



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** SUSANA ALCALA WOOD,  
City Attorney

**SUBJECT: CALIFORNIA WASTE  
SOLUTIONS, INC. v. CITY OF  
SAN JOSE SETTLEMENT**

**DATE:** June 3, 2026

## **RECOMMENDATION**

Approve a settlement in the case of *California Waste Solutions, Inc. v. City of San Jose, et. al.*, U.S. Dist. Ct., N.D. Cal., Case No. 23-cv-01647-MMC (“the lawsuit”) and authorize the City Attorney to execute a Settlement Agreement with California Waste Solutions, Inc. (“CWS”), providing start-up costs in the amount of \$1,000,000.00 to add a curbside battery collection service to the current recycling service for single-family homes serviced by CWS, as well as monthly compensation per household per month, as set forth in the proposed amendment.

## **OUTCOME**

The City of San José (“City”) will pay \$1,000,000.00 to CWS to fund start-up costs to add a curbside battery collection service to single-family homes serviced by CWS, pursuant to an amendment to CWS’ current contract with the City. The contract amendment will resolve the lawsuit with a settlement agreement providing mutual releases. The parties will bear their own litigation costs and attorneys’ fees. A condition of the settlement includes a requirement that the City’s other residential recycling contractor, Waste Connections of California, Inc. dba GreenTeam of San Jose (“GreenTeam”) also agree to provide the same curbside battery collection service to the single-family homes it services with an agreed upon payment for start-up costs and monthly compensation per household per month, as set forth in the proposed amendment.

## **BACKGROUND**

This lawsuit arises from claims made by CWS alleging Breach of Contract, Breach of the Implied Covenant of Good Faith and Fair Dealing, and violations of 42 U.S.C Sec. 1981, the Equal Protection Clause and Business and Professions Code Sec. 17200, et seq. stemming from the previous agreement between the parties for recycling services to single-family homes. CWS alleged the City unfairly and

unlawfully required it to collect and process contaminated recycling bins, which increased its operational costs. CWS sought compensatory damages of \$34 million and restitution and disgorgement of \$14.4 million, or such other amounts proved at trial, prejudgment interest, and costs of suit.

The City denied all allegations and filed a Motion for Partial Summary Judgment, successfully obtaining summary judgment on the 42 U.S.C Sec. 1981 and the Equal Protection Clause claims.

### **ANALYSIS**

The parties have agreed, subject to Council approval, to add curbside battery collection service to the current recycling service for single-family homes serviced by CWS, for which CWS will be compensated in accordance with the amendment to the current recycling services agreement to be executed by the parties. The amendment will provide for an additional service to the residents at a lump sum start-up cost of \$1,000,000.00, as well as monthly compensation to CWS based on weekly single-family home participation rates. A condition of the settlement includes a requirement that GreenTeam also agree to provide the same curbside battery collection service to the single-family homes it services with an agreed upon payment for start-up costs and monthly compensation per household per month, as set forth in the proposed amendment. The settlement will fully resolve the lawsuit, eliminating the risks inherent in continuing the litigation.

The Environmental Services Department/Integrated Waste Management will seek Council authority to negotiate and execute the above-mentioned amendment with CWS and GreenTeam at the same Council meeting of June 23, 2026.

### **PUBLIC OUTREACH/INTEREST**

This memorandum and the Settlement Agreement have been posted on the City's website for the June 23, 2026 open session agenda.

### **BUDGET REFERENCE**

The table below identifies the fund and appropriations to fund the curbside SFD battery collection service, startup costs, and outreach.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2026-2027 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
423	0763	Single-Family Recycle Plus	\$99,920,559	\$3,290,000	914	N/A

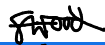
\*The 2026-2027 Proposed Operating Budget was approved on June 9, 2026 and adopted on June 16, 2026 by the City Council.

**COORDINATION**

This memorandum was coordinated with the City Manager’s Budget Office.

**CEQA**

Not a Project; File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

By   
Susana Alcala Wood (Jun 11, 2026 12:55:10 PDT)  
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City Attorney

cc: Jennifer Maguire, City Manager

For questions, please contact SUSANA ALCALA WOOD, City Attorney, at (408) 535-1900.