

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

November 6, 2012

**FROM: GERRY NEWCOMBE, Director
Department of Public Works-Solid Waste Management Division**

**SUBJECT: PUBLIC HEARING – PROPOSITION 218 AND AMENDMENT NO. 1 TO
AGREEMENTS FOR THE COLLECTION AND TRANSPORTATION OF SOLID
WASTE AND OTHER SERVICES**

RECOMMENDATION(S)

Conduct a public hearing pursuant to Proposition 218 and approve the following twenty one amended Solid Waste Handling Franchise Agreements for various County Franchise Areas (CFA) within the unincorporated portion of the county.

1. Burrtec Waste Industries for CFA 1 – San Antonio Heights, Mt. Baldy, portions of Lytle Creek. (Agreement No. 09-600A-1)
2. Burrtec Waste Industries for CFA 2 – sphere of the cities of Montclair and Upland. (Agreement No. 09-601A-1)
3. USA Waste of California for CFA 3 – sphere of the City of Chino. (Agreement No. 09-602A-1)
4. Burrtec Waste Industries for CFA 5 – sphere of the City of Fontana. (Agreement No. 09-603A-1)
5. Burrtec Waste Industries for CFA 6 – community of Bloomington. (Agreement No. 09-604A-1)
6. Cal Disposal Company for CFA 8 – Muscoy, South Cajon Pass, sphere of City of San Bernardino. (Agreement No. 09-605A-1)
7. Burrtec Waste Industries for CFA 9 – El Rancho Verde community (Rialto) (Agreement No. 09-606A-1)
8. Jack’s Disposal Company for CFA 10 – Devore and the sphere of the City of San Bernardino. (Agreement No. 09-607A-1)
9. Burrtec Waste Industries for CFA 11 – sphere of the City of Loma Linda. (Agreement No. 09-608A-1)
10. Empire Disposal for CFA 12 – Mentone, Oake Glen, sphere of the City of Redlands, Mountain Home and Angeles Oaks. (Agreement No. 09-609A-1)
11. CR&R Waste Services for CFA 15 – Wrightwood community. (Agreement No. 09-610A-1)
12. Mountain Disposal Company for CFA 16 – Crestline, Running Springs, Lake Arrowhead, Green Valley Lake, and Blue Jay. (Agreement No. 09-611A-1)
13. Big Bear Disposal for CFA 17 – Fawnskin, Baldwin Lake and Lake Williams. (Agreement No. 09-612A-1)

cc: SWMD-Rivera w/ agree
Contractor c/o Dept w/ agree
ACR-Acct Pay Mgr w/ agree
EBIX/BPO c/o Risk
SWMD-Newcombe
CAO-Valdez
File – w/ agree
jr 12/5/12

ITEM

Record of Action of the Board of Supervisors



MOTION	MOVE	SECOND	NAY	ABSENT	AYE
	1	2	3	4	5

LAURA H. WELCH, CLERK OF THE BOARD

BY _____

DATED: November 06, 2012

**PUBLIC HEARING – PROPOSITION 218 AND AMENDMENT NO. 1 TO
AGREEMENTS FOR THE COLLECTION AND TRANSPORTATION OF
SOLID WASTE AND OTHER SERVICES
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14. Advance Disposal Company for CFA 18 – Spring Valley Lake, unincorporated area of Hesperia and Apple Valley. (Agreement No. 09-613-1)
 15. Burrtec Waste Industries for CFA 19 – sphere of the City of Victorville, Town of Apple Valley and the City of Adelanto, Landers and Lucerne Valley. (Agreement No. 09-614A-1)
 16. CR&R for CFA 20 – Phelan, Pinon Hills, and the sphere of the City of Adelanto. (Agreement No. 09-615A-1)
 17. Benz Sanitation for CFA 21 – Trona, Windy Acres, Four Corners, and the Red Mountain. (Agreement No. 09-616A-1)
 18. Burrtec Waste Industries for CFA 22 – unincorporated area northwest of the City of Adelanto. (Agreement No. 09-617A-1)
 19. Burrtec Waste Industries for CFA 23 – sphere of the City of Barstow and Lenwood-Hinkley. (Agreement No. 09-618A-1)
 20. Burrtec Waste Industries for CFA 24 – Yermo, Daggett and Newberry Springs. (Agreement No. 09-619A-1)
 21. Burrtec Waste & Recycling for CFA 25 – Joshua Tree, sphere of the Town of Yucca Valley, and Morongo Valley. (Agreement No. 09-620A-1)
- (Affected Districts: All)
(Presenter: Gerry Newcombe, Director, 387-7906)

BOARD OF SUPERVISORS COUNTY GOALS AND OBJECTIVES

Implement the Countywide Vision for Our Future.

Operate in a Fiscally-Responsible and Business-Like Manner.

Provide for the Health and Social Services Needs of County Residents.

Maintain Public Safety.

FINANCIAL IMPACT

Approval of this item will result in no Discretionary General Funding (net county costs) as the Solid Waste Management Division (SWMD) is not financed by the General Fund. Instead SWMD established fees that are charged to the public and other agencies for utilization of the County Landfills.

BACKGROUND INFORMATION

Approval of this item will ensure that Franchise Agreements that were originally put into place and approved by the Board of Supervisors on May 19, 1998 (Item No. 57) continue to provide the unincorporated area communities affordable and adequate solid waste handling services in a manner that protects the health and safety of the community and establishes waste reduction and recycling programs in compliance with the Integrated Waste Management Act of 1989 (AB939).

The current Solid Waste Handling Franchise Agreements were approved by the Board of Supervisors on June 16, 2009 (Item No. 79). Within the current contract there is methodology for the calculation of the annual Cost of Living Adjustment (COLA). The purpose of this amendment is to better explain the COLA calculation methodology using formulas and examples, with some minor text changes. The amendment also updates the Exhibit "E" in each contract. This

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amendment adds language to allow for adjustments to correct errors, if any, in a prior year's COLA calculation and it sets a 0% COLA floor, which was not clear in the prior contract language. Due to the length of time required to draft the amendment language, implementation of the 12 month rate increase of 2.6% for fiscal year 2012-13 was delayed and collection of the 12 month increase will be done in the remaining six months of the fiscal year, January 2013 through June 2013.

Pursuant to Proposition 218 requirements, parcel owners were mailed a notice of the proposed rates and methodology to be used to calculate the annual maximum rate increase (COLA) established in the amended franchise agreements. The Proposition 218 notices were mailed to each of the affected parcels in each franchise area no later than September 20, 2012. Each customer has had at least 45 days to submit a written protest to the proposed change in the fees. For CFA 20, in addition to the above change, the map (Exhibit B-1) and the legal description (Exhibit B-2) are being updated to reflect the Phelan/Pinon Hills CSD taking over waste collection administration in their district which is no longer part of this franchise area.

The amended franchise agreements are fully consistent with the Ordinance Title 4 Division 6 of the County Code relating to Solid Waste Handling Franchises that was adopted on June 2, 2009.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Penny Alexander-Kelley, Principal Assistant County Counsel, 387-5455) on October 11, 2012; and the County Administrative Office (Beatriz Valdez, Public Works Chief Financial Officer, 387-1852) on October 29, 2012.





FOR COUNTY USE ONLY

<input type="checkbox"/> New	FAS Vendor Code	SC	Dept.	A	Contract Number			
<input checked="" type="checkbox"/> Change			SWM		06-612A-1			
<input type="checkbox"/> Cancel	ePro Vendor Number				ePro Contract Number			
County Department			Dept.	Orgn.	Contractor's License No.			
DPW/Solid Waste Management			SWM	SWM				
County Department Contract Representative				Telephone	Total Contract Amount			
Arthur L. Rivera, Division Manager				(909)386-8703				
Contract Type								
<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:								
If not encumbered or revenue contract type, provide reason:								
Commodity Code		Contract Start Date	Contract End Date	Original Amount	Amendment Amount			
		7/2/09	6/30/2020					
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount		
EAA	SWM	WDP		8350				
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount		
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount		
Project Name			Estimated Payment Total by Fiscal Year					
Solid Waste Handling			FY	Amount	I/D	FY	Amount	I/D
Franchise Agreement								
Amendment								
CEA 17								

County of San Bernardino

FAS

CONTRACT TRANSMITTAL

Amendment #1

CONTRACTOR Big Bear Disposal, Inc.

Federal ID No. or Social Security No. 33-0675243

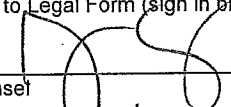
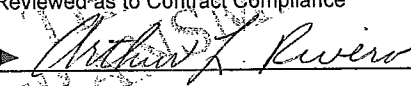
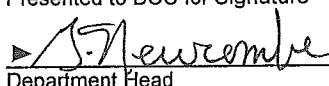
Contractor's Representative Gino Scopesi

Address PO Box 2837, Big Bear Lake, Ca. 92315 Phone (909) 866 - 3942

Nature of Contract: *Attached is Amendment No. 1 Dated November 6, 2012 to AGREEMENT BETWEEN THE COUNTY OF SAN BERNARDINO AND BIG BEAR DISPOSAL FOR THE COLLECTION OF SOLID WASTE AND OTHER SERVICES dated June 16th 2009.*

THIS IS NOT A CONTRACT
THIS IS A COVER
TRANSMITTAL ONLY

(Attach this transmittal to all contracts not prepared on the "Standard Contract" form.)

Approved as to Legal Form (sign in blue ink)	Reviewed as to Contract Compliance	Presented to BOS for Signature
		
County Counsel		Department Head
Date <u>11/01/12</u>	Date <u>11/01/2012</u>	Date <u>11/2/12</u>

Auditor-Controller/Treasurer/Tax Collector Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

Amendment No. 1
to AGREEMENT BETWEEN
THE COUNTY OF SAN BERNARDINO AND
BIG BEAR DISPOSAL, INC.
FOR THE COLLECTION OF SOLID WASTE AND OTHER SERVICES dated JUNE 16, 2009

WHEREAS, on June 16, 2009 (Item No. 92), the Board of Supervisors approved County Contract No. 09-612 with BIG BEAR DISPOSAL, INC. ("Grantee") to provide for the collection of solid waste and other services (the "Contract").

WHEREAS, the County and Grantee desire to update the form of Exhibit "E" to the Contract.

WHEREAS, the County and the Grantee also desire to clarify the language in the Contract that describes the annual cost of living (COLA) calculation and to add formulas and examples for that purpose and clarify that certain adjustments can be made to those calculations for the benefit of the public.

NOW THEREFORE, the Contract is amended as follows:

1. Section 6 and Section 13 are amended only with respect to the Exhibit "E" referenced therein and these references shall mean the Revised 2012 Exhibit "E" attached to this Amendment No. 1. Any other references to Exhibit E in the Contract shall mean the Revised 2012 Exhibit "E".
2. Section 13.2 is deleted in its entirety and replaced with the following:

Section 13.2 Adjustment to Total Rate- Residential and Commercial Service

The following annual and special rate adjustments shall be made to the Total Rate provided for in this Franchise Agreement. However, no rate adjustment shall be implemented for or during any period of time when Grantee is not in substantial compliance with all material provisions of this Agreement.

(a) Cost of Living Adjustment

- (1) From and after the first July 1, following the Effective Date of this Franchise Agreement, the Service Component Rate shall be annually adjusted upwards by adding the following cost of living adjustment, only when greater than zero, to the then current Service Component Rate. The cost of living adjustment shall be equal to the CPI, if greater than zero, multiplied by the then current Service Component Rate.
- (2) Except as provided in subparagraph (b), below, the Cost of Living Adjustment shall be equal to:
 - (A) One hundred percent (100%) multiplied by the average of the year over year monthly change for a 12 month period change in the CPI (from the first index dates of April to March of the following year) per the formula below. Each subsequent year April through March is compared to the previous April through March. Example: Each month in Year 2 will be compared to the same month in Year 1, each month in Year 3 will be compared to the same month in Year 2, each month in Year 4 will be compared to the same month in Year 3, and each month in Year 5 will be compared to the same month in Year 4, continuing in this same manner until the end of the Agreement.

ADJUSTMENT FORMULA:

(i) $100\% \times \frac{\text{Sum} ((\text{CPI Current Year} - \text{CPI Prior Year}) / \text{CPI Prior Year}) \text{ for each month}}{\text{divided by 12 months}} =$

CPI year over year monthly change for a 12 mo period (if > zero, expressed as a percentage)

(ii) CPI year over year monthly change for a 12 mo period x Current Service Component =

Increase to Current Service Component

(iii) Increase to Current Service Component + Current Service Component =

New Service Component

EXAMPLE¹:

100% x 31.19% divided by 12 months = 2.60% (CPI)

2.60% x Current Service Component = Increase to Current Service Component

Increase to Current Service Component + Current Service Component = New Service Component

(b) Special Cost of Fuel Adjustment for Service Component Rate

- (1) It is recognized that the cost of fuel may increase faster than the CPI set forth in subparagraph (a) above. To compensate the Grantee for increases in the cost of fuel that exceed the CPI, if the average year over year monthly change in the PPI-Diesel or PPI-CNG index from the first index dates of April 2008 to March 2009 ("Base Year") exceeds the average of the year over year monthly change for a 12 month period change in the CPI for the April to March immediately prior to the effective date of the adjustment, Grantee, provided it had met the reporting requirements of subsection (b)(3) below, would be eligible for the special cost of fuel adjustment. Example for PPI-Diesel or PPI-CNG Index: Each month in Year 2 will be compared to the same month in Year 1, each month in Year 3 will be compared to the same month in Year 1, each month in Year 4 will be compared to the same month in Year 1, and each month in Year 5 will be compared to the same month in Year 1, continuing in this same manner until the end of the Agreement. Example for CPI: Each month in Year 2 will be compared to the same month in Year 1, each month in Year 3 will be compared to the same month in Year 2, each month in Year 4 will be compared to the same month in Year 3, and each month in Year 5 will be compared to the same month in Year 4, continuing in this same manner until the end of the Agreement.

ELIGIBILITY FORMULA:

- (i) Sum ((PPI Current Year - PPI Base Year) / PPI Base Year) for each month divided by 12 months = PPI year over year monthly average change for a 12 month period over Base Year (expressed as a percentage).
- (ii) **IF**, PPI year over year monthly average change for a 12 month period over Base Year is greater than CPI year over year monthly change for a 12 month period, then proceed to **Special Cost of Fuel Adjustment for Service Component Rate**, in 13.2 (b)(2)(A) and (B), below.

¹ For tabular presentation and monthly calculations for all examples, see attached Schedule 1.
SWMD FRANCHISE AGREEMENT Amendment No.1

- (iii) IF, PPI year over year monthly average change for a 12 month period over Base Year is less than or equal to CPI year over year monthly change for a 12 month period, then only the CPI calculated above in 13.2 (a)(2)(A) is used.

EXAMPLE²:

428.68% divided by 12 months = 35.72%

IF 35.72% is greater than 2.60% THEN proceed to 13.2(b)(2)

IF NOT then the CPI only calculated in 13.2(a)(2)(A) is used

(2) The Service Component Rate adjustment shall be equal to:

- (A) Eighty-five percent (85%) multiplied by the average of the year over year monthly change for a 12 month period change in the CPI (from the first index dates of April to March of the following year) per the formula immediately below and Section 13.2 (a)(2)(A).
- (B) Fifteen percent (15%) multiplied by the average year over year monthly change in the PPI-Diesel or PPI-CNG index between the April to March of the Base Year and the April to March immediately prior to the effective date of the adjustment per the formula immediately below.

ADJUSTMENT FORMULA:

Special Cost of Fuel Adjustment for Service Component Rate

(i) $85\% \times \text{CPI year over year monthly change for a 12 mo period, if } > \text{ zero} = \text{Adjusted CPI}$

(ii) $\frac{\text{Sum ((PPI Current Year-PPI Base Year) / PPI Base Year) for each month}}{12 \text{ months}} =$

PPI average year over year monthly change for current and base years (*expressed as a percentage*)

$15\% \times \text{PPI average year over year monthly change for current and base years} = \text{Adjusted PPI}$

(iii) $\text{Adjusted CPI} + \text{Adjusted PPI} = \text{New Adjusted COLA}$

(iv) $\text{New Adjusted COLA} \times \text{Current Service Component} =$

Increase to Current Service Component after adjustment has been made

(v) $\text{Increase to Current Service Component after adjustment has been made} + \text{Current Service Component} =$

New Service Component

² For tabular presentation and monthly calculations for all examples, see attached Schedule 1.
SWMD FRANCHISE AGREEMENT Amendment No.1

EXAMPLE³:

$$85\% \times 2.60\% = 2.21\%$$

$$428.68\% \text{ divided by } 12 \text{ months} = 35.72\%$$

$$15\% \times 35.72\% = 5.36\%$$

$$2.21\% + 5.36\% = 7.57\%$$

7.57% x Current Service Component = Increase to Current Service Component after adjustment

Increase to Current Service Component after adjustment + Current Service Component = New Service Component

(C) Each subsequent year April through March of the PPI-Fuel index is compared only to the Year 1 – Base Year of the PPI-Fuel index to arrive at the Average Monthly PPI-Fuel amount to be multiplied by 15%, continuing in this same manner until the end of the Agreement.

(3) For purposes of determining whether to use the PPI-Diesel or PPI-CNG index for purposes of the special cost of fuel adjustment, no later than October 1 of each year Grantee shall advise Director or designee of the percentage of diesel or alternative fuel collection vehicles used to provide service in the franchise area. The fuel type of the majority of vehicles used to provide service will determine which index is utilized. Where 50% of the vehicles used are diesel and 50% are alternative fuel, the PPI-CNG index will be used for purposes of the Special Adjustment. If Grantee fails to timely provide this information to Director or designee, notwithstanding any provision to the contrary herein, Grantee shall not be eligible to receive the special cost of fuel adjustment for the next subsequent rate adjustment, and the adjustment to Grantee rates shall be based solely on the CPI-based methodology set forth in Section 13.2(a)(2)(A).

(c) Extraordinary Adjustment

The parties acknowledge that there may be infrequent extraordinary events which, although they do not prevent either party from performing, and thus do not implicate the Force Majeure provisions hereof, nevertheless increase the cost of providing service such that Grantee's compensation and the rate adjustment mechanism provided in this Agreement result in Grantee's suffering losses which are substantially outside the commercially reasonable expectations of the parties. The obligation of the parties in such event is to act reasonably toward each other in arriving at an appropriate adjustment in rates. Accordingly, at its option, Grantee may apply to the County at any time, but not more frequently than once annually, for an extraordinary rate adjustment should an event or circumstance arise that is not the result of a Change in Law or Change in Service Level which negatively impacts the economic operation of Grantee and which is in excess of the rate adjustment resulting from the application of the annual adjustment formula set for in subparagraph (a) above. An interim adjustment in rates will be deemed justified if it is necessary for the Grantee to make a substantial change in its operations, or substantial capital expenditure or investment in order to perform its obligations under this Agreement due to the occurrence of an event or circumstance other than a Change in Law or Change in Service Level which is beyond the reasonable control of Grantee. In the event of such an application for an extraordinary rate increase, it is understood that the Grantee shall have the burden of demonstrating to the reasonable satisfaction of County the basis for the extraordinary increased cost.

³ For tabular presentation and monthly calculations for all examples, see attached Schedule 1.
SWMD FRANCHISE AGREEMENT Amendment No.1

(d) Solid Waste Facility Fee Adjustment

The Solid Waste Facility Fee Adjustment shall be the pass-through of one hundred percent (100%) of any increase or decrease in the fee charged to the Grantee for the use of a Solid Waste Facility approved for use by the Division, calculated on a per Subscriber basis, and shall be effective as of the date of the change of such fee.

(e) Franchise Fee Adjustment

The Franchise Fee adjustment shall be the pass through of one hundred percent (100%) of any increase or decrease in the Franchise Fee, and shall be effective as of the date the Franchise Fee increase or decrease is payable by the Grantee.

(f) Change in Service Level Adjustments

(1) The Total Rate shall be increased (or decreased) by one hundred percent (100%) of the increase (or decrease) or incremental increase (or incremental decrease), as the case may be, in the demonstrable costs (i.e., on any direct or indirect cost, whether fixed or variable) associated with the change in the level of the Solid Waste Handling services which may be required of, or agreed to by, Grantee. A Change in Service Level Adjustment shall be effective on and after the actual date of the requirement to or agreement to change operations which results from the change in service, but, absent the consent of the Director, or designee, not sooner than the effective date of the change in service. In no event shall any Change in Service Level Adjustment be effective prior to the Board's approval of an amendment to the Franchise Agreement.

(2) In the event that the Director, or designee, and the Grantee claiming to be affected by the change in service level cannot agree on either the existence, or the effect on demonstrable costs, of a change in service level, the dispute resolution provisions of Section 13.3(a) shall apply.

(g) Change in Law Adjustments

(1) The Total Rate shall be increased (or decreased) by one hundred percent (100%) of the increase (or decrease) or incremental increase (or incremental decrease), as the case may be, in the demonstrable costs (i.e., on any direct or indirect cost, whether fixed or variable) associated with the change in the manner or nature of conducting Solid Waste Handling services necessitated by a Change in Law. A Change in Law Adjustment shall be effective on and after the actual date of the change in operations which resulted from the Change in Law, but, absent the consent of the Director, or designee, not sooner than the effective date of the Change in Law. In no event shall any Change in Law Adjustment be effective prior to the Board's approval of an amendment to the Franchise Agreement.

(2) In the event that the Director, or designee, and the Grantee claiming to be affected by the Change in Law cannot agree on either the existence, or the effect on demonstrable costs, of a Change in Law, the dispute resolution provisions of Section 13.3(a) shall apply.

(h) If at any time during the term of this Agreement, the Grantor or the Grantee realize that an adjustment made in accordance with this Section 13.2 has been calculated in error, then the appropriate correction will be calculated by the County and an applicable corrective change, either positive or negative, will be made to the Total Rate on the next ensuing July 1st.

EXAMPLE

Department of Labor Data Tables

Consumer Price Index - All Urban Consumers
Series Id: CUURA421SA0

Month	Year 3		Year 4		Difference	% Change
	Year 3	Year 3 Value	Year 4	Year 4 Value		
April	2010	225.916	2011	233.319	7.403	3.277%
May	2010	226.438	2011	233.367	6.929	3.060%
June	2010	225.877	2011	232.328	6.451	2.856%
July	2010	225.991	2011	231.303	5.312	2.351%
August	2010	226.373	2011	231.833	5.460	2.412%
September	2010	226.048	2011	233.022	6.974	3.085%
October	2010	226.794	2011	233.049	6.255	2.758%
November	2010	225.941	2011	232.731	6.790	3.005%
December	2010	226.639	2011	231.567	4.928	2.174%
January	2011	228.652	2012	233.441	4.789	2.094%
February	2011	229.729	2012	234.537	4.808	2.093%
March	2011	232.241	2012	236.941	4.700	2.024%

Total of 12 Months of Change Year over Year 31.189%

Average Monthly Change (Total of 12 Months of Change Year Over Year / 12) 2.599%

Is 100% of CPI Average Monthly Change Positive? Yes

Therefore, the annual rate change is 2.599%
For CNG and Unreported Diesel Fleets

Producer Price Index-Commodities
Series Id: WPU0552
Item: Compressed natural gas

Month	Year 1 - Base Year		Year 4		Difference	% Change
	Year 1	Year 1 Value	Year 4	Year 4 Value		
April	2008	261.800	2011	201.200	(60.600)	-23.147%
May	2008	275.900	2011	197.600	(78.300)	-28.380%
June	2008	289.400	2011	200.400	(89.000)	-30.753%
July	2008	319.400	2011	208.000	(113.400)	-35.504%
August	2008	321.200	2011	201.400	(119.800)	-37.298%
September	2008	292.500	2011	198.000	(94.500)	-32.308%
October	2008	262.600	2011	194.400	(68.200)	-25.971%
November	2008	258.000	2011	186.100	(71.900)	-27.868%
December	2008	254.100	2011	193.900	(60.200)	-23.691%
January	2009	249.000	2012	190.000	(59.000)	-23.695%
February	2009	235.900	2012	183.800	(52.100)	-22.170%
March	2009	223.700	2012	175.600	(48.100)	-21.474%

Total of 12 Months of Change Year over Year -326.624%

Average Monthly Change (Total of 12 Months of Change Year Over Year / 12) -27.219%

Rate Adjust. Test: Is PPI-CNG Avg Mo Change > CPI Avg Mo Change? No

No Special Cost PPI-CNG Fuel Adjustment

Annual Rate Adjustment is 100% of CPI Average Monthly Change

Producer Price Index-Commodities
Series Id: WPU057303
Item: No. 2 diesel fuel

Month	Year 1 - Base Year		Year 4		Difference	% Change
	Year 1	Year 1 Value	Year 4	Year 4 Value		
April	2008	365.100	2011	339.800	(25.300)	-6.930%
May	2008	398.200	2011	328.400	(69.800)	-17.529%
June	2008	421.000	2011	333.700	(87.300)	-20.736%
July	2008	431.900	2011	327.800	(104.100)	-24.103%
August	2008	346.700	2011	307.300	(39.400)	-11.364%
September	2008	342.300	2011	317.800	(24.500)	-7.157%
October	2008	281.800	2011	310.600	28.800	10.220%
November	2008	224.100	2011	337.100	113.000	50.424%
December	2008	168.000	2011	311.000	143.000	85.119%
January	2009	161.600	2012	322.000	160.400	99.257%
February	2009	147.200	2012	331.300	184.100	125.068%
March	2009	139.200	2012	243.000	103.800	74.562%

Total of 12 Months of Change Year over Year 428.677%

Average Monthly Change (Total of 12 Months of Change Year Over Year / 12) 35.723%

Rate Adjust. Test: Is PPI-Diesel Avg Mo Change > CPI Avg Mo Change? Yes

Yes, Special Cost PPI-Diesel Fuel Adjustment Necessary

Annual Rate Adjustment is 100% of CPI Average Monthly Change

CPI = 85% of the Average Monthly Change 2.599% 2.209%

PPI = 15% of the Average Monthly Change 35.723% 5.358%

Special Cost Rate Adjustment PPI-Diesel for Reported Diesel Fleets 7.568%

3. Except as amended herein, all other terms and conditions of the Contract shall remain in effect.

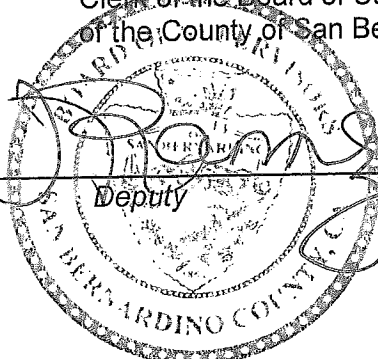
COUNTY OF SAN BERNARDINO

▶ [Signature]
Jose Gonzales, Chair, Board of Supervisors

Dated: NOV 05 2012

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

Laura H. Welch
Clerk of the Board of Supervisors
of the County of San Bernardino

By [Signature]

Deputy

Big Bear Disposal, Inc

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

By ▶ [Signature]
(Authorized signature - sign in blue ink)

Name Gino Scopesi
(Print or type name of person signing contract)

Title COO.
(Print or Type)

Dated: 10/30/12

Address PO Box 2837
Big Bear Lake, Ca. 92315

Approved as to Legal Form
▶ [Signature]
County Counsel
Date [Signature]

Reviewed by Contract Compliance
▶ [Signature]
Date [Signature]

Presented to BOS for Signature
▶ [Signature]
Department Head
Date [Signature]

REVISED 2012 EXHIBIT "E"

Revised 2012 Exhibit E
Franchise Area Rates

County Franchise Area 17
 Zone (if applicable) _____
 Subscription X
 Uniform _____
 Effective Date 07/01/2012

RESIDENTIAL BARREL SERVICE

Service Category	Lbs / CY	Wks / mo	SWMD Gate Rate	Single Unit Solid Waste Facility Fee	Single Unit Operating Fee	Single Unit Franchise Fee (0.1111)	Total Rate
Residential Service - Refuse	85	4.33	\$ 45.95			\$ -	\$ -

			Total Solid Waste Facility Fee	Total Operating Fee	Total Franchise Fee	Total Rate
3 - 32 gal barrels	1	32-Gal Barrels	\$ -	\$ 17.92	\$ 1.99	\$ 19.91
4 - 32 gal barrels	1	32-Gal Barrels	\$ -	\$ 24.02	\$ 2.67	\$ 26.69
5 - 32 gal barrels	1	32-Gal Barrels	\$ -	\$ 30.11	\$ 3.35	\$ 33.46
6 - 32 gal barrels	1	32-Gal Barrels	\$ -	\$ 36.15	\$ 4.02	\$ 40.17
Cart () gallons					\$ -	\$ -
Cart () gallons					\$ -	\$ -
Recycling					\$ -	\$ -
Greenwaste					\$ -	\$ -
Other					\$ -	\$ -
Other					\$ -	\$ -
Special Charges						
Bulky Items Up To 3 Cubic Yards				\$ 68.98	\$ 7.66	\$ 76.64
					\$ -	\$ -
Extra Cans or Bags per Pick-up				\$ 1.36	\$ 0.15	\$ 1.51
					\$ -	\$ -
Pine Needles by the bag				\$ 1.36	\$ 0.15	\$ 1.51
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -



Revised 2012 Exhibit E
Franchise Area Rates

County Franchise Area 17
 Zone (if applicable) 0
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 Uniform 0
 Effective Date 07/01/2012

RESIDENTIAL BIN SERVICE

Lbs /CY	Wks /Mo	Gate Rate	Solid Waste Facility Fee
125	4.33	45.95	

Service Category	Qty	CY Units	Freq p/wk	Single Unit Solid Waste Facility Fee	Single Unit Operating Fee	Single Unit Franchise Fee (0.1111)	Total Rate
BINS Refuse once a week	1	1	1	\$ -		\$ -	\$ -
BINS Refuse twice a week	1	1	2	\$ -		\$ -	\$ -
Res. Bin Service - Refuse							
1.5 CY bin, 1/wk	1	1.5	1	\$ -	\$ -	\$ -	
1.5 CY bin, 2/wk	1	1.5	2	\$ -	\$ -	\$ -	
2 CY bin, 1/wk	1	2	1	\$ -	\$ 66.14	\$ 7.35	\$ 73.49
2 CY bin, 2/wk	1	2	2	\$ -	\$ 132.29	\$ 14.70	\$ 146.99
3 CY bin, 1/wk	1	3	1	\$ -	\$ 97.65	\$ 10.85	\$ 108.50
3 CY bin, 2/wk	1	3	2	\$ -	\$ 195.33	\$ 21.70	\$ 217.03
4 CY bin, 1/wk	1	4	1	\$ -	\$ 127.98	\$ 14.22	\$ 142.20
4 CY bin, 2/wk	1	4	2	\$ -	\$ 255.96	\$ 28.44	\$ 284.40
Other _____						\$ -	\$ -
Other _____						\$ -	\$ -
Res. Bin Service - Recycling							
2 CY bin, 1/wk	1	2	1		\$ 49.90	\$ 5.54	\$ 55.44
3 CY bin, 1/wk	1	3	1		\$ 74.90	\$ 8.32	\$ 83.22
4 CY bin, 1/wk	1	4	1		\$ 98.35	\$ 10.93	\$ 109.28
Other _____						\$ -	\$ -
Other _____						\$ -	\$ -
Special Charges							
MANUAL PULL OUT SERVICE-INCLUDES OPENING ENCLOSURE DOORS					\$ 3.77	\$ 0.42	\$ 4.19
START UP FEE-INCLUDES BIN DELIVERY					\$ 46.96	\$ 5.22	\$ 52.18
LOCKING LIDS- ONE TIME CHARGE					\$ 48.22	\$ 5.36	\$ 53.58
EXCHANGE DIRTY BINS FOR CLEAN					\$ 50.10	\$ 5.57	\$ 55.67
						\$ -	\$ -
						\$ -	\$ -



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 Subscription X
 Uniform 0
 Effective Date 07/01/2012

MULTI-RESIDENTIAL BIN SERVICE

Lbs /CY	Wks /Mo	Gate Rate	Solid Waste Facility Fee
125	4.33	45.95	

Service Category	Qty	CY Units	Freq p/wk	Single Unit Solid Waste Facility Fee	Single Unit Operating Fee	Single Unit Franchise Fee (0.1111)	Total Rate
BINS Refuse once a week	1	1	1	\$ -		\$ -	\$ -
BINS Refuse twice a week	1	1	2	\$ -		\$ -	\$ -
Bin Service - Refuse							
1.5 CY bin, 1/wk	1	1.5	1	\$ -	\$ -	\$ -	\$ -
1.5 CY bin, 2/wk	1	1.5	2	\$ -	\$ -	\$ -	\$ -
2 CY bin, 1/wk	1	2	1	\$ -	\$ 57.49	\$ 6.39	\$ 63.88
2 CY bin, 2/wk	1	2	2	\$ -	\$ 114.96	\$ 12.77	\$ 127.73
3 CY bin, 1/wk	1	3	1	\$ -	\$ 86.29	\$ 9.59	\$ 95.88
3 CY bin, 2/wk	1	3	2	\$ -	\$ 172.57	\$ 19.17	\$ 191.74
4 CY bin, 1/wk	1	4	1	\$ -	\$ 114.96	\$ 12.77	\$ 127.73
4 CY bin, 2/wk	1	4	2	\$ -	\$ 229.93	\$ 25.55	\$ 255.48
5 CY bin, 1/wk	1	5	1	\$ -	\$ -	\$ -	\$ -
5 CY bin, 2/wk	1	5	2	\$ -	\$ -	\$ -	\$ -
Other _____						\$ -	\$ -
Other _____						\$ -	\$ -
Bin Service - Recycling							
2 CY bin, 1/wk	1	2	1		\$ 49.90	\$ 5.54	\$ 55.44
3 CY bin, 1/wk	1	3	1		\$ 74.90	\$ 8.32	\$ 83.22
4 CY bin, 1/wk	1	4	1		\$ 100.51	\$ 11.17	\$ 111.68
Other _____						\$ -	\$ -
Other _____						\$ -	\$ -
Special Charges							
MANUAL PULL OUT SERVICE-INCLUDES OPENING ENCLOSURE DOORS					\$ 3.77	\$ 0.42	\$ 4.19
START UP FEE-INCLUDES BIN DELIVERY					\$ 46.96	\$ 5.22	\$ 52.18
LOCKING LIDS- ONE TIME CHARGE					\$ 48.22	\$ 5.36	\$ 53.58
EXCHANGE DIRTY BINS FOR CLEAN					\$ 50.10	\$ 5.57	\$ 55.67



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COMMERCIAL BIN SERVICE

	Lbs /CY 125	Wks /Mo 4.33	Gate Rate 45.95	Solid Waste Facility Fee \$ 9.97			
Service Category	Qty	CY Units	Freq p/wk	Single Unit Solid Waste Facility Fee	Single Unit Operating Fee	Single Unit Franchise Fee (0.1111)	Total Rate
BINS Refuse one time a week	1	1	1	\$ 9.97		\$ -	\$ 9.97
BINS Refuse two times a week	1	1	2	\$ 22.40		\$ -	\$ 22.40
BINS Refuse three times a week	1	1	3	\$ 34.84		\$ -	\$ 34.84
BINS Refuse four times a week	1	1	4	\$ 47.27		\$ -	\$ 47.27
BINS Refuse five times a week	1	1	5	\$ 59.71		\$ -	\$ 59.71
BINS Refuse six times a week	1	1	6	\$ 72.14		\$ -	\$ 72.14
2 CY bin, 1/wk	1	2	1	\$ 22.40	\$ 57.48	\$ 6.39	\$ 86.27
2 CY bin, 2/wk	1	2	2	\$ 44.80	\$ 114.95	\$ 12.77	\$ 172.52
2 CY bin, 3/wk	1	2	3	\$ 67.20	\$ 172.44	\$ 19.16	\$ 258.80
2 CY bin, 4/wk	1	2	4	\$ 89.60	\$ 229.92	\$ 25.54	\$ 345.06
2 CY bin, 5/wk	1	2	5	\$ 112.00	\$ 287.40	\$ 31.93	\$ 431.33
2 CY bin, 6/wk	1	2	6	\$ 134.40	\$ 344.89	\$ 38.32	\$ 517.61
3 CY bin, 1/wk	1	3	1	\$ 33.62	\$ 86.28	\$ 9.59	\$ 129.49
3 CY bin, 2/wk	1	3	2	\$ 67.24	\$ 172.56	\$ 19.17	\$ 258.97
3 CY bin, 3/wk	1	3	3	\$ 100.86	\$ 258.84	\$ 28.76	\$ 388.46
3 CY bin, 4/wk	1	3	4	\$ 134.48	\$ 345.12	\$ 38.34	\$ 517.94
3 CY bin, 5/wk	1	3	5	\$ 168.10	\$ 431.41	\$ 47.93	\$ 647.44
3 CY bin, 6/wk	1	3	6	\$ 201.72	\$ 517.69	\$ 57.52	\$ 776.93
4 CY bin, 1/wk	1	4	1	\$ 44.82	\$ 114.96	\$ 12.77	\$ 172.55
4 CY bin, 2/wk	1	4	2	\$ 89.64	\$ 229.93	\$ 25.55	\$ 345.12
4 CY bin, 3/wk	1	4	3	\$ 134.46	\$ 344.92	\$ 38.32	\$ 517.70
4 CY bin, 4/wk	1	4	4	\$ 179.28	\$ 459.89	\$ 51.09	\$ 690.26
4 CY bin, 5/wk	1	4	5	\$ 224.10	\$ 574.87	\$ 63.87	\$ 862.84
4 CY bin, 6/wk	1	4	6	\$ 268.92	\$ 689.84	\$ 76.64	\$ 1,035.40
Other						\$ -	\$ -
Bin Service - Recycling							
2 CY bin, 1/wk	1	2	1		\$ 49.89	\$ 5.54	\$ 55.43
2 CY bin, 2/wk	1	2	2		\$ 99.80	\$ 11.09	\$ 110.89
3 CY bin, 1/wk	1	3	1		\$ 74.89	\$ 8.32	\$ 83.21
3 CY bin, 2/wk	1	3	2		\$ 149.78	\$ 16.64	\$ 166.42
4 CY bin, 1/wk	1	4	1		\$ 99.77	\$ 11.08	\$ 110.85
4 CY bin, 2/wk	1	4	2		\$ 199.54	\$ 22.17	\$ 221.71
Other						\$ -	\$ -
Special Charges							
MANUAL PULL OUT SERVICE-INCLUDES OPENING ENCLOSURE DOORS					\$ 3.77	\$ 0.42	\$ 4.19
START UP FEE-INCLUDES BIN DELIVERY					\$ 46.96	\$ 5.22	\$ 52.18
LOCKING LIDS- ONE TIME CHARGE					\$ 48.22	\$ 5.36	\$ 53.58
EXCHANGE DIRTY BINS FOR CLEAN					\$ 50.10	\$ 5.57	\$ 55.67



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ROLL OFF BIN SERVICE

Basis Used:
5 tons per 40 CY box

Tons / 10 CY	SWMD Gate Rate / Ton	Solid Waste Facility Fee
1.25	57.95	\$ 72.44

Service Category	CY	Tons	Solid Waste Facility Fee	Operating Fee	Single Unit Franchise Fee (0.1111)	Total Rate
Refuse	10 CY box	10	ACTUAL WT	\$ 255.41	\$ 28.38	\$ 283.79
			N/A		\$ -	
			ACTUAL WT	\$ 255.41	\$ 28.38	\$ 283.79
			N/A		\$ -	
Special Charges						
				DEMURRAGE FEE	\$ 4.51	\$ 0.50



1. The first part of the document
describes the general situation
of the company and its
activities.

2. The second part of the document
describes the financial situation
of the company and its
activities.

The following table shows the results of the company's activities for the year 2000. The table is divided into two parts: the first part shows the results of the company's activities in the field of production and sales, and the second part shows the results of the company's activities in the field of research and development. The results are expressed in thousands of dollars.

Item	2000	1999
Production and sales	120,000	110,000
Research and development	15,000	12,000
Administrative expenses	10,000	8,000
Financial expenses	5,000	4,000
Income taxes	3,000	2,000
Net income	77,000	64,000

The results of the company's activities for the year 2000 are as follows: production and sales of 120,000 thousand dollars, research and development of 15,000 thousand dollars, administrative expenses of 10,000 thousand dollars, financial expenses of 5,000 thousand dollars, income taxes of 3,000 thousand dollars, and net income of 77,000 thousand dollars. The results for the year 1999 are: production and sales of 110,000 thousand dollars, research and development of 12,000 thousand dollars, administrative expenses of 8,000 thousand dollars, financial expenses of 4,000 thousand dollars, income taxes of 2,000 thousand dollars, and net income of 64,000 thousand dollars.