

In the event that any term or provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, this Agreement shall, to the extent reasonably possible, remain in force as to the balance of its terms and provisions as if such invalid term or provision were not a part hereof.

SECTION 28. TERMINATION.

Any failure by the Service Provider or its successors and assigns to observe the terms and conditions of this Agreement shall, if continuing or persisting without remedy for more than thirty (30) days after the receipt of due written notice from the City (and signed by the Mayor), constitute grounds for forfeiture and immediate termination of all the Service Provider's rights under this Agreement, and all such rights shall become null and void.

SECTION 29. FORCE MAJEURE.

The performance of this Agreement may be suspended and the obligations hereunder excused in the event and during the period that such performance is prevented by a cause or causes beyond reasonable control of such party. The performance of this Agreement will be suspended and the obligations hereunder excused only until the condition preventing performance is remedied. Such conditions shall include, but not be limited to, acts of God, acts of war, accident, explosion, fire, flood, riot, sabotage, unusually severe weather, lack of adequate fuel, or judicial or governmental laws or regulations.

SECTION 30. GOVERNING LAW.

This Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the laws of the State of Texas And all obligations hereunder shall be performable in Blanco County, Texas.

SECTION 31. ACKNOWLEDGMENT.

The parties acknowledge that the failure of the Service Provider to collect, haul and dispose of Municipal Solid Waste and Construction and Demolition Waste in the City might damage the City in a way that could not be adequately compensated by monetary damages. The parties therefore agree that a breach or threatened breach of the Service Provider's obligations hereunder may appropriately be restrained by an injunctive order, granted by a court of appropriate jurisdiction.

SECTION 32. CUMULATIVE REMEDIES.

Pursuit of the remedies described in Section 31 hereto shall not preclude pursuit of any other remedies provided in this Agreement or any other remedies provided by law, nor shall pursuit of any remedy provided in this Agreement constitute a waiver of any amount or performance due from the Service Provider under this Agreement or of any damages accruing by reason of the violation of its term, provisions and covenants. No waiver of any violations shall be deemed or construed to constitute a waiver of any other violation or other breach of any the terms, provisions and covenants contained in this Agreement, and forbearance to enforce one or more of the remedies as provided on an event of default shall not be deemed or construed to constitute a waiver of such default or of any other remedy provided for in this contract.

SECTION 33. ACCEPTANCE.

PASSED AND APPROVED BY THE CITY OF JOHNSON CITY, CITY COUNCIL MEETING AT A TIME AND PLACE IN COMPLETE CONFORMITY WITH THE OPEN MEETING LAWS OF THE STATE OF TEXAS AND ALL OTHER APPLICABLE LAWS THIS _____ DAY OF _____, 2002.

IESI TX CORPORATION
PO Box 1770
Johnson City, Texas 78636

By: _____

Jeff Peckham
Vice President

CITY OF JOHNSON CITY
P.O. BOX 369
JOHNSON CITY, TEXAS 78636

By: _____

Name: _____

Title: [Mayor]

ATTEST:

By: _____

Name: _____

Title: [City Secretary]



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
07/28/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Southwest, Inc. Houston TX Office 5555 San Felipe Suite 1500 Houston TX 77056 USA	CONTACT NAME:	
	PHONE (A/C. No. Ext): (866) 283-7122	FAX (A/C. No.): (800) 363-0105
INSURED Waste Connections US Holdings, Inc. 3 Waterway Square Place, Suite 110 The Woodlands TX 77380 USA	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	NAIC #	
	INSURER A: ACE American Insurance Company	22667
	INSURER B: ACE Property & Casualty Insurance Co.	20699
	INSURER C: Indemnity Insurance Co of North America	43575
INSURER D:		
INSURER E:		
INSURER F:		

COVERAGES**CERTIFICATE NUMBER:** 570083334308**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			HDOG71449531	08/01/2020	08/01/2021	EACH OCCURRENCE	\$2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$100,000
							MED EXP (Any one person)	
							PERSONAL & ADV INJURY	\$2,000,000
							GENERAL AGGREGATE	\$5,000,000
							PRODUCTS - COMP/OP AGG	\$2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY			ISA H25302229	08/01/2020	08/01/2021	COMBINED SINGLE LIMIT (Ea accident)	\$5,000,000
							BODILY INJURY (Per person)	
							BODILY INJURY (Per accident)	
							PROPERTY DAMAGE (Per accident)	
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION			XOOG27614620006 SIR applies per policy terms & conditions	08/01/2020	08/01/2021	EACH OCCURRENCE	\$5,000,000
							AGGREGATE	\$5,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	WLRC67456348 AOS WLRC67456385 CA, MA	08/01/2020	08/01/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
A					08/01/2020	08/01/2021	E.L. EACH ACCIDENT	\$1,500,000
							E.L. DISEASE-EA EMPLOYEE	\$1,500,000
							E.L. DISEASE-POLICY LIMIT	\$1,500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Insurance

CERTIFICATE HOLDER**CANCELLATION**

Waste Connections US Holdings, Inc. 3 Waterway Square Place, Suite 110 The Woodlands TX 77380 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Southwest, Inc.</i>

Holder Identifier :

Certificate No : 570083334308



Mayor Dawn Capra
City of Johnson City
303 E. Pecan St.
Johnson City, TX 78636

August 10, 2018

Dear Mayor Capra:

As your partner in providing solid waste services to the City of Johnson City, Waste Connections of Texas (formerly Progressive Waste Solutions of TX, Inc.) always strives to provide this quality service at the lowest possible price. As you know, our costs of labor, health insurance, disposal and fuel increase every year.

We respectfully submit the annual Consumer Price Index (CPI-U) price adjustment per our agreement for all services as listed in Exhibit "A" Rates for Collection and Disposal of Refuse for the Johnson City. The criteria we are basing our request is outlined on pages 6-7, in Section 10. Rate Adjustment (A) CPI-U Adjustment of our agreement, dated June 1, 2002 and current First Amendment dated October 1, 2013. The CPI-U percentage for the time frame of July 1, 2017 to July 1, 2018 detailed on the above page and paragraph is 2.9% and is based upon the Consumer Price Index for All Consumers.

Whereas: $a - b = c$; and $(1 + c/b) \times d = \text{adjusted price for service}$, where

a is the CPI computed by the Bureau for the month of the Year in Question

b is the Base CPI

c is the index point change

d is the price for service specified in subparagraph B, Base Period Rate

$252.006 - 244.786 = 7.220$, and $(1 + 7.220/244.786) \times \$12.39 = (1 + 0.0294) \times \$12.39 = 2.9\% \times \$12.39 = \0.36 increase per residential unit per month plus taxes and fees. The new residential trash rate will be **\$12.75** per month plus taxes.

$252.006 - 244.786 = 7.220$, and $(1 + 7.220/244.786) \times \$4.04 = (1 + 0.0294) \times \$4.04 = 2.9\% \times \$4.04 = \0.12 increase per residential unit per month plus taxes and fees. The new residential recycling rate will be **\$4.16** per month plus taxes.

This rate increase would take effect on September 1, 2018.