

MHCSD

**Before the Board of Directors  
Of the Mountain House Community Services District  
County of San Joaquin, State of California**

**B-08-498**

**MOTION: ORNELLAS/MOW/5**

Adoption of a Board Order Extending the Permit of Tracy Delta Solid Waste Management, Inc. for the Collection, Transportation and Disposal of Solid Waste, Including the Collection of Recyclable Material, in the Mountain House Community Services District

THIS BOARD OF DIRECTORS DOES HEREBY Adopt a Board Order Extending the Permit of Tracy Delta Solid Waste Management, Inc. for the Collection, Transportation and Disposal of Solid Waste, Including the Collection of Recyclable Material, in the Mountain House Community Services District.

I HEREBY CERTIFY that the above order was passed and adopted on 5/13/08 by the following vote of the Board of Directors, to wit:

AYES: Ruhstaller, Ornellas, Gutierrez, Mow, Vogel

NOES: None

ABSENT: None

ABSTAIN: None

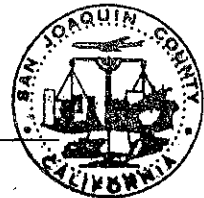
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MHCSD

LOIS M. SAHYOUN  
Secretary of the Board of Directors of the  
Mountain House Community Services District  
County of San Joaquin  
State of California

Lois Sahyoun





**MOUNTAIN HOUSE**<sup>®</sup>  
COMMUNITY SERVICES DISTRICT

230 S. STERLING DRIVE, SUITE 100, MOUNTAIN HOUSE, CA 95391  
(209) 831-2300 • (209) 831-5610 FAX  
[www.ci.mountainhouse.ca.us](http://www.ci.mountainhouse.ca.us)

May 13, 2008

Board of Directors  
Mountain House Community Services District  
222 E. Weber Avenue  
Courthouse – Room 701  
Stockton, CA 95202

Dear Board Members:

Adoption of a Board Order Extending the Permit of Tracy Delta Solid Waste Management, Inc. for the Collection, Transportation and Disposal of Solid Waste, Including the Collection of Recyclable Material, in the Mountain House Community Services District

**Recommendation**

It is recommended that the Board of Directors adopt a Board Order extending the permit for Tracy Delta Solid Waste Management, Inc. for the Collection, Transportation and Disposal of Solid Waste, including the Collection of Recyclable Material, in the Mountain House Community Services District (MHCS D).

**Reasons for Recommendation**

On May 28, 2002, the MHCS D Board of Directors approved a permit for Tracy Delta Solid Waste Management, Inc. to provide the refuse and recycling collection services within the MHCS D boundaries. This permit was granted by the Board pursuant to the provisions of a Public Service Allocation Agreement between MHCS D and the County of San Joaquin, making the MHCS D responsible for arranging for the refuse and recyclable collection services and setting the associated service rates. These rates were set by the Board and are increased annually equal to 75% of the CPI, but not to exceed 3%. In addition, when the County increases the landfill tipping fee, an adjustment in rates is permitted as well.

The permit approved by the Board was for three terms of seven (7) years each. The permittee is required to request an extension no later than 18 months prior to the expiration of the current permit term, which now expires June 30, 2009. The attached letter dated July 13, 2007, requested the extension within the allowable time frame.

The refuse and recyclable collection service provided by the permittee has been very good during the first term of the permit, and so it is recommended that the Board of Directors approve the request of Tracy Delta Solid Waste Management, Inc. under the same terms and conditions. The second term of the permit will commence July 1, 2009, and extend for the allowed seven (7) years. A copy of the permit is attached for your information.

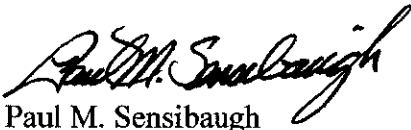
### **Fiscal Impact**

There is no cost to the County. The MHCSO is responsible for oversight and enforcement of permit conditions of the refuse and recyclable collection service in the MHCSO.

### **Action Following Approval**

The General Manager will issue the permit for continued operation of the permitted services in the MHCSO to Tracy Delta Solid Waste Management, Inc.

Respectfully submitted,



Paul M. Sensibaugh  
General Manager

c: County Administrator  
County Counsel  
Special Counsel

BEFORE THE BOARD OF DIRECTORS OF THE MOUNTAIN HOUSE  
COMMUNITY SERVICES DISTRICT, STATE OF CALIFORNIA

RESOLUTION

R-02-320

**RESOLUTION AUTHORIZING ISSUANCE OF A PERMIT TO TRACY  
DELTA SOLID WASTE MANAGEMENT, INC. TO PROVIDE FOR THE  
COLLECTION, TRANSPORTATION, AND DISPOSAL OF SOLID WASTE,  
INCLUDING THE COLLECTION OF RECYCLABLE MATERIAL, IN THE  
MOUNTAIN HOUSE COMMUNITY SERVICES DISTRICT; AND APPROVAL  
OF RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL RATES**

BE IT RESOLVED that the Permit with Tracy Delta Solid Waste Management, Inc. entitled, "Permit for the Collection, Transportation and Disposal of Solid Waste, Including the Collection of Recyclable Material, in the Mountain House Community Services District," is hereby approved and the Chairman is directed to execute the same.

PASSED AND ADOPTED 5/28/02, by the following vote of the Board of Supervisors, sitting as the Board of Directors of the Mountain House Community Services District, to wit:

- AYES: **Bedford, Gutierrez, Sieglock, Marengo, Mow**
- NOES: **None**
- ABSTAIN: **None**
- ABSENT:

ATTEST: LOIS M. SAHYOUN  
Clerk of the Board of Supervisors  
of the County of San Joaquin, State  
of California, Sitting as the Governing  
Board of the Mountain House  
Community Services District



**Victor Mow**

VICTOR MOW, Chairman of the  
Board of Supervisors of the County  
of San Joaquin, State of California,  
Sitting as the Governing Board of the  
Mountain House Community  
Services District

By: Caroline Junco  
Deputy Clerk

A-02-402  
MAY 28 2002

**A PERMIT FOR THE COLLECTION, TRANSPORTATION  
AND DISPOSAL OF SOLID WASTE,  
INCLUDING THE COLLECTION OF RECYCLABLE MATERIAL,  
IN THE MOUNTAIN HOUSE COMMUNITY SERVICES DISTRICT**

This permit is issued, subject to the provisions and conditions set forth below, to Tracy Delta Solid Waste Management Inc, hereinafter referred to as "Permittee" by the Mountain House Community Services District, hereinafter referred to as "MHCS D", pursuant to the provisions of a Public Service Allocation Agreement between MHCS D and the County of San Joaquin, dated May 28, 1996 and as amended January 26, 1999, and the provisions of California Government Code § 61600.

**Conditions:** Permittee shall have the exclusive right to collect and transport solid waste, including refuse, green waste and recyclable materials from residential, commercial, and industrial properties within the Mountain House Community Services District, except as hereinafter provided, and subject to the following:

- ◆ Provide a minimum of weekly refuse collection services to all residents, property owners, lessees, or persons in control of property generating refuse and/or recyclable materials, which shall include all occupied single-family residential, multi-family residential, commercial, industrial and governmental properties. Permittee shall provide services more frequently than weekly at rates established by the MHCS D Board for the premises within MHCS D which generate larger volumes of refuse and either request such service or for whom such more frequent service is directed by the MHCS D General Manager in order to avoid waste material being stored outside of the provided containers, overflowing the containers, or being stored in or on the containers in a manner that makes it difficult for the Permittee to use automated equipment or to avoid spilling waste material on the ground.
- ◆ Provide a minimum of biweekly recyclable materials collection services to all residents, property owners, lessees, or persons in control of property generating refuse and/or recyclable materials, which shall include all occupied single-family residential and multi-family properties. The Permittee shall make available recycling programs to its commercial customers. The manner of collection will be by mutual agreement, subject to approval by the MHCS D General Manager.
- ◆ Provide a minimum of bi-weekly green waste collection services to all single-family residential customers, using a separate container and collection vehicle. Residential green waste collection shall be curbside collection on the same collection day as recyclable materials, unless otherwise approved by the MHCS D General Manager. The same green waste collection service shall be provided to apartment complexes of four or fewer units upon request by the customer. Green waste shall include

A-02-422

any waste separated at the curbside which is derived from plant material, including but not limited to, leaves, grass clippings, weeds, trimmings, untreated wood waste or shrubbery cuttings. Except otherwise herein provided, collection of green waste too large in size or volume to fit in the green waste container will be picked up when the customer makes arrangements for a "Special Pickup", with a fee chargeable in accordance with the MHCS D Board adopted fee schedule.

- ◆ Collection of solid waste, recyclable materials and green waste shall only occur between the hours of 5:00 a.m. and 8:00 p.m., Monday through Saturday, unless otherwise determined by the MHCS D General Manager or designee.
- ◆ Collection of solid waste, green waste and recyclable materials shall be on a schedule to be approved by the MHCS D General Manager or designee.
- ◆ For all services provided by the Permittee, the Permittee shall be responsible for purchasing or leasing, distributing, and maintaining any collection containers or bins provided to its customers. The cost of any such containers used in the provision of bi-weekly (or more frequent) collection service shall be included in the monthly service fee as approved by the MHCS D Board. The Permittee will not be permitted to charge an additional fee or to separately bill the customers for the rental or use of any such containers used as part of the bi-weekly (or more frequent) regularly scheduled service. Permittee shall replace or repair collection containers or bins at no additional cost to the customer, where loss or damage is not due to customer misuse or negligence. Where loss or damage is due to customer misuse or negligence, the customer shall reimburse the Permittee at the current invoice cost for replacement.
- ◆ Service to single family and multi-family residential properties shall include containerized source separated collection of refuse, recyclable and green waste materials at the curb (or other location approved by the MHCS D General Manager or designee). For purposes of this permit, "containerized source separated" means that the following recyclables shall be placed in one or more containers separately from residential refuse and green waste:
  - Newspaper (including inserts, coupons, and store advertisements)
  - Mixed paper (including office paper, computer paper, magazines, junk mail, catalogs, paperboard, phone books, brown paper, grocery bags, colored paper, construction paper, shoe boxes, cereal and other food boxes that are not contaminated with food waste.
  - Chipboard
  - Corrugated cardboard
  - Steel or tin cans
  - Glass containers (including brown, clear, and green glass bottles and jars)

- Aluminum (including beverage containers, foil, food containers)
- PET plastic containers
- Any other materials mutually agreed to by the service provider and MHCS D General Manager. Additionally, if materials listed become technically or financially infeasible to recycle, such materials may be deleted upon mutual agreement of the service provider and MHCS D General Manager.
- ◆ Permittee shall not litter premises while collecting solid waste or allow such materials to blow away or fall from the collection vehicle. Containers shall be returned to the location from which they were collected, unless the location is in the street right-of-way, in which case the container shall be returned to the closest safe location that does not damage the premises or block ingress or egress. All collection activities shall be conducted in such a manner that public and private property will not be damaged, premises shall be left in a neat and clean condition, and containers shall be handled in a manner as to not damage them.
- ◆ Permittee shall charge customers for solid waste collection services not more than the rates approved by the MHCS D Board. Exhibit "A", attached hereto and incorporated herein by reference, sets the initial rates, and procedures for adjusting rates. MHCS D shall be responsible for billing services, with the Permittee responsible for verifying the correctness of the billing by reviewing billing listings provided by MHCS D. The Permittee shall allow a senior citizen's discount for residential refuse collection for each property where no more than two inhabitants reside, one of which is shown by driver's license or other identification acceptable to the Permittee to be sixty-five (65) years of age and older. Such discount shall be equal to twenty (20%) of the rate charged for the base level of service as designated by the MHCS D General Manager. Upon a schedule established by MHCS D, Permittee shall provide such information as MHCS D needs to bill customers. MHCS D will remit to Permittee, by the last day of the month, that portion of the solid waste collection fee that is received during the preceding month and is allocated to the Permittee for the collection and transportation of solid waste, less the permit fee payable to MHCS D, as authorized by the MHCS D Board.
- ◆ Backyard collection service shall be provided at no additional fee to disabled or elderly single-family residential customers requiring this service and meeting eligibility criteria to be approved by the MHCS D General Manager. Backyard collection services for customers who do not meet the criteria may be provided by the refuse collection firm for a fee to be approved by the MHCS D Board
- ◆ The design, construction, size and color of containers for the collection of refuse, recyclable and green waste materials are subject to the approval of the MHCS D General Manager. It is anticipated that containers for single

family residential accounts will consist of one approximately 101 gallon capacity green waste container (a second container to be supplied upon customer request, for an additional fee as approved by the MHCS Board), one refuse container of either approximately 64 or 90 gallons as requested by the customer (a second container to be supplied upon customer request, for an additional fee as approved by the MHCS Board) and one recyclable materials container of approximately 90 gallon capacity (a second container for recyclable material will be provided, upon request, to the customer for no additional charge). For multi-family, commercial and industrial customers, Permittee shall provide the readily available size and type of container that is required by the customer.

- ◆ Permittee shall steam clean and refurbish all dumpsters used in collection, at Permittee's expense, up to twice per year upon request by either the customer or MHCS General Manager or designee. Customers desiring more frequent cleaning may arrange additional cleaning with Permittee at a rate established in a manner as approved by the MHCS Board.
- ◆ Solid Waste that is not in a container approved by the MHCS General Manager and in accordance with such other regulations as may be adopted by the MHCS Board or General Manager, need not be collected by the Permittee. A notice of noncompliance will be posted by the Permittee in a manner to be approved by the MHCS General Manager and a record kept by the Permittee of such noncompliance, with such information being provided to the MHCS General Manager or designee upon request.
- ◆ Permittee shall transport all collected solid waste to such disposal site, materials recovery facility or transfer station as may be designated by the MHCS General Manager, and conform to the site's receiving and unloading standards. It is presently anticipated that the primary disposal site will be the Tracy Materials Recovery Facility (Tracy MRF). Solid waste transported to that site shall remain the property of the Permittee. At the determination of San Joaquin County, waste that is not acceptable at the Tracy MRF, and residue from the Tracy MRF will be disposed of by the Permittee at the Foothill Sanitary Landfill, provided the waste is a type that is legally acceptable at the Foothill Landfill. Waste disposed of at a San Joaquin County owned landfill site will, at the option of the County, become the property of the County upon disposal. The Permittee shall be responsible for paying any fee for deposit of collected materials at any site designated for deposit and processing by the MHCS General Manager.
- ◆ Recyclable and green waste material shall be disposed of in a location and manner approved by the MHCS General Manager and which provides the maximum diversion credit for San Joaquin County.
- ◆ If directed by the MHCS General Manager, the Permittee shall post a non-interest earning cash advance with the Materials Recovery Facility to which MHCS directs solid waste. The cash advance shall be in an amount to be determined by the MHCS General Manager, but not less



than \$2,000. This is an advance payment of gate fees to be paid by Permittee to the MRF operator. Individual gate fee transactions by Permittee at the facility will be deducted from the advance deposit. No later than the last business day of the month following the month in which Permittee incurred the deductions, the Permittee will make such payment to the MRF operator so as to return the cash advance amount to the amount designated by the MHCS D General Manager. The cash advance amount shall be reviewed semiannually by the MHCS D General Manager and adjusted to an amount equal to the monthly average of the prior six-month gate fees, but not less than \$2,000. In lieu of paying the advance deposit towards gate fees, Permittee may propose and utilize a different method of paying gate fees, provided such method is approved by the MHCS D General Manager prior to implementation. Such approval will be granted on a temporary basis and may be revoked at the discretion of the MHCS D General Manager. If such approval is revoked, Permittee shall immediately pay the advance deposit as established in this paragraph. For use of any landfill owned by the County of San Joaquin, Permittee shall follow all rules and regulations established by the San Joaquin County Board of Supervisors that pertain to use of the county owned landfill, including but not limited to requirements for cash payment or prepaid deposits.

- ◆ Permittee shall provide for the removal of leaves by collection of the yard waste container on a weekly basis, unless an alternate method is specified by the MHCS D General Manager, during the months of November through January, unless the MHCS D General Manager approves a later start, earlier conclusion or less frequent removal due to weather conditions. Permittee shall submit to MHCS D General Manager a leaf pickup plan by September 1 of each year. The MHCS D General Manager shall review the leaf pickup plan, including the method of collection, and approve or mutually modify the plan by October 15. If an alternate method (other than the collection of the yard waste container on a weekly basis) is specified by the MHCS D General Manager, Permittee shall be entitled to an increase in fees to account for costs in excess of the weekly collection method, subject to agreement with the MHCS D General Manager.
- ◆ The Permittee shall, without compensation from MHCS D and without additional charge to residential customers, provide an annual curbside collection service in support of a community clean-up event (Spring Cleanup). The event will be held yearly on dates mutually agreed upon by Permittee and the MHCS D General Manager, commencing 12 months after the start of service under this permit. The service provider shall mobilize all necessary equipment to pick up any and all solid waste (up to ten (10) 32 gallon bags, or equivalent, per customer) that would not normally be deposited in the household refuse container, such as furniture, appliances, construction debris, etc., except that such collection responsibility does not apply to agricultural, commercial or industrial

wastes or waste generated by business activities or by a contractor's/vendor's work at a residence or to hazardous waste or items such as appliances, computers or televisions containing hazardous waste for which a special handling fee is charged by the disposal site. Such solid waste shall be boxed, bundled, bagged, or otherwise contained. This service shall be available to apartment residents serviced by the Permittee but not to commercial operators of apartment houses. The Permittee will deliver all of the collected materials to the same site and in the same manner as provider delivers regularly collected residential refuse, except that Permittee may separate out recyclables and dispose of those in the same manner as Permittee disposes of other recyclable materials.

- ◆ The Permittee shall, without compensation from MHCS D and without additional charge to residential customers, provide curbside collection of all Christmas trees discarded by residential customers during the first two regularly scheduled collection days after New Year's Day for each collection route. The Permittee shall deliver and process the Christmas trees as green waste in the same manner as regularly collected residential green waste is delivered and processed, in a manner that earns the maximum diversion credit for San Joaquin County.
- ◆ The Permittee shall provide collection of bulky goods (furniture, white goods, computers, televisions and other discarded materials not suitable for regular container service) as an on-going service available to residential customers. Except during the Spring Cleanup event, the service requires pickup of bulky items from residents on an on-call basis for a service fee established in a manner as approved by the MHCS D Board. The Permittee shall deliver the materials to a disposal site to be designated by the MHCS D General Manager.
- ◆ Collection of refuse shall be provided using fully automated vehicles, unless otherwise approved by MHCS D General Manager.
- ◆ At the commencement of the term of the permit, Permittee shall provide and utilize trucks and other equipment which present a clean appearance, and shall be painted, thoroughly washed and steam cleaned on a regular basis so as to maintain a clean appearance. Permittee shall repaint vehicles and equipment if MHCS D General Manager or designee reasonably determines that their appearance warrants painting due to graffiti, scratches, dents and other accumulated damage. Such vehicles and equipment shall be maintained at all times so as to prevent leakage, spillage or overflow of collected materials and shall be in good repair, conforming to the requirements of all applicable county, state and federal laws and MHCS D ordinances, and all limitations in any licenses or permits under which Permittee operates. Should MHCS D at any time notify Permittee that any vehicle or piece of equipment is not in compliance with those standards, Permittee shall remove the particular vehicle or equipment from service until it has been inspected and approved for service by MHCS D. In no event shall such a removal of

vehicles or equipment from service relieve Permittee of its obligations to perform the required services. Each vehicle shall be assigned a distinct identification number that shall be prominently displayed on the vehicle. Each vehicle shall also prominently display the collection firm's name and telephone number in large, clearly legible letters and numerals. The vehicles shall not be stored on the public street or other public property within Mountain House. If stored within Mountain House, such vehicles shall be stored in the proper zone, within a building or fenced yard. No vehicle shall be parked with a full or partial load of solid waste for more than 24 hours, or 60 hours over a weekend.

- ◆ Collection workers shall wear a clean uniform at the beginning of each workday with conspicuous insignia displaying the collection firm's name and the worker's name or identification number.
- ◆ Neither on the vehicles and equipment nor on employee uniforms will the words Mountain House or Community Services District appear, nor any other language that might lead customers to believe the collection service is being directly provided by MHCS D or Permittee is an employee of MHCS D.
- ◆ The Permittee shall provide a 24-hour, 7 day per week directory listed customer service number. At least during the hours of 7:00 a.m. through 5:00 p.m., Monday through Friday (except holidays upon which collection is not scheduled), this number shall be responded to by a person able to answer account billing questions, open or close accounts, arrange for special services and answer questions or take action to resolve collection problems. During other hours an answering machine will respond at the customer service number with basic information regarding service schedule, available services and office hours. Permittee shall maintain a record of all written and verbal complaints received, which shall be provided to MHCS D upon request. Said record shall contain at a minimum information as follows (subject to cooperation from the public): Name, address and telephone number of complaining party, service address, description of the problem or complaint, time and date received, and Permittee's response or action taken and the time of such disposition. The initial response to an inquiry or complaint shall be made no later than the end of the next workday following the day upon which the inquiry or complaint is made.
- ◆ At Permittee's expense, provide timely information to customers in advance regarding rate changes, change in service, such as altered days of collection due to a holiday or route change, incorrect set out or disallowed materials within containers, cleanup events, Christmas tree collection, bulky item pickup services, backyard service availability, senior citizen discount application procedures, complaint procedures and customer service numbers and hours. Notices shall be provided to customers in such form and on a schedule approved by the MHCS D General Manager.

Changes in schedule due to a holiday are subject to approval by the MHCS D General Manager.

- ◆ At Permittee's expense, provide a pro-active, effective, on-going marketing and public education program directed to customers to encourage residential reuse, recycling, waste minimization and composting or other beneficial green waste use in support of and to promote the County's efforts to achieve a 50% diversion goal and AB939 compliance and to minimize the contamination of the collected solid waste material by the improper disposal of hazardous waste.
- ◆ Submit monthly and annual reports required to complete AB939 reporting requirements, with such information and in such form as specified by the MHCS D General Manager. Additionally the Permittee will be required to submit an annual plan to MHCS D that outlines the Permittee's proposed efforts to achieve 50% diversion, including information and status concerning public education efforts and achievements. The first annual plan is due from the Permittee within sixty (60) calendar days of the start of service under this permit.
- ◆ The Permittee shall monthly provide information regarding the prior month activities in such detail and format as specified by the MHCS D General Manager. Such information shall include, but not be limited to, total waste quantities collected by customer category and total quantities of waste collected for recycling, composting or otherwise for recovery by Permittee for reuse, and total number of customers by category. Failure to provide either the information in this paragraph or AB939 reporting information within 30 days of the conclusion of the month for which data is being reported shall cause the Permittee to pay to MHCS D a penalty of \$50.00 per day for each day of such failure. Such payment shall not be the exclusive remedy for such breach but shall be accumulative of any other remedies available to MHCS D.
- ◆ At all time, the books and records of the Permittee maintained in connection with Permittee's services under this permit shall be open to inspection by the MHCS D General Manager or designee. Any such inspection shall be done only during customary business hours on Mondays through Fridays. Such books and records shall be maintained as would those of an independent entity including, but not limited to, customer lists and billing rates, records of assets, liabilities, revenues, expenses, net worth, and gross receipts and shall be maintained in existence for at least the term of the permit to provide services plus four years. Within 120 days after the end of the Permittee's fiscal year, Permittee shall provide MHCS D with four copies of a Reviewed Financial Statement of Permittee's operations under this permit for the preceding fiscal year prepared by a certified public accountant or a licensed public accountant. The Reviewed Financial Statement shall contain a balance sheet, statement of income, retained earnings, and of cash flows for the

year then ended in accordance with standards established by the American Institute of Certified Public Accountant.

- ◆ Maintain a valid County business license and such other licenses as may be required by other agencies for Permittee to fulfill the responsibilities of this permit.
- ◆ Permittee shall comply with the applicable provisions of the rules and regulations of the Public Health Services of San Joaquin County, and the applicable provisions of all County and MHCS D regulations and ordinances and State and Federal Law or regulations and any amendments thereto, which may now exist or may be adopted or may be amended during the term of this permit. Any failure to meet this conditions shall constitute a breach of the terms of this permit.
- ◆ Provide additional services mandated by federal, state or local governments as required by MHCS D. The costs and method of payment to the Permittee for providing such additional services shall be mutually determined by the Permittee and MHCS D at the time such additional services are required.
- ◆ Permittee shall provide all solid waste collection services to properties owned, leased or used by the Mountain House Community Services District or the County of San Joaquin within the boundaries of the Mountain House Community Services District at no cost to MHCS D or the County, as set forth in Exhibit "A" attached hereto.
- ◆ Permittee shall pay to MHCS D a permit fee of fifteen percent (15%) of the gross amount of fees collected by MHCS D for all services provided by Permittee within MHCS D. Payment to MHCS D will be made by MHCS D withholding fifteen percent (15%) from the monthly amount collected by MHCS D for solid waste collection services.
- ◆ The rights and privileges granted to the Permittee shall in no way prevent or restrict MHCS D from any of the following:
  - a. Allowing the self-hauling and disposal of construction and demolition debris, grass clippings, prunings and other discarded materials, generated by an individual from non-commercial or non-industrial activities on his or her property or which are inherently a part of the work of specialized and distinct business operations such as that of builders, or various Contractors, such as landscapers, tree trimmer or gardeners, including any MHCS D park, landscape or tree maintenance and trimming program.
  - b. Permitting other entities to haul and dispose of septic tank, sand trap and grease trap contents, sewage or water treatment plant sludge, grit or debris.
  - c. Providing the collection of solid waste materials in connection with MHCS D street cleaning service.

- d. Permitting other entities to carry out any MHCS D weed abatement program.
- e. Permitting customers of Permittee from marketing segregated salvageable or recyclable material prior to their placement in the waste stream directly to processors or manufacturers or from donating such material to a nonprofit organization prior to placement in the waste stream, provided such marketing or donation is a true sale, or donation, respectively.
- f. Self-hauling related to a commercial or industrial activity, or related to a service provided to a third-party, provided it is done as an integral part of the commercial or industrial activity, or of the overall work performed by a contractor, conforming with usual practices for such work in other communities that have exclusive Refuse collection franchises, and using the activity's, or the contractor's own personnel and vehicles. Self-hauling excludes use of, or sub-contracting to, independent haulers, third-parties, affiliates, or subsidiaries.

**Modifications:** No supplement, modification, or amendment of this permit shall be binding upon Permittee or MHCS D unless executed in writing by Permittee and MHCS D.

**Subcontractors:** No subcontract may be entered into by Permittee for the performance of duties required by the terms and conditions of this permit without the prior approval of the MHCS D General Manager. Should the MHCS D General Manager approve such subcontract, the Permittee shall continue to be primarily responsible for the performance of each and every term and condition of this permit.

**Term of Permit and Termination:** The term of this permit shall be for a period of seven (7) years, beginning July 1, 2002. MHCS D may, at its sole option, renew this permit for two additional seven (7) year terms, providing Permittee has applied for such renewal no sooner than 24 months and no later than 18 months prior to the expiration of the then current term of the permit.

Upon the expiration or termination of this permit for any reason, Permittee will, for a period of sixty (60) calendar days, cooperate fully with MHCS D in providing information, to MHCS D or its designee or any firm or individual to whom MHCS D shall decide to issue a permit in order to aid continuation of the services provided for under the terms and conditions of this permit.

All terms and conditions of this permit are considered material and any default or failure to perform or comply shall be deemed to constitute a breach of the terms and conditions of this permit. In the event Permittee defaults, fails to perform or to comply with any of the terms or conditions of this permit, MHCS D shall give Permittee notice in writing, either by mail or personal service, setting forth the default, failure to perform or failure to comply, and if the Permittee fails, neglects or refuses for a period of more than thirty (30) calendar days thereafter to meet such terms and conditions, this permit may be terminated

at the option of MHCSD. Failure of MHCSD to act upon a default, failure to perform or failure to comply with any of the terms and conditions of this permit shall in no way constitute a waiver by MHCSD of such default, failure to perform, or failure to comply nor shall such failure or such acceptance by MHCSD permit the continuation of such default, failure to perform or failure to comply. Notwithstanding the preceding provisions, if the default is of such a nature that it cannot be cured within thirty (30) calendar days, and Permittee has commenced, and is diligently pursuing corrective action, the cure period shall be one-hundred twenty (120) calendar days after initial written notice of default from MHCSD, instead of thirty (30) calendar days.

In the event of termination of this permit for breach by the Permittee as specified above, MHCSD shall have the right forthwith to take possession of all trucks, facilities, other equipment, and customer records of Permittee for the purpose of continuing the services which Permittee has agreed to provide and to preserve and protect the public health and safety. Permittee shall cooperate with and assist MHCSD in such takeover and immediately shall deliver possession of all such trucks, facilities and equipment to MHCSD. MHCSD shall have the right to retain possession of said trucks, facilities and equipment until (a) other suitable trucks, facilities and equipment can be purchased or otherwise acquired by MHCSD for said purpose or (b) for a period of one-hundred twenty (120) calendar days, whichever first occurs, and shall pay to Permittee the reasonable rental value of such trucks, facilities and equipment during the time the same are used by MHCSD. MHCSD shall also have access to Permittee's records for the purpose of billing service accounts and MHCSD shall retain the gross revenues collected for such services. Permittee shall deliver to MHCSD all revenues received by Permittee attributable to the period of time of the services performed by MHCSD after the takeover provided for in this paragraph, whether such revenues shall have been collected before or after such takeover.

If Permittee shall become insolvent at any time during the term of this permit, or if proceedings in bankruptcy shall be instituted by or against Permittee, or if Permittee shall be adjudged bankrupt or insolvent by any Court, or if a receiver or trustee in bankruptcy or a receiver of any property of Permittee shall be appointed in any suit or proceeding brought by or against Permittee, or if Permittee shall make an assignment for the benefit of creditors, then, and in each and every case, this permit immediately shall be subject to termination at the option of MHCSD.

**Interruption of Service by a Labor Dispute:** In the event the solid waste collection services are interrupted by a labor dispute or other cause and all or part of the scheduled collection services are discontinued for more than one collection cycle, MHCSD shall have the right forthwith to take temporary possession of all trucks, facilities and equipment of Permittee for the purpose of continuing the services which Permittee has agreed to provide and to preserve and protect the public health and safety. Permittee shall cooperate with and assist MHCSD in such takeover and shall deliver possession of all such trucks, facilities and equipment to MHCSD. MHCSD shall have the right to retain possession of said trucks, facilities and equipment and to render the required service for which this permit is issued until Permittee can demonstrate to the satisfaction

of MHCS D that the required services can be resumed by the Permittee, provided, however, that in no event shall MHCS D retain possession and control of Permittee's facilities and equipment longer than one-hundred and eighty (180) calendar days. Should Permittee fail to demonstrate to the satisfaction of the MHCS D Board that such required services can be resumed by Permittee, MHCS D may then, at its sole option, terminate this permit. During the period in which MHCS D has taken over provision of the services provided for in this permit, MHCS D shall also have access to Permittee's records for the purpose of billing service accounts and MHCS D shall retain the gross revenues collected for such services. Permittee shall deliver to MHCS D all revenues received by Permittee attributable to the period of time of the services performed by MHCS D after the takeover provided for in this paragraph, whether such revenues shall have been collected before or after such takeover. During any period in which MHCS D has temporary possession and control of Permittee's facilities and equipment, Permittee shall not be entitled to compensation from MHCS D except for the fair rental value of its facilities and equipment to the relative extent to which such facilities and equipment are leased, owned or financed by Permittee, and for damages to such facilities or equipment. During any such period, MHCS D shall indemnify and hold harmless Permittee from any and all claims, losses or damages, of whatever nature, arising out of MHCS D's use, control, or operation of such facilities and equipment. During any such period, MHCS D may employ Permittee's employees, provided that the number of employees and their rate of compensation shall not exceed that existing at the time Permittee became unable to perform because of a labor dispute.

**Performance Bond:** For the duration of the term of the permit, Permittee shall post with MHCS D annually a bond or an irrevocable letter of credit acceptable to the MHCS D General Manager, equal to \$50,000 for the first year of the term, \$75,000 for the second year of the term; \$100,000 for the third year of the term; \$150,000 for the fourth year of the term; \$175,000 for the fifth year of the term; \$200,000 for the sixth year of the term, and \$250,000 for the seventh year of the term for the faithful performance on the part of the Permittee of all of the provision, terms, and conditions of the permit.

**Attorney's Fees:** If any legal action is brought for the enforcement or interpretation of this permit, or because of any alleged breach or default in connection with any of the provisions, terms or conditions of this permit, the successful or prevailing party shall be entitled to recover reasonable attorney's fees and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

**Definitions:** The words, terms and phrases in this permit shall be given their ordinary and customary meaning unless otherwise specifically defined below:

"Residential, Commercial, and Industrial Properties": Those properties which are zoned residential, commercial or industrial by the County of San Joaquin or such other properties where the uses would also be allowed in properties zoned residential, commercial or industrial by the County of San Joaquin.



"Container": a container for the reception, removal, and disposal of solid waste or recyclable materials. Container includes a can, bin, wheeled cart or drop box.

"Garbage": any putrescible animal, fish, fowl, fruit, or vegetable refuse, resulting from the preparation, storage, handling, or consumption of foods, except food processing waste, vegetable and fruit packing waste, swill, and offal, and shall include containers or other nonputrescible material to which particles of putrescible material" attach.

"Hazardous Waste": all substances defined as hazardous waste, acutely hazardous waste, or extremely hazardous waste in the State of California Health and Safety Code, or regulations enacted pursuant to that Code or identified and listed as hazardous waste by the U.S. Environmental Protection Agency.

"Nonputrescible Waste": solid waste which is not subject to decomposition by microorganisms.

"Putrescible Waste": wastes that are capable of being decomposed by microorganisms with sufficient rapidity as to cause nuisances because of odors, gases, or other offensive conditions, and include materials such as food wastes, offal, and dead animals.

"Recyclable Materials": discarded residential, commercial, or industrial nonputrescible solid waste whether or not of economic value, capable of being recycled which is separated, set aside, bundled, packaged, offered, or otherwise delivered for collection by a customer in a manner different from refuse.

"Refuse": when used without a modifier, includes waste, commercial, industrial and residential refuse, vegetable and fruit packing waste, food processing waste, swill, offal, and animal and bird manure, rendering waste, garbage and nonputrescible waste materials resulting from the wrecking, destruction, construction or alteration of buildings.

"Solid Waste": all nonhazardous putrescible and nonputrescible solid, semisolid and liquid wastes, including garbage, trash, green waste, food processing waste, refuse, paper, rubbish, ashes, demolition and construction wastes, abandoned vehicles and vehicle parts, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes, but excludes 1) sewage collected and treated in a municipal or regional sewerage system, or grit or sludge produced as a byproduct of the operation of a water or wastewater treatment plant.; 2) hazardous waste and medical waste.

"Waste": useless, unused, unwanted or discharged material and debris resulting from normal community activities, or materials which by their presence may injuriously affect the health, safety, and comfort of persons and depreciate property values in the vicinity thereof, and all putrescible and nonputrescible solids, except sewage or grit or sludge produced as a byproduct of the operation, whether combustible or noncombustible.

**Title to Collected Materials:** Upon collection by Permittee, title to all solid waste and recyclable material shall pass to Permittee, unless otherwise provided herein.

**Compensation for Permittee:** Under the terms and conditions of this permit, the Permittee shall receive as compensation for the services provided to customers only such money as is actually collected from customers of Permittee by MHCS D for services provided by Permittee pursuant to this permit and consistent with the rate schedule approved by the MHCS D Board of Directors.

**Liability, Indemnity, and Insurance:** Permittee agrees to hold harmless and defend MHCS D, its Board of Directors, officers, agents, and employees from and against any and all claims, actions, liabilities, loss, damage or injury, (except those caused by the gross negligence or willful misconduct of MHCS D, its board, officers, agents or employees), including any of the foregoing by way of indemnification or contribution, arising directly or indirectly out of the Permittee's activity, performance, operations, acts or omissions relating to Permittee's duties, responsibilities and rights under the terms and conditions of this agreement whether or not such claims, actions, liabilities, loss, damage or injury result directly or indirectly from the sole, contributory, comparative, active, passive primary or secondary negligence of Permittee. Additionally, Permittee agrees to indemnify MHCS D for any and all losses (except those caused by the gross negligence or willful misconduct of MHCS D, its board, officers, agents or employees), including but not limited to attorney's fees and legal costs, which MHCS D may suffer by reason of such activity, performance, operations, acts or omissions under this agreement.

Permittee shall maintain workers compensation insurance in accordance with California State law and will maintain policies of liability insurance for bodily injury in an amount not less than one million dollars (\$1,000,000) for injury or death to any one person and not less than one million dollars (\$1,000,000) for injury or death to more than one person arising out of any one occurrence and policies of liability insurance for property damage, including vehicle damage, in an amount not less than one million dollars (\$1,000,000) against any liability arising directly or indirectly out of such activity, performance, operations, acts or omissions under this permit. The hereinbefore mentioned policies of insurance shall include MHCS D, its elected and appointed officer, agents, employees and representatives as an additional insured and the coverage of such policies shall be expressly made primary with respect to any other coverage. Copies of such policies, or certificates evidencing such policies, shall be first approved by the Counsel for MHCS D and filed with and approved by the MHCS D General Manager. Said policies shall contain a contractual endorsement recognizing the contractual obligation of the Permittee to MHCS D contained in this paragraph. All policies shall contain a provision requiring thirty (30) days written notice to be given to MHCS D prior to cancellation, modification, or reduction of limits. All insurance companies providing the coverage required above shall be insurance organizations authorized by the Insurance Commissioner of the State Department of Insurance to transact business of insurance in the State of California and with a current A. M. Best rating of no less than A:VII. Failure of the Permittee to maintain required insurance policies shall immediately terminate this agreement at the option of MHCS D. MHCS D, at its option, may reinstate this agreement on subsequent

provision of the required insurance policies. The MHCSD General Manager may, at his or her option, increase the amount of required insurance in each instance above up to \$3,000,000. Failure on the part of the Permittee to provide the amount of insurance specified above prior to July 1, 2002 or to provide the amount of insurance subsequently specified by the MHCSD General Manager within 45 days of written notice of such requirement, will constitute a breach of this permit and MHCSD may, at its option, terminate the permit immediately.

**Assignment:** The rights and obligations of Permittee created hereunder shall be assignable only upon the express written request of Permittee and with the express written approval of MHCSD. Consent to assignment by MHCSD shall not be unreasonably withheld. Any sale, exchange, hypothecation, pledge, issuance, reissuance, purchase or repurchase of any stock, partnership interest, or other security or ownership interest comprising more than fifty percent (50%) of the ownership interest of Permittee shall constitute an assignment, except that Assignment shall not include transfer of ownership to sibling(s), parent(s), or child(ren) of the existing shareholders of the Permittee, who are Carl Repetto, Michael Repetto and David Rosaia. Permittee agrees that no such assignment shall be made without prior notification and approval of MHCSD. In addition Permittee shall not make any change in the management or control structure of Permittee's business without written notice to MHCSD.

**Notices:** All notices shall be in writing and transmitted to the principals addresses noted below:

Tracy Delta Solid Waste Management Inc.  
60 E. 11<sup>th</sup> St.  
Tracy, CA 95376

Mountain House Community  
Services District  
222 E. Weber Ave, Room 3  
Stockton, CA 95202


**Conflict of Interest:** Neither Permittee nor its employees, officers or representatives have any interest, nor will they directly or indirectly acquire any interest that will conflict with the performance of the responsibilities of Permittee provided for in this permit and that Permittee, its employees, officers and representatives will comply with all national, state and local laws, statutes, regulations, and ordinances in performing the responsibilities provided for in this permit. The parties acknowledge, however, that the owners of Permittee also are owners of the Company that owns the Tracy MRF, and such ownership shall not be considered a conflict hereunder.

IN WITNESS WHEREOF, the parties hereto caused this Permit to be executed  
\_\_\_\_\_, 2002.

MOUNTAIN HOUSE COMMUNITY  
SERVICE DISTRICT

By: VICTOR MOW  
VICTOR MOW, Chairman  
Board of Directors  
County of San Joaquin  
State of California

ATTEST: LOIS M. SAHYOUN  
Clerk of the Board of Supervisors  
of the County of San Joaquin  
State of California

APPROVED AS TO FORM:  
By:   
MICHAEL F. MCGREW  
Deputy County Counsel

By: CAROLINE JUNCO  
Deputy Clerk

"PERMITTEE"

TRACY DELTA SOLID WASTE  
MANAGEMENT, INC.

By:   
MICHAEL REPETTO, President

**Mountain House  
Proposed Rates for Solid Waste Collection Services - Residential  
Effective July 1, 2002**

Container size	RESIDENTIAL	SUBSIDIZED	WHEELBARROW SERVICE	ADDITIONAL
64 gallon refuse	Standard		Weekly refuse, biweekly recycle & gw	26.75
96 gallon refuse	Standard		Weekly refuse, biweekly recycle & gw	29.90
64 gallon refuse	Senior		Weekly refuse, biweekly recycle & gw	21.40
96 gallon refuse	Senior		Weekly refuse, biweekly recycle & gw	23.92
64 gallon refuse	Standard		Weekly refuse and recycle, biweekly gw	31.15
96 gallon refuse	Standard		Weekly refuse and recycle, biweekly gw	34.30
64 gallon refuse	Senior		Weekly refuse and recycle, biweekly gw	24.92
96 gallon refuse	Senior		Weekly refuse and recycle, biweekly gw	27.44
64 gallon refuse	Standard		each additional toter - weekly	15.25
96 gallon refuse	Standard		each additional toter - weekly	18.20
64 gallon refuse	Senior		each additional toter - weekly	12.20
96 gallon refuse	Senior		each additional toter - weekly	14.55
101 gallon green waste	Standard		each additional toter - biweekly	6.20
101 gallon green waste	Senior		each additional toter - biweekly	4.95
<i>Other</i>				
Backyard collection	Standard			Additional Per Pickup 29.40
Backyard collection	Senior or disabled			no charge

a) Rates proposed for Senior Citizens reflect a 20% discount.

Note: Rates include the following additional services:

Type of Service	Service Factored
District Buildings	Covers services up to 4 1 1/2 yd hoppers picked up once per week
Parks	Covers services up to 1 6 yd hopper picked up once per week
Leaf Pickup	Covers pickup of yard waste 101 gallon container on a weekly basis during the months of November through January
Spring Cleanup	Covers an annual curbside collection, spring cleanup, up to ten 32 gallon bags or equivalent per residential customer
Christmas Trees	Covers curbside collection of all christmas trees discarded by residential customers during the first two regularly scheduled collection days after New Year's Day for each collection route

**Mountain House**  
**Proposed Rates for Solid Waste Collection Services**  
**Commercial and Industrial**  
**Effective July 1, 2002**

Commercial and Industrial	Base Weight Tons	\$56.47 Per Ton Charge for Weight In Excess of Base	Base Charge Total
<b>Toters</b>			<i>Monthly</i>
64 gallon toter	n/a	n/a	21.30
96 gallon toter	n/a	n/a	27.50
<b>Permanent Boxes</b>			<i>Monthly</i>
1 1/2 yd hopper	n/a	n/a	92.80
2 yd hopper	n/a	n/a	125.20
3 yd hopper	n/a	n/a	189.35
4 yd hopper	n/a	n/a	253.45
6 yd hopper	n/a	n/a	381.35
			<i>Per Pickup</i>
10 yd roll-off	2.20	a Additional Charge	212.00
20 yd roll-off	4.05	Additional Charge	303.90
30 yd roll-off	5.95	Additional Charge	395.80
40 yd roll-off	7.80	Additional Charge	487.70
<b>Temporary Boxes</b>			<i>Per Pickup</i>
1 1/2 yd hopper	n/a	n/a	25.30
2 yd hopper	n/a	n/a	35.60
3 yd hopper	n/a	n/a	55.95
4 yd hopper	n/a	n/a	76.35
6 yd hopper	n/a	n/a	117.20
10 yd roll-off	2.20	a Additional Charge	212.00
20 yd roll-off	4.05	Additional Charge	303.90
30 yd roll-off	5.95	Additional Charge	395.80
40 yd roll-off	7.80	Additional Charge	487.70
<b>Permanent Compactors</b>			<i>Per Pickup</i>
10 yd stationary	2.65	Additional Charge	247.90
20 yd stationary	5.15	Additional Charge	370.40
25 yd stationary	6.40	Additional Charge	431.70
30 yd stationary	7.65	Additional Charge	492.95
35 yd stationary	8.90	Additional Charge	554.25
40 yd stationary	10.15	Additional Charge	615.50
6 yd self-contained	1.80	Additional Charge	205.00
10 yd self-contained	2.65	Additional Charge	247.90
20 yd self-contained	5.15	Additional Charge	370.40
25 yd self-contained	6.40	Additional Charge	431.70
30 yd self-contained	7.65	Additional Charge	492.95

Note: The Company's disposal fees at Tracy Material Recovery are based on tonnage. The Company has set an allowed weight per container as disclosed above. Actual weight in excess of the base weight shall be billed to the customer.

a) For a 10 yard roll-off that has only inert solid waste, i.e. dirt, sand, brick, gravel or concrete, which can be disposed of without taking such waste to the County landfill an additional 5 tons will be allowed before an excess weight fee will be charged. The excess weight fee will be charged at \$56.47 for each ton in excess of 7.20 tons of inert solid waste.

**Mountain House  
Proposed Rates to Collect Bulky Goods  
Effective July 1, 2002**

**Televisions**

27 Inch and Under	\$	29.40	each
Over 27 Inch and Console Models		41.20	each
Large Screen Models over 100 lbs		0.60	per pound

**Computer Monitors**

17 Inch and Under	29.40	each
Over 17 Inch	41.20	each

**Refrigerators, Freezers, Air Conditioners**

Residential	29.40	each
Commercial	Price to be Quoted *	

**Washers, Dryers, Water Heaters, Stoves**

11.75 each

**Dish Washers, Mattress, Box Spring  
Sofas**

*Note: The proposed rates are subject to change as impacted by regulatory requirements, with new rates to be approved by the MHCS D General Manager.*

*\* Subject to approval of the MHCS D General Manager if customer and Permittee cannot reach agreement.*

**Mountain House**  
**Proposed Rates to Clean and Refurbish Dumpsters**  
**Effective July 1, 2002**

*The Company will steam clean and refurbish all containers used in collection,  
at Collector's expense, up to twice per year upon request by either the customer  
or MHCSD General Manager or designee.*

*Proposed rates to clean and refurbish containers in excess of twice per year are as follows:*

<u>Container Description</u>	<u>Steam Clean</u>	<u>Steam Clean and Paint</u>
64, 96, 101 Gallon Toters	\$ 29.00	n/a
1 1/2 to 6 Yd Hoppers	59.00	118.00
10 to 40 Yd Hoppers	176.00	294.00
Stationary and Self-contained Compactors all sizes	176.00	705.00



1. Rates for all services on Exhibit "A" shall be automatically increased each year, effective July 1 of each year, by seventy-five percent (75%) of the increase in the percentage increase in the Consumer Price Index For All Urban Consumers, San Francisco-Oakland-San Jose SMSA, published by the U.S. Department of Labor ("Index") for the twelve month period ending as of the latest data published in the Index prior to July 1, in each year, but not to exceed three percent (3%). Rates shall not be decreased. In the event the Index ceases to be published, the parties shall agree on a replacement index, or the increase shall be three percent (3%).

2. Notwithstanding any other portions of this Permit or Exhibit "A", Permittee shall, in the event of unusual or unforeseen increases in costs (such as, but not limited to costs, tipping fees, or taxes) be entitled to request an increase in fees to cover such increase in costs.