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6 **RESOLUTION NO. R2008-73**

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9 **A Resolution of the Pierce County Council Regarding the Proposed**
10 **Agreement Between Pierce County and Pierce County**
11 **Recycling, Composting and Disposal, LLC (PCRCD), Doing**
12 **Business as LRI; Requesting the Executive to Respond to**
13 **Council Questions by May 30, 2008; and Requesting the**
14 **Solid Waste Advisory Committee to Hold a Public Comment**
15 **Meeting on the Proposed Agreement and to Provide**
16 **Recommendations to the Council by June 20, 2008.**

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18
19 **Whereas**, in 1998, Pierce County executed an agreement with Land Recovery,
20 Inc. (LRI), most recently amended in 2002, which now extends through 2011, to provide
21 solid waste recycling, composting and disposal services and to manage County solid
22 waste facilities; and

23
24 **Whereas**, the Executive has presented to the Council for review a recommended
25 new agreement with PCRCD, which would extend through 2036 the agreement for
26 PCRCD to provide the "handling and disposal, recycling, composting or other
27 disposition of all solid waste generated by residential, commercial, industrial, and
28 institutional generators of solid waste in the Pierce County solid waste disposal services
29 area . . ."; and

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31 **Whereas**, the Council is reviewing the proposed agreement and has identified
32 some additional information needed to resolve questions and allow the Council to reach
33 a recommendation regarding the Agreement; and

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35 **Whereas**, Pierce County Code Chapter 2.92 establishes a Solid Waste Advisory
36 Committee; and

37
38 **Whereas**, Section 2.92.110 B. of the Pierce County Code sets as a SWAC
39 function a responsibility to "Review and respond to requests from the County Council for
40 recommendations on matters other than resolutions and ordinances"; and

41
42 **Whereas**, the Council recognizes the importance of the proposed agreement,
43 particularly related to its long term of 27 years, and asks that the Pierce County Solid
44 Waste Advisory Committee review the proposed agreement; and



1 **Whereas**, the Council requests the Executive provide the response to the
2 Council questions before the SWAC holds a public comment meeting on the agreement;
3 **Now Therefore**,

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5 **BE IT RESOLVED by the Council of Pierce County:**

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7 Section 1. The Council requests the Executive, by May 30, 2008, to respond to
8 the following questions from the Council:

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- 10 • Since it is likely that Pierce County will experience significant population,
11 demographic, and economic changes, and since it is likely that environmental
12 policy, regulation, and awareness will change at the County, State, national,
13 and global level, what is the rationale for entering into an agreement that will
14 not expire until 2036? How will the County and its citizens be protected if the
15 economic and environmental frameworks in existence today significantly
16 change?
 - 17
 - 18 • Under what terms (procedural and monetary) and conditions (economic,
19 environmental, or other policy) could either the County or PCRCD terminate
20 the agreement? How does the proposed language compare to other high-
21 value and/or long-term agreements executed by Pierce County?
 - 22
 - 23 • The agreement provides annual options to reduce or eliminate rate subsidies
24 that are now provided to residents who self-haul garbage and yardwaste.
25 How are these subsidies now funded? What is the rationale for allowing the
26 subsidies to be removed? Under what criteria would the subsidies be
27 removed? If these changes result in increased illegal dumping, what is the
28 Executive's "fall-back" plan?
 - 29
 - 30 • Are the announced changes in Puget Sound Clean Air requirements (e.g. the
31 2008 burn ban on landclearing debris and a proposed 2010 burn ban on
32 yardwaste) addressed in the Agreement? What will be the combined impact
33 of the new agreement and the bans on rural customers?
 - 34
 - 35 • Why does the Agreement propose a change in cost of living calculations?
36 The current agreement adjusts rates annually by 80% of the Consumer Price
37 Index (CPI). The proposed Agreement adjusts rates annually by 95% of the
38 CPI. Over the life of the Agreement, how significant of an impact will this
39 have on rates?
 - 40
 - 41 • If PCRCD is successful in developing, permitting, and operating a methane
42 gas to energy or fuel facility, does the County share in the profits? Will the
43 gas or power be sold as a commercial product? Who else may use the
44 methane: the County? Pierce Transit?



1 Section 2. The Council requests the Pierce County Solid Waste Advisory
2 Committee (SWAC) to review the proposed agreement between Pierce County and
3 PCRCD, specifically with an eye to the manner in which the agreement is consistent
4 with the 2000 Tacoma-Pierce County Solid Waste Management Plan and the proposed
5 2008 Supplement to the 2000 Plan, to hold a public comment meeting on the issues
6 raised by the agreement, and to advise the Council on the SWAC's comments, public
7 comments, and the matter of consistency by June 20, 2008.

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ADOPTED this _____ day of _____, 2008.

ATTEST:

PIERCE COUNTY COUNCIL
Pierce County, Washington

Denise D. Johnson
Clerk of the Council

Terry Lee
Council Chair

SOURCE DOCUMENT

Draft 2008 Pierce County – PCRCD dba LRI Waste Handling Agreement

As of the date set forth below (the “Effective Date”), THIS AGREEMENT (“Agreement”) by and between PIERCE COUNTY, a municipal corporation in the State of Washington (the “County”) and PIERCE COUNTY RECYCLING, COMPOSTING AND DISPOSAL, LLC, a Washington limited liability company doing business as LRI (“LRI,” “PCRCD” or the “Company”) supersedes the October 1998 Agreement between the Parties, as amended in March 2002. The County and LRI may be referred to herein collectively as the “Parties” and individually as a “Party.”

RECITALS

1. In May of 2007, the Pierce County Executive directed the Solid Waste Division of the Pierce County Department of Public Works to develop with LRI a new Solid Waste Handling Agreement for implementation of new strategies, goals, and objectives to be achieved in a public / private partnership between the Parties.
2. This Agreement brings to the forefront clear and distinct strategies to assure long term waste handling system capacity and stability, system expansion to accommodate area growth and development, climate change and greenhouse gas reduction initiatives, waste minimization, education, and next generation planning.
3. The Parties seek to extend the life of the LRI Landfill and minimize the amount of landfilling through aggressive recycling and waste diversion efforts. In order to do so, this Agreement contains substantial provisions to increase levels of recycling, composting, processing, reuse and other waste diversion methods and seeks to support such efforts through appropriate incentives and programs that maximize the economic viability of such methods.
4. The County and LRI under this Agreement will establish a Research and Development Program to partner in the research, development, and implementation of new technologies and best management practices.
5. The Tacoma-Pierce County Solid Waste Management Plan as amended, and as adopted by the Pierce County Council and the City and Town Councils in the County, and as approved by the Washington Department of Ecology, remains the primary policy setting tool for County solid waste management planning.
6. Pierce County has initiated a Customer Service, Asset Management, and System Sustainability Program (CAS) to assess county-owned solid waste facility adequacy and the potential need for expansion.
7. This Agreement provides Emergency Response procedures within the realm of Company capabilities to assist the Citizens of Pierce County in the event of man-made or natural disaster. The Agreement will address provisions of the County / Regional Emergency Response Plan currently under development.

8. The Washington Department of Ecology has authorized the LRI Landfill to accept waste for disposal at a three hundred and twenty (320) acre disposal site operated by LRI in the County, until such time as it is filled to capacity.
9. The Tacoma-Pierce County Health Department has permitted the LRI Landfill to accept waste for disposal at least until February 6, 2016, subject to regular inspections and annual reissuance; at which point the LRI Landfill may be re-permitted for additional ten year periods.
10. Parties wish to enter into this Agreement to provide for the handling and disposal, recycling, composting or other disposition of all Solid Waste generated by residential, commercial, industrial, and institutional generators of Solid Waste in the Pierce County Solid Waste Disposal Services Area, as defined below, through December 31, 2036, or such other date as may be agreed to by amendment of this Agreement by the Parties.
11. By entering into this Agreement, the Company agrees to provide capacity for the handling of all Solid Waste generated by residential, commercial, industrial, and institutional generators of Solid Waste in the Pierce County Solid Waste System throughout the term of this Agreement and agrees to comply with any and all applicable federal, state and local laws, ordinances, rules, or regulations in the performance of the services hereunder and the County agrees, to the extent allowed by law, to direct waste to facilities operated by the Company.
12. The County supports efforts to achieve the full three hundred twenty acre build-out of the LRI Landfill as permitted at the Effective Date of this Agreement. By entering into this Agreement, the County neither authorizes nor advocates the lateral eastward expansion of the LRI Landfill beyond its currently permitted boundaries, into the neighborhood known as Woodbrook Estates.
13. Since the LRI Landfill was opened, LRI has been arranging for the transportation and disposal of a portion of the County's waste stream at a Solid Waste disposal site outside of the County as a means of implementing a supplemental program meant to extend the life of the LRI Landfill so that local, less expensive, waste disposal capacity could be made available to County residents, businesses and municipalities for a longer period. This Agreement is intended to continue this program in order to extend the benefits of local disposal.
14. The Parties wish to hereby unify all documents representing the previous agreements between LRI and the County and to supersede the same with this Agreement. The Parties' 1991 Agreement (as amended) and 1998 Agreement (as amended) are attached hereto as Attachment 2 and by this reference are made a part of this Agreement for use solely as a historical reference, except to the extent expressly incorporated herein.

AGREEMENTS

In consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LRI and the County hereby agree as follows:

1. Definitions.

For purposes of, and as used in this Agreement, the following terms shall have the meanings provided in this Section. Further, to distinguish these terms from other text, throughout the Agreement, these terms shall appear in a capitalized, title case.

- 1.1 “Acceptable Waste” means all putrescible and nonputrescible solid and semi-solid wastes including, but not limited to, garbage, rubbish, industrial wastes, Construction and Demolition Debris, abandoned vehicles or parts thereof, and Recyclable Materials. For purposes of this Agreement, Acceptable Waste shall exclude Unacceptable Waste and Special Waste. Acceptable Waste is synonymous with the term Solid Waste as used and styled throughout this Agreement.
- 1.2 “CAS Program” is the Customer Service, Asset Management, and System Sustainability Program commissioned by the County in 2005 (with implementation commencing in 2007). The CAS Program relates: the condition of County facilities to the facilities’ performance; facilities’ performance and their capacity (both customers and tonnage); capacities to the County’s waste transfer and disposal needs; and community needs to the County’s and its customers’ financial resources.
- 1.3 “Certificated Hauler” is a Solid Waste collection company operating under the requirements of a certificate issued by the Washington Utilities and Transportation Commission.
- 1.4 “Cities and/or Towns” are incorporated jurisdictions which have entered into a Solid Waste Interlocal Agreement with Pierce County.
- 1.5 “Change in Law” means any of the following which occurs after the Effective Date of this Agreement and which affects the costs of operation of the Company or the provision of services under this Agreement or the taxes payable by the Company from such operations or services: (i) the enactment, adoption, promulgation, modification, repeal, or change in interpretation of any federal, state or local statute, rule, code, regulation and ordinance; (ii) the issuance of an order, decree or judgment of any federal, state or local court, administrative agency or governmental officer or body; (iii) incorporation, annexation or other cause that results in Company and/or County properties being placed within the corporate limits of a city or town and no longer within unincorporated Pierce County; or (iv) the imposition of any material conditions on the issuance or renewal of any permit, license or approval.
- 1.6 “Compost” means a stabilized organic product that has been produced by means of controlled aerobic degradation in compliance with applicable laws and regulations.
- 1.7 “Composting” means the controlled aerobic degradation of Yardwaste and/or Organic Waste into Compost.

- 1.8 “Construction and Demolition Debris” means Solid Waste generated in the course of construction, demolition and remodeling delivered for disposal to the Facilities.
- 1.9 “Consumer Price Index” or “CPI” means the U.S. Department of Labor Consumer Price Index – All Urban Consumers, Not Seasonally Adjusted, for Seattle-Tacoma-Bremerton, WA, All Items, 1982-84=100.
- 1.10 “Contract Hauler” is a Solid Waste collection company operating under a legally-binding contract with a city or town government.
- 1.11 “County Program Cost” has the meaning given it in Section 17
- 1.12 “Curbside Diversion Program” is a County authorized program under which Yardwaste and/or other Diversion Material is collected by Certificated or Contract Haulers from residential or commercial generators within the Pierce County Solid Waste System and where the LRI handling fee is substantially reduced through subsidization of the costs through disposal rates for landfilled waste in order to create an incentive for waste diversion.
- 1.13 “Diversion Material” is waste material which is source-separated for recycling, reuse, processing or composting such that it is not landfilled.
- 1.14 “Drop Box Site” means a facility with stationary waste collection boxes or containers where waste is directly deposited by customers, and is open to residential customers only.
- 1.15 “Facilities” or “Facility” means collectively, or individually, the site(s) and facility(ies) covered by this Agreement as set forth in Sections 2 through 4.
- 1.16 “Food Waste” means pre-consumer and post-consumer food waste products including, but not limited to, fruit, vegetables, breads, bakery waste, dairy, eggs, meat, poultry, and bones.
- 1.17 “Intermodal Facility” means existing or future facilities used by LRI to load Solid Waste onto railroad cars for Long Haul.
- 1.18 “Long Haul” means the shipping of Solid Waste to a solid waste disposal site located outside the geographic boundaries of Pierce County.
- 1.19 “Military Solid Waste System” means the solid waste management system(s) established by, or operating under the authority of, the United States Department of Defense for Acceptable Waste generated within Pierce County on military properties.
- 1.20 “Mixed Municipal Solid Waste” means System Waste exclusive of: Emergency debris or waste collected and disposed pursuant to Section 7; materials collected and disposed pursuant to County-approved Litter Collection and Hauler Cleanup Programs set forth in Section 8; Yardwaste, Organic Waste, and other Diversion

Materials; Special Waste; and Long-Hauled Construction and Demolition Debris pursuant to Section 16.5. Self-Hauled Residential Waste, Self-Hauled Commercial Waste, and Construction and Demolition Debris not Long Hauled pursuant to Section 16.5 are subsets of Mixed Municipal Solid Waste.

- 1.21 “Non-System Waste” means all Solid Waste which is not System Waste.
- 1.22 “Organic Waste” means the following organic Recyclable Materials, regardless of where generated: grass clippings, leaves, weeds, bark, plantings, prunings, limbs, branches, shrubs, straw, hay, uncontaminated wood waste from commercial or industrial operations, food wastes, food processing wastes and materials derived from these wastes through composting, biosolids, and other organic or vegetative material, including those that are self-hauled by the residential generator to Facilities, but shall not include any Yardwaste. For purposes of this Agreement, Organic Waste shall not include untreated sewerage or septage.
- 1.23 “Pierce County” means the geographic area defined by the State of Washington in RCW 36.04.270 and the County government elected and constituted for that area.
- 1.24 “Pierce County Wasteshed” means the Military Solid Waste System, the Pierce County Solid Waste System, and the Tacoma Solid Waste System.
- 1.25 “Pierce County Solid Waste System” means the following geographic area and all Acceptable Waste generated therein: (i) unincorporated Pierce County (except military properties under the ownership or control of the federal government); (ii) areas within the corporate limits of Cities or Towns that have executed Solid Waste Interlocal Agreements with Pierce County; and (iii) the Pierce County portions of the Cities of Auburn and Pacific, until such time as those Cities may require that solid waste generated within the Pierce County portion of those Cities be handled through the King County waste disposal system.
- 1.26 “Rate Setting and Services Guidelines” means Attachment 1 to this Agreement. The Rate Setting and Service Guidelines set forth the procedures for setting and revising the rates to be charged for handling System Waste and for the use of the Facilities.
- 1.27 “Recyclable Materials” or “Recyclables” means those Solid Wastes that are separated for recycling or reuse and thus diverted from landfill disposal.
- 1.28 “Self-Hauled Commercial Waste” means Solid Waste delivered for disposal to transfer or disposal sites by businesses or other commercial generators.
- 1.29 “Self-Hauled Diversion Material” is source separated Organic Waste or other Diversion Material which is brought to the Facilities subject to this agreement by the generators and is not collected pursuant to a Curbside Diversion Program.
- 1.30 “Self-Hauled Residential Waste” means Solid Waste delivered for disposal to transfer or disposal sites by residential generators.

- 1.31 “Self-Insurance Fund” means a department-level account maintained by Pierce County within the Solid Waste Fund to cover costs and expenses, incurred by the County or Company, including judgments or settlements, relating to mitigating, avoiding, and/or funding claims by third parties for pollution, contamination, or chemical release at the Facilities covered by this Agreement. This account was established pursuant to the terms of the 1991 “Agreement Between Pierce County and Land Recovery, Inc. to modify and amend their agreement for the operation of landfill sites in Pierce County.” As of the Effective Date of this Agreement, Pierce County has designated the Self-Insurance Fund as Fund/Department 470.002.
- 1.32 “Solid Waste” means all putrescible and nonputrescible solid and semi-solid wastes including, but not limited to, garbage, rubbish, industrial wastes, Construction and Demolition Debris, abandoned vehicles or parts thereof, and Recyclable Materials. For the purposes of this Agreement, Solid Waste shall exclude Unacceptable Waste and Special Waste. Solid Waste is synonymous with the term Acceptable Waste as used and stylized throughout this Agreement.
- 1.33 “Solid Waste Division” means the Solid Waste Division of the Pierce County Department of Public Works and Utilities or any successor agency.
- 1.34 “Solid Waste Fund” means a fund included within the Pierce County budget which finances the planning, administration, program development, permitting and enforcement for the County’s solid waste management system. The Solid Waste Fund is under the administration of the County Department of Public Works and Utilities. As of the Effective Date of this Agreement, Pierce County has designated the Solid Waste Fund as Fund 470.
- 1.35 “Solid Waste Interlocal Agreement” means an agreement between Pierce County and a City or Town naming Pierce County as the authority to undertake Solid Waste planning, coordinate programs, and designate waste handling facilities on behalf of the City or Town. All parties to the Solid Waste Interlocal Agreement pledge to support and participate in the Pierce County Solid Waste System.
- 1.36 “Special Waste” means discarded material that may require special handling or extraordinary management, distinct from the level of handling or management required for Mixed Municipal Solid Waste, at a disposal site or any of the Facilities, and shall include, but not be limited to, ash, asbestos, sludge, tires, fluff, white goods and appliances.
- 1.37 “System Waste” means Solid Waste generated within the Pierce County Solid Waste Disposal System.
- 1.38 “Tacoma Solid Waste System” means the solid waste management system(s) established by, or operating under the authority of, the City of Tacoma, for Acceptable Waste generated within the corporate limits of the City of Tacoma.

- 1.39 “Unacceptable Waste” means discarded material that: (i) is or contains any infectious waste, radioactive, volatile, corrosive, flammable, explosive, biomedical, biohazardous material or hazardous, dangerous, or toxic substances, as defined pursuant to or listed or regulated under applicable federal, state or local law; (ii) is prohibited by federal, state or local law, regulation, rule, code, ordinance, order, permit or permit condition from being received, handled, transported to or disposed of at the pertinent Facilities or programs subject to this Agreement; (iii) Company reasonably believes would, as a result of or upon receipt or disposition, be a violation of local, state or federal law, regulation or ordinance, including land use restrictions or conditions applicable to the facilities subject to this Agreement; or (iv) in the Company's opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Company or the County to potential liability.
- 1.40 “Yardwaste” means those organic Recyclable Materials (a) which were grown on residential properties in the Pierce County Solid Waste System such as grass clippings, tree prunings, branches, shrubs, and leaves, or (b) constitute Foodwaste generated within such Area by residential and/or commercial generators, and (c) which are source-separated for composting or reuse by the residential or commercial generator and are collected by Certificated Haulers or Contract Haulers under the County’s Curbside Diversion Program(s).

2. County-Owned Facilities – General

- 2.1 The Company agrees to operate and maintain the following facilities owned by Pierce County (collectively, “County-Owned Facilities” and individually, “County-Owned Facility”):
- 2.1.1 Anderson Island Residential Solid Waste Drop Box Site;
 - 2.1.2 Key Center Residential Solid Waste Drop Box Site;
 - 2.1.3 Prairie Ridge Residential Solid Waste Drop Box Site;
 - 2.1.4 Purdy Solid Waste Transfer Station; and
 - 2.1.5 Pierce County Composting Facility (at Purdy).
- 2.2 The Company agrees to provide sufficient personnel, equipment, and utilities for the operation of the County-Owned Facilities as are required by the laws of the United States Government, the State of Washington, or Pierce County.
- 2.3 At all times during the term of this Agreement, the Company shall operate the County-Owned Facilities in material compliance with all applicable federal, state and local licenses, permits and approvals, and all federal, state and local laws, regulations, rules and orders, including, without limitation, the permits issued for the County-Owned Facilities by the Tacoma-Pierce County Health Department. Without limiting the generality of the foregoing, the Company shall remain in

compliance with all applicable or relevant federal, state, and local laws, ordinances, statutes, permit conditions, rules, and regulations related to wages, hours, fair employment practices, anti-discrimination, safety and working conditions and environmental protection.

- 2.4 The Company shall not be required to receive, handle, transport or dispose of any Unacceptable Waste.
- 2.5 The Company may reject, or, with County written approval, may make additional charges for or fix new or additional rates for the handling, transportation or disposal of materials which would result in an unusual cost or expense due to the need for special handling.
- 2.6 The County and the Company each reserve the right to inspect any and all Solid Waste or other material delivered to any County-Owned Facility for proposed deposit and may reject any Unacceptable Waste.
- 2.7 The Company may conduct salvage operations / Construction and Demolition recovery activities at any County-Owned Facility if Company deems the salvage and recovery activities to be viable from an economic standpoint and upon receiving written approval from the County to conduct such activities. Such operations shall not require additional capital investments or other costs to the County.
- 2.8 The Company reserves the right to refuse to any business patron the right of access to any County-Owned Facility when the customer has violated the rules and regulations prescribed by public law or the customer is delinquent more than thirty (30) days on account of any money due the Company for Solid Waste handling.
- 2.9 The Company and the County agree that the Drop Box stations located at Anderson Island, Key Center and Prairie Ridge shall be maintained solely for the disposal of Solid Waste delivered in quantities less than five (5) cubic yards per vehicle at Anderson Island and Key Center and less than one (1) ton at Prairie Ridge; and which waste must be unloaded by hand and/or hand tools. The County may provide prior written approval to waive this section.

3. County-Owned Facilities: Anderson Island, Key Center, and Prairie Ridge Residential Waste Drop Box Sites; Purdy Solid Waste Transfer Station and Pierce County Composting Facility (at Purdy).

- 3.1 Identification and Location: The identification and location of the County-Owned Facilities are as follows:
 - 3.1.1 The Solid Waste handling facility located at 9607 Steffenson Road, Anderson Island, Washington 98303, known as the “Anderson Island Residential Waste Drop Box Site.”

- 3.1.2 The Solid Waste handling facility located at 5900 Key Peninsula North, Lakebay, Washington (Home area), known as the “Key Center Residential Waste Drop Box Site.”
 - 3.1.3 The Solid Waste handling facility located at 11710 Prairie Drive East, Sumner, Washington 98390, known as the “Prairie Ridge Residential Waste Drop Box Site.”
 - 3.1.4 The Solid Waste handling facility located at 14515 54th Avenue NW, Gig Harbor, Washington 98335 (Gig Harbor area), known as the “Purdy Solid Waste Transfer Station and Pierce County Composting Facility (at Purdy).”
- 3.2 Minimum hours of operation:
- 3.2.1 From April 1 through September 30, the Anderson Island Residential Waste Drop Box Site shall be open sixteen hours per week and eight hours per week from October 1 through March 31.
 - 3.2.2 The Key Center Residential Waste Drop Box Site shall be open forty hours per week.
 - 3.2.3 The Prairie Ridge Residential Waste Drop Box Site, the Purdy Solid Waste Transfer Station and the Pierce County Composting Facility shall be open fifty-six hours per week.
 - 3.2.4 Annually, the County and Company will discuss and reconsider daily hours of operations and respective operating days per week at each facility. Upon mutual agreement, hours or days may be modified for operational and/or customer service needs. The decision will be recorded in the annual update to the Rate Setting and Service Guideline Document. Unless modified by the mutual agreement of the Parties, the operating days and hours of operation are as follows:
 - 3.2.4.1 Anderson Island Residential Waste Drop Box Site: From April 1 through September 30 – 10:00 am to 6:00 pm on Sundays and Mondays. From October 1 through March 31 – 10:00 am to 2:00 pm on Sundays and 1:00 pm to 5:00 pm on Mondays.
 - 3.2.4.2 Key Center Residential Waste Drop Box Site: Wednesday through Sunday – 9:00 am to 5:00 pm.
 - 3.2.4.3 Prairie Ridge Residential Waste Drop Box Site, the Purdy Transfer Station and the Pierce County Composting Facility – seven days a week from 9:00 am to 5:00 pm.

3.3 Holiday Closures:

- 3.3.1 The Anderson Island Residential Waste Drop Box Site shall be closed on New Year's Day, Thanksgiving and Christmas Day.
- 3.3.2 The Key Center and Prairie Ridge Residential Waste Drop Box Sites and the Purdy Transfer Station all shall be closed on New Year's Day, Thanksgiving and Christmas Day, provided that the Purdy Transfer Station may be open to commercial handlers on a seven-day-per-week basis.
- 3.3.3 Annually, the County and Company will discuss the holiday closures which, on mutual agreement, may be modified for operational and/or customer service needs. The decision will be recorded in the annual update to the Rate Setting and Service Guidelines.

3.4 On-site operations:

- 3.4.1 The facilities sites will be maintained with an entrance and exit control traffic pattern, with adequate room to accommodate all types of vehicles to allow vehicle safety control and access by emergency vehicles.
- 3.4.2 Cleanliness: The facilities will be kept clean at all times.
- 3.4.3 Roads: All roads within the sites will be maintained by the Company so as to provide convenient access for the public using the facilities and to accommodate emergency vehicles.
- 3.4.4 Staffing: The Company shall provide sufficient personnel, equipment and utilities for the operation of the Facilities as required by the laws of the United States, the State of Washington, and Pierce County.
- 3.4.5 First Aid: A first aid kit will be available at all times. Within two years of the Effective Date of this Agreement, at least one personnel at each facility during all operating hours shall, at a minimum, maintain the same level of First Aid, CPR, AED, and Bloodborne Pathogen training required of employees of the Department of Public Works and Utilities.
- 3.4.6 Signage: The Company will post and maintain signs stating fees, necessary directional signs, and warning against unauthorized access to the facilities. The County will review and approve all publicly-viewable signage at the Facilities.
- 3.4.7 The Company shall maintain the Facilities and all improvements and return them to the County upon termination of this Agreement in substantially the same condition as of the Effective Date of this Agreement or the date of completion of any improvements authorized during the term of this Agreement, reasonable wear and tear accepted.

- 3.4.8 Equipment purchase: Equipment necessary for operation of the facilities shall be purchased by the Company. In the event that for whatever reason, this Agreement is terminated prior to December 31, 2036, the County shall have the option to purchase the equipment used in operation of the Facilities from the Company at a price equal to fair market value of the equipment at the date of early termination. The purchase price shall be payable in cash within thirty (30) days after the date of termination.
- 3.4.9 Recycling drop-off facilities provided: The Company shall provide locations at each Facility (except the Pierce County Composting Facility) for customers to recycle source-separated material free of charge. At the Effective Date of this Agreement the following commodities shall be accepted for recycling at the Facilities free of charge: newspaper, plastic bottles (with a neck narrower than the base), mixed waste paper, glass containers, aluminum and steel cans. Annually, the County and Company will consider modification of the list of recyclables accepted free of charge to reflect operational and/or customer service needs or changing market conditions. On mutual agreement, any modifications will be recorded in the annual update to the Rate Setting and Service Guidelines.
- 3.4.10 Recycling Revenues: The expense of the recycling opportunities described in Section 3.4.9 (including a reasonable return on the Company's investment) must be wholly offset by the value of recovered materials.
- 3.4.11 Customer Minimum Charge: The Company may collect a minimum charge for handling of Solid Waste at County Owned Facilities. The Company and the County will set this rate, where and when applicable, to reasonably approximate the cost of providing service to a customer delivering four hundred pounds of waste to a Facility (or one cubic yard for a Facility without scales). The minimum charge will be reviewed annually and may be changed by mutual agreement of the Parties. All changes will be documented in the Rate Setting and Service Guidelines.
- 3.5 Transportation of Solid Waste and Recyclables off-site: The Company shall be allowed to sub-contract the hauling of Solid Waste and Recyclable Materials from County-Owned Facilities.
- 3.6 Non-System Waste at Purdy Transfer Station: The Company shall be authorized to accept contracted Non-System Waste at the Purdy Solid Waste Transfer Station if: (i) all of such Non-System Waste is destined for final disposal outside Pierce County; (ii) the Purdy Transfer Station is being used as an intermediary transshipment point for such Non-System Waste; (iii) the Company already handles waste of the same type and from the same class of generator at the Purdy Solid Waste Transfer Station; (iv) the Purdy Transfer Station is permitted for the receipt and handling of the type of waste to be accepted; (v) the Company can continue to provide access and capacity to generators of System Waste of the

same type; and (vi) the governmental jurisdiction in which the Non-System Waste was generated does not specifically oppose the shipment of such waste to the Purdy Transfer Station. Self-haul Non-System Waste may be accepted if it meets sub-sections (iii) through (iv) of this Section.

3.7 Capital improvements at County-Owned Facilities:

- 3.7.1 All improvements or reconstruction of the existing County-Owned facilities shall be approved in writing by the County and shall be the property of the County. A decision to make an improvement or conduct a reconstruction project shall in no way alter any term or condition of this Agreement. The Company shall continue to be authorized to manage the County-Owned Facilities on the County's behalf.
- 3.7.2 Recognizing the impact that a capital construction project at an existing facility will have on serving existing customers, the Company shall serve in a lead role to successfully initiate, plan, execute, manage, and close-out an improvement or reconstruction unless otherwise agreed by the Parties or unless the Company chooses not to perform this role.
- 3.7.3 Capital costs to construct improvements or reconstruct existing facilities shall be paid by the County, or by the Company from the Rates approved pursuant to this Agreement, with the written permission of the County. If the Company funds improvements to County-Owned Facilities in this manner, the County shall reimburse the Company in a manner which shall be negotiated prior to the Company incurring any expense.
- 3.7.4 The Company shall not make any material modification or improvements to the County-Owned Facilities without prior written approval of the County. In seeking such approval, the Company shall propose, and the parties shall agree to, a cost estimate to implement the change. The County shall have the right to inspect the progress of the construction at all times.
- 3.7.5 If the nature of a Capital improvement to a County-Owned facility causes a material impact to the Company's short-term or long-term cost to operate that facility, the County and the Company shall amend this Agreement to cover the additional or reduced operating cost.
- 3.7.6 If the parties agreed that the County would pay for the improvements as completed (rather than placing the costs into future rates), after the end of each month during construction, the Company shall deliver to the County a detailed statement including back-up documentation setting forth the percentage of the project which the Company completed in the prior month. After inspecting the work completed, but no later than thirty (30) days after receipt of such monthly statement, the County shall pay the Company the same percentage of the total construction cost estimate as

the percentage completed in such month. If the County objects to the statement, the County shall pay the portion with which it agrees, and the Company shall be entitled to provide additional back-up documentation or information to support the portion that the County disputes. If within ten (10) days after receipt of the back-up documentation or information the County still objects to any portion of the statement, either party may submit the matter to arbitration in accordance with Section 23 of this Agreement.

3.7.7 Subcontractor selection: The following procedures shall be used in the selection of subcontractors at County-Owned Facilities operated by the Company. These procedures are only applicable to the selection and retaining of a subcontractor where the subcontractor provides capital construction or overall management and/or operational services at a County-Owned Facility:

3.7.7.1 The Company shall prepare detailed bid specifications in consultation with the County;

3.7.7.2 The Company shall solicit up to three (3) competitive bids from qualified subcontractors;

3.7.7.3 The Company shall submit all bids and recommendations to the County; and

3.7.7.4 The County shall have the option to approve a Company-recommended subcontractor or reject the Company's recommendation.

3.7.7.5 If the County rejects the Company's recommendation, the Company may choose to solicit additional bids for submittal to the County for approval, the matter may be submitted for arbitration pursuant to Section 23 of this Agreement, or the County and the Company may negotiate an amendment to this Agreement to free the Company from any obligation to provide the specific service proposed for subcontracting.

3.7.7.6 Mobilization of a subcontractor under an emergency repair scenario would be excluded from the procedures set forth above, provided that any such mobilization would require notification of the County and prior verbal approval, if possible. A "no-bid" response or the need for highly specialized construction services will warrant waiver of competitive bidding requirements with County approval.

3.8 Facility Costs: On an annual basis, LRI will provide to the County a report specifying the following information regarding each of the County-Owned Facilities:

3.8.1 Waste quantity accepted

- 3.8.2 Operational and maintenance costs (excluding system management costs)
- 3.8.3 Recycling service costs and quantities
- 3.8.4 Transportation costs

4. Company Owned Facilities: Hidden Valley Transfer Station, LRI Compost Factory, and LRI Landfill.

- 4.1 The Company designed, permitted, financed, and constructed a privately-owned transfer station on the Hidden Valley property owned by the Company adjacent to the footprint of the Hidden Valley Landfill (the “Hidden Valley Transfer Station”).
- 4.2 The Company designed, permitted, and constructed a privately-owned yard waste / organic waste composting facility on the Hidden Valley property owned by the Company adjacent to the footprint of the Hidden Valley Landfill (“the LRI Compost Factory”).
- 4.3 The Company designed, permitted, financed, and constructed a privately-owned landfill on property owned by the Company located near the intersection of 304th Street and Meridian Street East in unincorporated Pierce County (the “LRI Landfill”).
- 4.4 The Company agrees to provide sufficient personnel, equipment, and utilities for the operation of the Hidden Valley Transfer Station, LRI Compost Factory and the LRI Landfill as are required by the laws of the United States, the State of Washington, or Pierce County.
- 4.5 If the Company’s current contractual obligation to provide Tacoma capacity at the LRI Landfill is extended through future contract amendment, the Company will agree to forego the first two subsequent annual CPI adjustments otherwise available under the terms of this Agreement for that portion of the rates reflecting disposal at the LRI Landfill.
- 4.6 Landfill Capacity: LRI guarantees an overall waste handling system capacity for the County’s waste for the term of this Agreement using the LRI Landfill capacity, other in-county waste handling operations as may be permitted now or in the future, and LRI’s affiliated or other intermodal, long-haul transportation and disposal capabilities.
 - 4.6.1 On an annual basis, LRI will submit to the County a remaining capacity and site life report (the “Landfill Report”). The Landfill Report will be prepared by an independent third party engineer selected by LRI. The Landfill Report will include site life projections based on the preceding calendar year waste acceptance and anticipated growth scenarios. The Landfill Report will include an analysis of the impact on site life from various assumptions regarding waste delivered and Long Hauled by the

City of Tacoma. The County and LRI will then consider the options for providing Tacoma access to additional landfill and other solid waste disposal capacity for an extended period and make a determination whether to seek modifications to the Tacoma-Pierce County Solid Waste Management Plan and/or the waste disposal contract between Tacoma and LRI accordingly. However, no action taken with respect to Tacoma waste acceptance shall diminish LRI's guarantee of overall waste handling system capacity to the County System.

- 4.7 Woodbrook Road is a private road that, as of the Effective Date of this Agreement, bisects the properties legally permitted as the LRI Landfill and which prevents the full permitted development of landfill capacity at this essential public facility. In order to achieve the full, permitted capacity at the site, reduce the need for more expensive out-of-county disposal options, and thus reduce costs to System ratepayers, the County agrees to assist LRI in relocating Woodbrook Road through all possible means.
- 4.7.1 For a period of one year from the Effective Date of this Agreement, LRI shall make a good faith attempt to reach an agreement with the affected property owners which would allow for the relocation of Woodbrook Road to be accomplished in a fashion that is in the interests of the Pierce County ratepayers. An agreement with the owners of Woodbrook Road shall contain the following provisions: (1) implementation of the agreement shall be contingent on County review and its finding that any rate impact on Pierce County ratepayers is reasonable; and (2) the Company shall be prohibited from seeking to expand the landfill eastward from its currently permitted project boundaries.
- 4.7.2 If, one year after the Effective Date of this Agreement, LRI has been unsuccessful in reaching an agreement to relocate Woodbrook Road, LRI and the County shall implement other options to secure an equivalent amount of in-County landfill capacity to replace the capacity lost due to the failure to reach agreement with the affected landowners to relocate Woodbrook Road.
- 4.7.3 Should any later effort (after the one-year period referenced in Section 4.7.1) to negotiate the relocation of Woodbrook Road be successful and culminate in an agreement with the affected property owners, such agreement shall contain the same provisions required in Section 4.7.1.
- 4.8 The Company shall not be required to receive, handle, transport or dispose of any Unacceptable Waste.
- 4.9 The Company may reject, or make additional charges for or fix new or additional rates for the handling or disposal of materials which would result in an unusual cost or expense due to the need for special handling.

- 4.10 Capital improvements at Company facilities requested by the County: If the County asks the Company to make Capital improvements at a Company-owned facility, the County shall reimburse the Company in a manner which shall be mutually agreed-upon prior to the Company incurring any expense.
- 4.11 If the Company is required to purchase additional leachate disposal capacity from Pierce County Public Works and Utilities, the cost for the additional capacity purchase shall be amortized over a ten (10) year period and added to the base rate based on the prior year's waste volumes and set forth in the annual Rate Setting and Service Guidelines. This base rate component shall not include costs for leachate hauling, operational disposal, and/or treatment costs and shall terminate after the ten (10) year period.
- 4.12 The Company reserves the right to inspect any and all Solid Waste or other material delivered to Company-owned facilities covered by this Agreement and may reject any Unacceptable Waste.
- 4.13 The Company shall be entitled to all salvageable materials delivered to the Company-owned facilities covered by this Agreement.
- 4.14 The Company reserves the right to refuse to any business patron the right of access to Company facilities when the customer has violated the Facility's rules and policies and/or rules and regulations prescribed by public law or the customer is delinquent more than thirty (30) days on account of any money due the Company for Solid Waste handling.
- 4.15 Unless otherwise agreed by the County, the Company shall be entitled to accept Non-System Waste generated outside of Pierce County boundaries at the Hidden Valley Transfer Station, only if: (i) all of such Non-System Waste is Diversion Material or destined for final disposal outside Pierce County; (ii) the Transfer Station is being used as an intermediary transshipment point for such Non-System Waste; (iii) the Transfer Station is permitted for the receipt and handling of the type of waste to be accepted; and (iv) the Company can continue to provide access and the capacity to generators of System Waste of the same type. In order to compensate Pierce County ratepayers for contributions made to the cost of constructing the Transfer Station, the handling of Non-System Waste at the Transfer Station shall be surcharged at the rate of Twenty-Five Cents (\$0.25) per ton, or an amount as may be mutually agreed upon by the County and LRI and as set forth in the Rate Setting and Service Guidelines, with such monies being deposited into the Solid Waste Fund to be appropriated consistent with the allowed uses of that Fund. This fee shall be paid to the County within forty-five (45) days of the end of each calendar year.
- 4.16 The Hidden Valley Transfer Station will allow public access for a minimum of eight hours per day between the hours of 8:00 a.m. and 5:45 p.m., seven days a week, but may close on New Year's Day, Thanksgiving and Christmas. The LRI Landfill shall not be open to the public for the self-haul of residential waste, but

shall be open for the self-haul of commercial waste consistent with permits granted for the LRI Landfill.

- 4.17 In the event of the cessation of operations by the Company of the Hidden Valley Transfer Station or the LRI Landfill due to insolvency or bankruptcy, the County shall have the rights and obligations as set forth in Section 25 of this Agreement.

5. Household Hazardous Waste (HHW)

- 5.1 Household Hazardous Waste (“HHW”) Facility: The Parties shall maintain programs or facilities to collect, process or treat, and recycle or dispose, Household Hazardous Waste from Pierce County residents subject to a Development and Operations Plan prepared by the Parties and reviewed or approved by the appropriate regulatory agencies. These programs or facilities will be maintained and improved or expanded in cooperation and coordination with the HHW Program for which Pierce County contracts with the Tacoma Solid Waste Utility.
- 5.2 An HHW program has been implemented at the Company-owned Hidden Valley Transfer Station and an HHW facility has been implemented at the County-owned Purdy Transfer Station. The conditions of this Section are applicable to existing programs and facilities and new HHW programs or facilities developed during the term of this Agreement whether at a County- or Company-owned facility.
- 5.3 Collection: The Parties shall develop, implement and monitor programs to collect HHW from residents. Collection sites will be designed to initially serve a maximum of one hundred (100) participants per operating day. Collection details, including a list of materials accepted, will be agreed upon between the Parties and recorded in the Development and Operations Plan and the Rate Setting and Service Guidelines.
- 5.4 Processing/Treating: The Parties shall develop and implement procedures to process and treat HHW collected through this program. Processing/Treating details will be recorded in the Development and Operations Plan and the Rate Setting and Service Guidelines.
- 5.5 Recycling/Disposal: The Parties shall develop and implement procedures to recycle or dispose of HHW collected through this program. Recycling/Disposal details will be recorded in the Development and Operations Plan and the Rate Setting and Service Guidelines.
- 5.6 Funding: The Development and Operations Plan will contain an annual budget and a per-participant fee schedule. The Solid Waste Division will include funding for this program in its annual budget. The HHW programs covered in this Section shall not be funded through direct user fees charged at the HHW Facility.
- 5.7 Termination: This Section 5 may be terminated by either party with ninety (90) days written notice.

6. Long Haul Transfer, Transportation and Disposal of System Waste

- 6.1 In order to extend the life of the LRI Landfill and its ability to provide a low-cost and secure disposal option for Mixed Municipal Solid Waste, the Company will supplement in-County disposal with disposal in landfill(s) located outside Pierce County. The Company will arrange for the Long Haul of up to twenty-five (25) percent of the Mixed Municipal Solid Waste.
- 6.1.1 Notwithstanding the preceding, prior to January 1, 2012 the Company will not arrange for the Long Haul of more than one hundred ten thousand (110,000) tons of Mixed Municipal Solid Waste per year.
- 6.1.2 Where feasible, LRI will make it a priority to divert waste types such as Special Waste and industrial wastes in lieu of Mixed Municipal Solid Waste, to maximize the most desirable waste composition at the LRI Landfill for gas generation and operation of a beneficial end use project.
- 6.1.3 Further, in the event of a disruption or limitation to the Company's in-county disposal capacity that prevents utilization of the permitted design capacity of the landfill, the Company will assure out-of-county landfill disposal capacity and transportation thereto whether by truck haul or rail haul.
- 6.2 Transfer, Intermodal Facility. The Company has established, is operating, and shall maintain throughout the term of this Agreement an Intermodal Facility to transfer System Waste from trucks to railroad cars so that Mixed Municipal Solid Waste exported under this Agreement can be transported by rail.
- 6.2.1 For all Mixed Municipal Solid Waste exported by rail, the Company shall provide sufficient personnel and equipment for the operation of the Intermodal Facility as required by the laws of the United States, the State of Washington, Pierce County, or the City of Tacoma.
- 6.2.2 The Company may enter into agreements to export Non-System Waste, or materials other than Solid Waste, through the Intermodal Facility and shall provide notice of the same to the County. The export of Non-System Waste, or materials other than Solid Waste which utilizes the Intermodal Facility operated by LRI as of the Effective Date of this Agreement, shall be surcharged at the rate Twenty-Five Cents (\$0.25) per ton, as set forth in the Rate Setting and Service Guidelines. The export of such waste from a new or different Intermodal Facility operated by LRI at a later date shall be surcharged at the rate of Sixty-Five Cents (\$0.65) per ton, until the cumulative amount of such surcharge revenue equals the amount to be collected by the Company over the amortization period established pursuant to Section 16.9.1.2, or an amount mutually agreed upon by the Parties and set forth in the Rate Setting and Service Guidelines. Notwithstanding the foregoing, no surcharge shall be payable for Non-

System Waste that has been transported to the Intermodal Facility from the Hidden Valley Transfer Station. The Company shall remit to the County all revenue collected from this surcharge for deposit into the Solid Waste Fund to reimburse ratepayers for their contribution to establishment of the Intermodal Facility.

6.2.3 In the event of the cessation of operations of the Intermodal Facility by the Company due to insolvency or bankruptcy, the County shall have the rights and obligations as set forth in Section 25 of this Agreement.

6.3 Out-of-County Disposal Sites:

6.3.1 For any waste requiring long-haul, the Company will transport System waste as needed to the Regional Disposal Company's Roosevelt Landfill located in Klickitat County, Washington until December 31, 2011.

6.3.2 Beginning January 1, 2012, and for the duration of this Agreement, the Company will transport System waste as needed to the Finley Buttes Landfill located in Boardman, Oregon owned by Waste Connections, Inc.

6.3.3 The Company may substitute other out-of-county disposal facilities, during the term of this Agreement with the written approval of Pierce County, which shall not be unreasonably withheld if the candidate disposal site is fully permitted and legally operating.

6.4 To Effect Long Haul, the Company will provide, or arrange for the following services (collectively referred to herein as "Long Haul Services"):

6.4.1 Purchase of long haul rail containers;

6.4.2 Purchase of on the road chassis to transport containers;

6.4.3 Transfer of containers from truck chassis to rail car;

6.4.4 Operation of the Intermodal Facility;

6.4.5 Rail transportation to a disposal site; and

6.4.6 Disposal in a fully permitted disposal site which complies with all applicable laws, rules, and regulations.

6.5 The Company will provide the following services to backup the Long Haul system in the event that one or more components become unavailable:

6.5.1 Maintain containers, including those which may be on the rail system at any given time, with a total capacity to store approximately four thousand (4,000) tons of Mixed Municipal Solid Waste;

- 6.5.2 Provide capacity at other LRI facilities for emergency storage of approximately two thousand six hundred (2,600) tons of Mixed Municipal Solid Waste;
- 6.5.3 In the event of rail shutdown, or at times when the Intermodal Facility is not available to the Company or is not in operation, use best efforts to obtain emergency use of additional tractors, trailers and containers as necessary to truck waste to a final disposal site outside the County, with the added cost of this service being paid by the County or through an adjustment to rates, subject to County written approval to pursue such alternatives, which approval shall not be unreasonably withheld;
- 6.5.4 As necessary and appropriate and required by the County, coordinate the hauling company response to prioritize waste collection, taking into account storage and handling capacity and giving priority to commercial waste services which create the most serious problems with delayed service; or
- 6.5.5 Arrange for disposal of waste in other landfills.

7. Emergency Management

- 7.1 The County and Company agree to cooperate on the provision of emergency management activities such as, but not limited to, debris cleanup and disposal. The Company and County acknowledge that a Regional Debris Management and Emergency Response Plan is being developed by designated federal, state, and local governmental agencies with private industry (including the Company) providing in-put and assistance. It is not expected that the recommendations and requirements of the Regional Debris Management and Emergency Response Plan will require this Agreement to be amended. However, if agreed upon incorporation of Plan recommendations and requirements requires a material expansion of the Company's current emergency response and debris clean-up preparedness, such as through purchase of additional equipment, costs of the expanded preparedness will either be paid by the County or incorporated into the rates through the Rate Setting and Service Guidelines.
- 7.2 Definitions. For purposes of, and as used throughout Section 7, the following terms shall have the meanings provided in this Section:
 - 7.2.1 "Emergency" or "Disaster" means an event or set of circumstances which demands immediate action to preserve public health, protect life, protect public property or provide relief to any stricken community, or reaches such a dimension or degree of destructiveness that may warrant the Governor declaring a state of emergency.
 - 7.2.2 "Emergency Management" means the preparation for and the carrying out of emergency functions, to mitigate, respond to, and recover from emergencies, disasters or an event, whether natural or man-made, that

requires the mobilization of resources and actions beyond customary operations.

7.2.3 “Declaration of Emergency” means the assumption of emergency powers by the Governor and the Executive Heads of the political subdivisions of the State as authorized by Chapter 38.52 RCW, Militia and Military Affairs, Emergency Management.

7.2.4 “Executive Head” means the Pierce County Executive.

- 7.3 If the County decides to assist County residents and businesses in the recovery from the emergency, disaster or event, the County agrees to ask the Company’s assistance to participate in Emergency Management solid waste management activities such as, but not limited to, transport and disposal.
- 7.4 If so requested by the County Executive, and in accordance with Section 2.5 of this Agreement, the Solid Waste Division will negotiate with the Company a “Letter of Agreement” to retain the Company’s services. The Letter of Agreement will state the services to be provided and the costs for each service. Negotiation and entering into a “Letter of Agreement” shall not require an amendment to this Agreement, nor shall it be construed to amend this Agreement. Depending on the nature and scope of the clean-up effort for which the Company’s assistance is being requested, the Company may elect to initiate assistance activities prior to finalizing a “Letter of Agreement” to: (i) expedite clean-up and recovery assistance to the effected community; and (ii) enable assessment of scope and costs associated with the services being provided by the Company. Within fifteen (15) days of initiating clean-up services if prior to having a “Letter of Agreement” in place, the Company will provide a cost for services to the Solid Waste Division. The Solid Waste Division and the Company will have seventy-two (72) hours to complete negotiation and a Letter of Agreement. All operational decision making as to the routing, handling, and/or processing of debris upon arrival at a Company facility, shall be at the discretion of the Company and shall not be in violation of any Federal, State, or Local laws, permits or ordinances.
- 7.5 If the County and the Company agree that the Company’s Emergency Management activities include the handling and disposal of debris that must be disposed of, including yard waste and organic waste if the volume and quality warrants disposal, the County will reimburse the Company at rates stated in the Letter of Agreement. These rates shall not exceed the Mixed Municipal Solid Waste Base Rate as stated in the Rate Setting and Service Guidelines minus any rate components that are pass-through components, such as the County Program Cost component, the Litter and Clean-up Waste component, and the Yardwaste component. Except, should the Letter of Agreement authorize the Long Haul transportation and disposal of such waste, additional fees, calculated in a manner consistent with the Rate Setting and Service Guidelines, are authorized. The Company may agree to waive some or all fees.

- 7.6 The Company may agree, but shall not be required, to defer billing pending the issuance of disaster relief funds from the State or Federal governments to the County if applicable.

8. Litter and Clean-Up Programs

- 8.1 The Company agrees to participate and cooperate with County and community sponsored clean-up programs authorized by Pierce County Responds or successor programs.
- 8.2 Definitions: For purposes of, and as used throughout Section 8, the following terms shall have the meanings provided in this Section:
- 8.2.1 “Litter Collection Program” means a program authorized or approved by the Solid Waste Division for the collection of litter from any public right-of-way or public property located within the Pierce County Solid Waste Disposal Services Area.
- 8.2.2 “Illegal Dumping Abatement Program” means a program authorized or approved by the Solid Waste Division for the collection of materials illegally disposed or improperly stored on private properties located within the Pierce County Solid Waste Disposal Services Area.
- 8.2.3 “Hauler Cleanup Programs” means those cleanup programs, including litter collection and free cleanup days, conducted by Certificated Haulers and Contract Haulers in cities and towns located within Pierce County.
- 8.2.4 “Pierce County Responds” means the comprehensive nuisance abatement and prevention program established as part of the Solid Waste Division in 2002.
- 8.3 Pursuant to Pierce County Code Chapter 8.31 (as now enacted or later amended), the Solid Waste Division may authorize an individual, group or organization to deliver materials collected under such programs to Facilities and shall notify the Company when such authorization is granted, informing the Company of the names of the individual, group or organization and the terms of the Division’s authorization. The Company agrees not to charge tipping fees on materials delivered to the Facilities for disposal pursuant to a Litter Collection Program, an Illegal Dumping Abatement Program or Hauler Cleanup Programs; provided, however, that for any litter or illegal dumping materials collected or delivered by individuals, organizations or entities without the authority or approval of the Solid Waste Division (other than pursuant to Hauler Cleanup Programs), the Company will charge the per ton tipping fee for Mixed Municipal Solid Waste set forth in this Agreement.
- 8.4 To recoup costs associated with handling or disposing materials collected through Litter Collection Programs or Illegal Dumping Abatement Programs approved by the Solid Waste Division as provided above, the County shall estimate the annual

volume of materials to be handled by the Company under both such programs and the costs of handling such materials shall be apportioned across the entire rate base in accordance with the Rate Setting and Service Guidelines. If at any time the volume of such materials exceeds the estimated tonnage, the Company may request reimbursement and the County shall promptly thereafter reimburse the Company for all such excess tons at the per ton rate for Mixed Municipal Solid Waste set forth in this Agreement.

8.5 If the annual volume of material disposed is less than estimated in Section 8.4, “unused” volume shall carry-over from one year to the next.

8.5.1 At the Effective Date of this agreement, the litter credit balance is 4,500 tons, which represents a carryover of tonnage credit purchased under the previous agreement.

8.6 Bulky Waste Collection Programs: LRI will coordinate with Certificated Haulers or Contract Haulers serving Cities and Towns within Pierce County, for collection of bulky waste items limited to household appliances and furniture, and package and boxed items, so long as the waste does not constitute Unacceptable Waste. Requests for pick up will be handled through the typical customer service procedures of such hauler. Collection and disposal costs will be billed to the County on a quarterly basis. The applicable collection and disposal rates will be agreed between the Parties and set forth in the Rate Setting and Service Guidelines.

8.6.1 The Parties, in conjunction with the certificated and contract haulers, will design and implement the program discussed in Section 8.6. Design elements will include, at a minimum, customer eligibility and participation requirements, procedures to maximize the recyclability of collected materials, and public outreach procedures.

8.6.2 Prior to implementation, the Parties will present a program and cost design to the Pierce County Solid Waste Advisory Committee for its review and comment.

8.6.3 Implementation is contingent on the County making funding available in the Solid Waste Division budget.

8.6.4 Termination: Section 8.6 may be terminated by either party with ninety (90) days written notice.

9. Research and Development

9.1 LRI and the County will jointly manage a Research & Development Program (the “R&D Program”) the goal of which is to research, develop and implement best management practices, including the use of new technologies, to help the Parties execute certain agreed upon strategies.

- 9.2 The R&D Program's annual funding will be provided equally by LRI and the County; provided that LRI's contribution shall not exceed seventy five thousand dollars (\$75,000) per year, escalated annually at the CPI and including prorated personnel costs, unless otherwise agreed for special projects. The R&D Program will be directed by a research group of up to two LRI employees appointed by LRI and up to two County solid waste employees appointed by the County (the "R&D Committee"). The R&D Committee will develop a charter that, once agreed to by the Parties, will serve as the R&D Program's governance document. The R&D Committee will manage the R&D Program's budget and will recommend, evaluate, and agree upon R&D Program projects. The R&D Committee will solicit and obtain the joint written approval of the Parties' respective authorized representatives prior to the adoption of any such projects.
- 9.3 The Parties anticipate that the R&D Program will research, develop and implement best management practices, including the use of new technologies, to help the Parties execute strategies that may include, but will not be limited to, the following:
- 9.3.1 Reduction of waste management activity-based green house gas and carbon release emissions;
 - 9.3.2 Protection and enhancement of the Puget Sound and the County's water resources through evolving waste management practices;
 - 9.3.3 Identifying the Best Available Control Technologies to control odor and noise, and maximize the capture of energy from landfill activity;
 - 9.3.4 Identifying Best Management Practices to ensure landfill operations are screened from local view and that operation occurs with a minimum of off-site noise, odor, and dust impacts;
 - 9.3.5 Proposing property reuse or redevelopment for closed solid waste facilities (owned by the County and the Company);
 - 9.3.6 Audit of the Pierce County waste disposal stream in 2008 and 2009;
 - 9.3.7 Recycle, reduce and divert waste from the LRI landfill and capture energy resources produced by or obtainable from the landfill's operations;
 - 9.3.8 Making recommendations on materials collected for recycling, reuse, salvaging, or HHW acceptance at the Facilities.
 - 9.3.9 Next generation waste handling and planning, including strategic planning and development of additional and/or expanded facilities and/or closing of existing facilities consistent with policies adopted by the Pierce County Council in the Tacoma-Pierce County Solid Waste Management Plan;
 - 9.3.10 Development of an Environmental Management System (Section 10)

- 9.3.11 Annual Performance Excellence Review and Report (Section 11)
 - 9.3.12 Other best management practices; and
 - 9.3.13 Other waste management technologies.
- 9.4 The R&D Program's projects will be proposed and reviewed for feasibility and, if deemed feasible, may be adopted to implement strategies into operational practices upon written approval by the Parties' authorized representatives. R&D Program projects and their respective implementation must meet standards to be clearly defined in the R&D Program's Charter. At a minimum, as shall be further expanded upon in the Charter, R&D Program projects must focus on environmental protection and customer service improvements, and must be economically viable. The implementation of strategies into operational practices as a result of R&D Program projects will require amendment to the Agreement if the costs thereof can not be provided by the County or through adjustments to the rates pursuant to the Rate Setting and Service Guidelines.
- 9.5 R&D Program Milestone Objectives:
- 9.5.1 Committee Selection by: Four (4) weeks after execution of this Agreement.
 - 9.5.2 Draft Charter completed by: Eight (8) weeks after execution of this Agreement.
 - 9.5.3 Final Charter completed by: Twelve (12) weeks after execution of this Agreement.
 - 9.5.4 Pierce County Solid Waste Advisory Committee Briefing on the role of the R & D Committee completed by: Sixteen (16) weeks after execution of this Agreement.
 - 9.5.5 Selection of initial R&D Program Project by: Twenty (20) weeks after execution of this Agreement.

10. Environmental Management System (ISO 14001): The International Organization of Standardization utilizes Environmental Management Systems (EMS) to help bring about sustainable development through better awareness and control of environmental aspects and performance of an operating system. EMS identifies targets and objectives to be achieved through organization and prioritization of improvements, which are measurable. Programs are established with performance indicators to achieve and self-certify performance.

- 10.1 Company-Owned Facilities: The Company will use its best efforts to achieve ISO 14001 self-certification of the LRI Landfill within three (3) years of the Effective Date of this Agreement and all Company-owned facilities within six (6) years of the Effective Date of this Agreement.

- 10.2 County-Owned facilities: The Company and County will jointly manage ISO 14001 self-certification of all County-owned facilities within five (5) years of the Effective Date of this Agreement. Outside consulting services costs associated with implementing the ISO 14001 program at County-owned facilities will be funded through adjustments in the Rate Setting and Service Guidelines or paid for out of the County's Solid Waste Fund.
- 10.3 The Company and the County may mutually agree to certify facilities to an alternative environmental management system standard that is at least as rigorous as ISO 14001.

11. Performance Excellence

- 11.1 The Parties will generate an annual report for publication, posting on the County's and LRI's websites, and circulation to the Pierce County Solid Waste Advisory Committee, the citizens of Pierce County, and the County's elected officials (the "Performance Excellence Report"). The Performance Excellence Report will evaluate and score performance objectives for the immediately preceding calendar year. The Performance Excellence Report will be developed and approved jointly by LRI and the County by April 1st of each year and will contain a detailed summary and a positive and/or negative critique of performance against pre-selected, measurable performance objectives. Performance objectives for an upcoming calendar year will be developed and agreed upon by November 1st of the preceding year. Performance objectives may include, but will not be limited to, the following:
 - 11.1.1 Completion of a waste audit;
 - 11.1.2 Benchmarks to measure the County's success in becoming a waste minimizing community;
- 11.2 Initial Benchmarks to be reported include, but are not limited to:
 - 11.2.1 Year-to-year change in per capita disposal
 - 11.2.2 Percentage of household yard debris diverted for composting
 - 11.2.3 Percentage of food waste and other organics diverted for composting or otherwise diverted from disposal
 - 11.2.4 Development of an Environmental Education Center at the LRI Landfill; and
 - 11.2.5 Development of the R&D Program set forth in Section 9 of this Agreement.

12. Education and Community Outreach

12.1 To sustain and improve environmental education and community outreach, LRI will design and construct an Environmental Education Center on the LRI Landfill property (the "Education Center"). The Education Center will be used as a focal point from which tours of LRI facilities, educational programs, and LRI-related community meetings will be managed. These efforts will be managed individually and/or with the County depending on the specific topic and group of interest. The Education Center will be available for use by LRI and the County. LRI will select a design/build contractor to complete the Education Center within two (2) years of the Effective Date of this Agreement.

13. Flow Control/Waste Diversion

13.1 The County has established policies and rules regarding the designation of Solid Waste handling facilities in Chapter 8.30 of the Pierce County Code ("Solid Waste Handling System").

13.2 The County shall, to the maximum extent allowed by law, continue to direct to the Company all System Waste and Yardwaste and shall not enter any new contract for any solid waste or recycling services within the System with any entity other than the Company provided the Company is willing to provide such service.

13.3 The County, however, is not required to guarantee the delivery of a set volume of System Waste, or any component or category therein, to remain in compliance with this requirement.

13.4 Nothing in this Agreement shall be construed as prohibiting the use by the Company of any other method of waste disposal, including the use of any new permitted facilities within or outside the County owned by or under the control of the Company or the County.

13.5 Nothing in this Agreement shall be construed as prohibiting the diversion by third parties of Recyclable Materials to legally-permitted processing and recycling facilities so long as the materials are actually recycled.

13.6 Monthly, the Company shall report information to the County on the number of tons handled at each facility covered by this Agreement in a manner agreed to by the parties.

14. Handling and Processing of Yardwaste and Organic Waste

14.1 On behalf of the County and to the extent it has capacity to do so at any facilities under its ownership or control, the Company shall process or arrange for the processing of all Yardwaste and shall provide for the handling and composting of all Organic Waste generated within the Pierce County Solid Waste Disposal Services Area.

- 14.2 Through Research and Development activities, as more fully described in Section 9, and through CAS Program implementation, the County and Company agree to assess the expansion of existing compost facilities and/or development of additional composting facilities to be included within this Agreement. Costs incurred through expansion and/or development of additional composting capacity may be funded by rates through the Rate Setting and Service Guidelines or by amendment of this Agreement.
- 14.3 As of the Effective Date of this Agreement, the pre-processing and grinding of Yardwaste will occur at the Hidden Valley or Purdy Compost facilities; however, a different site or sites in the County or outside the County may also be utilized or substituted by the Company including Company subcontract facilities for pre-processing and grinding of Yardwaste, provided the same are permitted for such activities.
- 14.4 If necessary, the Company will arrange for the transportation of ground Yardwaste and Organic Waste from the pre-processing/grinding operation to the Pierce County Composting Facility. If necessary and to the extent practicable, the Company shall utilize available backhaul capacity of vehicles which may transport waste from the Purdy Transfer Station.
- 14.5 The Company shall be entitled to process Organic Waste at the Pierce County Compost Facility so long as the Company can continue to process Yardwaste, either at another County-Owned Facility or a facility owned by the Company, at no additional cost as compared to that which would apply if no Organic Waste were processed at the Facility.
- 14.6 Marketing Composted Materials: The Company is responsible for marketing the Compost produced by the Pierce County Composting Facility. If, in any calendar year during the term of this Agreement, the Company receives from the sales of Compost produced by the Facility an average of more than ten dollars (\$10.00) per cubic yard (as the same shall be escalated annually during the term of this Agreement by ninety-five percent (95%) of the Consumer Price Index, Seattle-Tacoma Area Average for All Urban Consumers), within forty-five (45) days after the end of such calendar year, the Company shall disburse to the County one-half (½) of the gross revenue received by the Company from such sales in excess of such average cubic yard amount, for deposit into the Solid Waste Fund; provided, however, that for every cubic yard of Compost produced by the Facility and sold at an average price of Four Dollars Fifty Cents (\$4.50) per cubic yard or more, the Company shall disburse to the County the higher of Fifty Cents (\$0.50) per cubic yard or, if applicable, one-half (½) of the excess gross revenue received by the Company as provided above. At its discretion, the County may accept quantities of compost product in lieu of all or part of the payment referenced above. Compost acquired in this manner must be used in a public project and will be valued at the average sales price noted above.

15. Term of Agreement

15.1 The term of this Agreement shall commence on the Effective Date and expire on December 31, 2036; provided that Sections 20 (Self-Insurance Fund), 21 (Indemnity), 22 (Post-Closure Care of Facilities), and 24 (Audits) shall survive any such termination except to the extent otherwise agreed to by mutual written agreement of the Parties

16. Rates

16.1 Rate Setting and Service Guidelines: The rates to be charged for the handling and disposal of System Waste under this Agreement shall be established in this Agreement and adjusted as provided in the "Rate Setting and Service Guidelines" attached hereto as Attachment 1 and, by this reference, incorporated herein. The Rate Setting and Service Guidelines set forth the procedures for setting and revising the rates to be charged for handling System Waste and for the use of the Facilities. This Section establishes baseline assumptions, the initial rates for handling System Waste and for the use of the Facilities, and the procedures for revising said rates. Procedures for negotiating and implementing amendments to this Agreement are found in Section 18.

16.2 Assumptions: The rates established pursuant to this Agreement are based upon the assumptions that, throughout the term of this Agreement:

16.2.1 All Facilities continue to be permitted and operated in substantially the same manner as under the permits in effect at the time this Agreement is executed, and System Waste continues to be handled at the Facilities;

16.2.2 The scope of services required of the Company hereunder will not change in scope over the term of the Agreement and the Company and County jointly perform all mutual roles assigned;

16.2.3 There will be no Change in Law as defined above;

16.2.4 The County maintains control over System Waste per Sections 13.1 and 13.2 of this Agreement.

16.2.5 The Company continues to provide post-closure care of the Hidden Valley Landfill and the Purdy Landfill as detailed in Section 22, and the funds maintained by the County for post-closure care continue to be sufficient to allow the Company to perform the required work.

16.2.6 The Company long hauls no more than 110,000 tons of System Waste per calendar year prior to January 1, 2012.

16.2.7 A minimum of three hundred fifty thousand (350,000) tons of Mixed Municipal Solid Waste will be handled annually at or through the Facilities.

16.3 Rate Components: The following shall constitute discrete components of the base rates to be charged under this Agreement:

16.3.1 Composting: Operation and Maintenance of the of the Pierce County Composting Facility (at Purdy) and the LRI Compost Factory, or other facilities owned or procured by the Company, as required to handle Yardwaste generated within the Pierce County Solid Waste System, including the transportation of Yardwaste from other Facilities designated as acceptance sites, and the pre-processing, shredding and storage of said materials.

16.3.2 Transfer Facilities, Recycling and Transportation: Operation and Maintenance of the County-Owned and Company-Owned Facilities identified herein as required to handle System Waste, including the transportation of System Waste from the Facility to a final disposal site and the provision of services for the acceptance, handling, processing, and/or transporting of Recyclable Materials (except Yardwaste and Organic Waste).

16.3.3 Disposal: Operation and Maintenance of the LRI Landfill as required to handle System Waste, including permitting, closure, and post-closure fees and expenses and procurement and use of additional disposal capacity for no more than one hundred ten thousand (110,000) tons of System Waste per year at a landfill located outside Pierce County as set forth in Section 6 hereof.

16.3.4 Community Solid Waste Reduction and Support Programs: Comprising Litter and Cleanup Programs as detailed in Section 8; Hazardous Waste Programs and Facilities as detailed in Section 5; Emergency Management Programs as detailed in Section 7; and Environmental Management Programs as detailed in Section 10 including outside consulting services costs and other expenses associated with implementing the ISO 14001 program at Company- and County-owned Facilities should the County not decide to fund them out of the County's Solid Waste Fund.

16.3.5 R & D Program: Provision of the County's share of the Research and Development program detailed in Section 9, unless the County chooses to fund such expense out of its Solid Waste Fund.

16.3.6 Education and Community Outreach: Up to fifty percent of the costs incurred for planning, development, operations, and maintenance of an Education and Community Outreach Center developed per Section 12, if County involvement in such Center is approved by the Pierce County Executive and the Pierce County Council following review of the scope and cost of the project, and the County chooses not to fund such expense out of its Solid Waste Fund.

- 16.3.7 Additional Leachate Treatment Capacity: Amortized costs for the purchase of additional leachate treatment capacity from the County as set forth in Section 4.10.
- 16.4 Self-Hauled Diversion Materials: The Company shall set its own rates for the handling and composting of Self-Hauled Diversion Materials including Organic Waste. Revenue from such materials shall be excluded from revenue that may be included in any calculations under Rate Setting and Service Guidelines in this Agreement (Attachment 1).
- 16.4.1 At least until February 28, 2009, with respect to Self-Hauled Diversion materials which meet the specific definition of Yardwaste as described in Section 1.40(a), and which are delivered by a resident in a quantity not to exceed two cubic yards, and which were generated on the resident's own property, the Company shall waive any charge otherwise applicable to the first cubic yard. Pursuant to section 16.4, the Company shall set its own rates for the handling and composting of volume in excess of one cubic yard. The Company and the County shall annually review whether to continue the subsidy described by this section. The Parties' decision shall be reported in the Rate Setting and Services Guidelines.
- 16.5 Construction and Demolition Debris: The Company shall set its own rates for Construction and Demolition Debris to the extent any such waste is Long Hauled out of the County, or otherwise managed, rather than disposed in the LRI Landfill.
- 16.6 Base Year: Any "base year" calculations shall be based on the annual tonnage of System Waste, including Mixed Municipal Solid Waste, and Yardwaste as processed by the Company in 2007.
- 16.6.1 Mixed Municipal Solid Waste: 422,315 tons
- 16.6.2 Yardwaste: 49,244 tons
- 16.7 Initial Rates: For purposes of this Agreement, the Tipping Fees for Mixed Municipal Solid Waste shall consist of, at a minimum, a Base Rate plus the County Program Cost as set forth in Section 17. Based on the initial Rate Setting and Service Guidelines, and upon the Effective Date of this Agreement, the initial Base Rate for all categories of Mixed Municipal Solid Waste will be ninety-three dollars and fifty cents (\$93.50) for facilities with scales and eighteen dollars and seventy cents (\$18.70) per cubic yard for Self-Hauled Residential Waste at facilities without scales.
- 16.8 To advance policy goals or address operational concerns so long as such alteration does not change the average rate per ton for all Mixed Municipal Solid Waste handled, the Company and the County may agree to:
- 16.8.1 alter Base Rates calculated for any of the categories of Mixed Municipal Solid Waste;

- 16.8.2 create new categories within Mixed Municipal Solid Waste;
 - 16.8.3 divide the Base Rates into per transaction and per ton components;
 - 16.8.4 alter Base Rates for specialized waste deliveries; or
 - 16.8.5 round to the nearest dollar the posted minimum rate charged to residential self-haul customers.
- 16.9 Annual Rate Adjustments: Changes to the Tipping Fees, including changes to the Base Rates due to increases or decreases in the Consumer Price Index and documented material increases or decreases in the tonnage received and processed or disposed, shall be calculated and implemented in accordance with the requirements of the Rate Setting and Service Guidelines unless amendments to this Agreement are required by its terms. Commencing in the year 2009, adjustments to Tipping Fees shall include the adjustments set forth herein along with an annual adjustment of ninety-five percent (95%) of the Consumer Price Index and shall be effective on March 1 each year, unless the Company and the County mutually agree that the advancement of policy goals or the addressing of operational concerns should dictate a different date. In the event the County and LRI are unable to agree to the appropriate rate adjustments in conformance with this Agreement, the Company or the County may seek arbitration of the matter pursuant to Section 23. Pending the resolution of the arbitration, the applicable annual cost of living adjustments shall be implemented by the Company, subject to refunding or revision after conclusion of the arbitration.

16.9.1 Longhaul Rate Adjustments:

16.9.1.1 Excess Long Haul Rate Adjustment: So long as there is capacity in the LRI Landfill during the term of this Agreement, the Company will not Long Haul on an annual basis more than twenty-five (25) percent of the previous year's total receipts of System Waste without the written approval of the County. In the event that Long Hauled Mixed Municipal Solid Waste exceeds one hundred ten thousand (110,000) tons per year during an annual rate period after January 1, 2012, the aggregate disposal rate will be adjusted annually to compensate LRI for the additional costs associated with the Long Haul disposal of the incremental amount of diverted waste over one hundred ten thousand (110,000) tons per year. The rate adjustment shall be based on the incremental (over 110,000) number of tons of diverted waste experienced in the previous annual rate period or expected in the following annual rate period times twenty-five per cent (25%) of the base component from Section 16.3.3 in effect during the previous rate period (i.e. the base amount shown in Component C in the Rate Setting and Services Guidelines which equals \$44.95 per ton at the Effective Date of this Agreement) divided by the tonnage of Mixed Municipal Solid Waste that was handled in the twelve month period concluding on June 30 of the year preceding the rate

adjustment . A formula for calculating this adjustment is set forth in the Rate Setting and Service Guidelines.

16.9.1.2 Intermodal Capital Costs: The Parties recognize that beginning in 2012 LRI may choose to utilize a new Intermodal Facility and a different rail system to access a different landfill facility for disposal of Long Hauled waste. If and when this occurs, it is agreed that the disposal rates then applicable under this Agreement will be adjusted to recapture the capital costs associated with construction and utilization of a new Intermodal Facility. These capital costs will be amortized over the remaining life of the Agreement or twenty (20) years, whichever is less, with such new rate component being set forth in the Rate Setting and Service Guidelines. The Company will continue to be required to pay a surcharge to the County for the use of such Facility for Non-System Waste as set forth in Section 6.2.2.

16.9.1.3 Long-Haul Rail Rates: In addition, the Parties recognize that a change in rail system and landfill may result in higher or lower transportation and/or disposal costs. The then applicable disposal rates will be adjusted as necessary to cover the increase or decrease in rail rates when comparing those applicable just prior and just subsequent to the changeover. After 2012, the disposal rate component set forth in Section 16.3.3 shall be adjusted annually to compensate LRI or the County for the actual costs or savings resulting from any increases or decreases in the applicable rail rates experienced by the Company in the prior rate period and to be experienced in the future rate periods, including any fuel surcharges that may be imposed by the rail company.

16.9.2 Curbside Diversion Program:

16.9.2.1 Curbside Yardwaste Diversion Program: Regardless of where processed, the rates for composting Yardwaste shall be adjusted annually. The new rate will be based on the standard CPI adjustment for that year (e.g. 1.03) times the ratio of the annual tonnage of Yardwaste received and processed the prior year over the tonnage of Yardwaste received and processed in 2007 (49,244 tons) times the tonnage of Mixed Municipal Solid Waste received in 2007 (422,315 tons) over the number of tons of Municipal Solid Waste received in the prior year times \$9.40, all as set forth in the Rate Setting and Service Guidelines (Attachment 1). In addition, should inclusion of Foodwaste in the County's Curbside Yardwaste Diversion Program require changes to the composting operations resulting in a material increase in costs of operation, whether due to regulatory or operational requirements, the Parties shall agree to an increase in the Yardwaste Rate to fully compensate LRI for these increased costs. If the Parties are unable to agree on the appropriate increase for such changes, if any, the matter shall be resolved pursuant to arbitration pursuant to Section 23 of this Agreement.

16.9.2.2 Other Curbside Diversion Programs: Should the Company and the County agree to establish other Curbside Diversion Programs, LRI shall be fully compensated for its added costs and the program shall be designed to provide appropriate incentives for generator and hauler participation. The Company costs of such program shall be born by the County's Solid Waste Fund and/or covered through disposal rates, with the funding associated with such new programs to be annually adjusted in accordance with the Rate Setting and Service Guidelines to maintain it at appropriate levels.

16.9.3 Credit or Debit Card Adjustment: Within six months of the execution of this Agreement, and until a change is mutually agreed upon, the Company will accept debit cards and credit cards for payment at all Facilities. As part of each annual rate adjustment implemented pursuant to this Agreement, a rate amount comprising the cost of the actual added expense to the Company for servicing debit and credit cards in the prior rate period divided by the most recent annual tonnage in that period shall be added to the base rate for the new rate period and documented in the Rate Setting and Service Guidelines.

16.10 In the event any one or more of the assumptions set forth in Section 16.2 become untrue in any material respect at anytime, the Company and the County shall negotiate revisions and adjustments in the Base Rates in order to leave the Parties in as close a position as possible to that they would have been in without a failure of the assumptions and in accordance with the procedures set forth in the Rate Setting and Service Guidelines. In the event the Company and the County are unsuccessful in so negotiating rate revisions and adjustments for failure of assumptions under Section 16.2, the Company or the County may seek arbitration of the matter pursuant to Section 23. Pending the resolution of the arbitration, any applicable annual cost of living adjustments shall be implemented by the Company, subject to refunding or revision after conclusion of the arbitration. Negotiated adjustments in the rates under this subsection shall not constitute an amendment to this Agreement and shall be implemented administratively as provided in the next subsection.

16.11 Except as set forth in Sections 18 or 23, all changes to Solid Waste Tipping Fees shall be done administratively in accordance with this Agreement and the Rate Setting and Service Guidelines and shall not require an ordinance or resolution of the governing bodies of the County. However, before implementation of any proposed rate increase, the County Executive shall report to the County Council on the basis for any such increase. At its discretion, the County Council may hold a public hearing regarding the consistency of the proposed increase with the terms of this Agreement. If the County Council objects to the proposed increase on the grounds that the proposed increase is inconsistent with the terms of the Agreement, and such objection occurs within thirty (30) calendar days of receiving the County Executive's report, the County Council may request the County Executive and the Company to withdraw and resubmit the proposal. If

the County Executive and the Company agree to this request, the Parties shall submit a revised proposal within thirty (30) calendar days. The Council may again hold a public hearing regarding the consistency of the proposed increase with the terms of this Agreement. Not later than thirty (30) days after receiving the revised proposal, the Council shall vote to concur with the proposal or to seek arbitration of the consistency of the increase with this Agreement pursuant to Section 23. However, any rate increase proposed by the County Executive shall go into effect as and when scheduled in the County Executive's report, notwithstanding any proposed or pending arbitration proceedings sought by the County Council.

- 16.12 The County Program Cost set forth in Section 17, as set by the County, will be added, as applicable, to the Base Rates set forth in Section 16.7, and as adjusted per the Rate Setting and Services Guidelines, to make up the Tipping Fees as defined therein.
- 16.13 Special Waste Fees: The Company is obligated to provide for the handling and disposal of Special Waste, as defined above. However, the Company shall have the sole discretion to set the rates for handling and disposal of Special Waste.
- 16.14 Taxes: From the revenues received by the Company from the Base Rates established in Section 16.7, and as adjusted per Section 16, the Company shall pay all required federal, state and local taxes arising from the operation of the business of the Company, including, but not limited to, income taxes, business and occupation taxes, refuse collection and disposal taxes, sales and use taxes, property taxes and employee taxes.
- 16.15 The rate setting and rate adjustment procedures under this Agreement are intended to ensure that the Company obtains its full revenue requirement to operate and carry out all of the programs specified in this Agreement.

17. County Program Cost

- 17.1 The "County Program Cost" means a per ton or per cubic yard cost established by the County and added to the Base Rates applied to Mixed Municipal Solid Waste handled at the Facilities. The Company shall collect the County Program Cost as agent for the County.
- 17.2 The County will deposit the proceeds of the County Program Cost into the Solid Waste Fund for use only on solid waste activities.
 - 17.2.1 At a minimum, the County will pay the Tacoma-Pierce County Health Department a regulatory fee, in lieu of the permit fee which would normally be assessed on the Company-owned and County-owned Facilities.
- 17.3 The initial County Program Cost shall be eight dollars forty-five cents (\$8.45) per ton (or one dollar sixty-nine cents (\$1.69) /cubic yard), but will in no case exceed

ten percent (10%), or a higher amount as agreed between the Parties, of the average Base Rate established pursuant to this Agreement.

- 17.4 Subject to Section 17.3, the County may increase or decrease the County Program Cost annually during the term of this Agreement as part of the rate adjustment process provided for under this Agreement. The current rate will be specified in the Rate Setting and Service Guidelines.
- 17.5 The Company shall have the right to notify its customers that the County Program Cost is set at a rate determined by the County and is added to the Base Rates. The County will be responsible for handling all complaints and inquiries about the County Program Cost.
- 17.6 Monthly, the Company shall disburse to the County the revenue it collects from the County Program Cost for deposit in the Solid Waste Fund. Such payment will accompany the monthly tonnage report.

18. Amendments

- 18.1 This Agreement, including but not limited to the term hereof, may be amended for the purposes, and following the procedures, contained in this Section.
- 18.2 Purposes:
 - 18.2.1 Failure of Assumptions.
 - 18.2.2 Change of Term.
 - 18.2.3 Additional Services: From time to time during the term of this Agreement, the Parties may seek to have the Company provide additional services outside of the scope of the services set forth in this Agreement. To receive such additional services and set fees therefore, this Agreement must be amended.
 - 18.2.4 Change in Post-Closure Responsibilities or Requirements at any Facility covered by this Agreement or the Hidden Valley and Purdy Landfills discussed in Section 22.
 - 18.2.5 Change in the Tacoma-Pierce County Solid Waste Management Plan that would result in a material change to the operations of any Facility:
 - 18.2.6 Significant Proposed Rate Change: In the event any rate adjustment, whether the result of changes in assumptions as provided above or for other reasons as set forth in the Rate Setting and Service Guidelines, will result in greater than a ten percent (10%) increase or decrease in the Base Rates for System Waste, the County or the Company may elect to adjust the rates through an amendment to this Agreement, as opposed to administratively through the procedures in the Rate Setting and Service

Guidelines; provided, however, if this Agreement provides a right to such adjustment, failure to agree to either an administrative change or amendment may be submitted to arbitration by either Party in accordance with the provisions of Section 23.

18.3 In the event the Company and the County are unsuccessful in so negotiating an administrative change or amendment, and prior to either party initiating a civil action or taking action to terminate the Agreement, the Company or the County shall seek arbitration of the matter pursuant to Section 23, except for Sections 18.2.2 and 18.2.3, which provisions may only be changed through agreed amendment of this Agreement.

19. Insurance

19.1 LRI shall obtain and maintain the following insurance:

19.1.1 Compensation Insurance: The Company shall comply with the Workers' Compensation Act of the State of Washington during the term of this Agreement and, in case any work is performed by an agent or subcontractor, the Company shall require the agent or subcontractor to comply with the Worker's Compensation Act also.

19.1.2 Comprehensive Public Liability and Property Damage Liability Insurance which includes, but is not limited to, operations of the Company and comprehensive automobile liability insurance with limits of not less than:

COVERAGES

LIMITS OF LIABILITY

Comprehensive General Liability Insurance

A. Bodily Injury Liability	\$250,000.00 each person \$500,000.00 each occurrence \$500,000.00 aggregate
B. Property Damage Liability	\$250,000.00 each occurrence \$500,000.00 aggregate

Comprehensive Automobile Liability Insurance

C. Bodily Injury Liability	\$250,000.00 each person \$500,000.00 each occurrence
D. Property Damage Liability	\$250,000.00 each occurrence

19.2 Pierce County shall be named as an additional insured as respects this Agreement, and such insurance as carried by the Company shall be primary (over any insurance carried by Pierce County).

20. Self-Insurance Fund

20.1 Pierce County shall continue to maintain the Self-Insurance Fund created pursuant to the 1991 Agreement (as amended), and continued through the 1998 Agreement (as amended), and the terms thereof with respect to the Self-Insurance Fund shall remain in effect and be incorporated herein by reference as Attachment 2.

- 20.2 The Self-Insurance Fund may be used by the County or the Company, upon mutual agreement which shall not be unreasonably withheld, to mitigate, avoid, and/or fund claims which relate to pollution, contamination, or release of chemicals at Facilities covered by this Agreement.

21. Indemnity

- 21.1 With respect to claims by third parties which do not relate to pollution, contamination or release of chemicals, and which arise from the Company's operation of any of the Facilities under this Agreement: the Company shall defend, indemnify and hold the County free and harmless from liability from any and all claims, demands, losses or death, injury or disability to any person and/or damage to any property or business occurring directly or indirectly, out of or suffered by any person by reason of or in connection with any negligent actions or omissions of the Company, its officers, agents, employees or subcontractors in the performance of this Agreement, including the Company's failure to materially comply with applicable federal, state and local laws, regulations, rules and orders as required under Section 2.3. In the event of a suit against the County subject to indemnification under this Section, Company agrees at its cost to appear and defend the same with counsel of Company's choosing, provided LRI is notified in a timely manner of the suit. In the event judgment is rendered against the County, Company will cause the same to be paid or set aside within ninety (90) days after a final determination thereof, including a final determination of any appeals; provided however, that if the suit in question has been tendered to and defended by Company's insurance carrier, the time period for payment will be subject to the normal timing and procedures utilized by Company's insurance carrier for the settlement of judgments.

- 21.1.1 Such indemnity obligation shall not include claims arising as a result of the sole negligence or intentional acts of the County, its appointed or elected officers, employees and/or agents (which are covered in Section 21.2, below), but shall include but not be limited to any liability as may arise or occur from concurrent, contributing or joint actions or omissions of Company and the County to the maximum extent such indemnity is allowed by law.

- 21.2 With respect to claims by third parties which do not relate to pollution, contamination or release of chemicals, and which arise as a result of the sole negligence or intentional acts of the County, its appointed or elected officers, employees and/or agents: the County shall defend, indemnify and hold the Company free and harmless from liability from any and all claims, demands, losses or death, injury or disability to any person and/or damage to any property or business occurring directly or indirectly, out of or suffered by any person by reason of or in connection with any negligent actions or omissions of the County, including the County's failure to materially comply with applicable federal, state and local laws, regulations, rules and orders. In the event of a suit against the Company subject to indemnification under this Section, the County agrees at its

cost to appear and defend the Company with counsel of the County's choosing, provided the County is notified in a timely manner of the suit. In the event judgment is rendered against the Company, the County will cause the same to be paid or set aside within ninety (90) days after a final determination thereof, including a final determination of any appeals; provided however, that if the suit in question has been tendered to and defended by County's insurance carrier, the time period for payment will be subject to the normal timing and procedures utilized by the County's insurance carrier for the settlement of judgments.

21.2.1 Such indemnity obligation shall not include claims arising as a result of the sole negligence or intentional acts of the Company, its officers, employees, agents and/or subcontractors (which are covered in Section 21.1, above), but shall include but not be limited to any liability as may arise or occur from concurrent, contributing or joint actions or omissions of Company and the County to the maximum extent such indemnity is allowed by law.

21.3 Subject to Section 21.7, with respect to claims by third parties which relate to pollution, contamination or release of chemicals arising from operation of any of the Facilities under this Agreement:

21.3.1 Company hereby agrees to defend, indemnify and hold harmless the County, and its appointed and elected officers and employees, from and against all loss or expense, including attorneys' fees and costs, incurred as a result of such claims; provided, that such agreement to indemnify and hold harmless shall be limited to the amount available to Company from the Self-Insurance Fund created pursuant to the 1991 Agreement, a copy of which is attached hereto.

21.3.2 Consistent with terms which have been in effect since execution of the 1991 Agreement (as amended) and continued through the 1998 Agreement (as amended), the County agrees to indemnify, hold harmless and defend Company and its members, officers, employees, and agents from and against all loss or expense, including attorneys' fees and costs, incurred as a result of such claims to the extent such loss or expense is in excess of the amount made available to the Company from the Self-Insurance Fund. Section 21.3.2 shall not apply to acts by the Company which occurred subsequent to July 13, 1991 and were an intentional and knowing violation of any law or wanton or reckless disregard for human health or the environment; or to claims relating to the LRI Landfill.

21.3.3 If the County and Company (or their officers, agents, employees, or consultants, if applicable) are held to be jointly or severally liable for injuries, damage or loss, the Parties agree to pay any settlement or judgment from the Self-Insurance Fund to the extent monies are available therein, and the County agrees to pay any settlement or judgment amount in excess of the amount in the Self-Insurance Fund at the time. Except to

the extent of claims related to insurance coverage, neither party shall seek indemnity or contribution from the other, its officers, agents, or employees.

- 21.3.4 Upon written request, the County shall agree to indemnify and hold harmless certain consultants and/or contractors of Company to the extent such indemnification is reasonably necessary to obtain services of said consultants and/or contractors. No indemnification is transferable or assignable without the written approval of the County.
- 21.4 In the event Company wishes to use or adapt the closed Hidden Valley Landfill footprint for any use, other than as a closed Solid Waste landfill, this indemnification provision shall be modified upon agreement of the Parties to reallocate the risks assigned by this Section to recognize any changes in the risk incurred by the County as a result of such change in use.
- 21.5 Any disagreements between the parties regarding this Section shall be submitted to arbitration pursuant to Section 23.
- 21.6 The Company and the County agree to make and pursue claims against their applicable insurance coverage for all costs and expenses related to third party claims. Nothing in this Agreement shall constitute a waiver or relinquishment of any claims either the Company or the County may have against their respective insurers, nor shall any provision of this Agreement waive or relinquish any subrogation or contribution rights that Company or the County's insurers may have against another insurer or other potentially responsible party. Pierce County shall have the right to approve, in its sole discretion, counsel chosen by the Company to litigate the Company's claims against its insurers. Any monies received from the insurers shall be deposited in the Self-Insurance Fund; provided, however, that Company and the County may be reimbursed from the Self-Insurance Fund for all reasonable costs and expenses, including attorneys' fees, expended by them to seek recovery of sums from their insurers.
- 21.7 It is agreed between the County and the Company, that the indemnity provisions set forth in this Agreement shall not apply to any acts of the County, its agents or employees which were committed prior to the execution of the 1977 Agreement, nor to any contractual liability or obligation incurred by reason of any use made by the County of any Solid Waste disposal site, or transfer station prior to the time the Company assumed operation of such facility.

22. Post-Closure Care of the Hidden Valley and Purdy Landfills

- 22.1 From the fees collected from the disposal of the County's waste stream at the Hidden Valley Landfill and pursuant to a Post-Closure Trust Agreement dated 1992, the County and the Company established and maintained separate interest bearing financial assurance trust accounts for the post-closure care of the Hidden

Valley Landfill, and the Purdy Landfill located adjacent to the Purdy Solid Waste Transfer Station, in accordance with state requirements.

- 22.2 The Company shall conduct post-closure activities and maintenance at the Hidden Valley Landfill and Purdy Landfill in accordance with applicable federal, state and local laws and regulations, and shall be reimbursed for the cost of the same as provided in the Post-Closure Trust Agreement. The County shall indemnify and hold harmless the Company for any costs and expenses incurred with respect to performance of post-closure care at the Purdy Landfill.
- 22.3 If the amounts in the post-closure funds fail to comply with any statutory or regulatory requirements, the County will take whatever actions are necessary to provide adequate funding to ensure compliance with any such legal requirements.
- 22.4 The Company will provide the County with annual budget estimates for post-closure activities to be performed by, or under the direction of the Company, as described by this Section and to be reimbursed by the County.
- 22.5 The Company will assist the County in long-term Post-Closure cost projections at a frequency specified by the County yet no more frequent than on an annual basis.
- 22.6 If any monies remain in the post-closure funds after post-closure care of the facilities is completed and finally approved by the Washington Department of Ecology or its successor agency, all such monies shall be paid to the County for it to use in its discretion for Solid Waste related activities. However, the County shall remain responsible for any post-closure care requirements arising at a later date.

23. Arbitration

- 23.1 In the event of a dispute arising under this Agreement, the parties shall continue performance of their respective obligations under this Agreement and shall attempt to resolve such dispute in a cooperative manner. If the parties are unable to resolve the dispute, then, in addition to and without waiving any rights and remedies under this Agreement or under civil or common law, the parties shall agree to arbitration pursuant to the terms of this Section.
- 23.2 Within fifteen (15) days after agreement to arbitration has been reached, each party shall submit the name of its own arbitrator, selected from a panel of persons qualified by the American Arbitration Association (“AAA”) or other agreed upon local alternative dispute resolution organization and the two arbitrators shall select a third arbitrator from such panel within fifteen (15) days thereafter, or in case of a disagreement concerning the appointment of the third arbitrator, the third arbitrator shall be appointed from such panel by the presiding judge of the Pierce County Superior Court. During such time that the arbitrators are being selected or appointed, the parties shall continue to negotiate in good faith to resolve their dispute in a cooperative manner.

- 23.3 The arbitration shall be conducted according to the commercial arbitration rules of the AAA then in effect, unless the parties mutually agree otherwise. The arbitrators shall apply applicable provisions of Washington law in reaching their determination. Except to the extent the arbitration decision includes termination of this Agreement as set forth in Section 23.7 below, the determination by the arbitrators shall be final and binding on the parties, and any judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.
- 23.4 The County and Company shall use their best efforts to conclude all arbitration proceedings involving fee and rate adjustment disputes within thirty (30) days following the commencement of such arbitration proceedings. Any arbitration determination granting an increase in fees or rates shall include an award of interest at the statutory rate until the date the increase becomes effective. Such award shall also include any adjustment necessary for the Company to obtain its revenue requirement for performing services under this Agreement.
- 23.5 The costs of arbitration shall be shared equally by the parties, except that the arbitrators may, in their discretion, award to the prevailing party its reasonable attorneys' fees and expert and non-expert costs incurred in connection with the proceedings.
- 23.6 If arbitration is requested, the arbitration panel shall make its decision retroactive to the date of request for arbitration, if applicable.
- 23.7 An arbitration decision to terminate this Agreement may only be made by the arbitrators in cases where such relief is sought by at least one of the Parties. In such case, a decision to terminate the contract shall only be made if the arbitrators determine that there has been a material breach of obligations or unresolvable inability to perform by one or both of the Parties, that such material breach or inability has not been cured or can not be cured in a reasonable period after notice of such breach or inability by the other Party and that the non-breaching or performing Party can not be made reasonably whole by the award of damages, adjustment of the rates, reformation of contractual provisions, or other methods in law or equity. In the event the arbitrators make such finding and order termination of this Agreement, either party may in that case appeal such decision to the Superior Court of the State of Washington in accordance with the venue provisions of Washington law.

24. Audits

- 24.1 The County, at its cost and acting through its County Council or Executive, shall have at all reasonable times during business hours the right of access to financial and operating records of the Company as necessary to determine compliance by the Company with the terms of this Agreement. The County shall, however, have no obligation to the Company to provide such services for the benefit of the Company, but shall make the results of such investigation, review and/or audit

available to the Company. The Company may designate documents as confidential business records. If so designated, those documents shall be inspected by an independent accountant or other third party designated by the County and approved by the Company. Acting reasonably; the third party selected shall determine whether the documents are directly relevant to the Company's compliance with this Agreement. If the third party determines that the documents are so relevant, then the County may inspect and copy the documents. For documents that contain both disclosable and confidential information, the third party may redact any confidential information. The third party at the Company's discretion may be required to sign a reasonable confidentiality agreement.

- 24.2 The Company at all times must maintain an accounting system using generally accepted accounting principles for all services rendered and materials supplied in connection with the Agreement. The Company shall maintain an accounting system in a manner that clearly separates its revenues and expenses from revenues and expenses related to any affiliated company.

25. Cessation of Operations - Continuation of Services

- 25.1 In the event of the cessation of operations by the Company due to insolvency or bankruptcy, the County shall have the right to gain access to and immediately occupy and use the Hidden Valley Transfer Station and the LRI Landfill pending its acquisition by the County either through negotiation or condemnation.
- 25.2 In the event of the cessation of operations by the Company due to insolvency or bankruptcy, the County shall also have the right to the possession and the use of the Company's equipment at the Hidden Valley Transfer Station, the LRI Landfill, the Intermodal Facility, and the Facilities owned by the County, pending purchase of such equipment by the County either through negotiation or condemnation.
- 25.3 During the period of time that the County has possession of the land and equipment pursuant to Sections 25.1 and 25.2, but prior to its acquisition, the County shall pay to the Company's authorized representatives a reasonable rental for said real and personal property. Rental shall continue until the property has been acquired by the County. Disputes regarding a reasonable rental rate shall be resolved pursuant to the terms of Section 23.
- 25.4 If a condemnation proceeding becomes necessary as a result of the inability of the Parties to agree through negotiation as to a reasonable purchase price within thirty (30) days, the County agrees to obtain the earliest trial date possible using any priority setting afforded to it by law to acquire the land and personal property of the Company.
- 25.5 In the event of the cessation of operations by the Company due to insolvency or bankruptcy, the County shall also have the right to operate any of the Facilities it

owns or has occupied, or to enter into contracts to operate the same. This shall not be deemed a violation of any condition of this Agreement.

26. Entire Agreement; Release

26.1 This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereto and no representations, understandings or agreements of any kind shall be binding on either Party unless incorporated herein or in a subsequent writing executed by both Parties. This Agreement hereby supersedes all previous waste handling or waste disposal agreements between the Parties except to the extent referenced herein.

27. Assignability

27.1 The rights, obligations and duties of the Parties as specified in this Agreement may not be transferred or assigned without the written approval of the Parties, which approval shall not be unreasonably withheld. For purposes of this Section, assignment shall include a change in control of equal to, or greater than, fifty percent (50%) of the membership interests of the Company.

28. Tacoma-Pierce County Solid Waste Management Plan

28.1 The parties to this Agreement respect the role of the Tacoma-Pierce County Solid Waste Management Plan as the primary policy document for the setting of solid waste policy in Pierce County.

28.2 Pierce County shall be responsible for soliciting the involvement of Pierce County's incorporated cities and towns in the planning process and causing them to enter into Interlocal agreements with the cities and towns regarding the provision of Solid Waste disposal services countywide.

28.3 The Company shall be responsible for representing its interests to the Solid Waste Advisory Committee through the participation on the committee as a non-voting member.

29. Severability

29.1 If any provision of this Agreement is declared invalid or unenforceable, then such provision shall be deemed to be severable from this Agreement and shall not affect the remainder hereof, which shall remain in full force and effect.

30. Independent Contractor

30.1 Each party hereto is and shall perform this Agreement as an independent contractor, and as such, shall have and maintain complete control over all of its employees, agents, and operations. Neither party nor anyone employed by it shall be, represent, act, purport to act or be deemed to be the agent, representative, employee or servant of the other party.

31. Force Majeure

31.1 In the event that either Party is prevented from performing its duties and obligations pursuant to this Agreement by Force Majeure, then the affected Party shall be excused from performance hereunder during the period of such disability. As used herein, "Force Majeure" means:

31.1.1 acts of God including landslides, lightning, forest fires, storms, floods, freezing and earthquakes;

31.1.2 strikes, lockouts or other industrial disturbances for which the Parties, or any of their affiliates, are not an involved party; and

31.1.3 civil disturbances, acts of the public enemy, acts of terrorism, wars, blockades, and public riots.

31.2 Breakage, explosions, accident to machinery, equipment or materials, unavailability of required materials or disposal site, governmental restraint or other causes, whether of the kind enumerated or otherwise, which result from the Force Majeure events listed in Sections 31.1.1 through 31.1.3, inclusive, and are not reasonably within the control of the Party affected, shall likewise be considered a Force Majeure event.

31.3 The Party affected by the Force Majeure shall not be considered in default and shall not be liable for failure to perform under this Agreement for the duration of such Force Majeure. The Party claiming Force Majeure shall promptly notify the other when it learns of the existence of a Force Majeure condition and shall promptly notify the other when the Force Majeure condition has terminated.

31.4 Any disputes regarding the applicability of this section shall be adjudicated per Section 23 of this Agreement (Arbitration).

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32. Governing Law

32.1 This Agreement shall be administered, construed and enforced in accordance with the laws of the State of Washington.

IN WITNESS WHEREOF, the Parties have executed this Agreement this ____ day of _____, 2008.

CONTRACT NAME: 2008 Pierce County – PCRCD dba LRI Waste Handling Agreement

CONTRACTOR: PIERCE COUNTY

Pierce County Recycling,
Composting, and Disposal, LLC
d/b/a LRI

Full Firm Name

Deputy Prosecuting Attorney
(as to form only)

Date

Signature

Date

Budget and Finance

Date

Title of Signatory Authorized by
Firm Bylaws

Approved:

Mailing Address:

Department Director
(less than \$250,000)

Date

Contact Phone: () _____

County Executive
(over \$250,000)

Date

Contact Name: _____

Street Address (if different):

Business Tax ID No. _____

RATE SETTING AND SERVICES GUIDELINES

Attachment 1 to the 2008 Pierce County - LRI Waste Handling Agreement

1. CONCEPT

1.1 The 2008 Waste Handling Agreement ("Agreement") provides, subject to the validity of certain assumptions, for a Base Rate comprised of several components which generally are adjusted only for inflation. These Rate Setting and Services Guidelines specify the components that make up the Base Rate, how to apply the Base Rate to different categories of waste, how to calculate the total tipping fees and how rates may change in the future.

1.2 These guidelines also contain procedures to adjust – in a revenue and expense neutral manner – certain operating conditions (e.g. hours of operation) relative to the operation of facilities or provision of specific services under the terms of the Agreement.

1.3 This attachment is adopted as part of the Agreement, but is bound as a separate document. To distinguish between the main volume of the Agreement and this attachment, the main volume shall be referred throughout as "the Agreement" and this attachment as "the Guidelines."

2. DEFINITIONS

2.1 All terms used in these Rate Setting and Services Guidelines shall have the same meanings as given in the Agreement.

2.2 Any conflict between the application of these Guidelines and terms of the Agreement shall be decided in favor of the Agreement. The terms of the Agreement shall take precedence over the specific language of these Guidelines.

3. PROVISIONS FOR EXTRAORDINARY CIRCUMSTANCES

3.1 These Guidelines govern the setting of the "Base Rate", the calculation of the "Tipping Fees", and the setting of standard operating conditions, in a regular, annual process. In the event of an extraordinary and temporary circumstance impacting the financial stability or operational condition of one or more components of the system covered by the Agreement, the parties may agree to impose – for a fixed duration – rate surcharges, rebates, or make operational changes, to return the system to stability. The County Executive shall notify the County Council of necessary surcharges or rebates pursuant to Sections 16.9 through 16.11 of the Agreement.

4. TIME LINE FOR RATE INCREASES

Table 4

<p>Step One: Not later than July 1</p>	<p>The Company and the County will have discussed any changes to the Agreement which could only be implemented through negotiation, arbitration, or amendment.</p> <p>The Solid Waste Division and Company will discuss and come to agreement on proposed changes to any component of the Base Rate or to operating conditions.</p> <p>The County will have learned, from the haulers, of the estimated volume of waste to be handled in the upcoming rate period under any Hauler Cleanup Programs or Bulk Waste Collection Programs and will calculate the next year's Litter Collection and Illegal Dumping Abatement Program cost component.</p> <p>The County will notify the Company of any plans to change the County Program Cost component.</p> <p>A failure to achieve the above will be resolved through the arbitration procedures described in Sections 16.9, 16.10, 16.11, and 23.</p> <p>Proceed to Step Two.</p>
<p>Step Two: August 15 to August 30</p>	<p>During this period, the CPI for the first half of the year will become available from the Bureau of Labor Statistics. CPI adjustments will be calculated at this time. The Company and the County will prepare any final adjustments to rates based on the CPI and submit a rate package to the County Executive.</p> <p>Proceed to Step Three.</p>
<p>Step Three: Not later than September 1</p>	<p>The County Executive shall report to the County Council on the basis for any change in the Base Rate or the County Program Cost Component. (see Agreement Section 16.11)</p> <p>Proceed to Step Four.</p>
<p>Step Four: within thirty calendar days of receiving the County Executive's report</p>	<p>The County Council may hold a public hearing regarding the consistency of the proposed increase with the terms of this Agreement.</p> <p><u>If the County Council objects</u> to the proposed increase as being inconsistent with the terms of the Agreement within 30 calendar days of receiving the County Executive's report, the County Council may request the County Executive and the Company to withdraw and resubmit the proposal.</p> <p>Proceed to Step Four B.</p> <p><u>If the County Council does not object</u> to the proposed increase, the County shall notify the Company that rates may be increased as proposed.</p> <p>Proceed to Step Five</p>
<p>Step Four B: Within thirty calendar days following an objection from the Council in Step</p>	<p>The County Executive and the Company will consider the Council's request.</p> <p>The Parties shall submit a revised proposal or resubmit the previous proposal within thirty (30) calendar days.</p> <p>Proceed to Step Four C (on the next page).</p>

Four	
Step Four C: Within thirty calendar days following a response from Step Four B.	<p>The Council may again hold a public hearing regarding the consistency of the proposed increase with the terms of this Agreement. Not later than thirty (30) days after receiving the revised proposal, the Council shall vote on the proposal, and, if it concurs, the County shall notify the Company that rates may be increased as proposed.</p> <p>Proceed to Step Five.</p> <p>If the Council votes to declare the proposal inconsistent with the terms of the Agreement, the County shall initiate arbitration proceedings pursuant to Section 23 of the Agreement. Any rate increase proposed by the County Executive shall go into effect as and when scheduled in the County Executive's report, notwithstanding any proposed or pending arbitration proceedings sought by the County Council.</p> <p>Proceed to Step Five</p>
Step Five Not later than December 14	The Company will notify certificated and contract haulers and other customers of the rate increase within the time frame established by State law. City and Town (for contract haulers) and WUTC (for certificated haulers) regulatory review of haulers' request will occur within the time frame established by State law.
March 1	Rate increase will take effect

5. COST OF LIVING ADJUSTMENTS

- 5.1 Cost of living adjustments required elsewhere in these Guidelines shall be based on the cumulative increase in the Consumer Price Index Seattle-Tacoma-Bremerton Area Average for All Urban Consumers (CPI), Not Seasonally Adjusted, All Items (having the index base period of 1982-84 = 100). The reference period for comparison will be the First Half 2007 CPI published on or about August 15, 2007. The following table provides the formulas, and will be filled-in annually, to calculate the relevant cost of living adjustments.

Table 5.1

1. CPI for first half of current year (published on or about August 15)	
2. Divided By the CPI for first half of 2007	÷ 213.81
3. Equals current year as a percentage of the first half of 2007	=
4. Subtract 1 to equal percentage change	=
5. Multiply by adjustment factor	x
6. Equals	=
7. Add one	+ 1
8. Equals the cumulative cost of living adjustment factor from the base period.	=

6. CALCULATION OF COMPONENT COSTS

For purposes of calculating Base Rates, the system and Facilities covered by the Agreement will be divided into five components.

6.1 Component A – Transfer Facilities, Recycling, and Transportation Services

Providing for: the costs of operating the Purdy Transfer Station, Anderson Island Residential Waste Drop Box Site, Key Center Residential Waste Drop Box Site, Prairie Ridge Residential Waste Drop Box Site, and the Hidden Valley Transfer Station; recycling services at those sites; and transporting waste and recyclables from those sites. These services are detailed in Sections 2 through 4 of the Agreement.

The 2008 base year component cost is **\$39.15** per ton.

The adjustment factor to be used on Line 5, Table 5.1 is **95 percent**.

Calculating cost of living adjustments and future years' rates is a one step process.

Step One: Multiply the 2008 Base Year Component Cost by the "cost of living adjustment factor" calculated on Line 8 of Table 5.1.

6.2 Component B – Curbside Yardwaste Diversion Program

Providing for the processing of Yardwaste by the Company. These services are detailed in Sections 3, 4, 14, and 16.9.2.1 of the Agreement.

The 2008 base year component cost is **\$9.40** per ton.

The adjustment factor to be used on Line 5, Table 5.1 is **95 percent**.

Calculating cost of living adjustments and future years' rates is a two step process.

Step One: Multiply the 2008 Base Year Component Cost by the "cost of living adjustment factor" calculated on Line 8 of Table 5.1.

Step Two: This element requires additional adjustment based upon the tonnage of Yardwaste handled in the twelve month period concluding on June 30 preceding a proposed rate change (Y') with the Yardwaste tonnage handled in 2007 (49,244 tons); and the tonnage of Mixed Municipal Solid Waste handled in the twelve month period concluding on June 30 preceding a proposed rate change (SW') with the System Tonnage handled in 2007 (422,315 tons).

Step One Result * $((Y' / 49,244) * (422,315 / SW'))$ = Adjusted Rate for next period

6.3 Component C – Disposal Services

Providing for all aspects of the Disposal of waste as detailed in Sections 4, 6, and 13 of the Agreement.

The 2008 Base Year component cost is **\$44.95 per ton**.

The adjustment factor to be used on Line 5, Table 5.1 is **95 percent**.

Calculating cost of living adjustments and future years' rates is a two step process.

Step One: Multiply the 2008 Base Year Component Cost by the "cost of living adjustment factor" calculated on Line 8 of Table 5.1.

Step Two: Perform some or all "Additional Adjustments" as conditions warrant.

"Additional Adjustments" to Component C

1. Leachate Treatment and Disposal: The Base Year Component will be adjusted to account for costs for the purchase of additional leachate treatment capacity from the County as set forth in Section 4.10 of the Agreement. County ratepayers' responsibility shall be limited to the proportion of System Waste disposed in the LRI Landfill in the twelve month period concluding on June 30 preceding a proposed rate change divided by the total waste disposed in the LRI Landfill as reported to the Tacoma-Pierce County Health Department and the Washington Department of Ecology less waste used as "daily cover." The additional adjustment to account for the cost to purchase additional leachate treatment capacity will be performed annually using the proportion described above, and, can be applied retroactively and/or prospectively.
2. Excess Long Haul in a prior rate period: If the County approves "excess long haul" pursuant to Section 16.9.1.1 of the Agreement, and such approval caused the Company to long haul more than 110,000 tons in the twelve month period concluding on June 30 preceding a proposed rate change, rates will be adjusted in the next subsequent rate period to compensate the Company for the additional cost to long haul tonnage in excess of 110,000 tons in that year. This calculation will be made by applying the following:

Subtract 110,000 from the total tonnage of Mixed Municipal Solid Waste long hauled and multiply the result by 25% of Component C in effect during the prior rate period (exclusive of subsequent adjustments). This is the total cost for which the Company shall be compensated.

This cost divided by the tonnage of Mixed Municipal Solid Waste handled in the twelve month period concluding on June 30 preceding a proposed rate change is the per ton amount which shall be added to Component C as an additional adjustment for one rate period.

3. Anticipating Excess Long Haul: If the County approves “excess long haul” pursuant to Section 16.9.1.1 of the Agreement, and such approval will cause the Company to long haul more than 110,000 tons in a future rate period, rates will be adjusted in that rate period to compensate the Company for the additional cost to long haul tonnage in excess of 110,000 tons in that year. This calculation will be made by applying the following:

Subtract 110,000 from the total of tonnage estimate of Mixed Municipal Solid Waste to be long hauled and multiply the result by 25% of Component C in effect during the prior rate period (exclusive of subsequent adjustments). This is the total cost for which the Company shall be compensated.

This cost divided by the tonnage of Mixed Municipal Solid Waste handled in the twelve month period concluding on June 30 preceding a proposed rate change is the per ton amount which shall be added to Component C as an additional adjustment for one rate period.

At the end of the rate period, actual long haul and System Waste quantities shall be calculated and the following year’s rate adjusted as necessary to account for over or under funding from the prospective rate adjustment herein.

4. Intermodal Capital Costs: If Company action exercising Section 16.9.1.2 of the Agreement results in capital expenditures to construct a new Intermodal Facility, such capital costs shall be amortized over the remaining life of the Agreement or twenty (20) years, whichever is less, and shall be added to this component provided the Company provides sufficient documentation to support such inclusion.
5. Change in long haul transportation services or expenses: As provided in Section 16.9.1.3, if Company action regarding a change in rail service or any future changes in rail rates, including fuel surcharges, that occur after 2012 results in an increase or decrease in transportation costs, the Company will document costs immediately prior to and subsequent to the change and will adjust this component appropriately. Any such change will be supported by documentation and will be noted in these Guidelines.
6. “Additional adjustments” 1 through 5 to Component C, as shown above, will be calculated into the rates if Company provides documentation to support the adjustment. Further, the Company shall monthly provide the County with copies of all invoices relative to such charges until otherwise notified by the County. These “additional adjustments” will be added to or, in the case of a negative or rebate calculation, subtracted from, the result calculated under Step One.

Additional Provision Related to Component C

Tacoma: If the Company takes action pursuant to Section 4.5 of the Agreement, the CPI adjustment of the base rate for Component in this section will be frozen for two consecutive annual rate adjustments. At the end of two years, the base rate (exclusive of the “additional adjustments” detailed in this section) in effect at the start of the freeze shall be inserted in this document as the new base rate for the component. The CPI published in August prior to the conclusion of the freeze shall be the new base on which future rates are to be adjusted. This will require the insertion of a Table 5.1b to reflect the new “reference period for comparison” as that phrase is used in Section 5.1.

6.4 Component D – Community Solid Waste Reduction and Support Programs

Providing for the costs of:

- Program 1: Handling waste under the Litter and Cleanup Program (Section 8 of the Agreement)¹;
- Program 2: Household Hazardous Waste Programs and Facilities (Section 5)²;
- Program 3: Emergency Management Programs (Section 7)³;
- Program 4: Environmental Management Programs (Section 10) including outside consulting services costs and other expenses associated with implementing the ISO 14001 program at Company- and County-owned Facilities⁴;
- Program 5: R & D Program (Section 9)⁵; and
- Program 6: Annual Debit/Credit Card Adjustment (Section 16.9.3)⁶.

The costs to provide the programs included under this component shall be calculated annually. Responsibility for paying these costs can be divided three ways:

- Some costs will be assumed by LRI as part of its management of the private side of the solid waste system (e.g. Agreement Section 9.2 as it relates to Program 5, above). Such costs will not be added to rates through this component.
- Some costs will be assumed by Pierce County and funded through its various revenue sources (e.g. Program 2). Such costs will not be added to rates through this component.
- Some costs will be spread over the current rate base and passed to the customers/ratepayers through this component. (e.g. This method is anticipated for Program 6.)

1 Program 1 becomes effective 3/1/09

2 Program 2 precedes the 2008 Agreement and is being funded through the approved Pierce County 2008 Budget.

3 Program 3 will take effect after completion and approval of the Regional and County Emergency Debris Management Plans with implementation as recommended by the R & D Program.

4 Program 4 becomes effective 3/1/09 with implementation as recommended by the R & D Program

5 Program 5 will be funded through 3/1/09 directly by LRI and Pierce County.

6 Program 6 will be calculated for an effective date of 3/1/09

The cost factor for the disposal of any wastes generated by implementation of these programs (this will generally be applicable to programs 1 and 3 only) will be based upon the calculated costs of Components A and C.

The total costs to be passed through to the rate base will be divided by the total tonnage of Mixed Municipal Solid Waste in the twelve-month period concluding on June 30 preceding a proposed rate change.

6.5 Component E – Reserved for Education and Community Outreach

This component is reserved for future development of an Education and Community Outreach Center located at/adjacent to the LRI Landfill. If implemented, this component will fund up to fifty percent of the costs incurred for planning, development, operations, and maintenance of an Education and Community Outreach Center developed per Section 12 of the Agreement. Implementation is contingent upon approvals by the Pierce County Executive and the Pierce County Council following review of the scope and cost of the project. This component will not be used if the County chooses to fund such approved expenses out of its Solid Waste Fund and/or through the County Program Cost component.

7. SERVICES SUBJECT TO ANNUAL REVIEW AND ADJUSTMENT

This section will be revised annually. For the rate period through February 28, 2009, all services will be as stated in the Agreement.

7.1. Facility Operations

7.1.1. Hours of Operation

7.1.1.1. Anderson Island

7.1.1.2. Hidden Valley

7.1.1.3. Key Center

7.1.1.4. Prairie Ridge

7.1.1.5. Purdy

7.1.2. Holiday Closures

7.2. Waste Diversion and Recycling Programs

7.2.1. Recyclables Accepted At Facilities

7.2.2. Diversion Materials

7.2.3. Curbside Diversion Programs

7.2.4. Additional Diversion Materials

7.2.5. Construction and Demolition Debris Not Disposed at the LRI Landfill

7.2.6. Household Hazardous Waste

7.3. Community Cleanup Programs

7.3.1. Litter and Cleanup Program

7.3.2. Bulky Waste Collection Program

7.3.3. Emergency Management Services

7.4. Best Management and Environmental Excellence

7.4.1. Research and Development Program

7.4.2. Environmental Management System

7.4.3. RESERVED – Education and Community Outreach

7.5. Disposal Services

- 7.5.1. Leachate Disposal Capacity
- 7.5.2. Longhaul Program Adjustments
- 7.5.3. Intermodal Facilities

8. CALCULATION OF THE SYSTEM BASE RATE

The System Base Rate shall be calculated by adding the per ton costs calculated for each of the Components A through E. The “default” situation is that the System Base Rate shall be charged equally to all customers disposing Mixed Municipal Solid Waste unless the Agreement or these Guidelines specifically provide otherwise.

- 8.1 Section 16.8 sets parameters and allows the Parties options for establishing and altering the Base Rates for the each category of Mixed Municipal Solid Waste. Annually the Parties will discuss and choose whether or not to:
 - 8.1.1 Alter Base Rates calculated for each of the categories of Mixed Municipal Solid Waste;
 - 8.1.2 Create new categories within Mixed Municipal Solid Waste;
 - 8.1.3 Divide the Base Rate into “per transaction” and “per ton” components;
 - 8.1.4 Alter Base Rates for specialized waste deliveries; or
 - 8.1.5 Round to the nearest dollar the posted minimum rate for residential self-haul customers.
- 8.2 The Company and the County may select to make alterations annually to reflect operational concerns or to advance policy goals. If the Company and the County cannot reach mutual agreement on items 8.1.1 through 8.1.5, above, the default situation shall apply.

9. COUNTY PROGRAM COST, CALCULATION OF TIPPING FEE, MINIMUM CHARGES

- 9.1 Except as noted in Section 9.5 of these Guidelines, in addition to the Base Rate, the Company will add the County Program Cost (“CPC”, as set by the County in accordance with Section 17 of the Agreement) to rates charged for the categories of System Waste listed in Sections 16.2 and 16.7 of the Agreement and handled at the Facilities under the Agreement. As of the Effective Date of this Agreement, the CPC shall equal \$8.45 per ton.
 - 9.1.1 The Company shall remit monthly payments equal to \$8.45 multiplied by the total monthly tonnage of categories of System Waste listed in Section 16.2 and 16.7.
 - 9.1.2 The Base Rate plus the County Program Cost shall be known as the Tipping Fee.
 - 9.1.3 When setting the County Program Cost component, the County may take into account the transactional and customer service benefits of posting Tipping Fees that, after applying the effects of the state refuse tax, results in a Tipping Fee that is a “round dollar amount.” (see also section 8.1.5 of these Guidelines).
- 9.2 All Mixed Municipal Solid Waste handled at the Facilities specified in the Agreement shall be subject to a Minimum Charge which shall be equal to the Tipping Fee for 400 pounds of waste. Upon paying the Minimum Charge,

customers shall be entitled to dispose 400 pounds (or one cubic yard at Facilities without scales) of waste. Waste in excess of that amount will be accepted for the posted per ton or per cubic yard fee.

- 9.3 Conversion to Cubic Yards: For facilities without scales, the tipping fee per cubic yard shall be twenty percent of the per ton Tipping Fee (the equivalent of 400 pounds).
- 9.4 The chart which appears at the end of these Guidelines will be revised annually to show Rate Components (from Section 6 of these Guidelines), the setting of the System Base Rate(s) or Base Rates for categories of Mixed Municipal Waste (Section 8 of these Guidelines), the amount of the County Program Cost, and the Tipping Fees for the categories of System Waste listed in Sections 16.2 and 16.7 of the Agreement.
- 9.5 Self-Hauled Residential Waste, when delivered to the Facilities in a single transaction of less than or equal to 400 pounds (or one cubic yard) is exempt from the County Program Cost component upon execution and through February 28, 2009 (unless extended through the annual rate review process). While the exemption remains in effect, the Company will document each such transaction, provide documentation to the County, and subtract \$1.69 per such transaction from the monthly payment specified in Section 9.1.1 of these guidelines.

10. SURCHARGES

- 10.1 If LRI accepts Non-System Waste at a Transfer Station (see Sections 3.6 and 4.15 of the Agreement) or at the Intermodal Facility that LRI operated effective on the Effective Date of this Agreement (Section 6.2.2), LRI shall remit to the County **\$0.25 per ton**, except to the extent that such surcharge has already been charged at another Facility. These monies shall be deposited into the Solid Waste Fund to be appropriated consistent with the allowed uses of that Fund. This fee shall be paid to the County within forty-five (45) days of the end of each calendar year.
- 10.2 If LRI expands or otherwise makes capital improvements to the Intermodal Facility that LRI operated on the Effective Date of this Agreement, or relocates said Facility, and such capital costs are added to Component C pursuant to Section 16.9.1.2, the following surcharge will apply when LRI accepts Non-System Waste at an Intermodal Facility (see Section 6.2.2 of the Agreement), or whenever LRI arranges to handle materials other than System Waste at the Intermodal Facility. LRI shall remit to the County **\$0.65 per ton**, except to the extent that such surcharge has already been charged at another Facility. These monies shall be deposited into the Solid Waste Fund to be appropriated consistent with the allowed uses of that Fund. This fee shall be paid to the County within forty-five (45) days of the end of each calendar year. This surcharge shall be collected until the cumulative amount of surcharge revenue equals the amount to be collected by the Company over the amortization period established pursuant to Section 16.9.1.2,

Rate Setting Summary Chart

Components	Effective Until February 28, 2009	Effective Starting March 1, 2009
Component A – Transfer Facilities, Recycling, and Transportation	\$39.15 per ton	
Component B – Curbside Yardwaste Diversion Program	\$9.40 per ton	
Component C – Disposal Services	\$44.95 per ton	
Component D – Community Solid Waste Reduction and Support Programs	\$0.00 per ton	
Component E – Education and Community Outreach	\$0.00 per ton	
System Base Rate (expressed on a dollars per ton basis)	\$93.50 per ton	

Base Rates for Categories of Waste (per ton, except as noted)	Effective Until February 28, 2009	Effective Starting March 1, 2009
<ul style="list-style-type: none"> • Mixed Municipal Solid Waste • Self-Hauled Residential Waste at facilities with scales • Construction and Demolition Debris, Self-Hauled Commercial Waste, Other 	\$93.50 per ton	
<ul style="list-style-type: none"> • Self-Hauled Residential Waste at facilities without scales (per yard) 	\$18.70 per yard	

County Program Cost	Effective Until February 28, 2009	Effective Starting March 1, 2009
Expressed as dollars per ton	\$8.45 per ton	
Expressed as dollars per cubic yard	\$1.69 per yard	

Tipping Fees	Effective Until February 28, 2009	Effective Starting March 1, 2009
<ul style="list-style-type: none"> • Mixed Municipal Solid Waste • Construction and Demolition Debris, Self-Hauled Commercial Waste, Other 	\$101.95 per ton	
MINIMUM CHARGE	\$20.39	
<ul style="list-style-type: none"> • Self-hauled Residential Waste at facilities with scales 		
LOADS OF 400 POUNDS OR LESS	\$18.70	
LOADS OVER 400 POUNDS	\$101.95 per ton	
<ul style="list-style-type: none"> • Self-Hauled Residential Waste at facilities without scales 		
LOADS OF ONE CUBIC YARD AND LESS	\$18.70	
LOADS OVER ONE CUBIC YARD	\$20.39 per cubic yard	
<ul style="list-style-type: none"> • Self-Hauled Yardwaste (Section 16.4.1) 		
FIRST CUBIC YARD AND LESS	FREE	
ADDITIONAL VOLUME	MARKET RATE	

TO: Councilmember

FROM: *SL MO*

DATE: *4/28*

SUBJECT: PRELIMINARY REVIEW OF

*Reg. to proposed LUT
by council*

Technical Review by Clerk *DS 4/25/09*

FROM PRELIMINARY REVIEW, THIS PROPOSAL APPEARS TO BE (may check more than one box):

- Ready for formal Council and Committee review;
- Missing certain information that you may want the proposer to supply;
- Needing structural or formatting changes that you may want the proposer to correct;
- Likely to generate public debate and/or need Council or staff time; and/or
- Within Council-identified priorities for this year.

_____ provided additional information for this review.

RECOMMENDATION BASED ON THE FOLLOWING REVIEW OF THIS PROPOSAL AS SUBMITTED:

Yes No N/A

Title of Proposed Ordinance/Resolution

- Title adequately describes the proposal?
- Title meets County conventions: deals with only one subject and includes Code citations?

Items on Data Sheet

- Signed by the Department Head and Executive?
- Fiscal Impacts appear thoughtfully outlined?
- Special Notice requirements specified?

Other Items

- Is it an official control?
- Does it authorize a tax?
- Does it impose a penalty?
- Is it GMA related?
- Attaches or cites legal mandate/requirement/guidance, if relevant?
- Necessary background information attached?
- SEPA threshold determination provided, if relevant?
- Planning Commission report provided, if relevant?
- Review by Prosecutor or Risk Management provided, if relevant?
- Interested parties list attached?
- If an appointment, is application attached?
- Includes all exhibits?
- Properly formats and includes Code sections and proposed Code changes?
- Are the pages that need to be copied in color tagged?
- Does the final distribution list include the drafter and other appropriate persons?
- Relevant advisory committee recommendation included?

OTHER COMMENTS, FINDINGS

Requested due date:

Described as "Priority Need" by:

Correlates to Other Council actions (specify committee, ordinance/resolution):

Comments:

Interested Party Mailing List

- ┐ **Meetings** - Weekly council agendas and committee schedules
- ┐ **Anderson Island** - Issues related to Anderson Island
- ┐ **Animals** - Licensing, regulation, animal control
- ┐ **Boards & Commissions** - Internal & External Boards and Commissions, Ethics Commission
- ┐ **Budget and Operations** - County budget, capital facilities, contracts, intergovernmental agreements
- ┐ **Economic Development** - Job creation and retention
- ┐ **Elections** - Voter registration, polling venues, procedures
- ┐ **Environment** - Shorelines, wetlands, current use assessment, junk cars, illegal dumping, mitigation
- ┐ **Health** - Public health, communicable diseases, environmental health, air quality
- ┐ **Human and Community Services** - Mental health, senior services, long-term care, chemical dependency, developmental disabilities, housing, homelessness, children and families
- ┐ **Land Use and Planning** - Building permits, zoning, construction, impact fees, annexations, community planning, comprehensive planning
- ┐ **Parks** - Golf courses, recreation areas, trails, Sprinker Recreation Center, Conservation Futures
- ┐ **Performance Audit** - Audits of County Departments as Mandated by the Charter
- ┐ **Public Safety** - Sheriff, corrections, courts, prosecuting attorney, probation, firearms, fire prevention, emergency management
- ┐ **Public Works** - Sewers, solid waste and recycling, water programs, surface water management, public utilities, flooding
- ┐ **Telecommunications** - Cable, utility local improvement districts, Rainier Communications Commission, telecom franchises
- ┐ **Transportation** - Roads, ferries, transportation improvement plan