

2015



# Solid Waste Task Force Report



Mayor C. Samuel Sutter

Solid Waste Task Force

10/5/2015

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## Introduction

In March of 2015, Mayor Samuel Sutter formed a Solid Waste Task Force (SWTF) comprised of city leaders, citizens, and solid waste professionals to assess the city's current municipal waste program and to develop recommendations for future long-term programs.

## Mission Statement

The mission statement of the Solid Waste Task Force is to research, develop recommendations, and report cost effective, efficient, and environmentally responsible alternatives that works for the residents of the City of Fall River.

### I. Landfill History

The Fall River landfill is located at 1080 Airport Road. It is a 200 acre parcel with approximately 126 acres of waste area. In November 2014, the landfill ceased accepting waste.

The following is a timeline of major events in the history of the landfill:

- In 1939, the City of Fall River opened a municipal dump.
- In 1964, the dump was one of many parcels of land transferred from the City to the Greater Fall River Development Corporation.
- In 1966, the City leased property located off of Airport Road from the Greater Fall River Development Corporation for operation of a solid waste landfill.
- In the summer of 1977, the State of Massachusetts attempted to close the dump site because of environmental concerns. The City spent \$150,000 to rectify the environmental issues raised.
- In June 1981, the Environmental Protection Agency (EPA) notified the City that the landfill was a "Hazardous Waste Site" and that the contamination took place between 1939 and 1972.
- The City operated the landfill until June 1981.
- In July 1981, Alan Jarabeck's company, Fall River Landfill, Inc., a private entity, purchased the Landfill from the City of Fall River.
- Fall River Landfill, Inc. owned and operated the landfill between 1981 and December of 1986.
- In December 1986, Browning-Ferris Industries (BFI) purchased the landfill.
- In April 1990, BFI began a commercial recycling program for cardboard.
- In August 1995, the Massachusetts Department of Environmental Protection (MassDEP) granted a permit to BFI to expand the landfill pending closing of the municipal airport. Mayor John Mitchell approved closure of airport to allow for the landfill expansion.
- In February 1996, the airport closed for landfill expansion.
- In 1999, Allied Waste purchased BFI.
- In April 2004, BFI shut down the landfill after reaching capacity.

- In August 2004, City wins \$13 million lawsuit after BFI was found not to have paid City proper host fees.
- In August 2005, Court ruled in favor of BFI's 33 acre expansion permit after City attempted to block DEP approval.
- In July 2008, Allied Waste and Republic Services merged.
- In May 2009, the City announced landfill was closed to outside communities because of capacity concerns.
- In June 2009, DEP approved a 13-acre expansion.
- In November 2010, DEP approved a 17-acre expansion.
- In April 2012, a 2-acre expansion was sought.
- In November 2014, the landfill closed.

## **II. Contracts Impacting Solid Municipal Waste**

In order to objectively assess the City of Fall River's municipal waste program and to develop recommendations for future long-term programs it was necessary that the Solid Waste Task Force (SWTF) ascertain and review several pre-existing contractual arrangements impacting solid waste collection and removal between the City of Fall River (City) and third parties in contract with the City for such services. During the review process the SWTF identified and reviewed four (4) contracts between the City and a third party. The four (4) agreements identified and reviewed were the "Recycling Services Agreement" between the City and Casella Recycling, L.L.C., the "Service Agreement for Municipal Solid Waste" between the City and Republic Services, the "Landfill Capping Agreement" between City and Browning-Ferris Industries (a company acquired by Republic Services in 2008) and the "WasteZero Supplies and Services Agreement" between the City and WasteZero.

The first issue addressed by the SWTF in their review was whether the four (4) contracts that had been identified were valid agreements that are enforceable against the parties identified within them. Based upon information provided to the SWTF the agreements appear to be valid contracts that can be legally enforceable upon the parties named within each agreement. No evidence was presented that contradicted this conclusion. The contracts were thereby treated by the SWTF as valid and enforceable.

With the issues of validity and enforceability satisfactorily addressed, the SWTF shifted to reviewing provisions within each of the four (4) agreements that impact or may impact the City's current municipal waste program and any future program occurring within the defined time period of each contract. Consequently, there are identified within each of the four (4) agreements a number of provisions and conditions along with measures of compliance that are stated hereafter in order to understand what solid waste options may be available to the City.

## A) Recycling Services Agreement

The first contract reviewed by the SWTF was the “Recycling Services Agreement” between the City and Casella Recycling, L.L.C. The purpose of the agreement is for the City to contract with Casella Recycling, L.L.C. (the “Processor”) to receive, process and market all curbside collected single stream curbside mix within Fall River (the “Generator”). There are several noteworthy provisions within this agreement that are relevant to the City’s current municipal waste program that also may impact future decision making.

The explicit naming of what facility can be used by the Processor was identified by the SWTF as a significantly noteworthy provision within the agreement. Lack of flexibility offered by the Generator to a potential processor vendor in what facility can be used for initial processing can also be a limiting factor in soliciting bids for future processor vendors. The facility within the City identified as the transfer station to be utilized as defined within Section one (1) of the agreement is the “Fall River Landfill/Transfer Station that is operated by Republic Services, Inc., at 1080 Airport Road (“Facility”).” It is explicitly stated within the agreement that the Processor and the Generator must utilize the named facility. This provision potentially bars the City, or a vendor that contracts with the City, from utilizing another transfer station other than the Facility.

The agreement between the City and Casella Recycling, L.L.C. was dated on November 1, 2014. The term is for two (2) years. The contract terminates on October 31, 2016. It is also stated explicitly within Section four (4) of the agreement that upon completion of the initial term the time period shall automatically extend for “additional consecutive one (1) year terms unless either party, no less than thirty (30) days prior to the end of the then-existing term, provides notice to the other party of its intent to not extend for an additional term.” Notices must be in writing and mailed within a format stated within Section seven (7) of the contract.

## B) Service Agreement for Municipal Solid Waste

The second contract reviewed by the SWTF was the “Service Agreement for Municipal Solid Waste” between the City and Republic Services. The purpose of the agreement is for the City to contract with a third party, identified as “Republic Services,” to provide the City with a transfer station for the removal of solid municipal waste. There are several noteworthy provisions within the Service Agreement for Municipal Solid Waste that are relevant to the City’s current municipal waste program. Several sections of the agreement also impact future decision making.

The first issue worth examining is how this agreement impacts past agreements between the City and Republic Services. In particular, Republic Services used to pay a host fee to the City in return for management of the Fall River Landfill. It is explicitly stated within Section one (1) of the agreement that all past agreements between the City and Republic Services are terminated and no longer enforceable. It is further expressly stated in paragraph three (3) of Section one (1) that the obligation of Republic Services, or any of its affiliates, to pay any host fees to the

City shall cease upon closure of the Fall River Landfill and that all materials delivered thereafter are now being deposited at the transfer station within the Fall River Landfill located at 1080 Airport Road and not subject to any host fees. Consequently all past agreements between the City and Republic Services for municipal waste removal are terminated and such host fees that had previously been utilized by the City for municipal revenue are no longer in effect.

Section two (2) of the agreement is significant as it pertains to “Delivery of Acceptable Waste” at the landfill/transfer station. Section two (2) states that the City “shall deliver all Acceptable Waste” to the landfill/transfer station that is generated within the area served by Republic Services whether collected by the City or the City’s subcontractor(s). The use of the words “shall deliver all” within the agreement was particularly noteworthy to the SWTF. This is mandatory language that provides exclusivity to Republic Services by the City and its subcontractors. To discern future options for the City an issue to resolve concerns the duration that Republic Services holds exclusive rights over the City to use the Fall River Landfill/Transfer Station. Section four (4) of the agreement provides further understanding. Another agreement impacting resolution to these concerns is the Landfill Capping Agreement. (See Section ten (10), Landfill Capping Agreement).

Section four (4) defines the duration of the agreement. Unless there is a default by either party, as defined within Section seven (7), the term of the Service Agreement for Municipal Solid Waste is for five (5) years beginning on October 14, 2014. The initial term of five (5) years can be extended for an additional two (2) years upon mutual agreement between the City and Republic Services. An extension is not automatic.

In summation, the Service Agreement for Municipal Solid Waste is material to the work of the SWTF because the agreement provides Republic Services with exclusivity as the only landfill/transfer station used by the City during the duration of the agreement. The agreement is for five years beginning on October 14, 2014. The material provisions within this agreement are significant to the SWTF because they potentially impact other agreements for solid waste management and future negotiations by the City with potential and existing vendors such as Casella Recycling, L.L.C. (See Recycling Services Agreement).

### C) Landfill Capping Agreement

In addition to the Service Agreement for Municipal Solid Waste between the City and Republic Services, the City entered into an agreement with Browning-Ferris Industries (BFI), which is a company sold to Allied Waste in 1999, and acquired by Republic Services in 2008. The purpose of the Landfill Capping Agreement is to outline the responsibilities between the City and BFI in relation to the management of a Corrective Action Plan at the Landfill and in adjacent areas as required by the Massachusetts Department of Environmental Protection (MassDEP). In 2014, prior to the closing of the Landfill, solid waste had been discovered buried on approximately seven (7) acres outside the permitted Landfill property. Although the subject property was outside of the Landfill and had not been owned by BFI, BFI and the City agreed to fully

cooperate in fulfillment of the MassDEP approved Corrective Action Plan. Cooperation within the agreement included assigning BFI to cap the discovered subject area containing the buried solid waste.

In return for BFI's execution of the Corrective Action Plan, along with cleanup of the area outside of the Landfill, the City provides certain assurances material to the duration of the Service Agreement for Municipal Solid Waste between the City and Republic Services. Most notably is the conditional language within Section ten (10) of the agreement that allows for the City to extend the duration of the Service Agreement for Municipal Solid Waste between the City and Republic Services.

Section ten (10) of the Landfill Capping Agreement contends that BFI will make reasonable best efforts to secure sufficient revenues consistent with the Action Plan to cover the costs associated with the capping of the subject area at no cost to the City. On condition that said revenues do not meet the reasonable expenses incurred by BFI then the City shall be responsible for payment of eighty-five percent (85%) of any shortfall. BFI would be responsible for payment of fifteen percent (15%) of any shortfall. In such a triggering event, BFI shall notify the City of the shortfall in revenues and amortize the City's share of the shortfall over the remaining term of the Service Agreement for Municipal Solid Waste, as the term of the agreement may be adjusted from time to time. There are other conditions within Section ten (10) such as the City paying interest to BFI on the balance.

The consequence of Section ten (10), within the Landfill Capping Agreement is material. The Service Agreement for Municipal Solid Waste between the City and Republic Services is for five (5) years beginning on October 14, 2014. A triggering event as described with Section ten (10) can extend Republic Service's exclusive rights over the City to use the Fall River Landfill/Transfer Station. Such unknowns, while immediately beneficial to the City, complicate the planning of long term solid waste programs for the City.

#### D) WasteZero Supplies and Services Agreement

The "WasteZero Supplies and Services Agreement" between the City and WasteZero was the fourth contract reviewed by the SWTF. The understood purpose of the agreement is for the City to contract with a third party, identified as "WasteZero," to adopt, develop and implement a solid waste metering program for the City. The solid waste metering program is referred to locally as the "Pay as You Throw" program, or "PAYT".

The WasteZero Supplies and Services Agreement along with several important exhibits is approximately a twenty page document. The entire agreement was reviewed by the SWTF, but many of the provisions and conditions stated within the agreement are irrelevant to the work of the SWTF. Consequently, only the most applicable provisions will be reported on hereafter.

During the term of the agreement, WasteZero is contractually obligated to manufacture and supply official municipal solid waste bags for use by City residents and small businesses in order

to dispose of their solid waste. Section one (1) defines the initial and subsequent duration(s) of the WasteZero Supplies and Services Agreement. It is explicitly stated that the agreement is binding on all parties named within for a period of five (5) years from the effective date, which is July 14, 2014. Upon the expiration of the initial term of five (5) years, at the sole discretion of the City, the term will renew for an additional five (5) one (1) year terms.

Section five (5) of the agreement names WasteZero as the exclusive provider of official bags made available in the City for purchase by residents for the PAYT program. Section five (5) is explicit that the City cannot purchase or sell any other bags used for containing solid waste other than those provided by WasteZero. Section five (5) also explicitly states that the City cannot directly, or indirectly, partner with any other company other than WasteZero to purchase or sell waste or recycling bags other than the official City bags. Breach of contract and the potential consequences of a breach are covered within Section fourteen (14).

Section seven (7) of the agreement addresses PAYT bag distribution. The official PAYT bags provided by WasteZero to the City are supplied to designated retailers on behalf of the City. Section seven (7) explains that the official bags are made available to City residents for purchase at retail locations throughout the service area that have been classified by the City as designated retailers.

PAYT Bag revenues are discussed in Section eight (8). Revenues derived from the sale of the official waste disposal bags are received by WasteZero. After initial expenses and other ongoing costs have been deducted the net revenues are deposited into a specially established deposit account and ultimately transferred over to the City by WasteZero. Within thirty (30) days of each calendar month WasteZero is to provide the City with the revenues for the preceding calendar month.

In August of 2015, the City and the City Council passed a revision to the Fall River, MA Revised Ordinances that make the PAYT program more enforceable upon City residents. This action, fulfills a City contractual obligation to WasteZero that is stated unambiguously with mandatory language in Section thirteen (13), paragraph (a) of the agreement. The provision in effect states that the City will take any and all action necessary to make the PAYT program enforceable. By enactment of the long-delayed enforcement language within the Fall River, Mass. Revised Ordinances for the PAYT program, the City has arguably met the contractual obligations within this provision, thereby avoiding a Breach of Contract.

The potential of an early termination from the WasteZero Supplies and Services agreement by the City was an issue that the SWTF wanted to investigate thoroughly. Terms for a premature withdrawal by the City is outlined within Section fourteen (14) of the agreement, which is entitled, "Breach; Termination." Breach of contract and termination by convenience along with the remedies to WasteZero for a breach or termination by the City are addressed within Section fourteen (14), paragraph (d) of the agreement.

Section fourteen (14) states that if either party is in breach and fails to adequately cure the breach within the time frame offered, then the other party may terminate the agreement. There may also be a termination by the City for convenience. Under the termination for convenience provision as outlined within Section fourteen (14), paragraph (c), the City may terminate the agreement at any time upon ninety (90) days written notice if the City eliminates its Pay as You Throw program. The exclusivity clause highlighted earlier clearly indicates that the City may not eliminate the Pay as You Throw program with WasteZero to implement another similar solid waste management program without opening itself to a breach of contract action.

Upon acceptance by WasteZero of a termination by the City of the PAYT program, the Section fourteen (14), paragraph (d) "Effect of Termination" clause springs into effect. Section fourteen (14), paragraph (d) states as a minimum that upon termination or expiration of this agreement for any reason (i) WasteZero will ship to the Municipality all Trash Metering Bags remaining in inventory, and Municipality will purchase from WasteZero all Trash Metering Bags in inventory on the effective date of termination at the then current WasteZero supplies and services fee, and (ii) WasteZero will have no further liability or obligation under the agreement, including without limitation, for servicing any warranty claims, and (iv) WasteZero will have no continuing responsibility for the services to the City.

#### E) Conclusions

All four (4) of the contracts reviewed by the SWTF are currently in effect. It is the understanding of the SWTF that all four (4) contracts in some manner materially impact existing and future solid waste collection and removal within the City. Unknowns such as potential extensions to the Service Agreement for Municipal Solid Waste further complicate the planning process (See Appendix for "Recycling Services Agreement" between the City and Casella Recycling, L.L.C., the "Service Agreement for Municipal Solid Waste" between the City and Republic Services, "Landfill Capping Agreement" between the City and BFI, and the "WasteZero Supplies and Services Agreement" between the City and WasteZero).

### **III. Public Hearings**

The Task Force held two (2) public hearings to solicit suggestions and comments from the general public. The Mayor's Office posted notice of these meetings to encourage public attendance and participation. These public hearings were held on May 27, 2015 and June 10, 2015 in the Atrium of Government Center. During these hearings, members of the public recommended a variety of solutions, including privatization, the creation of a transfer station, composting, and a Waste to Energy program. Some residents expressed dissatisfaction with the Pay as You Throw program. See Appendix C.

#### IV. Comparative Municipal Tax Revenues

The SWTF reviewed key metrics in conjunction with reviewing the contracts. The key metrics included on the following charts/graph are:

- A) Gateway Cities Survey
- B) Demographic Data
- C) Approved Budget to Allocated State/Federal Aid

Upon review of Chart C, it is worth noting that in 2002 the City's budget was subsidized by almost 61%. The SWTF found that significant because by 2015 that total amount was reduced to approximately 48%, which represented a 13% drop. The trend demonstrates that the City since 2002 has been taking on a greater share of its own expenses.

The SWTF additionally notes that Chart C demonstrates the State 9C cuts from 2009 to 2010 where year over year aid was reduced by \$10.9 million a decrease of (8.5%).

# CHART A. GATEWAY CITIES SURVEY



## SOLID WASTE TASK FORCE GATEWAY CITIES SURVEY

	Attleboro	Barnstable	Brockton	Chelsea	Chicopee	Everette	Fall River	Fitchburg	Haverhill	Holyoke	Lawrence	Lemonster	Lowell	Lynn	Malden	Methuen	New Bedford	Peabody	Pittsfield	Quincy	Revere	Salem	Springfield	Taunton	Westfield	Worcester
population	43.5K	50/145	96K	35K	55K	43K	88K	40K	62K	40K	80K	65K	106K	90K	60K	48K	93K		44K	92K	55K	43K	150K	56K	41K	182K
# of households	14k	drop off	25K	5K	19K		34K	13.5K	22.5K	10K	18K		25K	27K	19K	19tra/15rec	34K		16K	33K		15.4K	68K		13K	52K
max # of units	8	n/a	5	8	6		8	8		4	6	4	4	6	6	4	6	4	3	8		6	3	4	5	6
PAYT	mod	n	mod	mod	n	n	y	n	n	n	mod	mod	mod	mod	mod	n	n		n	n	n	mod	mod	Y	n	Y
bag price (largest 32-35gal)	\$2	n/a	\$1	\$1.50	-	-	\$2	-	-	-	\$2	\$3	\$1.50	\$3	\$2	-	-		-	-	-	\$2.50	\$2 stick	\$2	-	\$1.50
fine?	25-50-75	-	100-300	50-300	-	-	100-300	-	-	-					300	-	-		-	-	-			50-300	-	
who is fined for noncompliance	prop owner	-	po	po	-	-	tenant	tenant	-	-					ten-po									ten		ten/po
enforcement?	boh	-					DCM																	dpw comm		
Rec cost/ton	\$20	0	0		0		\$35	0	\$17	-15.8	0	0		\$30	0				0			0	0		0	
SW cost/ton	\$75	\$78	\$0		\$37		\$64	\$40	\$59	\$75	\$62	\$66	\$74	\$64	\$74	\$64			\$66	\$69		\$72	\$73			\$58
private curbside collection - Recy	y	n	n	y	n	y	n	y	y	n	y	y	y	y	y	y	y	y	y	y	y	y	n	y	y	n
Single Stream Recy	y	y	n	pilot	y	y	y	y-man	y	n		y		biwkly	n	y	y	y	y	y		y	y	y/n	y	y
separate carboard	y	y	Y	N	bus	y	y	n	n	y				y	n	n	n	n	n	n	y	n	n	y		n
municipal curbside collection	n	n	n	n	y		y	n	n	y		n		n	n	n	n	n	n	n		n	Y		Y	Y
additional cart fee (rec)	\$75	n/a	n/a	n/a	n/a	0	0	\$60 1x	n/a	n		n		\$46/yr	-	-	n	-	-			-				
yard waste collection (curbside)	2x/yr	n	y	y	y	y	y	y	1x/yr	y	y	y		y		y			n	y		6x/yr	y	3x/yr	fall	fall
yard waste drop off	*apr-nov	y		y	y	n	y	y	y	y		y		y		y			y	y		y	y	y	y	y
mattress fee	1/wk	\$17/ea	1/wk	\$20/ea	2 per yr	\$15 ea	\$20	\$10 ea	1/wk		0	0	\$15						\$15	0			\$20	\$25	\$10	\$7
bulky items fee	1/wk	\$5/ea	1/wk	\$20/ea	0	\$15/ea	3/\$12	\$10 ea	\$15			1/wk	private	\$20	1/wk	1/wk	n	1/wk	\$15		\$3-15	1/wk	\$8	1/wk		
electronics fee	inc	\$5/ea	inc.		drop off	\$15/ea	\$10-20																			\$5-25
recycling regulator	boh	boh	boh	boh	boh	boh	boh	boh																		
sw regulator	boh	boh	boh	boh	boh	boh	boh	boh																		
rubbish hauler lic. fee	\$100/yr						\$100/yr																			
businesses	priv	priv	priv		some	priv	some	priv	priv		priv	n		some	payt	n	carboard only			n		some			n	n
trash fee	\$184/yr	\$210/yr	\$280/unit	\$258/unit	n		\$120/unit	n	n	n	130/ad crt	n	\$125/yr	n	n	n	n		drop off	n		\$15/unit	90/crt/yr		n	
TVs	2/yr	\$5-\$30																								
landfill					y		n	y	n		covanta	n	n			y			covanta				covanta	y	n	
add'l cart fee (trash)					150/yr		n	\$100/yr	n		\$60 1x		265/yr	\$132/yr	n/a		y						\$90/yr			
annual fee to use drop off facility								\$35+20																		\$10/yr
hauler	WM	ABC	Repub	Russell	City	Capitol	City	WM	Capitol	City	Harvey	Shaw	WM	WM	JRM	Harvey	ABC	JRM	Repub	Sunrise		NSCart	City	Repub	Repub	

### What is a Gateway City?

Under M.G.L. c. 23A section 3A, a Gateway City is defined as a municipality with:

- Population greater than 35,000 and less than 250,000
- Median household income below the state average
- Rate of educational attainment of a bachelor's degree or above that is below the state average.

## CHART B. DEMOGRAPHIC AND BUDGET INFORMATION

	City	Population (2013)	Public Road Miles	Median Household Income (2009-2013)	Households (2009-2013)	Average Tax Bill (2015)	Operating Budget (fiscal 2015)
1	<b>Fall River *</b>	88,697 (10)	273.45	\$33,211	38,258	\$2,705	\$277,734,409
2	<b>Attleboro *</b>	43,866 (30)	201.00	\$67,039	16,402	\$3,732	\$140,192,910
3	<b>Barnstable *</b>	44,641 (27)	447.08	\$60,135	19,729	NA	\$181,381,971
4	<b>Brockton *</b>	94,089 (7)	286.87	\$49,025	32,856	\$3,328	\$391,317,450
5	<b>Cambridge</b>	107,289 (5)	141.14	\$72,529	44,345	NA	\$609,905,994
6	<b>Chelsea *</b>	37,670 (42)	48.66	\$47,291	11,550	NA	\$160,171,673
7	<b>Chicopee *</b>	55,717 (22)	258.78	\$46,708	23,003	\$2,975	\$185,935,202
8	<b>Everett *</b>	42,935 (31)	63.37	\$49,368	15,298	NA	\$191,901,466
9	<b>Fitchburg *</b>	40,383 (37)	201.51	\$49,363	14,931	\$3,222	\$132,378,501
10	<b>Haverhill *</b>	62,088 (16)	260.4	\$60,429	23,716	\$4,114	\$183,258,867
11	<b>Holyoke *</b>	40,249 (38)	174.29	\$31,628	15,846	\$3,415	\$153,830,625
12	<b>Lawrence *</b>	77,657 (13)	136.39	\$32,851	26,455	\$2,688	\$288,873,774
13	<b>Leominster *</b>	41,002 (35)	176.73	\$58,846	16,607	\$4,161	\$137,345,212
14	<b>Lowell *</b>	108,861 (4)	240.24	\$49,452	39,258	\$3,480	\$364,130,698

**CHART B. DEMOGRAPHIC AND BUDGET INFORMATION** *(cont.)*

	<b>City</b>	<b>Population (2013)</b>	<b>Public Road Miles</b>	<b>Median Household Income (2009-2013)</b>	<b>Households (2009-2013)</b>	<b>Average Tax Bill (2015)</b>	<b>Operating Budget (fiscal 2015)</b>
15	<b>Lynn *</b>	91,589 (9)	170.59	\$44,849	33,122	\$3,929	\$307,359,010
16	<b>Malden *</b>	60,509 (17)	108.73	\$53,798	22,952	NA	\$184,517,504
17	<b>Methuen *</b>	48,514 (26)	214.63	\$67,556	17,669	\$3,955	\$150,646,083
18	<b>New Bedford *</b>	95,078 (6)	282.56	\$35,999	39,068	\$2,918	\$320,783,883
19	<b>Newton</b>	87,971 (11)	308.52	\$119,148	31,295	\$10,091	\$424,280,772
20	<b>Peabody *</b>	52,044 (25)	175.38	\$64,351	21,305	\$3,960	\$161,295,617
21	<b>Pittsfield *</b>	44,057 (28)	226.83	\$42,114	19,724	\$3,180	\$148,383,123
22	<b>Quincy *</b>	93,494 (8)	222.75	\$61,328	39,778	\$4,981	\$335,723,672
23	<b>Revere *</b>	53,756 (24)	109.2	\$51,683	19,763	\$3,923	\$173,447,597
24	<b>Salem *</b>	42,544 (32)	98.76	\$55,780	18,363	\$4,995	\$142,881,815
25	<b>Seekonk</b>	14,366 (135)	113.72	\$70,966	NA	\$3,920	\$49,710,205
26	<b>Somerville</b>	78,804 (12)	106.14	\$67,118	31,524	NA	\$252,185,393
27	<b>Springfield *</b>	153,703 (3)	496.81	\$34,311	55,894	\$2,587	\$594,191,110
28	<b>Taunton *</b>	56,069 (21)	262.84	\$51,637	21,657	\$3,441	\$205,014,362

**CHART B. DEMOGRAPHIC AND BUDGET INFORMATION** *(cont.)*

	<b>City</b>	<b>Population (2013)</b>	<b>Public Road Miles</b>	<b>Median Household Income (2009-2013)</b>	<b>Households (2009-2013)</b>	<b>Average Tax Bill (2015)</b>	<b>Operating Budget (fiscal 2015)</b>
29	<b>Westfield *</b>	41,301 (34)	247.90	\$59,581	15,028	\$4,165	\$147,014,384
30	<b>Worcester *</b>	182,544 (2)	523.37	\$45,932	68,850	\$3,756	\$655,395,737

**Sources:** Massachusetts Municipal Directory and U.S. Census Bureau (<http://quickfacts.census.gov/qfd/states/25/2502690.html>)

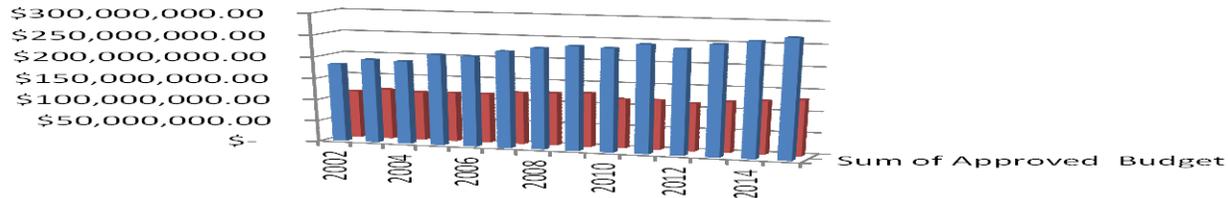
There are 351 communities in the Commonwealth of Massachusetts. Currently Fall River is the 10<sup>th</sup> largest city in the Commonwealth. A “\*” denotes a Gateway City. There are 26 Gateway cities in Massachusetts. Under M.G.L. c. 23A section 3A, a Gateway City is defined as a municipality with:

- Population greater than 35,000 and less than 250,000
- Median household income below the state average (currently \$66,866) United States average: \$64,719
- Rate of educational attainment of a bachelor’s degree or above that is below the state average.

## CHART & GRAPH C. APPROVED BUDGET TO ALLOCATED STATE AID

Year	Values	Sum of Approved Budget	Sum of State Aide	Percent of State to Budget
2002	\$	182,830,652.00	\$ 111,345,000.00	60.90%
2003	\$	195,515,424.00	\$ 118,001,673.00	60.35%
2004	\$	194,130,997.00	\$ 114,385,417.00	58.92%
2005	\$	212,170,590.00	\$ 115,997,183.00	54.67%
2006	\$	210,792,998.00	\$ 116,621,737.00	55.33%
2007	\$	225,003,442.00	\$ 122,489,977.00	54.44%
2008	\$	234,351,033.00	\$ 124,412,226.00	53.09%
2009	\$	241,262,115.00	\$ 127,318,386.00	52.77%
2010	\$	239,248,640.00	\$ 116,437,468.00	48.67%
2011	\$	249,914,808.00	\$ 117,128,198.00	46.87%
2012	\$	242,791,894.00	\$ 113,055,308.00	46.56%
2013	\$	254,735,326.00	\$ 120,121,077.00	47.16%
2014	\$	263,885,801.00	\$ 124,813,223.00	47.30%
2015	\$	273,670,098.00	\$ 130,435,388.00	47.66%

■ Sum of Approved Budget  
■ Sum of State Aide



## V. Comparative Analysis of Gateway Cities

The SWTF used demographic data from Chart B to determine which cities would be best to compare Fall River to when reviewing Chart A, Gateway Cities Survey. The SWTF found that based on population, households, and miles of roads the following cities offered the closest comparison to review their solid waste solutions.

- ❑ Lawrence
- ❑ Lynn
- ❑ Quincy
- ❑ Brockton
- ❑ New Bedford

Of these cities only New Bedford and Quincy do not have a metering program or “PAYT”. Of the other communities that do have PAYT, Fall River is in line with a \$2 bag fee. Worth noting Lynn charges \$3 and has an additional cart fee of \$132 per year for waste and \$46 per year for recycling. Of the comparable cities, Fall River is the only city that still has public employees provide curbside pickup. It is worth noting that Springfield, the third largest City in the Commonwealth with nearly 500 miles of municipal roadways also still provides curbside pickup via municipal employees and the community was placed in receivership within the last (10) ten years and kept its municipally serviced curbside pickup.

## VI. Route Optimization

While discussing the City’s current waste collection practices, members recognized an opportunity for short term improvements and cost savings. Members discussed the potential for increased productivity and efficiencies through route optimization. As a result, Task Force members and employees of the Department of Community Maintenance, Sanitation Division (DCM) are in the process of assessing current route practices. This assessment will focus on safety, equipment usage, staffing, technology, and best industry practices. The Task Force believes this assessment will lead to potential cost savings for the City.

## VII. Recommendations

Since April of 2015, the Solid Waste Task Force has met on numerous occasions to discuss and research options. During one meeting, the task force met with a representative from Mass Coastal Rail. After reviewing the impacts of provisions within several of the contractual agreements between the City and third parties, it was recognized by the Solid Waste Task Force that disposal of Fall River’s municipal solid waste by rail was not a viable option in the immediate future.

The task force offers the following options:

A) City Run Model Current Practice:

The Department of Community Maintenance Sanitation Division (DCM) provides all collection services to most residents and numerous commercial customers of the City. Within last five years the department completely reorganized operations. The reorganization was in part due to financial constraints while many were implemented due to safety concerns. Below is a summary of the current services provided to city residents by the DCM Sanitation Department:

- Collection of curbside municipal solid waste (MSW)
- Collection of curbside single stream recycling
- Collection of curbside yard waste
- Collection of curbside bulky items (fee generated)
- Monthly collection of waste oil/anti-freeze and paints
- Daily collection of e-waste (fee generated)
- Daily collection of textile waste
- Daily collection of tires (fee generated)
- Daily collection of construction & demolition (C & D) waste (fee generated)
- Yearly collection of hazardous waste
- Daily collection of hard cover books
- Daily collection of bulky plastics
- Daily collection of mattresses & box springs (waste fee generated)

The division consists of approximately thirty-two (32) full time employees serving in a variety of capacities. They are as follows: 2 (two) non-union supervisors, one (1) union supervisor, one (1) union working foreman, two (2) clerks, two (2) accounts payable/receivable clerks, thirteen (13) drivers and eleven (11) laborers.

The curbside collection process is accomplished by three (3) methods or type of collection vehicles:

- a) Automated side loaders
- b) Semi-automated side loaders
- c) Rear load packers

Automated (a) and semi-automated (b) refuse collection technologies are based on the curbside collection of standardized, wheel-type refuse containers (carts). The City has purchased a fleet of new collection vehicles and a complete city-wide cart system which has greatly increased the efficiency and overall cleanliness of the City.

a) Automated side loaders

The automated side loader pick up method allows residents to place the standardized cart with MSW at curbside. The specially designed vehicle pulls up to the cart while a joystick operated arm reaches out and grabs the cart, lifting it into the open hatch of the vehicle and dumping the contents of the container into the vehicle's hopper. This method is the fastest and most efficient way of cart collection. The technique requires the streets in these particular routes to be rural type in nature with no cars or other obstructions present. Industry standards dictate that an automated collection vehicle should be able to collect approximately 950 households per day.

b) Semi-automated side loader

In a semi-automated pick-up the carts are rolled to the side of the vehicle, clipped onto a square hopper, raised to the open hatch and dumped into the vehicle's main hopper.

Both the semi-automated and the automated vehicles reduce the risk of employee injuries while increasing productivity. These two (2) systems have been adapted to work in the different street configurations and challenging topography of the City. Additionally, the automated and semi-automated trucks are limited as to the size of items which can be safely lifted and deposited into the vehicle's hopper.

c) Rear load packers

The third method of collection is a rear loader packer, which the City only uses for bulky item collections, which are too big, heavy and unsafe to pickup with the auto or semi-automated vehicles.

The three types of vehicles currently in use have a large storage capacity of 20-32 cubic yards which translates into 10 - 15 tons.

There are several issues which the Division is currently reviewing which will lead to systemic changes within the Division, and result in substantial cost savings. They are as follows:

- A route optimization assessment which will focus on safety, equipment usage, staffing, technology, and best industry practices to increase efficiency within the collection process
- Proper equipment selection
- Introduction of monitoring software system

**Pros**

- Infrastructure and processes established and currently under review to be in line and competitive with private industry practice. See Route Optimization Section VI., page 15.
- Complete City control for the benefit of public safety and special events.
- Complete use of a substantial investment in capital assets in place and currently being paid for via debt service payments.

**Cons**

- Employee costs i.e. comp, benefits, pension.
- Legacy pension cost are nontransferable and remain in place.
- Potential loss on investment of capital equipment to a private entity. Buy out of equipment potentially less than currently owed.
- Legal liability to city for future incidents (accidents) including workers compensation and associated legal costs.

**B) Privatization**

Privatization is typically referred to as a transfer of ownership, property or business, from the government sector to the private sector. Currently the contracts in effect severely limit the number of firms that will submit a bid to take over solid waste collection. The Administration could consider requesting a Request for Proposal (RFP) from Republic Services and conducting a thorough cost-benefit analysis to determine if Republic Services can deliver said services more efficiently and cost effectively than the current city run model.

Excluding the short term option of approaching Republic Services for an RFP once the current contracts expire, the SWTF would suggest the City review its options with all private firms available at that time. The City should also consider writing into any future contracts municipal policing controls based on its public safety powers.

**Pros**

- Costs savings for the City could translate into a savings for City residents.
- Political self-interest may be avoided by partnering with the private sector.
- Contracts between municipalities and private entities tend to be clear and unambiguous when written properly.
- Once contracts expire open & competitive bid process may translate to more competitive rates from waste haulers.
- The U.S. Department of Labor reports injury rates in the public sector are four times higher and the number of days away from work 60 percent greater than in

the private sector. See study at <http://waste360.com/collection-and-transfer/private-benjamins-debate-over-privatizing-waste-collection?page=1>

### **Cons**

- A private entity's motivation is profit which may contradict the best interests of the municipality and its residents.
- Costs for residents may increase year over year.
- The municipality may lose control over its police power to protect the residents unless adequate contractual provisions are included within any agreement with a third party.
- Ancillary services provided by the Community Maintenance Department may be lost. Examples include yard waste, bulky item pickup, and hazardous waste drop off.
- Termination of union contracts may result in added financial responsibilities for the municipality, which may be unbudgeted.
- Privatization may generate a barrier to the municipality to reenter as a market participant in future to take advantage of long term solutions such as Waste to Energy or operate its own transfer station to stabilize recycling costs.

### **C) City becomes a Market Participant**

Under this alternative, the municipality enters as a market competitor with other entities such as Republic. This alternative would involve the conversion of the tipping floor at the existing incinerator site for collection of solid waste in large trailers for transport to other facilities for ultimate disposal. This could either be a transfer station or a Materials Recovery Facility or MRF (pronounced "murf"). A MRF is a specialized plant that receives, separates and prepares recyclable materials for marketing to end-user manufacturers.

### **Pros**

- Offers the City more flexibility because the City maintains control.
- Allows for the screening and separation of recyclables from the waste stream, which is a marketable commodity.
- When recyclables are recovered from the waste stream, it reduces solid waste and benefits the environment.
- May reduce the cost of hauling waste as DCM crews spend less time traveling to and from Republic site. Labor, fuel, and vehicle maintenance cost are reduced.
- Allows for public input.
- Residents should be guaranteed preference for employment.

## Cons

- Municipality will have to expend considerable financial resources to retrofit the incinerator.
- Potential permitting issues may exist to use the incinerator or other location as a transfer station/MERF station.
- Potential safety and health impacts such as noise, odor, rodents, birds, traffic, litter, air emissions, which could affect the residents in close proximity to the transfer station/MERF station.
- Transportation cost to other facilities.
- Limits on disposal sites.

## D) Waste-to-Energy (WTE)

Waste-to-energy (WTE) is a waste management option the Administration may consider. Energy recovery from waste is the conversion of non-recyclable waste materials into useable heat, electricity, or fuel through a variety of processes, including combustion, gasification, pyrolyzation, and anaerobic digestion. Non-recycled plastics could provide a supply of abundant, alternative energy and should be recognized as such.

Currently there are 86 facilities in the United States for combustion of “municipal solid waste” (MSW), with energy recovery. These facilities are located in 25 states, mainly in the Northeast. There are seven waste-to-energy incinerators in Massachusetts.

Electricity can be produced by burning MSW as a fuel. Producing electricity is only one reason to burn MSW. Burning waste also reduces the amount of material that would probably be buried in landfills. Burning MSW reduces the volume of waste by about 87%.

In 2008 under Mayor Robert Correia a Solid Waste Taskforce was convened to propose solutions similar to our own. At that time the task force met with a firm Resources Enterprise, Inc. a Massachusetts based firm in regards to a Waste-to-Energy solution that was being put together for the City in conjunction with a plan to build a plant on Deer Island to service the Boston Metropolitan area. Upon learning of the proposal from 2008 the current SWTF gathered to review the 2008 proposal and voted to include the 2009 report within our appendices. It is important to know the chair from the 2008 task force has contacted the firm which stated they would update the proposal with current information if the administration expressed serious interest.

## **Pros**

- Process reduces the volume of waste while simultaneously producing cheap energy.
- Lowers greenhouse gas emissions.
- Lowers nonrenewable energy consumption, could help the regions energy crisis with regards to the closure of Brayton Point and Pilgrim power plants.
- Several economic advantages to the community to include: jobs creation both public and private, increase in local receipts (taxes, revenue from electricity produced, and tipping fees from waste accepted from outside communities), and increase indirect business traffic to local vendors as supplies and other necessities could be sourced locally.
- Waste-to-energy complements recycling efforts and would create synergies with a City owned transfer station.

## **Cons**

- Lift or amend current moratorium on allowing new WTE incinerators to be built in Fall River
- Requires third party investment because of the expense of constructing and maintaining a facility
- Public perception – public is not convinced WTE facilities are completely clean and free of harmful chemicals
- Opposition to suggested locations – the not in my backyard argument.

## VIII. Closing

The Solid Waste Task Force reviewed several options for long term municipal solid waste disposal and created this brief summary report summarizing each option for the Mayor. Additional information regarding cost, permitting, environmental impact and detailed implementation programs are needed for the final decision making process.

## Appendix A

### **Solid Waste Task Force Members:**

Daniel Botelho, SGP Finance Analyst, Co-Chair

Councilor Michael L. Miozza, Co-Chair

Robert Mellion, Chamber of Commerce President & CEO

Ken Pacheco, Director of Community Maintenance

Carolyn Morrissette, Bristol County Assistant District Attorney

Lisa Kaminski, Bristol County District Attorney Chief of Staff

Junior Paquette, Waste Management Subject Matter Expert

## **Appendix B**

### **Contracts Impacting Solid Municipal Waste**

15-240

RECEIVED

(v2014-07-14)

2015 MAR -2 P WASTEZERO SUPPLIES AND SERVICES AGREEMENT

CITY CLERK  
FALL RIVER, MA

This WasteZero Supplies and Services Agreement (this "Agreement") is made and entered into this the 14th day of July, 2014 (the "Effective Date"), by and between WasteZero, Inc., a Delaware corporation, hereinafter referred to as "WasteZero", and The City of Fall River, MA, hereinafter referred to as "Municipality".

WITNESSETH

WHEREAS, Municipality is responsible for the disposal of solid waste for its residents and desires to implement a fairer and more equitable system of solid waste finance that will reduce landfilled waste and increase recycling;

WHEREAS, over the last two decades, WasteZero has become the nation's leading municipal partner to implement variable rate solid waste finance programs that "meter the trash", thereby allocating the costs of municipal waste disposal to residents based on their use of services and creating incentives to reduce landfilled waste and encourage recycling; and

WHEREAS, WasteZero designs, implements and manages the WasteZero Trash Metering™ Program and manufactures and sells WasteZero Trash Metering™ Bags (the "Official Municipal Bags"); and

WHEREAS, Municipality desires to adopt the WasteZero Trash Metering™ Program, whereby WasteZero will manufacture and distribute Official Municipal Bags to certain retail stores and provide certain logistics, accounting, collection, community education, marketing and support services related thereto (the "Program").

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Term. This Agreement will be binding on all parties for a period from the Effective Date of this Agreement until five (5) years from the Effective Date (the "Initial Term"). Upon the expiration of the Initial Term, at the sole discretion of the Municipality, the term of the Agreement will renew for five (5) additional one (1) year terms, each of such five (5) one (1) year terms an "Extension Term" (the Extension Terms and the Initial Term, hereinafter collectively the "Term").

2. WasteZero Services. During the Term, WasteZero will (i) manufacture and supply Official Municipal Bags that comply with the specifications set forth in Exhibit A (the "Specifications") to those retailers recommended by Municipality and set forth in Exhibit B (the "Retailers") for sale by Retailers to residents of the Municipality; and (ii) provide the "Services" set forth in Exhibit C by the start date also set forth in Exhibit C. To enable WasteZero to provide the Services by the start date, Municipality agrees to perform its obligations also set forth in Exhibit C.

3. Program Implementation. The "Start Date" will be the agreed date for complete implementation of the Program and the initiation of retail sales. From the Effective Date until the Start Date, the Parties must work together to accomplish the "Program Implementation

Schedule” set forth in Exhibit C. To enable WasteZero to provide the Services by the Start Date, Municipality agrees to perform its obligations also set forth in Exhibit C.

4. Designated Retailers. After the Effective Date, Municipality will provide WasteZero with a recommended list of Retailers to be set forth on Exhibit B (the “Retailer List”) that Municipality would prefer to participate in the Program. WasteZero will assist Municipality to complete the Retailer List. WasteZero will provide those Retailers on the Retailer List with the “Retailer Letter Agreement” substantially similar to the letter set forth on Exhibit D describing the terms of participation in the Municipality’s Program (the “Retailer Terms”). Retailer participation will be subject to a Retailer’s acceptance of the Retailer Terms and will be reaffirmed each time Retailer accepts delivery of Official Municipal Trash Bags. Addition or removal of Retailers from the Retailer List will be subject to mutual agreement between WasteZero and the Municipality.

5. Exclusive Agreement. During the Term, so long as WasteZero is able to deliver sufficient Official Municipal Bags to the Municipality, the Municipality will not purchase or sell, directly or indirectly (i.e., through a third party) waste or recycling bags other than the Official Municipal Bags referred to herein.

6. Inventory Target. To ensure that an adequate inventory of Trash Metering Bag is available for purchase by Retailers, WasteZero will use commercially reasonable efforts to maintain an average number of Official Municipal Bags in WasteZero’s inventory in accordance with the target set forth in Exhibit C (the “Average Inventory Target”).

7. Terms of Distribution. Municipality acknowledges and agrees that Official Municipal Bags supplied to Retailers will be sold and supplied to Retailers by WasteZero on behalf of Municipality, such that upon a sale of Official Municipal Bags title to such Official Municipal Bags will first transfer from WasteZero to the Municipality and then from the Municipality to the Retailer. Retailers will submit written or verbal orders for Official Municipal Bags (“Orders”) directly to WasteZero, as Municipality’s agent. Orders will set forth the type and quantity of Official Municipal Bags. Orders received by WasteZero will be delivered within five (5) business days of Order placement, subject to WasteZero’s right to reject an Order. If this period includes a holiday observed by WasteZero, then WasteZero will notify Retailers of schedule changes for the affected order. Deliveries of Official Municipal Bags pursuant to this Agreement will be F.O.B. any plant or warehouse of WasteZero.

8. Bag Revenue. WasteZero will invoice Retailers the applicable Official Municipal Trash Bag purchase price set forth in Exhibit A (the “Retail Bag Prices”). All revenue received by WasteZero from the sale of Official Municipal Trash Bags to Retailers will be “Bag Revenue”.

9. Custodial Banking Account. WasteZero will deposit all Bag Revenue in a custodial banking account established by WasteZero in the name of Municipality in a bank insured by the Federal Deposit Insurance Corporation (the “Deposit Account”). The Municipality grants WasteZero permission to open the Deposit Account on behalf of Municipality in accordance with the Custodial Banking Agreement attached as Exhibit G. Municipality understands that the Deposit Account will be in the name of WasteZero, carry the tax identification number of WasteZero and authorized signers on the account will be properly authorized WasteZero employees. WasteZero will deposit all Bag Revenue into the Deposit Account.

10. Retailer Credit Terms. WasteZero will collect payment and enforce payment obligations in accordance with its policies set forth in Exhibit E. Municipality acknowledges that collection efforts made by WasteZero are on behalf of Municipality. Municipality reserves the right to take any collection actions in addition to or beyond those steps set forth on Exhibit E, and WasteZero will have no liability to Municipality for a failure to collect payment from a Retailer.

11. Compensation.

a. To compensate WasteZero for maintaining an average inventory of Official Municipal Trash Bags at the Average Inventory Target and providing the startup services described on Exhibit C, WasteZero will receive a one-time, non-refundable startup service fee out of the Bag Revenue set forth on Exhibit C as the "WZ Startup Service Fee".

b. With respect to all Bag Revenue other than the WZ Startup Service Fee, WasteZero will receive that portion of fee set forth on Exhibit A as the "WZ Supplies and Services Fee". On the first day of each month, WasteZero will invoice Municipality for all Orders delivered to retailers in the preceding month. Municipality will pay the invoice within fifteen (15) days, or immediately following the next issuance of a warrant by the Municipality. All Bag Revenue other than the WZ Startup Service Fee and WZ Supplies and Services Fee will be the property of Municipality (the "Municipal Revenue").

c. Within thirty (30) days following the end of each calendar month, WasteZero will provide to Municipality (i) the Municipal Revenue for the prior calendar month via wire transfer, and (ii) financial statements for such calendar month, including: a bank statement, invoice register, cash receipts journal and accounts receivable aging report. Municipality must provide the account information in Exhibit F.

12. Bag Pricing Adjustments.

a. Inflation Cost Adjustment. The parties agree that the WZ Supplies and Services Fee will be set, in part, and will be adjusted, to keep pace with inflation. On each anniversary of the Effective Date, the WZ Supplies and Services Fee shall be adjusted by the annual percentage increase in the price stated in any applicable State Contract for Pay-as-you-Throw Bags for bags of the size and quantity supplied under this Agreement. If there is no applicable State Contract for Pay-as-you-Throw bags, then the WZ Supplies and Services Fee shall be adjusted by the annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), US City Average, All Items, plus three percent (3%).

b. Extraordinary Resin Cost Adjustments. The parties agree that the WZ Supplies and Services Fee will be set, in part, and may be adjusted, based on the costs of resin. In the event of an extraordinary resin cost increase, defined as an increase over a ninety (90) day period of greater than twenty percent (20%) from a Benchmark Resin Rate set on the Effective Date of this Agreement, WasteZero will adjust the WZ Supplies and Services Fee by such increase. The Benchmark Resin Rate is calculated using the average of linear low-density polyethylene ("LLDPE") extrusion liner film for Volumes I and II as reported by Plastics News trade publication. If Plastic News ceases publication, then the resin cost will be based on the average cost of LLDPE resin as reported in another reputable publication chosen by WasteZero. WasteZero will give Municipality fourteen (14) days' prior written notice of any resin cost adjustment to the WZ Supplies and Services Fee.

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c. Municipal Price Adjustments. Municipality may, at its sole discretion, increase the Retail Bag Price. Municipality must confer with WasteZero at least fourteen (14) days in advance of any such increase so WasteZero can prepared to manage inventory and communicate with Retailers.

13. Representations and Covenants.

a. Legal and Binding Agreement; Municipality's Obligations. Municipality has taken or will take any and all actions necessary under Chapter 62 of the Fall River, Mass. Revised Ordinance to make the Program enforceable no later than August 1, 2014; and Municipality has taken or will take any and all actions necessary for this Agreement to be binding on Municipality for the Term.

b. Representations of WasteZero. WasteZero warrants that the Official Municipal Trash Bags will, in all material respects, meet the Specifications. In the event the Official Municipal Trash Bags delivered to Retailers fail to meet the Specifications in any material respect, WasteZero will, as Municipality's sole and exclusive remedy for such failure, replace the Official Municipal Trash Bags in accordance with WasteZero's Return and Replacement Policy as set forth on Exhibit E.

c. EXCEPT AS EXPRESSLY PROVIDED HEREIN, ALL OFFICIAL MUNICIPAL TRASH BAGS AND SERVICES PROVIDED BY WASTEZERO UNDER THIS AGREEMENT ARE PROVIDED "AS-IS" WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

14. Breach; Termination.

a. Termination for Breach. If either party reasonably concludes that the other is in material breach of this Agreement, such party will notify the other party in writing, including a detailed description of the alleged breach. If such breach is curable, the party alleged to be in breach will be allowed up to ninety (90) days after written notice by the other party in which to make necessary adjustments to remedy said deficiencies or to take action to remedy any deficiencies that require longer than ninety (90) days to cure. In the event the breaching party fails to correct (or take action to correct) such deficiencies within ninety (90) days after written notice of the deficiencies or breach, then the other party may terminate this Agreement, effective ninety (90) days after written notice of failure to correct (or failure to take action to correct) to the breaching party. If such breach is not curable, the Agreement will be terminated ninety (90) days from the date the non-breaching party provides the breaching party with written notice of such breach.

b. Insolvency. If any assignment is made by WasteZero or by any guarantor of WasteZero for the benefit of creditors, or if a petition is filed by WasteZero or by any guarantor of WasteZero for adjudication as bankrupt, or for reorganization, or an arrangement under any provision of the U.S. Bankruptcy Act as then in force and effect, or if an involuntary petition under any of the provisions of the U.S. Bankruptcy Act is filed against WasteZero and such involuntary petition is not discharged within ninety (90) days thereafter, in any event Municipality may terminate this Agreement upon written notice to WasteZero.

c. Termination for Convenience. Municipality may terminate this Agreement at any time upon ninety (90) days written notice if the City eliminates its PAYT program for any reason.

d. Effect of Termination. Upon termination or expiration of this Agreement for any reason (i) WasteZero will ship to Municipality all Trash Metering Bags remaining in inventory, and Municipality will purchase from WasteZero all Trash Metering Bags in inventory on the effective date of termination at the then-current WZ Supplies and Services Fee and (ii) WasteZero will have no further liability or obligation under this Agreement, including without limitation, for servicing warranty claims, (iii) WasteZero will tender to Municipality the final Municipal Revenue, and (iv) WasteZero will have no continuing responsibility for the Services. The following terms and conditions will survive the expiration or termination of this Agreement for any reason: Section 13.c. and Sections 14-24, payment obligations that have accrued on or before the effective date of termination or expiration, and any other terms and conditions that contemplate performance following the effective date of termination or expiration, or that by their nature are intended to survive.

15. Limitation of Liability. WASTEZERO WILL NOT BE LIABLE TO MUNICIPALITY, RETAILER, CUSTOMER OF RETAILER OR END USER FOR ANY SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, TREBLE OR PUNITIVE DAMAGES, OR ANY LOSS OF REVENUES, LOSS OF PROFITS OR LOSS OF REPUTATION ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE MANUFACTURE OR SALE OF PRODUCT OR PROVISION OF SERVICES. THESE LIMITATIONS APPLY EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF RECOVERING THESE DAMAGES OR LOSSES AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, WASTEZERO'S AGGREGATE LIABILITY FOR ANY CLAIMS OR CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE MANUFACTURE OR SALE OF PRODUCT OR PROVISION OF SERVICES WILL NOT EXCEED THE TOTAL AMOUNT PAID BY MUNICIPALITY TO WASTEZERO DURING THE SIX MONTH PERIOD PRECEDING THE ACT GIVING RISE TO THE CLAIM FOR DAMAGES.

16. Force Majeure. WasteZero will not be liable for failure to perform under this Agreement if such failure arises out of causes beyond its reasonable control. Such causes may include but not be limited to acts of the government in its sovereign or contracted capacity, fires, floods, hurricanes, tornadoes, strikes, epidemics, quarantine restriction, freight embargoes, petroleum supply shortages or disruptions, and unusually severe weather. The obligations of WasteZero and Municipality, other than the obligation to pay money when due, shall be suspended if either party is unable to comply with this Agreement because of Force Majeure and WasteZero is unable to substitute bags of like kind and quality. Upon the elimination of the cause of such suspension, the respective obligations of WasteZero and Municipality shall be reinstated from the date of such elimination.

17. Insurance. WasteZero shall carry general liability insurance, including contractual liability coverage, in the amount of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in general aggregate. Upon written request, certificates of insurance naming Municipality as an additional insured will be provided to Municipality by WasteZero.

18. Non-Collusion. WasteZero has not entered into any agreement, directly or indirectly, or otherwise taken any action in restraint of free competitive bidding in connection with the

(v2014-07-14)

submission of a bid or the engagement of Municipality for the purposes of entering into this Agreement.

19. Information and Cooperation. During the Term of this Agreement, Municipality will cooperate with WasteZero and provide WasteZero with any information reasonably requested by WasteZero for the performance of its obligations and tracking of Program performance. This information may include semi-annual updates on the number of households utilizing Municipality's and/or its designee's residential solid waste collection and/or disposal service, the actual corresponding residential municipal solid waste tonnage disposed, and the actual residential recycling tonnage received. WasteZero compiles information regarding Municipality's PAYT Program and may use this data in research and marketing reports, a copy of which will be provided to Municipality at Municipality's request. Municipality agrees that WasteZero may refer to Municipality's PAYT Program in its verbal and written communications.

20. Assignment. Neither party may assign this Agreement, or the rights hereunder, without prior written approval of the other, which approval will not be unreasonably withheld; provided, however, that WasteZero may, without any approval, assign this Agreement (i) to an affiliate of WasteZero or (ii) in connection with a merger or a sale or transfer of substantially all of WasteZero's assets (or such portion thereof relating to the subject matter of this Agreement). This Agreement will be binding upon and will inure to the benefit of the parties and their successors and assigns.

21. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

22. Notice. All notices and other communications hereunder will be in writing and may be given by personal delivery, nationally recognized express courier, registered or certified mail (return receipt requested), or facsimile (receipt confirmed). Such notice will be deemed effective when received if it is given by personal delivery, nationally recognized express courier, or facsimile, and will be effective three (3) days after mailing by registered or certified mail, so long as it is actually received within five (5) days (and, if not so received within five (5) days, is effective when actually received) by the parties at the addresses (or at such other address for a party as will be specified by like notice) set forth below:

*If to WasteZero, to:*  
8540 Colonnade Center Drive, Suite 312  
Raleigh, North Carolina 27615  
Attn: Cal Cunningham  
Tele. No. (919) 322-1220  
Email: ccunningham@wastezero.com

*with a copy to:*  
Wyrick Robbins Yates & Ponton, LLP  
4101 Lake Boone Trail, Suite 400  
Raleigh, North Carolina 27607  
Facsimile No.: (919) 781-4865  
Attention: Larry E. Robbins

*If to Municipality, to:*  
Mayor's Office  
One Government Center  
Fall River, MA 02721  
Attn: Cathy Viveiros, City Administrator  
Tele. No.: 508-324-2601  
Email: cviveiros@fallriverma.org

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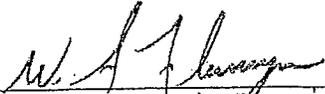
23. Entire Agreement; Amendment. This Agreement (including the exhibits, schedules and attachments hereto) and the documents delivered pursuant hereto constitute the entire agreement and understanding among Municipality, Retailer and WasteZero and supersede any prior agreement and understanding relating to the subject matter of this Agreement. This Agreement may be modified or amended only by a written instrument executed by Municipality and WasteZero acting through their duly authorized representatives. The provisions of this Agreement constitute separate and independent covenants, and the invalidity or unenforceability of one or more of the provisions hereof will not affect the validity or enforceability of the remaining provisions.

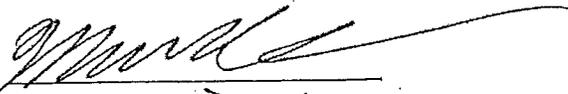
24. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this WasteZero Supplies and Services Agreement as of the Effective Date.

CITY OF FALL RIVER, MA

WasteZero, Inc.

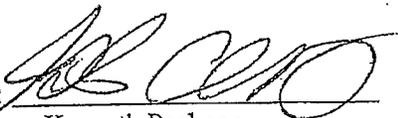
By:   
Name: William D. Flanagan  
Title: Mayor

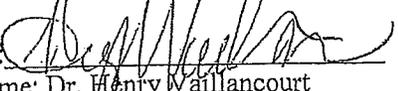
By:   
Name: MARK A. DANCY  
Title: PRESIDENT

Date: 7-14-14

Date: 7/14/14

By:   
Name: Cathy Ann Viveiros  
Title: City Administrator

By:   
Name: Kenneth Pacheco  
Title: Director of Community Maintenance

By:   
Name: Dr. Henry Maillancourt  
Title: Director of Health and Human Services

Approved as to form, manner and execution:

By:   
Name: Elizabeth Sousa  
Title: Corporation Counsel

**EXHIBIT A**  
**Official Municipal Trash Bag Specifications**

1. Except as may be require by Force Majeure, the bag specifications for this contract are:

Bag Description	Large "Trash"	Small "Tall Kitchen"	Mini "Senior Bag"
Retail Pack	5 Bags Per Package	8 Bags Per Package	8 Bags Per Package
Bag Size	32 by 34 inches	24 by 28 inches	20 by 24 inches
Bag Gauge	1.50 mil	1.50 mil	1.50 mil
Bag Type	3-ply, co-extruded	3-ply, co-extruded	3-ply, co-extruded
Bag Composition	Includes recycled content	Includes recycled content	Includes recycled content
Bag Closure	Drawstring	Drawstring	Drawstring
Weight Limit Per Bag	25 Pounds	15 Pounds	10 Pounds
Package Insert	Agreed custom program information (White insert)	Agreed custom program information (Yellow insert)	Agreed custom program information (Blue insert)
Bag Print	Logo/artwork plus agreed custom Program information (Registered)	Logo/artwork plus agreed custom Program information (Registered)	Logo/artwork plus agreed custom Program information (Random)
Exterior Bag Color	Purple, gray liner	Purple, gray liner	Purple, gray liner
Capacity Equivalent	30 gallons	15 gallons	8 gallons

2. The Retail Bag Prices (price paid at point of sale):

Bag Size	Bags per roll	Rolls per case	Price per roll	Price per case
Large (32" x 34")	5	40	\$10.00	\$400.00
Small (24" x 28")	8	40	\$10.00	\$400.00
Mini (20" x 24")	8	40	\$6.00	\$240.00

3. WZ Supplies and Services Fee (per Case):

Contract Year	Large (Fee per Case)	Small (Fee per Case)	Mini (Fee per Case)
Year 1: 08/01/2014	\$60.40	\$67.20	\$58.00
Year 2 - end: 08/01/2015	TBD	TBD	TBD

TBD in Year 2 through the End of Term is determined in accordance with Paragraph 12a. Inflation Cost Adjustment.

**EXHIBIT B**  
**Retailer List**

<b>Store name</b>	
<b>Store address</b>	
PO Box	
City	
State	
Zip	
<b>Contact name</b>	
<b>Contact phone</b>	
Fax	
E-mail	
<b>Store name</b>	
<b>Store address</b>	
PO Box	
City	
State	
Zip	
<b>Contact name</b>	
<b>Contact phone</b>	
Fax	
E-mail	
<b>Store name</b>	
<b>Store address</b>	
PO Box	
City	
State	
Zip	
<b>Contact name</b>	
<b>Contact phone</b>	
Fax	
E-mail	

**SEE ATTACHED**

Addition or removal of Retailers from the Retailer List will be subject to mutual discussion between WasteZero and Municipality.

Store Name

Store Name	Address	City	State	Zip	Phone
7-Eleven	340 Milliken Boulevard	Fall River	MA	02721	508-672-7310
7-Eleven	1040 North Main Street	Fall River	MA	02720	508-324-9641
7-Eleven	933 Pleasant Street	Fall River	MA	02723	508-679-1092
A&J Seabra Supermarket	440 Stafford Road	Fall River	MA	02721	508-679-1021
Amaral's Central Market	872 Globe Street	Fall River	MA	02724	508-674-8042
Chaves Market	49 Columbia Street	Fall River	MA	02721	508-679-4410
Cumberland Farms	864 Stafford Road	Fall River	MA	02721	508-324-1817
Cumberland Farms	4548 North Main Street	Fall River	MA	02720	508-676-1339
CVS Pharmacy	4171 North Main Street	Fall River	MA	02720	508-677-3555
CVS Pharmacy	550 Pleasant Street	Fall River	MA	02720	508-678-3945
CVS Pharmacy	245 William S Canning Boulevard	Fall River	MA	02721	508-678-9031
Price Rite Supermarket	866 Pleasant Street	Fall River	MA	02723	508-678-8167
Rite Aid Pharmacy	870 North Main Street	Fall River	MA	02720	508-677-9555
Rite Aid Pharmacy	933 Pleasant Street	Fall River	MA	02723	508-679-9130
Rite Aid Pharmacy	1024 South Main Street	Fall River	MA		508-672-0888
Rite Aid Pharmacy	1533 South Main Street	Fall River	MA	02724	508-674-0255
Rite Aid Pharmacy	233 South Main Street	Fall River	MA	02721	508-679-1838
Rite Aid Pharmacy	10 Stafford Road	Fall River	MA	02721	508-679-9600
Rite Aid Pharmacy	323 William S Canning Boulevard	Fall River	MA	02721	508-678-0080

EXHIBIT C  
Services

1. WasteZero Services Provided to Municipality:
  - a. Distribution Services:
    1. Secure, dependable supply chain and asset management
    2. Official Municipal Trash Bag storage at WasteZero bonded distribution centers
    3. UPC code development and registration
    4. Retailer setup processes with participating stores
    5. Inventory monitoring at WasteZero distribution centers to prevent stock out
    6. Order receipt, entry, and processing for retailers
    7. Official Municipal Trash Bag shipment
  - b. Accounting and Funds Management:
    1. Billing and Collecting from Retailers
    2. Informing Municipality of any Retailers on a credit hold via monthly reports.
    3. Sending notification of Bag Price change to all retailer contacts, approved by Municipality prior to distribution.
    4. Performing management and custodianship of the Deposit Account
    5. Issuing payments to Municipality
    6. Providing monthly order summary and financial reports
2. Additional Services for this Agreement:
  - a. Program Design. WasteZero will use its extensive experience to propose a Program suitable to the Municipality and suggest updates and changes to the Program throughout the Term of this agreement.
  - b. Program Manager. WasteZero will assign a representative to serve as the Program's coordinator ("Program Manager"). The Program Manager will act as a main point of contact and assist Municipality to answer questions or provide support with regard to all aspects of the Program Services and Program Supplies, subject to the limitations described herein. The Program Manager will ensure that all of the Program Services and Supplies outlined herein are delivered and that Municipality has a primary point of contact to assist with any Program-related matters that might arise.
  - c. Toll-Free Number Support. WasteZero will work with Municipality to provide information to Residents through WasteZero's proprietary Toll-Free Resident Information Service described in this paragraph. During the Term of this Agreement, WasteZero will provide an operational, automated toll-free number 24 hours per day, 7 days per week. Residents who call the toll-free number will be provided with self-service, pre-recorded information briefs on topics including but not limited to: (i) retailers carrying the Trash Metering Bags, (ii) materials that can be recycled at curbside within Municipality (if any), (iii) materials that can be recycled at convenience centers, including toxic materials such as paint or batteries (if any), (iv) convenience center locations, (v) how to access the WasteZero website for information as it becomes available on reducing waste at home, or other information useful to Residents and (vi) how to link to Municipality's departmental website and/or appropriate local contact

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information for questions regarding curbside collection or other local services. All information presented through the toll-free number will be described, organized, and maintained in accordance with WasteZero's standard tools, formats and templates.

- d. Program Website. WasteZero will work with Municipality to provide information to Residents through WasteZero's proprietary website, at [www.wastezero.com](http://www.wastezero.com) \< designation for Municipality >, where the <designation for Municipality> will be text that uniquely identifies Municipality to Residents, or another URL as designated by WasteZero. Upon accessing the web page for Municipality, Residents will be presented with information on topics including but not limited to: (i) retailers carrying the Trash Metering bags, (ii) materials that can be recycled at curbside within Municipality (if any), (iii) materials that can be recycled at convenience centers, including toxic materials such as paint and batteries (if any), (iv) convenience center locations, (v) as it becomes available, helpful information on reducing waste at home, or other information useful to Residents, (vi) Municipality's departmental website and /or appropriate local contact information for questions regarding curbside collection or other related local services, and (vii) the toll-free number further described in this exhibit. All information contained on the [www.wastezero.com](http://www.wastezero.com) website or any supporting site will be developed, updated, and maintained in accordance with WasteZero's standard tools, formats and templates. Upon request, WasteZero will allow Municipality to include a link from its site to WasteZero's web site or provide to Municipality at no additional cost, provided that WasteZero will not incur any time or expenses in re-formatting web pages or updating Municipality's proprietary website.
  - e. Media Support. Prior to Program launch, WasteZero will provide media support that includes press engagement in coordination with Municipality, media story placement, messaging, assistance with frequently asked questions and related direct or indirect support, as needed. WasteZero's staff of public policy and media relations professionals will assist Municipality with planning of media engagement at Program launch. After Program launch, WasteZero will be available upon reasonable request to assist with media inquiries.
  - f. Program Postcard. Prior to Program commencement, WasteZero will work with Municipality to prepare a Program postcard. The Program postcard will include information related to the launch of the Program and contain references to both the website and the toll-free number described in this exhibit. Municipality may reproduce and mail the postcard at its own expense using its municipal bulk rate capabilities.
  - g. Complimentary Bag Mailing. Prior to Program commencement, WasteZero will prepare a mailing of one (1) complimentary small (15-gallon equivalent) Official Municipal Bag. Municipality must pay the costs of mailing the complimentary bags at its own expense.
3. Additional Services. Additional Services are any services, materials or supplies desired by Municipality but not agreed to be provided by WasteZero under the terms of this Agreement. Additional Services include, by way of illustration and not limitation, WasteZero mailing the Program launch announcement and WasteZero mailing of one (1) complimentary small bags to each household. Upon mutual written agreement, WasteZero will perform Additional Services and directly bill Municipality or deduct the costs for such Additional Services from Bag Revenue.

4. WasteZero Startup Services and Municipality Requirements: WasteZero will provide the Services below in support of the startup timeframe. WasteZero's performance of the Services is dependent on the timely completion of the Municipality's requirements. Municipality acknowledges and agrees that any failure to perform its requirements within the applicable timeframes may delay WasteZero's performance. No such delay will be a breach of this Agreement by WasteZero.
5. The Start Date is: August 1, 2014. WasteZero's ability to support the Start Date is dependent on the condition precedent that the Municipality has met the Representations and Covenants set forth in Paragraph 13a. Legal and Binding Agreement - Municipality's Obligations and that the Municipality performs its scope set forth in the Program Implementation Schedule.
6. Program Implementation Schedule (TBDs to be filled out on the Effective Date of this Agreement):

#	Program Service Activity	Responsible Party		To be completed on or before
		WasteZero	Municipality	
<b>Supplies</b>				
1	Provide artwork samples for bag and draft package insert copy	<input type="checkbox"/>		TBD
2	Provide high-resolution artwork (municipal logo or artwork) to be printed on the Trash Metering Bag		<input type="checkbox"/>	TBD
3	Provide final artwork proofs for approval	<input type="checkbox"/>		TBD
4	Approve final artwork		<input type="checkbox"/>	TBD
5	Provide feedback on package insert copy		<input type="checkbox"/>	TBD
6	Provide final package insert copy proofs for approval	<input type="checkbox"/>		TBD
7	Approve final package insert copy		<input type="checkbox"/>	TBD
<b>Distribution and Retailers</b>				
8	Submit to WasteZero a list of recommended Retailers that Municipality would like to invite to participate in the program		<input type="checkbox"/>	TBD
9	Create and send letters and collateral to retailers, outlining the retail store distribution *Requires finalization of Retail Bag Prices at least 2 days prior to	<input type="checkbox"/>		TBD
10	Deliver initial shipment of Trash Metering Bags to retailers	<input type="checkbox"/>		TBD
<b>Services and Communications</b>				
11	Provide Completed Municipal Information Forms for Website and Toll Free Number		<input type="checkbox"/>	TBD
12	Submit final proofs for website and Toll Free Number call flow to municipality for review	<input type="checkbox"/>		TBD
13	Approve website and Toll Free Number call flow		<input type="checkbox"/>	TBD

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14	Launch website and Toll Free Number	<input type="checkbox"/>	TBD
15	Submit final proof for Program postcard and complimentary bag mailing to municipality for review	<input type="checkbox"/>	TBD
16	Approve mailings	<input type="checkbox"/>	TBD

7. Municipality Point of Contact:

Mayor's Office  
One Government Center  
Fall River, MA 02721  
Attn: Cathy Viveiros, City Administrator  
Tele. No.: 508-324-2601  
Email: cviveiros@fallriverma.org

8. The Average Inventory Target is: 2 months

9. The WZ Startup Service Fee is: \$0.00

**EXHIBIT D**  
**Retailer Letter Agreement**

Dear Retailer:

On behalf of [Municipality], we would like to thank you for your participation in the Pay-As-You-Throw ("PAYT") program by offering official municipal trash bags for retail sale. Your participation is a critical part of making the program a success. WasteZero looks forward to working with you to provide supplies and services for your retail customers.

**TERMS OF PARTICIPATION**

Among the key terms of your participation in the program is that you have to sell official municipal trash bags of the size and specifications selected by the [Municipality] at the unit cost set by them and may not mark up those prices. The official municipal trash bags will not be subject to the Commonwealth of Massachusetts sales tax.

In order to prevent a stock-out of official municipal trash bags and prevent an inconvenience for your customers, you agree to keep a three (3) week supply of cases of each bag size on hand. Orders you place must be directed to WasteZero at the contact information in this letter and will ordinarily be delivered within five (5) business days of placement. Upon delivery, you will sign an electronic FedEx receipt acknowledging the number and type of bags that were delivered.

WasteZero has an agreement with the [Municipality] and will provide support to the program – you should call us with your questions. The terms in this letter supersede and replace any pre-printed or additional terms that might be included on your purchase order or correspondence. By participating in the program, you agree to these terms. Your acceptance of the shipment will also reaffirm your agreement to the terms in this letter.

**HOW TO PLACE ORDERS**

You may place bag orders with WasteZero in any one of the following ways:

1. Phone: 1-800-866-3954
2. Fax: 1-843-473-4991
3. E-mail: customerservice@wastezero.com

It is likely you will experience "surge" volumes at the outset of the program as customers purchase an initial supply. Over time, the volume will develop into a typical pattern. We urge you to monitor the product closely during the program's initial weeks and communicate potential stock-out situations to us promptly. WasteZero will provide you reasonable assistance to avoid a stock-out. WasteZero reserves the right to bill you for excess freight charges caused by requests for rush delivery due to failure to place orders on a timely basis.

**HOW TO ESTIMATE ORDERS**

The [Municipality]'s official municipal trash bags are packaged in the following quantities at the following prices:

Bag Size	Bags per roll	Rolls per case	Price per roll	Price per case	Bag Code
Large (32" x 34")	5	40	\$10.00	\$400.00	TBD
Small (24" x 28")	8	40	\$10.00	\$400.00	TBD

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Mini (20" x 24")	8	40	\$6.00	\$240.00	TBD
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## HOW TO MAKE PAYMENTS

WasteZero will invoice you for each delivery based on the delivery receipt which indicates the number of bags and dollar amount by size sold on the date of delivery. All invoices billed to you are due and payable, net 30 days from date of invoice. An invoice becomes overdue on the 31<sup>st</sup> day. On the 45<sup>th</sup> day, WasteZero will apply a credit hold until overdue invoices are paid in full. During a credit hold, WasteZero will not accept new orders and will make no new deliveries.

Please make payment out to: [Municipality]  
Please mail payments to: [Municipality] c/o WasteZero  
5180 Horry Dr., Ste. B  
Murrells Inlet, SC 29576

## WARRANTIES

EXCEPT AS EXPRESSLY PROVIDED HEREIN, ALL OFFICIAL MUNICIPAL TRASH BAGS AND SERVICES PROVIDED BY WASTEZERO UNDER THIS AGREEMENT ARE PROVIDED "AS-IS" WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

WASTEZERO WILL NOT BE LIABLE TO MUNICIPALITY, RETAILER, CUSTOMER OF RETAILER OR END USER FOR ANY SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, TREBLE OR PUNITIVE DAMAGES, OR ANY LOSS OF REVENUES; LOSS OF PROFITS OR LOSS OF REPUTATION ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE MANUFACTURE OR SALE OF PRODUCT OR PROVISION OF SERVICES, THESE LIMITATIONS APPLY EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF RECOVERING THESE DAMAGES OR LOSSES AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, WASTEZERO'S AGGREGATE LIABILITY FOR ANY CLAIMS OR CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE MANUFACTURE OR SALE OF PRODUCT OR PROVISION OF SERVICES WILL NOT EXCEED THE TOTAL AMOUNT PAID BY MUNICIPALITY TO WASTEZERO DURING THE SIX MONTH PERIOD PRECEDING THE ACT GIVING RISE TO THE CLAIM FOR DAMAGES.

## RETURNS AND REPLACEMENTS

WasteZero wants you and your customers to be completely satisfied with the quality of PAYT bags. Should you or your customer experience any product defect with a PAYT bag, WasteZero will replace the defective product at no charge with a product of equivalent specification. Defective products must be returned for inspection. Replacements will be processed at the point of sale. Cash refunds or discounts are not authorized. To obtain appropriate credit, you must return the defective product to WasteZero.

If WasteZero ships a greater quantity of product or product of different specification than product ordered by you, at your election, WasteZero will honor a request for inventory return. Inventory returns must be coordinated with the WasteZero personnel with whom the original order was placed. WasteZero, however, will not bear the cost of correcting errors made by you in placing your order.

WasteZero looks forward to working with you to make the [Municipality]'s program a success. If you have any questions or concerns, please feel free to contact us at 800-866-3954.

Sincerely,

(v2014-07-14)

Customer Service  
WasteZero, Inc.

#### To Place Orders

- Phone: 1-800-866-3954
- Fax: 1-843-473-4991
- E-mail: customerservice@wastezero.com

#### Timing of Orders

- You may place orders on any business day.
- Delivery will be made within five (5) business days.
- Keep a 3 week supply on hand.
- Rush orders will be billed excess freight.

#### To Make Payments

- Make payment out to: [Municipality]
- Mail payment to: [Municipality] c/o WasteZero  
5180 Horry Dr., Ste. B  
Murrells Inlet, SC 29576
- Include the invoice number on your payment

## Bag Order Quick Reference Sheet

WasteZero  
Customer  
Service:  
**(800) 866-3954**

## EXHIBIT E

### Credit Policy and Procedures

WasteZero will invoice the Retailer for each delivery based on the delivery receipt indicating the number of bags and dollar amount by size sold to the Retailer on the date of delivery.

All invoices billed to Retailers are due and payable, net thirty (30) days from date of invoice.

WasteZero will use reasonable and customary efforts to collect all outstanding balances owed by Retailers to Municipality. WasteZero does not assume responsibility for Retailer defaults or uncollected amounts.

- In the event that the Retailer does not pay within terms, when the Retailer calls in an additional order, WasteZero will verbally remind the Retailer of the past due balances and ask for prompt payment. The Retailer will also be reminded that their account will be placed on hold when it becomes forty-five (45) days past the date of invoice (or 15 days past due).
- If an invoice becomes forty-five (45) days past the date of invoice (or fifteen (15) days past due), WasteZero will place the Retailer's account on hold, will not accept new orders from that Retailer, and will make no new deliveries to that Retailer until all invoices forty-five (45) days past the date of invoice (or fifteen (15) days past due) are paid in full. WasteZero will then remove the hold on the account, resume accepting new orders and deliver bags to the Retailer.
- In the event invoices become sixty (60) days past the date of invoice (or thirty (30) days past due):
  - The delinquent Retailer account will be referred to Municipality for further guidance on how to proceed.
  - No new orders will be accepted or deliveries made to the delinquent Retailer account in the future unless Municipality provides WasteZero with written authorization.
  - WasteZero will require Municipality to indemnify WasteZero for any Program Revenue Share that is written off in the future if Municipality requests that WasteZero reinstate shipments to the previously delinquent Retailer account.
- In no event will WasteZero initiate or threaten legal action against any delinquent Retailer. Municipality reserves the right to make any collection efforts or take any actions in addition to or beyond those WasteZero sets forth herein.

### WasteZero Return and Replacement Policy

WasteZero wants Retailers and customers to be completely satisfied with the quality of Official Municipal Trash Bags. Should any Retailer or customer experience a *bona fide* product defect with his or her Official Municipal Trash Bags, WasteZero will replace the defective product at no charge with a product of equivalent specification. Defective products must be returned for inspection. The product defect must be related to the design, manufacture, or supply of the product and not related to Retailer or customer overload, mishandling or misuse. Replacements will be processed at the point of sale. Cash refunds or discounts are not authorized. To obtain appropriate credit, Retailers must return the defective product to WasteZero.

If WasteZero ships a greater quantity of product or product of different specification than product ordered by Retailer, at Retailer's election, WasteZero will honor a request for inventory return. Inventory returns must be coordinated with the WasteZero personnel with whom the original order was placed. WasteZero, however, will not bear the cost of correcting errors made by Retailers in their order placements.

Please Note: WasteZero does not give exchanges for Official Municipal Trash Bags purchased through unauthorized Retailers or individuals.

**EXHIBIT F**

**Municipal Wire Transfer Worksheet**

Please complete and submit this form to receive monthly cash receipts wire transfers from your Retail Store Distribution (RSD) program with WasteZero.

**Municipality:**

**Beneficiary Financial Institution**

Enter the beneficiary financial institution information in the fields provided below:

Account Number	<input type="text"/>
Account Type	<input type="text"/>
ABA/Routing #	<input type="text"/>
Bank Name	<input type="text"/>
Street 1	<input type="text"/>
Street 2	<input type="text"/>
City	<input type="text"/>
State	<input type="text"/>
Postal Code	<input type="text"/>