

AMENDMENT NO. 2 TO THE AGREEMENT BETWEEN THE CITY OF MANHATTAN BEACH AND USA WASTE OF CALIFORNIA, INC., DBA WASTE MANAGEMENT OF LOS ANGELES

This Second Amendment (“Amendment No. 2”) to that certain agreement by and between the City of Manhattan Beach, a California municipal corporation (“City”) and USA Waste of California, Inc., DBA Waste Management of Los Angeles (“Company”) (collectively, the “Parties”) is hereby entered into on December 3, 2024.

RECITALS

- A. City and Company entered into a franchise agreement for the Company to provide integrated solid waste management services dated December 10, 2019 (the “Underlying Agreement”);
- B. City and Company entered into that certain Amendment No. 1 to the Agreement between the City of Manhattan Beach and USA Waste of California, Inc., DBA Waste Management of Los Angeles, dated July 1, 2020, (together with the Underlying Agreement, the “Amended Agreement”); and
- C. The Parties desire to modify the terms and conditions of the Amended Agreement as set forth herein.

NOW, THEREFORE, in consideration of the Parties’ performance of the promises, covenants, and conditions stated herein, the Parties hereby agree as follows:

Section 1. Section 3.6.4 of the Amended Agreement is hereby amended to read as follows:

3.6.4 Street and Park Litter Containers

Company shall Collect and process all Solid Waste deposited in City’s Street and Park Litter Containers as necessary to prevent overflow at no additional cost at all existing locations. All material in Trash Containers shall be processed to recover Recyclables. However, Company shall be relieved of the requirement to process material in Street and Park Litter Containers if material is significantly contaminated by dog feces, and Company shall report to City monthly the number of loads rejected for processing. All material in Recycling Containers shall be processed and Recyclable material diverted. Additional Recycling Containers and Organics Waste Containers may be added by City for Company Collection at no additional charge. The number of Street and Park Litter Trash Containers to be Collected at no additional charge may be increased by up to five percent during the term at no additional charge. In the event that the City desires to increase the number of Street and Park Litter Containers to be collected by greater than five percent the Parties shall meet and confer to determine whether Company is entitled to a reasonable adjustment to the Rates in accordance with Section 5.5.

In addition to the above requirements, City Street and Park Litter Containers located in the public right of way in the Downtown Manhattan Beach footprint (Valley Blvd. to Ocean Drive. and 9th St. to 15th St.) will be collected at least three times per day and the Strand containers from 1st St. to 15th. St. will be collected at least twice per day. The Street and Park Litter Containers located on Artesia Blvd., Aviation Blvd., Rosecrans Ave. and Sepulveda Blvd. will be collected as needed, but no less than once per week. Company shall not be required to service any Street and Park Litter Containers located on the Manhattan Beach Pier (located at 2 Manhattan Beach Blvd., Manhattan Beach, California 90266) or any Street and Park Litter Containers located within the Metlox Plaza (located at 451 Manhattan Beach Blvd., Manhattan Beach, California 90266). A

map showing the approximate location of each Street and Park Litter Containers and the service levels is attached to this Amendment No. 2 as Exhibit A.

Section 2. Section 5.4.2 is hereby amended to read as follows:

5.4.2 Rate Adjustment Calculation

The approved Company Compensation shall be based upon the percentage change in the average annual published Consumer Price Index (“CPI”), for Trash and Garbage Collection (CUUROOOSEHG02), U.S. City average, as published by the United States Department of Labor, Bureau of Labor Statistics, between the calendar year ended the December prior to the Rate Year anniversary date, and the calendar year ended the prior December; provided, however, that an annual rate adjustment calculated in accordance with this Section 5.4.2 shall not be more than 8% per Rate Year. For example, for the first rate increase effective July 1, 2020, the change in indices shall be measured as the percentage change from the average of the monthly indices for calendar year 2018 to the average of the monthly indices for calendar year 2019. An example calculation is included in Exhibit 4. If the index is discontinued, an alternative index must be approved by the City Manager.

Section 3. Section 5.6 is hereby added to the Amended Agreement to read as follows:

5.6 Special Adjustment

Notwithstanding Section 5.4.2, City approves a one-time special rate adjustment to provide an extraordinary increase as requested by the Company. The extraordinary increase will be distributed 2.51% to Residential Single-Family and Multi-Family Cart Customers and 5.4% to Commercial and Multi-Family Bin and Cart Customers including rates for other services. Rates for Temporary Service and Roll-off Boxes are excluded from the extraordinary increase. This increase is due to cost impacts from post-COVID industry changes. The one-time special rate adjustment will be added to the regular annual rate adjustment percentage calculated under Section 5.4.2 effective July 1, 2025, subject to Proposition 218 approval. For example, if the CPI is 8%, and the one-time extraordinary increase is 2.51% for residential and 5.4% for commercial, the Company’s rate adjustment percentage for FY25-26, which begins on July 1, 2025, will be 10.51% for residential and 13.4% for commercial.

Section 4. **Effect of Second Amendment.** Except as specifically amended by this Second Amendment, all other provisions of the Amended Agreement shall remain in full force and effect.

Section 5. **Notice.** All notices, demands, requests, proposals, approvals, consents and other communications which this Second Agreement requires, authorizes or contemplates shall be made in accordance with Section 11.12 of the Amended Agreement.

Section 6. **Governing Law.** This Second Amendment shall be governed by, and construed and enforced in accordance with, the laws of the State of California without regard for its conflicts of laws principles, and the City’s Municipal Code.

Section 7. **Authorization.** Each party to this Second Amendment hereby represents and warrants to the other party that: (a) it has the full right, power, and authority to enter into this Second Amendment and to perform its obligations hereunder; and (b) the execution of this Second Amendment by the individual whose signature is set forth at the end of this Second Amendment on behalf of such party, and the delivery of this Second Amendment by such party, have been duly

authorized by all necessary action on the part of such party.

Section 8. **Further Assurances.** Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Second Amendment. The Parties agree to act reasonably in exercising any action, discretion, judgment, approval or extension of time that may be required to affect the purpose and intent of this Second Amendment. Whenever the approval or consent of a Party is required under this Second Amendment such consent shall not be unreasonably withheld or delayed.

Section 9. **Counterparts.** This Second Amendment may be executed in counterparts, each of which is deemed an original, but all of which constitute one and the same agreement. Delivery of an executed counterpart of this Second Amendment electronically or by facsimile shall be effective as delivery of an original executed counterpart of this Second Amendment.

[signature page follows]

IN WITNESS THEREOF, the Parties hereto have executed this Second Amendment on the day and year on the dates stated below.

CITY OF MANHATTAN BEACH:

By: _____

Name: Talyn Mirzakhanian
Title: City Manager

Date: _____

ATTEST:

By: _____

Name: Liza Tamura
Title: City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____

Name: Quinn M. Barrow
Title: City Attorney

Date: _____

APPROVED AS TO FISCAL IMPACT:

By: _____

Name: Onyx Jones
Title: Interim Finance Director

Date: _____

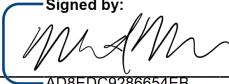
APPROVED AS TO CONTENT:

By: _____

Name: Erick Lee
Title: Public Works Director

Date: _____

USA WASTE OF CALIFORNIA, INC.:

Signed by:

By: _____
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Name: Mike Hammer
Title: President – Southern California Area

Date: 11/26/2024 _____

Trash and Recycle Bin Locations

City of Manhattan Beach

EXHIBIT A

