#116-07

**AMENDMENT NO. 4 TO FRANCHISE AGREEMENT BETWEEN THE CITY OF FORT BRAGG AND USA WASTE OF CALIFORNIA INC., DBA EMPIRE WASTE MANAGEMENT**

This fourth amendment to the 2007 Franchise Agreement(hereinafter, "Agreement") between USA Waste of California, Inc., dba Empire Waste Management, hereinafter called "GRANTEE", and the City of Fort Bragg, hereinafter called "CITY," is made this 14th day of January, 2013 at Fort Bragg, California.

WHEREAS, CITY and GRANTEE entered into the Agreement for the collection, transportation, and disposal of solid waste in the CITY on January 8, 2007; and

WHEREAS, CITY and GRANTEE amended the Agreement by approving a first amendment in 2009, a second amendment in 2011, and a third amendment in 2011; and

WHEREAS, changes are necessary to the fuel adjustment mechanism in order to more accurately determine what rate changes should occur in response to changes in GRANTEE's fuel costs;

NOW THEREFORE, it is agreed as follows:

1. Section 15 (B) of the Agreement is revised to read as follows:

"B. Cost of Living Rate Adjustment.

"No sooner than June 1, 2008, and annually thereafter, Grantee shall be entitled to a rate adjustment based on (1) 100% of any positive change in the value of the most recently published All Urban Consumers Index (CPI-U), all items, for the San Francisco-Oakland-San Jose CA, base period 1982-1984 = 100, not seasonally adjusted, compiled and published by the U.S. Department of Labor or its successor and its value twelve months before; and (2) 100% of the change in the average monthly value over 12 months, compared to the average monthly value for the preceding 12 month period, of the most recently published California index for #2 diesel fuel, compiled and published by the U.S. Energy Information Administration or its successor. At least thirty (30) days prior to the Adjustment Date, Grantee shall provide the City with its computations and documentation thereof.

"The rates would be divided into three components: Fuel, Pass-Through and All Other. The Fuel Component would equal 3.3% of the first year rate. The Pass-Through Component would equal 38.6%. The All-Other Component would equal 58.1% of the

rate. The percentage that each component comprises of the total rate shall be adjusted annually based on Grantee's annual financial report.

"When the first adjustment to rates occurs, it will be done in the following manner:

"Fuel Component: Existing Billed Rate x 3.3% x Diesel Fuel Index.

"Pass-through Component: None, since pass-through increases, if any, will be made pursuant to Section 15(A) above.

"All Other Component: Existing Billed Rate x 58.1% x CPI index.

"The sum of the above equals the New Rate."

2. All other terms and conditions of the Agreement shall remain in full force and effect.

CITY OF FORT BRAGG

By: _____
Linda Ruffing, City Manager

ATTEST:

_____
Cynthia M. VanWormer, MMC, City Clerk

APPROVED AS TO FORM:

See Attached
David S. Warner, City Attorney

USA WASTE OF CALIFORNIA, INC.

_____
[Sign]

Greg Lammers
[Print Name]

Date: 3/25/13

rate. The percentage that each component comprises of the total rate shall be adjusted annually based on Grantee's annual financial report.

"When the first adjustment to rates occurs, it will be done in the following manner:

"Fuel Component: Existing Billed Rate x 3.3% x Diesel Fuel Index.

"Pass-through Component: None, since pass-through increases, if any, will be made pursuant to Section 15(A) above.

"All Other Component: Existing Billed Rate x 58.1% x CPI index.

"The sum of the above equals the New Rate."

2. All other terms and conditions of the Agreement shall remain in full force and effect.

CITY OF FORT BRAGG

By: _____
Linda Ruffing, City Manager

ATTEST:

_____
Cynthia M. VanWormer, MMC, City Clerk

APPROVED AS TO FORM:

_____
David S. Warner, City Attorney

USA WASTE OF CALIFORNIA, INC.

_____
[Sign]

_____
[Print Name]

Date: _____