



Date:

On or after November 18, 2024

The Parties:

City of San Pablo

Republic Services

Subject:

Side Letter Agreement Regarding Use of City Rate Stabilization Funds to Offset Maximum Service Rates Effective July 1, 2025 through December 31, 2026

Content:

The City of San Pablo and Republic Services (collectively the “Parties”) hereby agree that the Maximum Service Rates effective July 1, 2025 through December 31, 2026 included as Exhibit 1 to the Solid Waste Collection Agreement (Agreement) approved by the City Council on November 18, 2024 shall be offset by the City’s use of \$243,000 in rate stabilization funds. Republic Services has calculated Service Rates net of the City’s use of rate stabilization funds, summarized in Table 1, below, and included in their entirety as Attachment 1 to this Side Letter Agreement.

Table 1 – Service Rates Net of Rate Stabilization Funding (July 1, 2025 through December 32, 2026)

	20-Gallon	32-Gallon	64-Gallon	96-Gallon	Per Cubic Yard (CY)
Maximum Service Rates Per Solid Waste Collection Agreement Exhibit 1	\$ 30.18	\$ 32.49	\$ 62.15	\$ 92.11	Varies – See Agreement Exhibit 1
Rate Stabilization Funding Offset to Maximum Service Rates	\$ (0.77)	\$ (0.83)	\$ (1.58)	\$ (2.35)	\$ (1.29) per CY
Service Rates Net of Rate Stabilization Funding	\$ 29.41	\$ 31.66	\$ 60.57	\$ 89.76	Varies – See Attachment 1 to this Side Letter

Via this Side Letter Agreement, for the period from July 1, 2025 through December 31, 2026, the City agrees to pay Republic Service the difference between the Maximum Service Rates included in Exhibit 1 to the Agreement, and the Service Rates net of rate stabilization funding included in Attachment 1 to this Side Letter Agreement. Republic Services shall invoice the City monthly starting in July 1, 2025 for the amount owed by the City. Each monthly invoice will report

the subscription levels, yards, and total amount owned. Given current subscription levels by size, the monthly amount owed is estimated to be \$13,535.62, calculated as shown in Table 2, below.

Table 2 – Calculation of Monthly Rate Stabilization Amounts Payable by City to Republic Services

	20-Gallon	32-Gallon	64-Gallon	96-Gallon	Per Cubic Yard (CY)	
Rate Stabilization Funding Offset to Maximum Service Rates	\$ 0.77	\$ 0.83	\$ 1.58	\$ 2.35	\$ 1.29	
Number of Monthly Subscriptions (as of November 2024)	781	5,609	393	88	5,776	Monthly Total
Rate Stabilization Offset Times Number of Monthly Subscriptions	\$601.37	\$4,655.47	\$620.94	\$206.80	\$7,451.04	\$13,535.62

Provided that the City pays Republic Services the monthly amounts owed as described above from July 1, 2025 through December 31, 2026, Republic Services shall bill City Services Recipients at the Service Rates net of rate stabilization funding shown in Attachment 1 to this Side Letter Agreement and shall not bill Service Recipients at the Maximum Service Rates included as Exhibit 1 to the Agreement. The Parties agree that monthly invoicing and payment shall proceed for the 18 months from July 1, 2025 through December 31, 2026. The Parties further agree and understand that the total 18-month amounts owed pursuant to the calculations described above may be more than the available \$243,000 in City rate stabilization funding. Any remaining amount owed above \$243,000 at the conclusion of 18 months shall be deducted from Republic Services monthly Franchise Fee payment to the City in January 2027.

If the City does not pay the monthly amounts described herein, Republic Services may bill customers at the Maximum Service Rates per Exhibit 1 to the Agreement, including retroactive prorated amounts if necessary and applicable to billing cycles for which the City did not pay rate stabilization funding invoices.

Starting January 1, 2027, Republic Services shall commence billing Service Recipients based on the Maximum Service Rates in Exhibit 1 as adjusted in accordance with Article 6 of the Agreement.

Signature Block:

Republic Services: _____

City of San Pablo: _____