

**AGREEMENT
FOR
OPERATION OF TRANSFER STATIONS
HAULING AND DISPOSAL OF MUNICIPAL SOLID WASTE
HAULING OF INERT, DEMOLITION, DEBRIS WASTE
HAULING, PROCESSING, AND MARKETING OF RECYCLABLES**

I. PURPOSE. This Agreement is made and entered into between KITTITAS COUNTY, a municipal corporation in the State of Washington (hereafter referred to as "County"), and WASTE MANAGEMENT OF WASHINGTON, INC. (hereafter referred to as the "Company"). This Agreement provides for the operation of the Upper County Transfer Station; the operation of the Ellensburg Transfer Station; the hauling of municipal solid waste; the disposal of municipal solid waste; the hauling of inert, demolition, debris waste; the hauling, processing and disposal of yard waste; and the hauling, processing, and marketing of recyclable materials, all in accordance with local, state and federal laws. This Agreement excludes the operation of the scale houses at the transfer stations, which is the sole responsibility of the County.

II. AGREEMENT AS INCLUDING ENTIRE AGREEMENT. This instrument embodies the whole agreement of the parties hereto. There are no promises, terms, conditions, or obligations other than those contained herein. This Agreement shall supersede all previous communications, representations, negotiations, or agreements, either verbal or written, between the parties hereto.

III. RESCISSION OF PRIOR AGREEMENTS. The parties hereto, in consideration of entering into this Agreement, mutually agree that all prior agreements, in writing or verbally, and in particular Agreement for Glass Box Haul, are rescinded, terminated and canceled as of the signing of this Agreement. This includes any and all temporary, preliminary, or other written or verbal agreements entered into during the negotiation, discussion, development, and drafting of this Agreement.

IV. DEFINITIONS.

Asbestos Waste

"Asbestos Waste" is any waste material containing more than one percent (1%) of asbestos by weight. The National Emissions Standards for Hazardous Air Pollutants (NESHAPS), 40 CFR Part 61, are the regulations governing the handling, transportation and disposal of asbestos and asbestos containing

materials. The Washington State Department of Ecology Air Quality division also regulates issues regarding asbestos, and the Washington State Department of Labor and Industry regulates worker related concerns.

Ellensburg Transfer Station

The “Ellensburg Transfer Station” is located off Industrial Way in the southernmost end of the town of Ellensburg.

Inert, Demolition, Debris Waste (IDDW)

“Inert, Demolition, Debris Waste” (IDDW) means solid and predominantly inert waste resulting from the demolition or razing of buildings, roads, and other constructed structures. IDDW consists of, but is not limited to, concrete, brick, bituminous concrete, wood and masonry, composition roofing and roofing paper, steel, and minor amounts of other types of metal, such as copper and iron. Plaster, including sheet rock and plaster board, or any other material other than wood, that is likely to produce gasses or a leachate during the decomposition process, and Asbestos Waste as defined above, are not considered to be demolition waste for this purposes of this Agreement.

Inert Waste

“Inert Waste” means non-combustible, non-dangerous solid wastes that are likely to retain their physical and chemical attributes and structures under expected conditions of disposal, including resistance to biological attack and chemical attack from acidic rain water. WAC 173-304 and 173-351.

Medical Wastes

“Medical Wastes” means unregulated wastes of the following types: (1) Infectious animal waste, infectious microbiological cultures, and highly communicable disease waste from certain viruses; and (2) pathological waste (human tissue), and sharps waste (needles, syringes, blades, and lancets). WAC 480-70-050.

Minimum Functional Standards (MFS) for Solid Waste Handling

This term “sets the minimum functional performance standards for the proper handling of all solid waste materials originating from residences, commercial establishments, or agricultural or industrial operations or other sources.” WAC 173-304.

Moderate Risk Waste (MRW)

“Moderate Risk Waste” means wastes that are hazardous wastes produced by households, businesses, and institutions, in small quantities.

Municipal Solid Waste (MSW)

“Municipal Solid Waste” means all putrescible and non-putrescible solid and semisolid wastes and discarded commodities generated by public, private, industrial, commercial, mining, and agricultural operations.

Operations Plan

“Operations Plan” means the operations plan approved by the County for the combined operations of the Ellensburg Transfer Station, Upper County Transfer Station, MSW transportation, MSW disposal, IDWW transportation, and recycling drop boxes transportation, processing, and marketing. The Operations Plan includes hauling and processing of Yard Waste received at the transfer stations. The Operations Plan shall be reviewed by the County and the Company on an annual basis, and any revisions or amendments thereto must be approved by the County.

Recyclable Materials

“Recyclable Materials” means those solid wastes that are separated for recycling or reuse, such as papers, metals and glass, that are identified as recyclable materials pursuant to a local comprehensive solid waste plan.

Recyclable Materials--Kittitas County Tiered Designations

Materials identified below as “Routine Collection” are routinely accepted at the transfer station recycling bins, though may be discontinued at the County's election. Materials identified below as “Limited Collection” may or may not be accepted at the recycling bins at the transfer stations. Materials identified below as “Potentially Recyclable” are not accepted at the transfer station recycling bins, though may be added at the County's election.

Routine Collection

Aluminum
Clear Glass Cullet
Corrugated Cardboard

Magazines
Newspaper
Tinned Cans

Limited Collection

#2 HDPE Plastic (colored)
Brown Glass Cullet
High Grade Paper

Mixed Waste Paper
Ferrous Metals
Motor Oil

Potentially Recyclable

#4 LPDE Film Plastic
#4 Polystyrene
Green Glass
Containers/Cullet
Window Glass

Yard Debris
#1 PETE Plastic
#2 HDPE Plastic (unpigmented)

Vehicle Batteries
Non-Ferrous Metals
Polyurethane Foam
Textiles
Tires
Wood Waste
Polycoated Paper
Household Batteries

Recycling

“Recycling” means the recapture of waste materials from the waste stream, for reuse as a resource.

Ryegrass Landfill

“Ryegrass Landfill” means the County’s IDDW landfill located approximately 18 miles east of Ellensburg off Old Highway 10 (Old Vantage Highway).

Ton

“Ton” means 2,000 pounds avoirdupois.

Tires

“Tires” means passenger vehicle tires, truck tires, implement or tractor tires, heavy equipment tires, and the like.

Unacceptable Waste

"Unacceptable Waste" means all waste not authorized for disposal at the MSW landfill by those governmental entities having jurisdiction or any waste the disposal of which would constitute a violation of any governmental requirement pertaining to the environment, health or safety. Unacceptable Waste includes any waste that is now or hereafter defined by Federal, State or local law or by the disposal jurisdiction as radioactive, dangerous, hazardous or extremely hazardous waste.

Upper County Transfer Station

The “Upper County Transfer Station” is located between the towns of Cle Elum and Roslyn off State Highway 903.

Yard Waste

“Yard Waste” is defined as vegetative waste falling into two basic categories: (1) wood waste - woody stems, branches, limbs, trunks, stumps, and the like; and (2) soft organics - leaves, grass, clippings, garden wastes, and the like.

V. CONSIDERATION. In consideration for Company's performance in compliance with the terms of this Agreement, the Company shall be paid by the County on a monthly basis. Payments to the Company will be made by the 25th of each month following said performance. Payments may be adjusted in accordance with the terms of this Agreement. All costs incurred by the Company in the performance of its responsibilities set forth herein will be borne by the Company unless specifically indicated otherwise in this Agreement.

A. Municipal Solid Waste Fee. The Company will be paid by the County a rate of \$41.00 per Ton for Municipal Solid Waste (MSW) hauled away from the transfer stations and disposed of in accordance with the terms of this Agreement. The cost of operating the transfer stations, performing tasks, hauling, and disposing of MSW are all included within this rate. The Municipal Solid Waste Fee shall be based on the net weight of MSW in Company vehicles as weighed at the County-operated transfer station scales as the vehicles leave the transfer station.

B. Yard Waste Fee. The Company shall be paid by the County a rate of \$25.00 per Ton for Yard Waste. The Yard Waste Fee shall be based on the net weight of source-separated Yard Waste delivered to the County-operated transfer station scales and processed according to the Operations Plan.

C. Inert, Demolition, Debris Waste (IDDW) Fee. The Company shall be paid by the County at the rate of \$30.00 per Ton for IDDW removed from the Ellensburg Transfer Station and hauled to the Ryegrass Landfill for disposal by the County. The Company shall be paid at the rate of \$36.00 per Ton for IDDW removed from the Upper County Transfer Station and hauled to the Ryegrass Landfill for disposal by the County. The IDDW Fee shall be based on the net weight of IDDW in Company vehicles as weighed at the County-operated transfer station scales as the vehicles leave the transfer station. The County shall not assess a disposal fee for IDDW received at the transfer stations and hauled by the Company to the Ryegrass Landfill.

D. Recycling Drop Box Hauling Fee. The Company shall be paid by the County the rate shown in the table below for each recycling drop box hauled from the transfer stations and returned empty. Recycling drop box

hauls shall be performed by the Company to maintain the site in a clean and orderly fashion. Each load shall be weighed at the County-operated transfer station scales as the loaded vehicle leaves the transfer station. In addition, the Company shall weigh at the Transfer Station scales all recycling received by curbside collection within the County, and provide the County with reports of such amounts as provided in Section VII.

Recycling Drop Box Hauling Fee Table

<u>Origin</u>	<u>Destination</u>	<u>Fee per Round Trip</u>
Ellensburg Transfer Station	For processing and sale by the Company	\$0.00
Upper County Transfer Station	For processing and sale by the Company	\$0.00

E. Adjustment of Fees. The per Ton fees listed in A through C above and the per round trip container hauling fees listed in D above (the “Base Rates”) apply for the period from commencement of services under this Agreement through June 30, 2002. Fees paid to the Company shall be adjusted up or down annually on July 1, 2002 and July 1 each subsequent year utilizing the following formula:

$$AR = BR \times (1 + (((CPI_p / CPI_{2000}) - 1) \times Z)), \text{ where:}$$

- AR = Adjusted Rate effective July 1
- BR = Base Rate shown in A through D above
- CPI_p = CPI as of December of the year previous to the year of adjustment
- CPI₂₀₀₀ = CPI as of December 2000
- Z = 70%

CPI means the Consumer Price Index for All Urban Consumers for the Seattle-Tacoma-Bremerton, Washington area, for all items, not seasonally adjusted, 1982-1984=100 basis, as published from time to time by the United States Department of Labor, Bureau of Labor Statistics, or any other appropriate index as may be mutually agreed upon by the parties hereto.

For example, if BR is \$50.00, CPI for December 2001 is 184.3, CPI for December 2000 is 177.0, and Z is 80%, AR for the year starting July 1, 2002 would be calculated as follows:

$$\text{AR} = \$50.00 \times (1 + (((184.3/177.0) - 1) \times 0.80)) = \$51.65$$

F. Recyclable Materials Credit. Company shall pay the County \$4,000.00 per year due and payable on the first day of June 2000 and each succeeding year for the term of this Agreement as full payment for the value of recyclables hauled from the County's transfer stations. In addition, the Company shall refurbish three County owned recyclable drop boxes per year of the County's choice. Refurbishing to include painting, repairs and maintenance.

G. Change of Law Cost Increases. All wage increases, benefits or added costs resulting from changes in technology, labor practices, availability of equipment, and other business risks, except for changes in law, that may affect the performance of this Agreement shall be to the Company's advantage or expense respectively. The term "change in law" means any new or revised law, statute, rule, regulation and ordinance enacted by a federal, state or local government affecting the transfer, disposal or transportation of solid waste, but not affecting or directed to businesses generally, which becomes effective after the execution of this Agreement. Subject to the County's good faith review and approval, the County shall pay one hundred percent of the Company's reasonable, actual increased costs of performing this Agreement when such increased costs are directly attributable to changes in law by the federal, state or local government.

VI. TERM AND EFFECTIVE DATE.

A. The term of this Agreement shall run from the date of execution hereof, through June 30, 2005, unless extended pursuant to subsection B below. Operations conducted under this Agreement shall begin May 15, 2000 or at such earlier date as agreed to by the parties.

B. This Agreement will automatically expire on June 30, 2005 unless extended at the County's option. The County shall have the right to extend the Agreement, under the same terms and conditions, for two additional thirty month periods or an additional five year period. If it elects to do so, the County shall give the Company 180 days or more written notice of its intention to exercise this option to extend the Agreement. In the event the County elects to extend the Agreement, the Company must provide to the County at least 90 days before the expiration of the then current contract, a new letter of credit or other financial guarantee acceptable to the County.

C. The Company shall remove any accumulated MSW, Yard Waste, IDDW and Recyclable Materials from the transfer stations upon termination of this Agreement.

VII. OPERATION OF THE SYSTEM.

A. Scope. The scope of the Company's operations includes:

- operating and maintaining the Upper County Transfer Station
- operating and maintaining the Ellensburg Transfer Station, including the hauling of leachate from the Ellensburg Transfer Station to the Ryegrass Landfill site on an as-needed basis
- loading Company vehicles and hauling Municipal Solid Waste from the transfer stations to a permitted disposal site
- disposal of the hauled Municipal Solid Waste at the permitted disposal site
- loading Company vehicles and hauling of Yard Waste from the Upper County Transfer Station to the Ellensburg Transfer Station for processing with Yard Waste received at the Ellensburg Transfer Station
- processing of Yard Waste at the Ellensburg Transfer Station site into a useable product, and removal of this product from the Ellensburg Transfer Station
- loading of Company vehicles and hauling of IDDW from the transfer stations to the Ryegrass Landfill for disposal by the County
- hauling recyclables in drop boxes for processing, or, if materials are non-marketable and inert as determined by the County, for disposal or beneficial use at the Ryegrass Landfill
- processing recyclables for reuse in commerce

The Company shall provide and pay for all labor, benefits, taxes, fees, utilities, mobile equipment, and vehicles associated with its operations. The Company shall be responsible for any landfill tipping fees, closure costs, post-closure care costs, or remediation costs associated with the disposal of Municipal Solid Waste pursuant to this Agreement. It is specifically understood and agreed that the Company shall be responsible for all Landfill Closure and Post-Closure costs at the MSW Landfill utilized by the Company. The Company shall establish and maintain at its sole expense, any closure and post-closure trust fund or performance bond now or hereafter required under any applicable Federal, State or Local law or regulation.

B. Administration. The State of Washington has delegated the management of Municipal Solid Waste (MSW) to local government. The

incorporated cities in Kittitas County have by agreement combined those responsibilities, and Kittitas County is the lead agency. The County's most recent Solid Waste Management Plan was adopted in 1999. The County has the responsibility and authority to administer the provisions of this Agreement. During the initial term of this Agreement, or any extended term approved by the County, the County will, to the extent permitted by law, maintain the requirement in its Solid Waste Management Plan that all MSW generated within the County or within the cities and towns in the County be delivered to one of the County Transfer Stations for handling and disposal in accordance with the terms of this Agreement.

C. Transfer Station Operation. The Company agrees to operate the Upper County and Ellensburg Transfer Stations in compliance with local, state and federal regulations, and according to the following:

1. Direct Customers. The Company shall direct customers to proper locations once they are past the scale house. The County will only offer directions from the scale house.

2. Assist Customers. As may be dictated by circumstances, such as unsafe conditions, risk to customers, or other reasons, the Company shall assist customers.

3. Waste Acceptance. The County shall ask questions from the scale house about material to be left at the transfer stations and shall reject materials not acceptable if disclosed by the customer. The Company shall be responsible for waste acceptance through inquiry or observation. If unacceptable waste is discovered, the Company shall make every effort to determine the customer responsible for delivery and require that customer to remove said unacceptable waste.

The following wastes shall be prohibited at the transfer stations:

- Unacceptable Wastes
- Asbestos Wastes
- Free liquids
- Sewage sludge
- Medical Wastes
- Radioactive wastes
- Smoldering or burning waste
- Any waste that poses a reasonable likelihood of damaging the facilities or equipment

- Any other wastes the County and Company agree to in writing as unacceptable waste

4. Segregate Waste. The County's goal is to recycle increased quantities of waste. The County will from the scale house direct customers to recycle what they can. The Company shall also direct customers to specific recycle locations. The Company shall segregate Recyclable Waste materials from the waste stream as much as practicable. The level of segregation shall be reasonable. Other materials to be segregated shall include but may not be limited to:

- yard waste
- inert, demolition, debris waste (IDDW)
- tires
- appliances
- business hazardous waste
- oil
- antifreeze
- automotive-type batteries
- household hazardous waste

5. Yard Waste. The Company shall receive and separately handle "pure" loads of Yard Waste received from customers. The Company shall also segregate as much Yard Waste as is practical from other wastes found in "mixed" loads to increase the amount of Yard Waste diverted from disposal in the MSW Landfill. The Company shall not be responsible for any leaching from the Yard Waste storage area as long as the Company is operating within the approved Operations Plan.

6. Inert, Demolition, Debris Waste (IDDW). The Company shall receive and separately handle "pure" loads of IDDW received from customers. The Company shall also segregate as much IDDW as is practical from other wastes found in "mixed" loads to increase the amount of IDDW diverted from disposal in the MSW landfill.

7. Tires. The Company shall direct customers to stack tires neatly and shall be responsible for maintaining tires in a neat and orderly fashion. The Company shall accept tires, as defined herein, at transfer stations from the public, commercial and agricultural sources, and shall segregate tires from MSW and other wastes. The Company shall load tires by machine into top load containers provided by the County. The County may arrange tires in containers to maximize loading. The County will arrange for supplying and removal of full containers of tires. There is no pay item for this work. All cost

incurred by the Company in regard to tires shall be considered incidental to the operation of the transfer stations.

8. Appliances. The Company shall receive from and assist the public with unloading of appliances/white goods as is necessary to provide the safe and efficient receipt thereof at each transfer station. The Company shall place all appliances/white goods in one pre-determined location at each transfer station. The County will arrange for removal of CFCs and other contaminants. The County will arrange for removal of stored appliances/white goods from the transfer stations. There is no pay item for this work. All cost incurred by the Company in regard to appliances/white goods shall be considered incidental to the operation of the transfer stations.

9. Recyclable Materials. The County will advise private and commercial customers at the scale house as to the location of Recyclable Material containers and encourage recycling. The Company shall also advise and encourage customers in this regard. The Company shall segregate, and place Recyclable Materials in pre-determined locations specified by the County. There is no pay item for this work. All costs incurred by the Company with regard to advising customers and segregating Recyclable Materials shall be considered incidental to the operation of the transfer stations.

10. Dead Animals. Dead stock animals shall not be received at the transfer stations. The County will advise those customers disclosing dead stock in their loads of its unacceptableness. The Company shall monitor loads and advise customers of the unacceptableness of dead stock. Small animals (household pets, pets from veterinary clinics and sheep and/or similarly sized animals) shall be accepted if not infectious and securely double bagged. The Company shall place double bagged carcasses in with the MSW. All costs incurred by the Company with regard to dead animals shall be considered incidental to the cost of operating the transfer stations.

11. Household Hazardous Waste. The Company shall continuously monitor each load for Unacceptable Wastes. The Company shall exercise caution to see that customers are not unloading hazardous wastes at the transfer stations. If customers are found to be unloading such wastes, the Company shall stop the customer and explain they must take back the wastes and save it for appropriate disposal such as at Countywide Household Hazardous Waste collection events. The Company shall distribute County-provided flyers describing appropriate disposal of hazardous wastes to customers attempting to deliver hazardous wastes and PCB wastes. Should Unacceptable Wastes or suspected Unacceptable Wastes be left by a customer,

the Company shall remove the waste and place it in bins provided by the County. The following information regarding such wastes shall be recorded by the Company's employee on forms provided by the County:

- Date and time
- Description of waste and approximate amount of waste
- The name of the generator or transporter (including vehicle license number)
- Employee's initials

12. Business Hazardous Waste. The Company shall exercise caution to see that businesses are not unloading Unacceptable Wastes at the transfer stations. Should a business attempt to unload such wastes, the Company shall return the waste to the business prior to the business leaving the transfer station. If not successful, the Company shall set the waste aside for County follow-up, and the following information shall be noted:

- Date, time, vehicle driver/hauler's name
- Description of waste, including amount of waste
- Generator or transporter of waste (i.e., business name)
- Identification of inspector

Upon completion of the above paperwork by the Company, the Company shall contact the County Moderate Risk Waste person for follow-up.

13. Hazardous Waste Containers. The Company shall refuse to accept from businesses containers that once contained hazardous wastes unless the container has been triple rinsed (at a minimum). If businesses attempt to unload such containers, the Company shall have the depositor of the container(s) sign a Certification Form, furnished by the County, that certifies the container is "clean" in accordance with federal and state regulations.

14. Oil, Antifreeze and Automotive-Type Batteries. The Company shall segregate and place in containers or at such locations as provided by the County all oil, antifreeze and automotive-type batteries received at the transfer stations. The County shall be responsible for the removal and final disposition of such items.

15. Litter and Weed Control. The Company shall be responsible for litter and weed control at the transfer stations, including the recycle containers and other units. The sites shall be maintained in a generally neat

condition. The Company will be responsible for all litter control, including areas adjacent to the scale houses, weigh scale pits, the transfer station sites, within the transfer station site perimeter fences, outside the transfer station site perimeter fences, and along approach roads. The Company shall operate in such a manner as to control wind-blown litter to the best of its ability.

16. Vector Control. Vector control is the sole responsibility of the Company. The entire grounds shall be maintained in such a manner to reduce the attraction of vectors, and to keep vectors out. If vectors do appear, the Company shall be responsible for their removal, clean-up, and the repairs occasioned thereby.

17. Landscaping. The Company shall be responsible for maintaining the landscaping, including watering of lawns and mowing of grass. Loss of landscaping shall be replaced by the Company, at Company expense.

18. Other Maintenance and Operation Functions. The following operations and maintenance functions shall be performed by the Company according to the indicated frequency:

- Daily
 - janitorial service (including County scalehouses and rest of transfer station sites) including cleaning floors, cleaning toilets, emptying waste receptacles, restocking of paper supplies and soap in bathrooms
 - snow and ice removal from on-site roads, walkways
 - cleaning drain inlets and floor drain strainers
 - cleaning tipping floor and trailer loading bay
 - mobile equipment maintenance
- Weekly:
 - washing windows, cleaning sinks
 - grounds care including mowing grass
 - cleaning of axle scale pits
- Monthly:
 - service scalehouse HVAC equipment per manufacturer's recommendations
 - clean off pushwall closure hoods
 - sweep-out, vacuum and dust equipment and panels in electrical room
- Annually:

- cleaning wall & roof panels
- verify proper operation of all heat trace systems
- remove sediment build-up in ponds

- Other:
 - restripe roads as needed
 - fertilize trees and shrubs
 - service water heater per manufacturer's recommendations
 - lubricate and clean exhaust fans per manufacturer's recommendations
 - repaint painted surfaces as needed
 - monitor and control vectors including birds; prevent birds from roosting in or on buildings on an as-needed basis
 - repair surface erosion areas on an as-required basis
 - repair any surfaces, equipment, or site features damaged during operation

19. No Street Sweepings or Storm Drainage Liquids. Neither the Company nor the County shall allow the deposit or storage of street sweepings, catch basin liquids, or any other storm drainage liquids at the transfer stations. This provision shall not apply to the County's use of the scalehouses to weigh such materials so long as they are not deposited or stored at the transfer stations.

D. Haul. The Company shall be responsible for the loading and hauling of MSW, IDDW, and recyclables drop boxes. The Company shall own or lease all equipment necessary for the loading and hauling of the MSW, IDDW, and recyclables from the transfer stations, with the exception of the recyclables drop boxes themselves, which are owned by the County. All equipment shall be maintained by the Company in a safe condition and an aesthetically pleasing appearance.

E. Processing. The Company shall be responsible for processing all Yard Waste received at the transfer stations. Processing shall be accomplished by chipping or grinding all Yard Waste to such size or consistency as to maximize the usefulness of the resulting product. The Company shall process Yard Waste at least twice a year; all processed product to be removed by the Company within 90 days. The Company shall offer processed Yard Waste to the County at no charge; provided, however, that the County shall be under no obligation to take the same.

F. Disposal. The Company shall be responsible for the disposal of MSW in compliance with local, state, and federal regulations. The Company shall pay all costs and charges for disposal of MSW. The disposal site shall be in compliance with local, State of Washington, and federal regulations. Use of the Greater Wenatchee Regional Landfill located in Douglas County is approved by the County. The Company shall use the Columbia Ridge Landfill in the event that the Greater Wenatchee Regional Landfill is unavailable for any reason. There shall be no additional cost to the County of any kind for the use of this alternate facility. No change in these destinations shall be allowed without prior written approval of the County.

G. Record Keeping and Reporting. The Company shall be responsible for keeping records that verify compliance with this Agreement and all local, state, and federal regulations. The records must be available to the County for inspection upon the County's reasonable request, subject to the County honoring any contractual confidentiality obligations of the Company. The Company shall provide the County with the following reports:

- Annual Recycling Survey and Tonnage Recycled
- Monthly Tonnage Landfilled
- Monthly Condition of MSW Landfill Facility, as specified in the Operations Plan
- Monthly Extraordinary Occurrences at MSW Landfill, as specified in the Operations Plan
- Monthly Documentation of any Unacceptable Waste Found at the Transfer Stations
- Company Annual Report
- Annual Report for MSW Landfill Classification

G. Independent Contractor. The Company shall perform all work under this Agreement as an Independent Contractor. The Company is not and shall not be considered an employee, agent or servant of the County.

VIII. HOURS AND DAYS OF OPERATIONS. The Ellensburg Transfer Station tipping area shall be open to the general public to receive waste from 8:00 a.m. to 4:00 p.m., Monday through Saturday. In addition, the Company shall be entitled to receive waste from waste hauling companies after hours, provided that the cardlock and video camera systems are in place and operational. The Company shall be responsible, at its sole expense, for installing and maintaining the video camera system at locations designated by the County. Additional hours

of operation may be approved by the County as long as the Company provides at least one transfer station employee on-site.

The Upper County Transfer Station tipping area shall be open to receive waste from 8:00 a.m. to 1:00 p.m., and from 1:30 p.m. to 4:00 p.m., Tuesday through Saturday. No waste shall be accepted at the Upper County Transfer Station at any other times, except upon written permission by the County.

The transfer stations shall be closed to the general public on the following legal holidays: New Years Day, Martin Luther King Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day and the day after, and one-half day before Christmas, and Christmas Day.

The transfer stations shall be closed to waste hauling companies on the following legal holidays: New Years Day, Thanksgiving Day, and Christmas Day. If the County cardlock system is inoperational for any reason, the hauling company will not be allowed access to the transfer stations.

At all times the site is closed and unattended, the Company shall be responsible for assuring that the gates and building facilities are closed and locked.

For any closure to the general public or to waste hauling companies, the Company shall post a Notice of Closure at the entrance to each transfer station 14 calendar days prior to the closure. The Company shall also cause a Notice of Closure to be published a minimum of two times in the Northern Kittitas County Tribune and The Daily Record during the same 14 day period.

IX. COMMUNITY CLEAN-UPS; CHRISTMAS TREES. Permits issued by the cities of Ellensburg and Cle Elum for the collection of waste include the requirement for the collection company to provide free collection times. They are required at given intervals. The County provides a free drop-off day for Household Hazardous Waste at the Upper County Transfer Station and at the "Super 1" supermarket in Ellensburg. The County also allows waste from the "Yakima River Clean-Up." The Company is aware of these events and agrees to have staff available to handle increased waste deliveries and traffic on these days.

The County accepts Christmas trees at the transfer stations at no cost for several weeks after Christmas. The Company shall process these Christmas trees as Yard Waste. However, there is no pay item for this work (the Christmas trees are not counted as yard waste or any other type of waste when computing compensation). All costs incurred by the Company in regard to

Christmas trees shall be considered incidental to the operation of the transfer stations.

X. HEALTH AND SAFETY PLAN

A. General. The Company shall be responsible for health and safety at the transfer stations. All equipment shall be equipped with fire extinguishers, back-up alarms, first aid kits and other safety equipment required by state and federal regulations. Records of all personnel training shall be kept by the Company and forwarded to the County. The Company shall create, maintain and post an Emergency Response Notification List.

B. Personnel Safety Training. The Company shall hold monthly “tool box” safety meetings in accordance with WAC 296-62 for all employees.

C. Additional Training. Company employees shall be trained as a minimum in:

- dealing with fires
- CPR
- first aid
- recognition of potentially dangerous wastes/hazardous waste screening
- emergency notification
- spill emergency
- reporting hazards

XI. PUBLIC RELATIONS.

A. Image. The Company and its personnel shall conduct themselves in a manner to create a positive image of the Company and the County in the eyes of the public. The Company shall perform its responsibilities hereunder in a neat and orderly manner at all times. The employees of the Company shall present a neat and clean appearance. In case of dispute, courtesy must be maintained. Final determination of conflict between a customer and a Company employee rests with the County. The Company shall not refuse access or service to anyone other than on the basis of depositing prohibited materials, or when that person is violating the rules, hours, and other regulations prescribed by law.

B. Safety. The Company shall give safety and convenience to the public high priority. The Company is responsible for the safety of its operations. If the Company feels that operations are unsafe for the customer,

the Company shall notify the County in writing. Such responsibility includes but is not limited to effective measures to reduce the hazards of snow and ice on transfer station facilities, such as shoveling, chipping and/or sanding during the entire year. To the best of the Company's ability, the Company will notify the County of excessive accumulation of snow. The County will be responsible for snow removal on all roofs. The Company is responsible for keeping safety barriers and other installed safety devices (i.e., halogen lights, fire suppression equipment, back-up alarms) operational and tested regularly. Proof of such testing shall be forwarded to the County monthly. The Company shall maintain the transfer stations and operate the facilities to provide a safe work area for employees, customers, and the County.

C. Equipment and Grounds. The Company shall maintain the equipment and grounds in a neat and orderly manner at all times. The Company shall not allow nuisances to exist. The Company shall also maintain the recycling facilities, and other facilities at the transfer stations.

XII. USE OF PREMISES. The Company shall use the County's equipment and facilities only for the purpose of solid waste disposal, recycling activities, and hazardous waste segregation, and for no other purposes, unless specifically authorized in writing by the County. The Company specifically understands that it shall not stockpile or store equipment or other items not essential to its performance of this Agreement, including by way of example curbside collection trucks and drop boxes.

XIII. WARRANTIES. The Company agrees there is no warranty or guaranty, written or verbal, other than as contained herein.

XIV. REPAIRS AND MAINTENANCE. Except for losses insured against by the County, the Company shall be responsible for making repairs to the equipment, machinery, buildings, facilities, and sites as is necessary to maintain the same in the condition they were at the beginning of the term of this Agreement, reasonable wear and tear excepted. It shall be the Company's responsibility to ensure the continued operation of the transfer stations, hauling operations, and MSW landfill in an environmentally sound manner.

Maintenance shall be scheduled and performed as directed by the equipment manufacturers and the County. The Company shall also provide documentation on the kind of maintenance performed, the part or parts repaired, duration of maintenance, and date and name of the person performing the maintenance. This information shall be submitted to the County on a monthly basis.

The Company agrees to refurbish all trailers (sandblasting, repainting, repairs as needed) prior to December 31, 2000.

XV. ALTERATIONS. Subject to prior written consents of the County, the Company may have the right to make alterations, changes and improvements to the facilities or buildings; provided the same is done at no expense to the County and further that the work shall be accomplished in a professional manner, aesthetically compatible with existing facilities, and in conformity to all applicable building codes and regulations of the State and County.

XVI. LEASE COMPLIANCE AND OTHER USES. The Company understands that the Ellensburg Transfer Station is leased by the County from the City of Ellensburg. The County is responsible for the payment of said lease. Should the Company, by any act or omission, cause the County to be in violation of any part of said lease(s), such act or omission shall be a violation of this Agreement.

XVII. INSURANCE AND WORKMAN'S COMPENSATION. The Company shall secure and maintain, throughout the duration of the Agreement insurance of such types and not less than amounts as hereinafter listed. The Company shall not commence work under the Agreement until it has obtained all insurance required and until such insurance has been approved by the County. Nor shall the Company allow any subcontractor to commence work on this subcontract until similar insurance required of the Company has been obtained and approved. Said insurance shall provide coverage to the Company, any subcontractor performing work provided by this Agreement, and the County. The County of Kittitas shall be named as an additional insured on said policy insofar as the work and obligations performed under the Agreement are concerned. A Certificate of Insurance naming the County as additional insured shall be furnished, for approval by the County on each policy.

A. Workman's Compensation. The Company shall carry Workman's Compensation Insurance authorized under the laws of the State of Washington and in the amounts as required in the Washington Workman's Compensation Act and the Washington Occupational Disease Disability Law.

B. Vehicle Liability Insurance. The Company shall carry, in its own name, a policy under a comprehensive form to insure the entire vehicle liability for its operation. The policy shall name Kittitas County as an additional insured with respect to the operation of vehicles owned or operated by the Company while performing work under the terms of this Agreement. All policies or certificates shall contain a provision that written notice of

cancellation be delivered to the County thirty days in advance of the effective date thereof.

C. General Liability. The Company shall file with the County and maintain on file through the term of this Agreement a comprehensive liability insurance policy issue by a Company duly authorized to do business in the State of Washington, insuring the Company with respect to the work performed by the Company under the terms of this Agreement. The Policies shall name Kittitas County as additional insured. All policies or certificates shall contain a provision that written notice of cancellation or of any material change in said policy by the insurer shall be delivered to County thirty days in advance of the effective date thereof.

For the purpose of this Agreement, the Company shall carry the following types of insurance in at least the limits specified below:

Coverage	Limits of Liability
Worker's Compensation Limit	Required State of Washington Statutory
Bodily Injury Except Automobile	\$2,000,000 Each Occurrence \$2,000,000 Aggregate
Property Damage Liability Except Automobile	\$2,000,000 Each Occurrence \$2,000,000 Aggregate
Automobile Bodily Injury Liability	\$2,000,000 Each Occurrence
Automobile Property Damage Liability	\$2,000,000 Each Occurrence
OR	
Automobile Bodily Injury and Property Damage Liability	\$2,000,000 Combined Single Limit Each Occurrence
Bodily Injury and Property Damage Liability other than Automobile	\$2,000,000 Combined Single Limit Each Occurrence

Liability insurance limits scheduled above can be accomplished with one insurance policy or a primary insurance program of lower limits and an excess

liability or umbrella liability program increasing the total limits available to the limits scheduled above.

The certificates shall show that the automobile and general liability insurance programs are endorsed to cover:

Kittitas County, its elected officials, appointed officials, employees and volunteers while acting within their official capacity on this project.

The County shall maintain adequate insurance to cover any damage to County facilities for fire, theft, earthquake, flood, vandalism, etc.

The certificate shall show that the policy does extend to cover the Indemnity Agreement, which is scheduled in this Agreement in Section XVIII.

Regardless of such approval by the County, it shall be the responsibility of the Company to maintain adequate insurance coverage at all times, and its failure to do so shall not relieve it of any contractual obligations or responsibility. Failure on the part of the Company to maintain this insurance in full effect will be considered as failure in agreed upon performance and will be treated as such by the County. When the County deems it necessary, other means to assure financial liability will be considered if coverage is not reasonably available.

XVIII. COMPANY TO INDEMNIFY COUNTY. The Company shall indemnify and save harmless the County, its elected officials, officers, employers, employees and agents from all claims, suits, or actions of every kind and character made upon or brought against the County, its elected officials, officers, employees, and agents for, and on account of, any injuries or damage received or sustained by any party or parties by or from the acts of said Company or its employees, servants, agents and subcontractors in doing the work and rendering the service herein contracted for, or by or in consequence of any negligence in operation or any improper material or equipment used, or by, or on account of any act or omission of said Company or its servants, employees, agents, or subcontractors; and also from all claims of damage for infringement of any patent in fulfilling this Agreement. The Company also agrees to hold County, its officers, employees and agents, harmless from any and all claims of pollution or other environmental liabilities arising out of the disposal of MSW under this Agreement or under the Master Disposal Service Agreement for Kittitas County MSW between Taneum Recovery Corporation and Waste Management Disposal Services of Washington, Inc. dated December 2, 1997, at landfill facilities owned or operated by the Company or

its affiliates, or other claims related to the operation of said landfill facilities. The indemnity shall include attorney's fees and all other expenses incurred by the County in the defense of any suit or the investigation thereof.

XIX. COUNTY TO INDEMNIFY COMPANY. The County agrees as additional consideration of this Agreement, to indemnify and hold harmless the Company from any and all claims of pollution arising in any way out of the operation of the Ryegrass Landfill or any other County-operated facilities: Provided, however, that the County's obligation to indemnify the Company applies only to acceptable IDDW, whether hauled from the Transfer Stations or hauled directly, and to leachate hauled from the transfer stations.

XX. COMPANY ACCEPTANCE OF SYSTEM. The Company agrees it:

- has examined the transfer stations, Ryegrass Landfill, and the landfills specified for disposal of MSW in Section VII.F of this Agreement
- has knowledge of the aforementioned facilities and the environment in which they are located
- understands the tasks agreed to in this Agreement.

XXI. ACCESS BY COUNTY. The Company agrees to allow and provide access by the County to all of the premises covered by this Agreement, including but not limited to the physical properties and records, subject to the County honoring any contractual confidentiality obligations of the Company.

XXII. ROAD MAINTENANCE. Roads and other traveled areas inside the transfer station sites shall be reasonably maintained by the Company.

XXIII. ASSIGNMENT AND SUBCONTRACTING. Neither this Agreement, nor any of the payments to become due hereunder, shall be assigned in whole or in part by the Company, nor shall any part of the performance called for herein on the part of the Company be subcontracted by the Company, without the prior written consent of the County, and such consent shall not relieve the Company from full responsibility and liability for the performance agreed hereunder, and for due performance of all the terms and conditions stated herein. The County's consent to any subcontracting of work shall not be granted in any event until the Company has furnished the County with satisfactory evidence that the proposed subcontractor is licensed and bonded as required by law, and is carrying ample insurance to the same extent and in the same manner as is provided in this Agreement to be furnished by the Company. The County's consent shall not be unreasonably withheld. If this Agreement is assigned or any part of the Agreement is sublet, the Company shall indemnify the County against any and all loss or expense caused thereby. By execution of this Agreement, the County fully consents to the Company

subcontracting hauling operations to Louie Gibson and Sons. This Section shall not apply to vendors, who provide goods or services on an as needed or short-term basis to the Company to assist the Company in carrying out its responsibilities under this Agreement.

XXV. PERFORMANCE GUARANTEE. Before this Agreement shall be binding or enforceable against the County, the Company shall furnish to the County an irrevocable letter of credit approved by the County, conditioned on the Company's faithful performance of all terms, covenants and conditions of this Agreement, and the Company's payment of all laborers, mechanics, subcontractors, material suppliers, and all persons who supply the Company with provisions and supplies for the carrying on of the work under this Agreement and upon the return to the County of all County property in good condition, reasonable wear and tear excepted. The irrevocable letter of credit shall be in the amount of \$100,000. The irrevocable letter of credit shall remain in full force and effect during the term of this Agreement and shall not be released until all conditions of this Agreement have been satisfied.

XXVI. DEFAULTS AND REMEDIES. The Parties agree that the operations hereunder are of prime concern to the public health and that the full and prompt performance of all of the terms and conditions of this Agreement and time are of the essence of this Agreement.

The Company shall be excused from performance herein only if the facilities be rendered unusable by natural disaster or other cause which the Company could not reasonably foresee, and upon occurrence of such event the Company and the County, having in mind the public health, shall cooperate to restore services as soon as practical. Payment to be made by the County to the Company may be suspended upon occurrence of such an event during such time that performance hereunder is impossible or, by the written agreement of the parties hereto, impracticable.

However, when not so excused, in the event the Company shall fail to operate the system for more than three consecutive days (Sundays and holidays excluded), or shall abandon the site or if the Company or any of its creditors shall petition a court for Bankruptcy, the County may declare the Company to be in default of this Agreement and, in the event of an alleged default other than abandonment or a petition for bankruptcy, give ten days written notice to the Company to cure or take reasonable steps to commence cure of the alleged defaults. If the Company shall fail to undertake such cure, the County may notify the Company to discontinue any service pursuant to the Agreement. A copy of the "Notice of Termination" shall be sent to the Company. Upon receipt of any "Notice of Termination," the Company shall immediately discontinue

work under this Agreement. The County may take possession of Company equipment, vehicles, and facilities for a period of time not to exceed ninety (90) days. The County shall be entitled to recover from the Company damages and all expenses incurred, including reasonable attorneys' fees, together with such additional sums as may be necessary to complete the work and any other further damage sustained or incurred by the County.

A. Effect of Waiver on Subsequent Breach. A waiver of a breach of any of the terms or conditions of this Agreement shall not be construed as a waiver of any subsequent breach. Any consent to delay in the performance of the Company of any obligation hereunder shall be applicable only to the particular transaction to which it relates, and it shall not be applicable to any other obligation or transaction. Delay in the enforcement of any remedy in the event of a breach of any term or condition of this agreement, or in the exercise by either party of any right under or pursuant to this Agreement, shall not be construed as a waiver.

B. Loss By Unforeseen Event. In the event the performance hereunder, before completion, be wholly rendered impossible by earthquake, flood, wildfire, extreme and unusual weather, or other cause that the Company could not reasonably have foreseen and provided for, then the loss occasioned by such event or happening shall be sustained by the County to the extent that it has paid installments, or a proportionate share thereof, on the performance hereunder by the Company, to the date of the event. The loss of revenue occasioned by such event or happening and to be sustained by the Company shall be for the uncompleted portion of the performance hereunder at the time of the event or loss, and shall require the Company to refund any portion of any installment made, which is not fully earned at the time of the event.

C. Termination By Damage Or Destruction of Premises. In the event any of the premises in or on which the performance hereunder is to be pursued is or are totally or partially destroyed, by any cause, and operation of the facility is prevented thereby for a period of more than 60 days, then, at the option of the County, this Agreement may be terminated by written notice. The County and the Company agree to use their best efforts to promptly restore operations of any facilities destroyed in whole or in part. Upon such notice of termination to the Company, the County shall be obligated only to pay the Company for the proportionate amount of work that may have been properly performed to the date of such damage or destruction. If the Agreement is terminated under this section, the County agrees to make good faith efforts to include the Company in alternate emergency operations.

D. Termination or Impossibility by Governmental Action. In the event that the performance of any of the responsibilities set forth herein shall be in any manner prevented by any responsible governmental agency, by either order, regulation or law, or by an act of the State or Federal Legislature, this Agreement may be terminated on notice of such termination to the Company, in which event the County shall be obligated only to pay the Company for the proportionate amount of work that may have been properly performed up to the date of the governmental action, and costs suffered by the Company due to the termination under this section if not caused by Company poor management or negligence.

XXVI. REJECTION AND STOPPAGE OF WORK. The County shall have the authority to reject work performed hereunder by the Company, if in its reasonable opinion that performance does not conform to obligations contained herein, or contained in any Operations Plan(s), or any applicable statute, regulation, ordinance or other legal authority, and in this connection to stop the Company's performance and suspend payment for said performance during work stoppage, when necessary, except where such nonconformance is due in whole or in part of conditions beyond the control of the Company.

XXVII. CORRECTING WORK. When it appears to either the Company or the County, during the Company's performance of this Agreement, that any work performed does not conform to the provisions of this Agreement, or any applicable statute, regulation, ordinance or other legal authority, the Company shall make the necessary corrections so that such performance will so conform, and in addition will correct any defects caused by faulty materials, equipment, or quality of labor performed, at the Company's expense.

XXVIII. WORK CHANGES. The County reserves the right to order performance modifications in the nature of additions, deletions, or adjustments, without invalidating this Agreement, and agrees to make corresponding adjustments in the contract price and time for performance, as justified.

A. All changes will be authorized by a written modification signed by the County. The written modification will include conforming changes in the Agreement.

B. Any adjustment or modification in the Agreement price resulting in a credit or a charge to the County shall be determined by mutual agreement of the parties, or by arbitration, before starting the work involved in the modification.

C. Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.

XXIX. FACILITIES CONDITION UPON TERMINATION. Upon termination of this Agreement, it shall be the responsibility of the Company to have all waste that they are responsible for removed from the transfer station sites. All equipment and machinery owned by the County shall be left in good repair, subject to reasonable wear and tear. All litter, weeds, debris, etc., shall be removed. The Company shall not transfer liabilities to the County. The Company's responsibilities shall not cease until the County accepts the conditions of the transfer stations.

XXX. ARBITRATION. All disputes, claims, and questions regarding the rights and obligations of the parties under the terms of this Agreement are subject to arbitration. Either party may make a demand for arbitration by filing such demand in writing with the other party within ten (10) days after the dispute first arises. Thereafter, arbitration shall be conducted by three (3) arbitrators acting under the Rules of Commercial Arbitration of the American Arbitration Association. Prior to arbitration, the parties shall attempt to resolve any dispute through mediation with a mutually agreeable mediation or dispute resolution service.

XXXI. COSTS AND ATTORNEYS FEES. All costs incurred in the resolution of any dispute hereunder, whether by arbitration, or court action, shall be paid to the prevailing party in that dispute. The prevailing party shall also be entitled to reimbursement of reasonable attorneys fees incurred, as part of those costs.

XXXII. JURISDICTION AND VENUE. The parties agree that this Agreement is governed by the laws of the State of Washington. Venue for any action related to this Agreement shall be in Kittitas County, Washington.

XXXIII. SEVERABILITY. If any provision of this Agreement is declared void, invalid or unenforceable under any applicable law, the remaining provisions of the Agreement shall remain in effect and bind the parties; provided, however, that the parties shall negotiate in good faith to amend the Agreement to effectuate the intent of any void, invalid or unenforceable provisions.

DATED this _____ day of _____, 2000.

BOARD OF COUNTY COMMISSIONERS - KITTITAS COUNTY

Perry Huston, Chair

William R. Hinkle, Vice-Chair

ATTEST:

Max A. Golladay, Commissioner

Clerk of the Board

