

COMPREHENSIVE SOLID WASTE COLLECTION AGREEMENT

**City of Waitsburg
and
Basin Disposal, Inc.**

_____, 2023

Table of Contents

1. DEFINITIONS 1

2. AMENDMENT AND REPLACEMENT OF THE ORIGINAL AGREEMENT 1

3. TERM 1

4. SCOPE OF WORK 2

4.1. General Terms and Conditions 2

4.2. City Service Area 2

4.3. Sole and Exclusive Solid Waste Service Provider 2

4.4. Annexation 2

4.5. Unsafe Conditions at Pick-Up Locations 4

4.6. Hours/Days of Operation 4

4.7. Employee Conduct 4

4.8. Disabled Persons Service 4

4.9. Holiday Schedules 5

4.10. Inclement Weather and Other Service Disruptions 5

4.11. Suspending Collection from Problem Customers 5

4.12. Missed Collections 5

4.13. Schedule of Solid Waste Collection 6

4.14. Required Equipment and Signs on Vehicles; Maintenance of Vehicles and Equipment 6

4.15. Residential Carts and Containers Inventory 7

4.16. Ownership of Equipment 7

4.17. Spillage 7

4.18. Disruption Due to Construction 7

4.19. Site Planning Assistance 7

4.20. Safeguarding Public and Private Property 8

4.21. Company Name 8

4.22. Coordination between City and Contractor 8

4.23. Disposal Restrictions and Requirements 8

4.24. Disposal Site for Solid Waste 8

4.25. Adjustment of Service Level for Certain Customers 9

4.26. Violation of Ordinance 9

4.27. Public Information 9

4.28. Compaction of Solid Waste 9

5.	SOLID WASTE COLLECTION SERVICE	9
5.1.	Residential Solid Waste Service.....	9
5.1.1.	Residential Customer Solid Waste Service.....	9
5.1.2.	Residential Carts.....	10
5.1.3.	Omitted	Error! Bookmark not defined.
5.2.	Commercial Service	10
5.2.1.	Commercial Customer Solid Waste Service.....	10
5.2.2.	Commercial Containers	11
5.3.	Temporary Solid Waste Service Plans	12
5.4.	Fall Leaf Collection Program	Error! Bookmark not defined.
5.5.	Residential Recyclable Materials Collection Program.....	12
5.5.1.	Procedure for Establishing Service and Rates	13
5.5.2.	Terms and Conditions Applicable to Program	13
5.6.	Green Waste.....	15
5.7.	Miscellaneous Solid Waste Services.....	15
5.8.	Customer Service.....	16
5.8.1.	Customer Service Office.....	16
5.8.2.	Complaints.....	16
5.8.3.	Emergency Contact	16
5.9.	Reports.....	16
6.	COMPENSATION.....	17
6.1.	Basis for Determination of Solid Waste Collection Service Rates.....	17
6.2.	Compensation to Contractor.....	17
6.2.1.	Compensation for Solid Waste Collection Services.....	17
6.3.	Adjustment to Solid Waste Collection Service Rates.....	17
6.3.1.	Annual Rate Adjustment.....	17
6.3.2.	Adjustments to Tipping Fees and Disposal Fees.....	18
6.3.3.	Fuel Expense Adjustments.....	18
6.3.4.	Solid Waste Disposal Cost Adjustment.....	18
6.3.5.	Recycling Commodity Credit/Debit.....	19
6.3.6.	Tax Additive	19
6.3.7.	Other Modifications	19
6.3.8.	Changes in Impositions or Other Laws	20
6.3.9.	Termination by Contractor.....	Error! Bookmark not defined.

6.4.	Billing for Solid Waste Services; Delinquent Accounts.....	20
6.4.1.	Preparation and Sending of Bills	20
6.4.2.	Delinquent Accounts Upon Change.....	21
7.	PERFORMANCE FEES, DEFAULT AND REMEDIES	21
7.1.	Performance Fees.....	21
7.2.	Default and Remedies.....	22
8.	NOTICES	22
9.	INSURANCE AND BOND REQUIREMENTS.....	23
9.1.	General Insurance Requirement	23
9.2.	Minimum Scope of Insurance	23
9.3.	Minimum Amounts of Insurance	23
9.4.	Deductibles and Self-Insured Retentions	24
9.5.	Other Insurance Provisions	24
9.6.	Acceptability of Insurers	24
9.7.	Verification of Coverage	24
9.8.	Subcontractors	24
9.9.	Performance Bond/Surety.....	24
10.	GENERAL TERMS	25
10.1.	Indemnification	25
10.1.1.	Indemnify and Hold Harmless	25
10.1.2.	Notice to Contractor; Defense	25
10.1.3.	Industrial Insurance Immunity Waiver.....	25
10.2.	Transfer of the Contract	26
10.2.1.	Assignments, Subcontracts and Delegations	26
10.2.2.	Changes in Control.....	26
10.3.	Legal	26
10.3.1.	Laws to Govern/Venue.....	26
10.3.2.	Attorney Fees	26
10.3.3.	Dispute resolution	Error! Bookmark not defined.
10.4.	Compliance With Laws	27
10.5.	Non-Discrimination.....	28
10.6.	Permits and Licenses	28
10.7.	Relationship of Parties.....	28
10.8.	Bankruptcy	28

10.9. Right to Renegotiate or Amend28
10.10. Force Majeure29
10.10.1 Force Majeure Events29
10.10.2 Force Majeure Occurrences of Non-Default29
10.11. Illegal Provisions/Severability/Savings29
10.12. Waiver29
10.13. Entirety30

COMPREHENSIVE SOLID WASTE COLLECTION AGREEMENT

This Comprehensive Solid Waste Collection Agreement (“Agreement”) is made and entered into this ___ day of _____, 2023 (“Effective Date”), by and between the City of Waitsburg, a Washington municipal corporation (the “City”), and Basin Disposal, Inc., a Washington corporation (“Contractor”).

RECITALS

A. Contractor desires to provide, and has the experience, resources and expertise necessary, to perform solid waste collection services.

B. Contractor currently provides solid waste collection service to the City under an agreement executed on September 2, 2011 (as amended, the “Original Agreement”), which is subject to a rolling 10-year term and does not expire sooner than 10 years from the date of any notice of termination by City.

C. The City and Contractor desire to amend and replace the Original Agreement in its entirety to provide a more comprehensive agreement and, among other things, to provide flexibility for additional services and to extend the term of the agreement to recognize on-going capital investment made by Contractor to achieve and pass on to customers the cost savings from the efficiencies gained thereby.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and promises herein contained, the City and Contractor do hereby agree as follows:

AGREEMENT

1. DEFINITIONS

Capitalized terms used in this Agreement shall have the meanings given them in Exhibit A.

2. AMENDMENT AND REPLACEMENT OF THE ORIGINAL AGREEMENT

Effective as of the Commencement Date, the Original Agreement is hereby amended and replaced in its entirety by this Agreement.

3. TERM

This Agreement (“Term”) shall be for a term of fifteen (15) years commencing on the Effective Date, or if the Effective Date is not the first day of a calendar month, then on the 1st day of the calendar month immediately following the Effective Date (the “Commencement Date”) and expiring on the day before the fifteenth (15th) anniversary of the Commencement Date (the “Expiration Date”). Unless either party has given written notice of termination at least 90 days prior to an anniversary of the Commencement Date (“Measuring Anniversary”), the initial fifteen-

year term of this Agreement shall be extended by one additional year (i.e., for each year this Agreement is not terminated, the Expiration Date shall be extended by one year) until such time as a timely notice of termination is given, in which case the Agreement shall then terminate on the fifteenth (15th) anniversary of the Measuring Anniversary. The failure to provide a timely notice, i.e. at least 90 days before an anniversary of the Commencement Date means that the notice of termination shall take effect on the following anniversary of the Commencement Date, in which case such date will become the Measuring Anniversary from which the expiration date shall be determined.

4. SCOPE OF WORK

4.1. General Terms and Conditions

Contractor shall collect, transport and dispose of all Solid Waste and any other materials herein authorized, from each and every Customer within the Service Area pursuant to the terms and conditions of this Agreement.

4.2. City Service Area

Contractor shall provide all of the services described in this Agreement to the entire City Service Area.

4.3. Sole and Exclusive Solid Waste Service Provider

During the Term of this Agreement, Contractor shall be the sole and exclusive provider to manage, collect, transport and dispose of any Solid Waste, and, as applicable, to manage, collect, transport and process Recyclable Materials and Green Waste, or any other category of Solid Waste, and any other materials authorized for collection pursuant hereto, within the City Service Area. When requested by Contractor, the City shall seek to enforce the rights the City has granted to Contractor hereunder; however, the City shall not be obligated to instigate litigation to protect the right of Contractor. Contractor may independently enforce its rights under this Agreement against third party violators, including but not limited to seeking injunctive relief, and the City shall use good faith efforts to cooperate in such enforcement actions brought by Contractor (without obligating the City to join any such litigation). Such efforts may include but not be limited to cease and desist letters, assistance with documenting violations and other activities. Notwithstanding the foregoing, the City shall enforce its municipal code in the ordinary course against any third parties providing unauthorized Solid Waste service.

Any material discarded by a Customer for which the Customer pays to collect, process and/or dispose of the material shall constitute "Solid Waste" subject to all terms and conditions of this Agreement. This Agreement will not apply to Solid Waste, Recyclable Materials, Green Waste, Household Hazardous Waste and Agricultural Processed Waste that is self-hauled by the generator, or Green Waste generated and hauled by private landscaping services.

4.4. Annexation

If additional territory is added to the City through annexation or other means in which area

Contractor holds a WUTC G-certificate or other franchise, Contractor shall make collections in such annexed areas in accordance with the provisions of this Agreement at the unit prices set forth in this Agreement. If the City has given Contractor a notice of termination of this Agreement prior to such annexation, the annexed area shall not be added to this Agreement except with the written consent of Contractor, which may be withheld at the sole discretion of Contractor, in which case Contractor shall receive any and all compensation due under applicable law with respect to the cancelled WUTC G-certificate or other franchise. Notwithstanding the foregoing, Contractor shall consent to adding such annexed area if the remaining Term of this Agreement for the entire Service Area (including the annexed area) is extended to equal the term required to be granted by the City under applicable law as due compensation for the cancelled WUTC G-certificate or other franchise. If the annexed area is added to this Agreement, the parties shall execute an amendment to this Agreement consistent with the provisions of this section, including the replacement of Exhibit B depicting the City Service Area. If Contractor possesses a WUTC G-certificate or other franchise for Solid Waste collection in the annexed area at the time of annexation, the amendment of this Agreement to add the annexation area to the City Service Area shall be in lieu of the grant of a franchise pursuant to RCW 35.13.280 or RCW 35.A.14.900, as applicable, and Contractor shall waive and release its right to claim any damages or compensation from the City arising out of the cancellation of any pre-existing permit, certificate or franchise held by Contractor prior to annexation, and further specifically waives the right to receive any additional compensation or any rights of collection in the newly-annexed territory beyond what is provided herein. Subject to the provisions hereof, Contractor acknowledges that its WUTC G-certificate applicable to those future annexation areas, if any, shall be cancelled effective as of the date of annexation by the City.

If a party other than Contractor holds the WUTC certificate for any such future annexed territory, the City shall work with such party in good faith using commercially reasonable efforts to provide for the timely termination of such party's right to provide Solid Waste collection service to the subject annexation area. Upon termination of such party's right to provide Solid Waste service to said annexation area, the parties shall cause the subject annexation area to be added to the City Service Area as provided above and subject to the terms and conditions of this Agreement. The City will indemnify, hold harmless and defend Contractor from any and all claims, actions, suits, liabilities, losses, costs, expenses and damages, including costs and attorney fees, asserted by such parties providing solid waste collection service arising from Contractor's service in such annexed territory pursuant to this Agreement.

The City acknowledges that Contractor shall require a reasonable amount of time to secure the necessary equipment, including but not limited to vehicles, Residential Carts and Containers, to service the annexed area, and shall not penalize Contractor for reasonable delays in the provision of services to annexed areas covered by this Agreement due to procurement delays that are not within the commercially reasonable control of Contractor. Customers within the annexed area shall receive the Residential Carts and Containers described herein in accordance with the provisions of this Agreement. In the event that an annexed area is being serviced with Residential Carts and Containers different from the City's program, Contractor shall be responsible for timely Customer notification and removal of the existing Residential Carts and Containers and delivery of appropriate Residential Carts and Containers within a reasonable time.

4.5. Unsafe Conditions at Pick-Up Locations

If, in Contractor's commercially reasonable discretion, a Customer is located in an area that does not permit safe access, turn-around or clearance for Contractor's vehicles, Contractor shall provide Solid Waste service to such Customer provided the Customer sets out its materials adjacent to the nearest Public Street or Private Road allowing such safe access and Contractor is provided with reasonable advance notice of such location. Contractor shall use commercially reasonable efforts to work with such Customer to determine a safe location in compliance with applicable law. If Contractor in its commercially reasonable discretion determines that a Private Road cannot be safely negotiated or that providing drive-in service for Residential Customers shall be impractical due to distance or unsafe conditions, Contractor and the City shall evaluate the on-site conditions and make a determination of the best approach for providing Solid Waste service to the affected Residential Customers. Contractor and the City shall present feasible service options to the Customers concerning the nearest safe and mutually convenient pick-up location. If Contractor believes that its vehicles shall cause damage to a Private Road in the ordinary course of operation, Contractor may withhold Solid Waste service from the respective Customers until such Customers provide a damage waiver agreement to Contractor.

4.6. Hours/Days of Operation

Contractor shall make Solid Waste collections from Single-Family Residences, Multi-Family Complexes and Mixed-Use Buildings on Monday through Friday between the hours of 6:00 a.m. and 5:00 p.m., provided, however, that the City may authorize from time to time temporary extensions or written exemptions of the collection period to accommodate the special needs of Customers, provided further however, that Contractor may conduct from time to time Solid Waste collections on Saturdays to the extent necessary to make up missed collections. Contractor shall make Solid Waste collections from non-Residential Commercial Customers on Monday through Friday between the hours of 5:00 a.m. and 6:00 p.m. provided; however, the City shall have the authority to notify the Contractor of which Commercial areas are located near Residential zoned areas, and shall be subject to the Residential collection hours.

4.7. Employee Conduct

Contractor shall require its employees at all times on routes to be courteous, refrain from making loud, inappropriate or obscene language, exercise due care, perform their work efficiently and expeditiously, and avoid damage to public or private property. Contractor shall further require its employees to use only that portion of private property reasonably necessary to complete their duties, and to the extent reasonably possible, stay within regular pedestrian walkways and paths and avoid crossing flower beds and hedges. Contractor's employees shall wear reasonably clean and presentable clothing while on their routes. If the City gives written notice to Contractor of any employee of Contractor failing to comply with the above requirements, Contractor shall use commercially reasonable efforts to remedy the issue as soon as possible, including temporarily or permanently removing such employee from all further performance of the work described in this Agreement.

4.8. Disabled Persons Service

Contractor shall provide, at no additional expense, carry-out service of Solid Waste to those

Residential Customers that suffer from a documented disability that prevents them from placing a Residential Cart at the Curb. The Residential Customer shall provide Contractor with verifiable information and complete the appropriate documentation prior to such service being provided. Contractor's criteria for carry-out service shall comply with all local, state and federal regulations, and shall be subject to the City's review and approval prior to program implementation.

4.9. Holiday Schedules

Contractor shall provide regular Residential and Commercial collection services on all weekdays, Monday through Friday inclusive, regardless of any holidays that may be observed. Drop-Box Container collection service shall not be performed on New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas.

4.10. Inclement Weather and Other Service Disruptions

If, in Contractor's commercially reasonable discretion, weather or other route conditions pose a danger to the public, Contractor's employees or equipment, Contractor shall provide Solid Waste service only to those portions of the City Service Area that do not pose such a danger. Contractor shall provide the City within a reasonable time after such event Contractor's plans to make up missed Solid Waste collections. Unless the City gives Contractor written notice of the City's objections to such plans, Contractor may perform limited Solid Waste collection services after 5:00 pm and/or on Saturdays following disruptions in order to make up missed collections.

If Contractor, in its reasonable discretion, is unable to safely collect from some or all Customers as a result of inclement weather, the requirements of Section 4.12 shall be suspended until normal collections may be safely resumed, and Contractor shall not be subject to performance fees, customer credits or otherwise liable for damages related to such missed collections.

4.11. Suspending Collection from Problem Customers

The City and Contractor acknowledge that, from time to time, some Customers may cause disruptions or conflicts that make continued service to that Customer unreasonable. Those disruptions or conflicts may include, but not be limited to, repeated damage to Residential Carts or Containers, repeated refusal to position Residential Carts or Containers properly, repeated suspect claims of timely set-out followed by demands for return collection at no charge, and repeated claims of damage to the Customer's property. Contractor shall make every reasonable effort to provide service to those problem Customers. However, Contractor may deny or discontinue service to a problem Customer if reasonable efforts to accommodate the Customer and to provide services fail. If the Customer submits a written letter to the City appealing Contractor's decision, the City may, in its sole discretion, intervene and attempt to mediate a resolution in the dispute. The City may also require the denial or discontinuance of service to any Customer who is abusing the service or is determined to be ineligible.

4.12. Missed Collections

If Contractor fails to collect Solid Waste from a Customer without permissible excuse therefore, Contractor shall provide such service to the Customer within a reasonable time, but in no event later

than 6:00 P.M. of the business day following Contractor's receipt of notification of the missed pick-up. Contractor shall maintain a record of all missed collections reported by Customers (whether reported by telephone or e-mail) and Contractor's corrective action. If a Residential Cart or Container is set out inappropriately, improperly prepared or contaminated with unacceptable Solid Waste, Biomedical Waste or Hazardous Waste, Contractor shall not be obligated to collect the materials from such Residential Cart or Container. Contractor shall place a notification tag on such Residential Cart or Container that identifies the specific reason for not collecting the Solid Waste, and maintain a record of such missed collections. If Contractor is requested by the Customer to make a return trip due to no fault of Contractor, Contractor shall be permitted to charge the Customer an additional fee for this service at the rate specified in the rate schedule attached hereto as Exhibit C ("Rate Schedule").

If Contractor is unable to safely collect Solid Waste as a result of inclement weather as set forth in Section 4.10 or other force majeure reasons, the provisions of this section do not apply.

4.13. Schedule of Solid Waste Collection

Contractor shall perform Solid Waste services for each respective Residential Customer pursuant to a regular schedule on the same day and as close to a consistent time as possible; Contractor may vary, in its discretion, the collection routes and schedules for Commercial Customers. Contractor shall provide dispatch service and equipment capability to collect full Drop-Box Containers no later than the second (2nd) business day after the Customer's request. Contractor shall indicate, on a detailed map acceptable to the City, the day of the week Solid Waste shall be collected from each Residential Customer. Contractor may change the day of collection from time to time by giving the City and the affected Residential Customers at least fifteen (15) days prior written notice of the different collection date.

4.14. Required Equipment and Signs on Vehicles; Maintenance of Vehicles and Equipment

Contractor shall cause each of its vehicles to display the vehicle's inventory number and customer service telephone number in lettering not less than four (4) inches high and clearly visible from a minimum distance of twenty (20) feet, together with appropriate safety markings, including all highway lighting, flashing and warning lights, clearance lights, and warning flags in accordance with applicable laws. Contractor shall equip each route, service and supervisory vehicle with properly licensed two-way communication equipment capable of communication throughout the entire City Service Area with a base station maintained by Contractor. In addition, Contractor shall cause all vehicles to carry regularly maintained and fully functional spill kits, including absorbent pads or granules, containment booms, storm drain covers, sweepers and other similar materials sufficient to contain, control and, for minor events, appropriately clean-up spillage or release of wind-blown materials, litter, or leaks of fluids or leachate from the vehicle. Spill kits shall also include Contractor's spill response procedure, which procedure shall be developed as provided in Section 4.17.

Contractor shall cause all vehicles and equipment to be maintained in good operating condition at all times. In addition, Contractor shall maintain its vehicles to ensure that no liquid wastes (such as Solid Waste leachate) or oils (lubricating, hydraulic or fuel) to be discharged from the vehicles except to appropriate facilities. Contractor shall regularly clean and wash thoroughly all vehicles used in the

collection of Solid Waste. Contractor shall cause its vehicles to be repainted from time to time as needed to maintain a clean and professional appearance.

4.15. Residential Carts and Containers Inventory

Contractor shall procure and maintain a sufficient quantity of Residential Carts and Containers to service the City's Customer base, including for seasonal and economic variations in the demand for Residential Carts and Containers.

4.16. Ownership of Equipment

All vehicles, facilities and property used in performance of work under this Agreement shall be owned or leased by Contractor. The City shall have no obligation to provide equipment, facilities or personnel in connection with Contractor's duties hereunder.

4.17. Spillage

Contractor shall cause any blowing or spillage of Solid Waste, or leachate from Contractor's vehicles, to be cleaned up immediately by Contractor's employees. For any spill of leachate requiring more equipment or treatment other than the spill kits carried on a collection vehicle, Contractor shall promptly notify the City of such event. Contractor shall develop and submit to the City for its review a spill response procedure, and shall incorporate any commercially reasonable comments that the City provides. The spill response procedure shall include a list of emergency contacts, which shall be reviewed annually and updated as necessary.

4.18. Disruption Due to Construction

If a Public Street is under construction such that the work interferes with Contractor's services, Contractor shall use commercially reasonable efforts to account for such interruption to permit the prudent and safe collection of Solid Waste from affected Customers.

4.19. Site Planning Assistance

The City shall, as part of its permitting process, cause written notice to be given to Contractor of any development permit application containing plans for the construction of a new or substantially remodeled building or other permanent structure, where commercial container service is contemplated for solid waste, so that Contractor may provide, but has no obligation to do so, written comments concerning Contractor's ability to access Containers and provide safe and efficient collection services to such property. Upon request and at standard rates determined from time to time by Contractor, Contractor shall provide site planning assistance to property owners or their representatives. The site planning assistance shall be available for all new construction or remodeling of buildings and structures within the City Service Area, and shall address the design and planning of Solid Waste removal areas and their location upon the site. Contractor shall provide its assistance for optimizing loading docks, enclosures, compactor equipment and other similar structures or areas, provided however, that such site planning consultation service shall be made without warranty and without liability of any sort, and Contractor may require a commercially reasonable waiver to such effect prior to giving such site

planning assistance.

4.20. Safeguarding Public and Private Property

Contractor shall use commercially reasonable efforts to avoid causing damage to any public and private improvements, facilities and utilities whether located on public or private property. If such improvements, facilities, utilities or Curbs are damaged and such damage is due to the negligence or intentional misconduct of Contractor, Contractor shall notify the City immediately in writing of such damage. If such damage is of a type not ordinarily suffered or in excess of normal wear and tear caused by vehicles operated by Contractor, Contractor shall either repair such damage, if practicable, or reimburse the City for the reasonable cost of repairing such damage, which cost shall be the cost of restoring such property to the condition immediately prior to such damage.

4.21. Company Name

Contractor shall not use a trade name containing any words that implies Contractor is operated or owned by the City.

4.22. Coordination between City and Contractor

Within sixty (60) days after receipt of written request of either party, the other party shall meet at the City's offices to resolve any operational issues with Contractor's services. Contractor shall provide the City with access to Contractor's route and Customer service data, billing information, safety records, equipment, facilities and other applicable items, and the City shall provide Contractor with access to the City's records applicable to the issue.

4.23. Disposal Restrictions and Requirements

Except as expressly provided herein, Contractor shall not knowingly or grossly negligently collect, transport or dispose of Hazardous Waste or Biomedical Waste, and shall have no responsibility for such waste. Contractor shall not be required to collect Hazardous Waste, Biomedical Waste or any other materials that are either restricted from disposal or would pose a danger to Contractor's collection crews. If materials are rejected for this reason, Contractor shall leave a written notice with the rejected materials listing why they were not collected and providing the Customer with a contact for further information about proper disposal options. The Customer shall remain responsible for all costs associated with handling and disposal of such materials inadvertently collected by Contractor.

4.24. Disposal Site for Solid Waste

The parties acknowledge that as a material consideration for this Agreement, Contractor will be permitted to deliver all Solid Waste tendered under this Agreement to a disposal site owned and/or selected by Contractor so long as such site complies with applicable state and federal environmental laws. Contractor shall provide the City with a list of all disposal sites being used by Contractor under this Agreement.

4.25. Adjustment of Service Level for Certain Customers

If Contractor in its commercially reasonable discretion determines that a Residential Customer is generating quantities or types of Solid Waste different from a typical Residential Customer, Contractor shall notify City of the same. Within thirty (30) days of Contractor's notice, City shall determine if the Residential Customer maintains a commercial enterprise from the Residence, for example by determining if a business license has been issued declaring the business address to be same as the Residence, and should be served by a commercial Solid Waste service plan. If City determines that the customer is operating as a commercial enterprise, said Residential Customer's service shall be revised to the appropriate commercial service most closely approximating the service required by the affected Customer, as determined by Contractor.

4.26. Violation of Ordinance

Contractor shall promptly give written notice to the City of any observed violations of the City's ordinances concerning the containerization, collection, transport and disposal of Solid Waste.

4.27. Public Information

The City may develop, at its expense, public outreach and education programs concerning the reduction of Solid Waste, the recycling of Recyclable Materials, any other programs concerning Solid Waste service within the City Service Area, including the mandatory Solid Waste collection requirements for all Customers in the City Service Area. Contractor shall cooperate in good faith with the City to design and distribute promotional materials to Customers throughout the City Service Area.

4.28. Compaction of Solid Waste

If the Solid Waste within any Container supplied to or used by any Commercial Customer should include a substantial amount of compacted Solid Waste, or any other Solid Waste that has been subjected to a process modifying its composition or nature resulting in the reduction of its volume because of an increase in density, Contractor may assess, and the City shall charge against such Commercial Customer, an additional charge equal to the difference in compacted and uncompactd Solid Waste service rates set forth in the Rate Schedule.

5. SOLID WASTE COLLECTION SERVICE

5.1. Residential Solid Waste Service

5.1.1. Residential Customer Solid Waste Service

Contractor shall collect, transport and dispose of Solid Waste from all Residential Customers within the City Service Area, provided that the Solid Waste is properly contained in Residential Carts supplied by Contractor and set out for collection at the Curb on or abutting Public Streets or Private Roads, together with any additional Solid Waste contained in appropriate bins, bags, cans or other receptacles that could not be placed in the Residential Carts. In addition, Contractor shall collect an unlimited

number of Solid Waste Units that are properly set out by a Residential Customer adjacent to its Residential Cart. Contractor's collection of Solid Waste placed outside of the Residential Cart shall be at no additional cost unless the materials could reasonably have been placed in the Residential Cart. Each Unit of Solid Waste not provided in this manner for collection shall be subject to a special pickup charge as provided in the Rate Schedule. Contractor shall also dispose of passenger vehicles tires, but not truck or tractor tires, from Residential Customers. If, in Contractor's commercially reasonable discretion, Contractor determines that a Residential Customer is disposing of passenger vehicle tires in excess of four (4) per year, Contractor may assess the affected Residential Customer a charge for tire disposal in accordance with the rate set forth in the Rate Schedule. Unless otherwise specified in the Rate Schedule in Exhibit C, Contractor will collect from all Residential Customers on a weekly basis.

5.1.2. Residential Carts

Contractor shall provide each Residential Customer within seven (7) business days of the Customer's request with a Residential Cart. Residential Carts shall be rodent and insect proof, and equipped with functional wheels or rollers. Contractor shall maintain all Residential Carts in good condition without any jagged edges or holes. If Contractor's employees note any damaged hinges, holes, poorly functioning wheels or other conditions requiring repair, Contractor shall repair, at its sole cost, such condition without need of request from the Customer. Contractor shall repair the Residential Cart within seven (7) business days of request or notice of a condition requiring repair, or provide a temporary Residential Cart as necessary. Contractor shall replace, at its sole cost, any Residential Cart that is damaged or missing on account of accident, act of nature or the elements, fire, or theft or vandalism by other members of the public within three (3) business days. Contractor may provide replacement Residential Carts that are new or used and reconditioned, provided such Residential Carts are clean and presentable. Contractor shall collect and dispose of damaged and unusable Residential Carts. If, in Contractor's commercially reasonable discretion, Contractor has to replace or repair a damaged Residential Cart as a result of excess wear and tear or otherwise the result of the negligence or intentional misconduct by the Residential Customer, Contractor may charge the Residential Customer a replacement fee for such Residential Cart at the rate set forth in the Rate Schedule. Residential Customers shall be responsible for the cleaning of their Residential Carts and shall ensure Residential Carts supplied by Contractor are maintained in a clean and sanitary condition.

Residential Carts placed for collection shall not exceed the upper limit for weight as set forth in Exhibit C.

5.2. Commercial Service

5.2.1. Commercial Customer Solid Waste Service

Contractor shall collect Solid Waste from all Commercial Customers within the City Service Area, provided that the Solid Waste is properly contained within Containers supplied by Contractor.

5.2.2. Commercial Containers

5.2.2.1 Container Types

Contractor shall provide to each Commercial Customer, and each Commercial Customer may select a Detachable Container, Drop-Box Container; or wheeled cart similar to the respective Residential Carts, from the sizes set forth in Exhibit C. Contractor may from time to time provide additional or remove existing Container service options, provided however, that Contractor shall provide at least thirty (30) days prior written notice to affected Commercial Customers with service plans for Containers that are being discontinued. Detachable Containers shall be watertight and equipped with tight-fitting metal or plastic covers, which covers shall be closed by Contractor after every collection service, and may be equipped with four (4) wheels for those Containers with volumes of 4-cubic yards or less. Drop-Box Containers shall be constructed of metal, and if requested by a Customer, equipped with a tight-fitting screened or solid cover operated by a winch system.

Commercial containers or carts placed for collection shall not exceed the upper limit for weight as set forth in Exhibit C.

5.2.2.2. General Terms and Conditions Applicable to Commercial Containers

Contractor shall furnish each Commercial Customer with the appropriate Container within seven (7) business days of the Customer's request. Contractor shall deliver and place the Container on the Customer's property in a location determined by the Customer, provided such location is reasonably acceptable to Contractor for the safe and efficient collection thereof. Contractor shall maintain all Containers in good condition without any leaks, jagged edges or holes. If Contractor's employees note any damage to a Container requiring repair, Contractor shall repair, at its sole cost, the damage without need of request from the Customer. Contractor shall repair the Container within seven (7) business days of request or notice of a condition requiring repair, or provide a temporary Container as necessary. Contractor shall replace, at its sole cost, any Container that is damaged or missing on account of accident, act of nature or the elements, fire, or theft or vandalism by other members of the public within three (3) business days. Contractor may provide Customers with either a new or used and reconditioned replacement Containers, provided such Containers are clean and presentable. Contractor shall collect and dispose of damaged and unusable Containers. If, in Contractor's commercially reasonable discretion, Contractor must replace or repair a damaged Container as a result of excess wear and tear or otherwise the result of the negligence or intentional misconduct by the Commercial Customer, Contractor may charge the Customer a replacement fee for such Container. Not more often than once per year, Contractor shall clean without additional cost, said cost being included in the respective service plan, each Customer's Container. In addition, Contractor shall also replace a Container within three (3) business days of request by the City if the City determines that the Container fails to comply with reasonable health and safety standards, provided however, that Contractor shall assess the Customer a cleaning fee at the rate set forth in the Rate Schedule.

5.2.2.3. Additional Fees

Contractor may, at its election, charge Commercial Customers delivery fees for Containers and any such fees will be included in the Rate Schedule in Exhibit C. Contractor shall charge a rollout fee in

ten (10) foot increments for Containers that must be rolled by Contractor more than twenty (20) feet to reach the collection vehicle at its nearest point of access. Gate and/or disconnect charges shall be assessed as set forth in the Rate Schedule when Contractor must open, unlock, or close a gate in order to service a Container. Contractor may assess additional charges for excess materials loaded so as to lift, as applicable for such Commercial Customer, the Detachable Container lid or Drop-Box Container lid more than six (6) inches from the normally closed position. Commercial Customers may request extra collections of Detachable Containers in addition to the regular service, which additional service shall be subject to an additional charge equal to the proportional amount (e.g. one pick-up per week rate divided by 4.33 weeks per month) of their regular monthly rate for that service. Extra collections of Drop-Box Containers shall be provided at the regular rate set forth in the Rate Schedule.

5.2.2.4. Customer-Owned Drop-Box Containers

Notwithstanding anything to the contrary in Section 5.2.2.1 above, Contractor may service compactor Drop-Box Containers owned by Commercial Customers at the special collection rates set forth in the Rate Schedule. Contractor shall have no obligation to maintain, repair or clean a compactor Drop-Box Container owned by a Commercial Customer, and shall have no liability to such Customers for damage caused to such compactor Drop-Box Containers except in the event of gross negligence or intentional misconduct by Contractor. If, in the commercially reasonable discretion of Contractor, a Customer-owned compactor Drop-Box Container is not safe, Contractor may elect not to provide service until such compactor Drop-Box Container is made safe for usage and transport.

5.3. Temporary Solid Waste Service Plans

Upon request of any Customer, Contractor shall provide on a temporary basis the Container requested by said Customer at the rate set forth in the Rate Schedule for such temporary service. The temporary service rate shall apply for all service requests that do not exceed ninety (90) consecutive days. If the Customer requires a Container for a longer period of time, Contractor may require the Customer to select the appropriate Commercial service plan set forth in the Rate Schedule for the requested Container. If the temporary service plan is in addition to a regular service plan in effect for the Customer, Customer shall be billed by City for both service plans. Contractor may require the Customer to make a security deposit in advance of a temporary service plan at the rate set forth in the Rate Schedule.

5.4. Recyclable Materials Collection Program

If, during the Term of this Agreement, the City elects to provide Curbside recycling of Recyclable Materials, or should such services become required by application of state law or local ordinance, the terms of this Section 5.4 shall apply, and Contractor will be the party with the exclusive right to collect Recyclable Materials from all Customers in the City Service Area. If City will not provide a Recyclable Materials collection program, Sections 5.4.1 through 5.4.5 will not apply.

As of the Effective Date of this Agreement, the Contractor is not providing Curbside recycling of Recyclable Materials collection services to Customers in the Service Area.

5.4.1. Procedure for Establishing Service and Rates

In the event a Recyclable Materials collection program is established, operated or authorized by the City, the City shall provide Contractor with written notice no later than 180 days prior to the date on which such service is to commence. Within ninety (90) days of receipt of such notice, Contractor shall provide the City with a written proposal of the service rates, planned service routes and schedules for Customers residing in Residences and, if also requested by the City, all other Customers, proposed Recycling Carts and Recycling Containers, commodities that will qualify as Recyclable Materials based on current market conditions, estimated interval to secure necessary equipment and facilities, and any other pertinent terms and conditions of such service. If Contractor's proposal is acceptable to the City, the City shall give written notice to Contractor to commence providing such service within the City Service Area on the date set forth in the City's notice (Exercise Date) that is consistent with Contractor's proposal. Upon receipt of the City's notice, the parties shall cooperate in good faith to develop and distribute materials and information to Customers within the City Service Area concerning the commencement of the Recyclable Materials Collection Program.

If Contractor's proposal is not acceptable to the City, the City shall give written notice to Contractor of its counterproposal. If Contractor accepts such terms, it shall commence service upon the date included in City's proposal, which shall not be sooner than 90 days following the date on which Contractor receives City's proposal. If City's terms are unacceptable to Contractor, the parties agree to work in good faith to negotiate the unresolved terms, with service rates to be established consistent with the principles set forth in Section 6 of this Agreement. If the parties are not able to reach agreement, the dispute will be resolved pursuant to the binding arbitration process set forth in Section 10.3.3.

5.4.2. Terms and Conditions Applicable to Program

5.4.2.1 Scope of Collection Program

Contractor shall collect, transport, process and/or market Recyclable Materials from all Customers within the City Service Area, provided that the Recyclable Materials are properly contained in respective Carts supplied by Contractor and set out for collection at the Curb on or abutting Public Streets or Private Roads. Each Unit of Recyclable Materials not provided in this manner for collection shall be subject to a special pickup charge as provided in the Rate Schedule.

5.4.2.2 Collection Frequency

Unless otherwise specified in Exhibit C, Contractor shall collect Recyclable Materials containers one time per month.

5.4.2.3 Collection Program Materials

Exhibit G provides the list of Recyclable Materials that shall be collected from participating Customers. The Parties agree that the list of materials in Exhibit G is to be periodically revised so that it includes only those commodities that will be recycled or reused, and which have positive market value as indicated by established markets for the material. Paying a person or entity to remove or process the material for recycling, disposal or incineration is not considered positive market value, nor

is paying a discounted rate for removal or processing.

5.4.2.4 Recyclable Materials Handling Facility

Contractor will be permitted to deliver all Recyclable Materials tendered under this Agreement to a handling facility at a site owned and/or selected by Contractor so long as such site complies with applicable state and federal environmental laws. If applicable, the cost of maintaining and operating such facility shall be included in the Contractor's service rates. Contractor shall provide the City with a list of all such sites being used by Contractor under this Agreement.

5.4.2.5 Right to Suspend or Re-Commence Recyclable Materials Collection Program

If, in its sole discretion, City determines that there are insufficient Customers subscribing to the Recyclable Materials Collection Program, or that there is insufficient revenue generated by the Recycling Commodity Credit set forth in Section 6.2.2.5 to sustain the costs of maintaining such a program, City may suspend the Recyclable Materials Collection Program subject to terms of this Section upon 90 days' written notice to Contractor. City agrees that in the event it suspends the Recyclable Materials Collection Program, it will not reverse its decision to exercise authority under RCW 81.77.020 and will maintain jurisdiction to provide a recyclables collection program. Contractor shall remain the party with the exclusive right to collect Recyclable Materials from Customers in the City Service Area, but shall temporarily cease collecting such materials until such program is re-commenced by City as permitted in this section.

Following a suspension of the program, Contractor shall be entitled to recover all unrecouped depreciation expenses for equipment and materials acquired by Contractor to fulfill its obligations in Section 5.4. Such unrecouped depreciation expenses shall be re-amortized over the remaining term of the Agreement as of the effective date of the City's termination and added to rates charged for Solid Waste Collection. Contractor shall provide to the City evidence supporting the amount of at least forty-five (45) days prior to date requested by Contractor for such adjustment to go into effect, which in any event shall not be earlier than the date of the adjustment to the tipping fee or disposal fee. Upon receipt of the City's confirmation that the calculations are correct, the new Solid Waste service rates for each level of service shall take effect on the date requested by Contractor. Contractor shall include a notice in the next invoice issued to the Customers describing the increase in the service rates pursuant to this section.

Following a decision by City to suspend the Recyclable Materials Collection Program pursuant to this section, should such services become required by application of state law or local ordinance, or should City subsequently elect to re-commence the Recyclable Materials Collection Program, City is to provide written notice to Contractor that City intends to re-commence the program in conformity with Section 8 of this Agreement. Within ninety (90) days of receipt of such notice, Contractor shall provide the City with a written proposal of the service rates, planned service routes and schedules for Customers residing in Residences and, if also requested by the City, all other Customers, proposed Recycling Carts and Recycling Containers, commodities that will qualify as Recyclable Materials based on current market conditions, estimated interval to secure necessary equipment and facilities, and any other pertinent terms and conditions of such service. If Contractor's proposal is acceptable to the City, the City shall give written notice (Exercise Date) to Contractor to commence providing such

service within the City Service Area on the date set forth in the City's notice that is consistent with Contractor's proposal. Upon receipt of the City's notice, the parties shall cooperate in good faith to develop and distribute materials and information to Customers within the City Service Area concerning the re-commencement of the Recyclable Materials Collection Program.

5.5. Green Waste

If, during the Term of this Agreement, the City elects to provide additional services related to Curbside collection of Green Waste from Residences, or should such services become required by application of state law or local ordinance, the terms of Exhibit H shall apply. Contractor will be the party with the exclusive right to collect Green Waste in the City Service Area.

As of the Effective Date of this Agreement, the Contractor is not providing a Green Waste collection services to Residential Customers in the Service Area.

5.6. Electronic Waste

If, during the Term of this Agreement, the City elects to provide additional services related to Curbside collection of Electronic Waste from Residences, or should such services become required by application of state law or local ordinance, the terms of Exhibit I shall apply. Contractor will be the party with the exclusive right to collect Electronic Waste in the City Service Area.

As of the Effective Date of this Agreement, the Contractor is not providing an Electronic Waste collection services to Residential Customers in the Service Area.

5.7. Service Accord

During the Term of this Agreement, the Contractor shall provide to the City without additional consideration the services described in Exhibit K as part of the Service Accord. The Contractor shall be permitted to include in its service rates for all of the Customers in the City Service Area the cost of the services provided to the City under the Service Accord.

5.8. Miscellaneous Solid Waste Services

Contractor shall also provide the following special services:

- (i) With respect to Residential Customers and those Commercial Customers residing in Residences located within Mixed-Use Buildings and Multi-Family Complexes within the City Service Area, Contractor shall provide a special Solid Waste service at the rate set forth in the Rate Schedule for Units of Solid Waste that exceed the limitations set forth in the definition of "Solid Waste Units," which service shall be provided within five (5) business days of the Customer's request.
- (ii) With respect to Residential Customers and those Commercial Customers residing in Residences located within Mixed-Use Buildings and Multi-Family Complexes within the City Service Area, Contractor shall collect and dispose of refrigeration and cooling devices common to households, such as refrigerators and air-conditioning units, at the rates set forth in the Rate Schedule, provided however, that the Residential Customer

shall either request Contractor to purge and dispose of the cooling substance as required by applicable law or provide Contractor with a certificate reasonably satisfactory to Contractor from a qualified contractor stating that the same has been completed prior to collection and disposal of such item.

- (iii) With respect to all Customers within the Service Area (except as otherwise provided in Section 5.1.1), Contractor shall collect, transport, and dispose of tires from passenger vehicles and trucks at the rate set forth in the Rate Schedule.

5.9. Customer Service

5.9.1. Customer Service Office

Contractor shall provide customer service functions relating to its services under this Agreement, including informing Customers of potential changes to service levels, receiving and resolving Customer complaints, dispatching Residential Carts and Commercial containers, special collections, and maintaining a customer service phone number during the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday, excepting New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas. Should Contractor be responsible for customer billing pursuant to Section 6.3, Contractor is to also provide customer service functions relating to billing and service rates. All customer service functions shall be provided as part of Contractor's overhead costs, which are to be included in service rates.

5.9.2. Complaints

Contractor shall give prompt and courteous attention to all Customer complaints received by Contractor. Contractor shall promptly investigate any complaint of a missed collection, and if verified, shall arrange for collection as provided in this Agreement. Contractor shall maintain a record of actions taken on all material and legitimate complaints that could not be resolved during the initial communication with the Customer, regardless of how the complaint was received, including date, time, Customer's name and address (if the Customer is willing to give this information), method of transmittal, and nature, date and manner of resolution of the complaint in a computerized daily log. Contractor shall make a conscientious effort to resolve all complaints promptly but otherwise within one (1) business day of the original call or e-mail. The computerized daily log shall be available for inspection by the City, or its designated representatives, during Contractor's office hours, and shall be in a format reasonably acceptable to the City.

5.9.3. Emergency Contact

Contractor shall provide the City with the name and contact information in the event of an emergency requiring contact with Contractor outside of normal office hours. Contractor shall cause such representative to be available at said emergency telephone number during all hours other than normal office hours.

5.10. Reports

In addition to any report required by law, Contractor shall maintain records of the number of loads of Solid Waste collected and transported within the City Service Area and the approximate total

tonnage of Solid Waste and any other material herein authorized hauled by Contractor to Contractor's disposal site. Contractor shall make such records available to the City upon request. Subsequent to April 15 of each calendar year, and following at least two (2) months prior written notice, Contractor shall provide to the City a profit/loss financial statement for the preceding calendar year together with a pro-forma financial statement for the ensuing calendar year. The City shall be permitted to review but not make copies of the financial statements. Upon the City's request, Contractor shall make available the same financial statements to an accounting firm selected by the City and reasonably acceptable to Contractor, provided, however, that the accounting firm provides Contractor with a commercially acceptable form of confidentiality agreement. The City shall bear all reasonable costs of such accounting firm.

6. COMPENSATION

6.1. Basis for Determination of Solid Waste Collection Service Rates

The parties expressly intend that the rates and charges established by this Agreement are to be designed to capture all legitimate operating and capital costs incurred by Contractor and to provide a fair rate of return on Contractor's investment in providing all services included under this Agreement as may be measured by external methodologies such as the Washington Utilities and Transportation Commission's "Lurito-Gallagher" ratemaking methodology, or other such standards that will enable Contractor to establish fair, just, reasonable and sufficient overall rates in order to allow Contractor to innovate, invest and continue to provide service types and levels responsive to the City's reasonable requirements hereunder.

6.2. Compensation to Contractor

6.2.1. Compensation for Solid Waste Collection Services

Contractor shall collect from each and every Customer within the City Service Area the appropriate charge for the Solid Waste Collection Services selected by such Customer, together with any additional charges, fees and expenses that may be incurred or requested by such Customer, at the rates set forth in the Rate Schedule in Exhibit C. Contractor shall act in good faith to coordinate with Customers to minimize the charges assessed to Customers.

6.2.2. Adjustment to Solid Waste Collection Service Rates

6.2.2.1 Annual Rate Adjustment

Contractor's service charges, excluding fuel expenses, for each level of Solid Waste Collection Service shall increase once every year as provided in Exhibit D and Exhibit E, respectively. Rates shall be adjusted annually, beginning on the first January 1 occurring after the Commencement Date (the "Adjustment Date"). Contractor shall submit to the City for review a "Rate Adjustment Statement" showing the calculations of new service rates for the following year, including a calculation of the percentage change in the "Adjustment Index" (as defined in Exhibit D) for the most recent twelve (12) month period ending the June prior to the Adjustment Date. Contractor's calculations shall be provided to the City annually no later than September 30 and the City shall have sixty (60) days to

confirm Contractor's rate modification calculations. The City's approval right under this Section shall be limited solely to determining if there are any mathematical errors in the Contractor's calculations set forth in the Rate Adjustment Statement. Upon receipt of the City's approval, which shall not be unreasonably withheld or delayed and limited to the mathematical calculations as provided above, the new rates shall take effect on such Adjustment Date.

6.2.2.2 Adjustments to Tipping Fees and Disposal Fees

A tipping disposal or acceptance fee charged for Solid Waste shall be the financial responsibility of Contractor, provided however, Contractor may incorporate such disposal, tipping or acceptance fees as part of the service rates set forth in the Rate Schedule. In the event of an adjustment in tipping fees or disposal fees paid by Contractor, Contractor shall adjust the tipping fee and disposal fee component of the Solid Waste service rates for each level of service to reflect such adjustment. Contractor shall provide the City with notice of any tipping fee or disposal fee adjustment promptly upon knowledge thereof by Contractor. Contractor shall provide to the City evidence supporting the requested change in service fees as a result of an adjustment to tipping fees and disposal fees at least forty-five (45) days prior to date requested by Contractor for such adjustment to go into effect, which in any event shall not be earlier than the date of the adjustment to the tipping fee or disposal fee. Upon receipt of the City's confirmation that the calculations are correct, the new Solid Waste service rates for each level of service shall take effect on the date requested by Contractor. Contractor shall include a notice in the next invoice issued to the Customers describing the increase in the service rates pursuant to this section.

6.2.2.3 Fuel Surcharge

Contractor may also assess to all Customers a "Fuel Surcharge" in accordance with the provisions set forth in Exhibit G. Contractor shall submit to the City a Fuel Surcharge calculation worksheet by the 15th day of the month immediately preceding the months of August, October, December, February, April and June. The Fuel Surcharge shall be deemed approved and authorized unless written objection from the City to Contractor's mathematical calculations is received by Contractor within seven (7) days of the City's receipt of the worksheet. In such case, the parties shall meet within five (5) business days and work in good faith to resolve any alleged errors in such mathematical calculations. If the City objects to the Contractor's proposed rate adjustment, then the parties shall resolve the dispute pursuant to the mediation, and if necessary, binding arbitration, process set forth in Section 10.3.3, "Dispute Resolution." A Fuel Surcharge shall commence only on the first of each of the calendar months named herein above, and shall continue in effect for a two-month period, after which time a new Fuel Surcharge, if applicable, shall go into effect pursuant to the provisions hereof. Contractor shall incorporate such Fuel Surcharge in the Customers' invoices in a timely manner.

6.2.2.4 Solid Waste Disposal Cost Adjustment

In addition the annual adjustment set forth in Section 6.2.2.1, Contractor may also adjust service rates for all levels of Solid Waste Collection Service based upon the change in the annual disposal cost of Solid Waste collected by Contractor ("WACOD Adjustment"), as more particularly set forth in Exhibit E. Commencing with the first full twelve month Adjustment Period after the Commencement Date (or, if City's Recyclable Materials Collection Program has been suspended and subsequently

recommenced pursuant to Section 5.4, commencing with the second full twelve month Adjustment Period after the Exercise Date), and for each Adjustment Period thereafter (each, a “Comparison Period”), the Contractor shall determine the change in the annual disposal cost of Solid Waste collected by Contractor during such Comparison Period as compared to prior twelve month period (“Base Period”). If the of Solid Waste collected for such Comparison Period has changed by more than five percent (5%) from the Base Period, Contractor shall prepare a WACOD Adjustment calculation worksheet (“WACOD Adjustment Statement”) that calculates the WACOD Adjustment to the service rates pursuant to the formula set forth in Exhibit E. The WACOD Adjustment of the service rates shall be adjusted concurrently with annual adjustments to service rates pursuant to Section 6.2.2.1, with the first month of January one year after the Exercise Date being the first potential date for an adjustment pursuant to this section. Concurrently with the Statement provided to the City pursuant to Section 6.2.2.1, the Contractor shall submit to the City for review and approval the WACOD Adjustment Statement calculating the adjustment to new rates for the next year, which statement shall show the calculations required in this Section. The City shall have sixty (60) days to confirm the Contractor’s WACOD Adjustment to the service rates. If the City objects to the Contractor’s proposed rate adjustment, then the parties shall resolve the dispute pursuant to the mediation, and if necessary, binding arbitration, process set forth in Section 10.3.3, “Dispute Resolution.” Upon receipt of the City’s approval of the WACOD Adjustment Statement, which shall not be unreasonably withheld or delayed, the WACOD Adjustment to the service rates shall take effect on January 1 of the subsequent year.

6.2.2.5 Recycling Commodity Credit/Debit

During all times that City maintains a Recyclable Materials Collection Program, Contractor shall maintain a Recycling Commodity Credit program (“Commodity Credit”). The amount of the Commodity Credit (or Debit) shall be calculated pursuant to Exhibit J and applied annually to adjust service rates for Recyclable Materials Collection Program. Contractor’s calculations shall be provided to the City annually no later than September 30 and the City shall have ninety (90) days to confirm Contractor’s rate modification calculations.

6.2.2.6 Tax Additive

The State Refuse Collection Tax and any other state or municipal taxes or fees imposed on the gross receipts or gross revenues of Contractor’s services to City under the Agreement, any other state or municipal utility taxes or franchise fee imposed on solid waste collection services provided by Contractor to City, and any tax on tax effect shall be added to the rates specified for each class of service which may be identified separately and as additive(s) to said rate on each billing service. In the event of a revision by the taxing entity to the rate at which taxes or fees are assessed, Contractor may accordingly adjust rates to reflect such change in the next billing cycle including any tax on tax effect.

6.2.2.7 Other Modifications

Contractor may apply to the City for rate adjustments that result from increases in the cost of operations arising during the Term of the Agreement. Contractor shall submit a written request to adjust the rates not more than ninety (90) days and not less than sixty (60) days prior to the proposed effective date of the requested change. Change proposals by the Contractor shall provide thorough

documentation and information explaining and justifying the request. Financial calculations shall be clear, accurate, and concise. The City's objections to the Contractor's proposal shall be due within thirty (30) days after receipt of Contractor's proposed rate adjustment. The City shall promptly consider such proposed rate change with consideration of historical and industry-wide profit levels and rate making methodologies utilized by the Washington State Utilities and Transportation Commission. If the City objects to the Contractor's proposed rate adjustment, then the parties shall resolve the dispute pursuant to the mediation, and if necessary, binding arbitration, process set forth in Section 10.3.3, "Dispute Resolution."

6.2.2.8 Changes in Impositions or Other Laws

If the City, county, state or federal authorities impose new taxes, fees or surcharges or change the rates of existing taxes, fees or surcharges after the Commencement Date, or there are other changes in federal, state or local laws or regulations, and the impact of these changes results in increased or decreased Contractor costs, Contractor and City shall enter into good faith negotiations to determine whether compensation adjustments are appropriate and if so, to determine the amount and the method of adjustment. If the City requires review of Contractor's financial or other proprietary information in conducting its rate review, at the request of Contractor, the City shall retain a third party to review such information at Contractor's expense, provided however, that Contractor may require such third party to execute a commercially reasonable confidentiality agreement. Any such additional financial review costs shall be considered allowable business expenses for future rates adjustment purposes.

6.3. Billing for Solid Waste Services; Delinquent Accounts

The preparation and sending of bills to all Residential and Commercial Customers will be the responsibility of Contractor.

6.3.1. Preparation and Sending of Bills

Contractor may collect from each and every Customer within the City Service Area the appropriate charge for the Solid Waste service plan selected by such Customer, together with any additional charges, fees and expenses that may be incurred or requested by such Customer. Contractor shall directly invoice and collect payment from all Customers for services provided by the Contractor for Solid Waste (and any other materials herein authorized) collection services. The Solid Waste services, other ancillary services, fees and other charges shall be charged at the applicable service rates in accordance with this Agreement. Contractor shall cause each bill to include the following information: (i) Customer name; (ii) account information; (iii) service address; (iv) service commencement and termination dates, as applicable; (v) billing period, (vi) date of the bill; (vii) Customer's service plan; (viii) date payment is due; (ix) date payment is delinquent; (x) charges for the Customer service plan; and (xi) additional charges, if any. Contractor shall provide the services required under this Agreement, regardless of whether Contractor obtains payment from the Customer.

6.3.2. Delinquent Accounts Upon Change

Contractor shall bear the risk of collection. It is the intent of the parties that all issues relating to service and rates under this Agreement should be the responsibility of the Customer, Contractor and the City, and no third party shall have standing to request, speak or represent issues of service in the City Service Area except for the direct Customer, Contractor or the City.

Contractor shall have any and all remedies provided under the City’s municipal code and, as applicable, Washington law and regulations, with respect to delinquent accounts and other defaults by Customers, including without limitation, refusing or terminating Solid Waste service. The City shall assume no responsibility for the collection of any amount due by a Customer, provided however, that the City shall cooperate in good faith with Contractor in the enforcement of Contractor’s rights and remedies to collect any delinquent accounts or cure defaults as may be provided under the City’s municipal code. Contractor shall provide the City on a monthly basis a report of all service terminations during the previous month.

The City represents and warrants that it has duly adopted, or concurrently with the approval of this Agreement, shall adopt an ordinance authorizing the imposition of a lien against a Customer’s real property for unpaid service fees pursuant to RCW 35.21.130. The City hereby authorizes and delegates to the Contractor the rights, privileges and duties to record and foreclose a lien as permitted under applicable law. The City further acknowledges that the delegation of the right to record and foreclose a lien is a ministerial action of the City, and the delegation of such privilege and duty is made on behalf of and for the convenience of the City.

7. PERFORMANCE FEES, DEFAULT AND REMEDIES

7.1. Performance Fees

In the event that Contractor fails to meet any performance obligation set forth in this Agreement, the City shall give written notice to Contractor regarding such failure, in which case Contractor shall promptly take such corrective action to remedy the issue raised in the City’s written notice. In addition, City reserves the right to impose the following fines if Contractor fails to meet certain obligations as provided in this Agreement.

ACTION OR OMISSION	AMOUNT
Collection before or after the times specified in this Agreement, except as expressly permitted by the City.	Fifty Dollars (\$50) per truck route (each truck on each route is a separate incident).
Failure to collect missed materials within one (1) business day after receipt of notice pursuant to Section 4.12 (excludes missed collections due to inclement weather or occurring within the first 72 hours following commencement of a Labor Disruption).	Fifty Dollars (\$50) per incident to a maximum of Five Hundred Dollars (\$500) per truck per day.

The performance fees schedule set forth here shall not affect the City's ability to terminate this Agreement as provided in Section 7.2, provided however, the City acknowledges that the performance fees described in this section are both the exclusive remedy and an adequate remedy for the above named acts or omissions, and the City may not terminate this Agreement for any of the acts or omissions described in this section unless Contractor has incurred performance fees in excess of \$25,000.00 each month for at least three (3) consecutive calendar months. Contractor shall pay such performance fees within thirty (30) days of demand therefore from the City. The City shall provide Contractor with reasonably acceptable documentation supporting such performance fees together with the City's demand therefore. Contractor may appeal any performance fees imposed under this section to the City Mayor or its designee, to whom Contractor shall be allowed to present evidence as to why the amount of performance fees should be lessened or eliminated.

7.2. Default and Remedies

If Contractor abandons or materially breaches its obligations hereunder or fails to fully and promptly comply with all of its provisions or fails to give reason satisfactory to the City for noncompliance, the City may then declare Contractor to be in default of this Agreement and notify Contractor of such default and shall provide Contractor with thirty (30) days to cure such default. If Contractor fails to cure such default in a timely manner, the City may thereafter give notice of termination to Contractor and its surety. Upon receipt of any such notice, this Agreement shall terminate.

8. NOTICES

Any notice required or permitted to be given under this Agreement shall be in writing and may be given by personal delivery, by certified mail, or by air courier, and if given personally or by mail, shall be deemed sufficiently given if addressed to the City or to Contractor at the following address:

The City: City of Waitsburg
 Attn: Mayor
 106 Main Street
 Waitsburg, WA 99361

To Contractor: Basin Disposal, Inc.
 2021 North Commercial Avenue
 P.O. Box 3850
 Pasco, WA 99302-3850
 Attn: Darrick Dietrich

Mailed notices shall be deemed given on the fifth (5th) business day following deposit in the United States mail, certified postage prepaid. Notices delivered personally or by air courier shall be deemed given upon receipt. Either party may by written notice to the other specify a different address for notice purposes.

9. INSURANCE AND BOND REQUIREMENTS

9.1. General Insurance Requirement

Contractor shall procure and maintain, at its sole expense, insurance against claims for injuries to persons or damage to property that may arise from or in connection with the performance of the services provided under this Agreement by Contractor, its agents, representatives, employees or subcontractors, as provided in this Section 9. Contractor's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of Contractor to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

9.2. Minimum Scope of Insurance

Contractor shall obtain insurance that meets or exceeds the following requirements:

- (i) Automobile Liability insurance covering all owned, non-owned, hired, and leased vehicles. The policy shall be endorsed to provide contractual liability coverage. The City shall be named as an additional insured under Contractor's Automobile Liability insurance policy with respect to the work performed for the City.
- (ii) Commercial General Liability insurance covering liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide the Aggregate per Project Endorsement ISO form CG 25 03 11 85, or its equivalent. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse or underground property damage. The City shall be named as an additional insured under Contractor's Commercial General Liability insurance policy with respect to the work performed for the City.
- (iii) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- (iv) Hazardous Waste Hauling. To the Automobile Liability Minimum Scope of Insurance, Pollution Liability coverage at least as broad as that provided under ISO Pollution Liability-Broadened Coverage for Covered Autos Endorsement CA 99 48 and the Motor Carrier Act Endorsement (MCS 90) shall be attached.

9.3. Minimum Amounts of Insurance

Contractor shall maintain the following insurance limits:

- (i) Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$2,000,000 per accident.
- (ii) Commercial General Liability insurance shall be written with limits no less than \$2,000,000 each occurrence, \$2,000,000 general aggregate and a \$2,000,000 products-completed operations aggregate limit.

9.4. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions in excess of \$50,000 must be declared to and approved by the City, which approval shall not be unreasonably withheld. In the event the deductibles or self-insured retentions are not acceptable to the City, the City reserves the right to negotiate with Contractor for changes in coverage deductibles or self-insured retentions; or alternatively, require Contractor to provide evidence of other security guaranteeing payment of losses and related investigations, claim administration and defense expenses.

9.5. Other Insurance Provisions

The insurance policies shall contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability:

- (i) Contractor's insurance coverage shall be the primary insurance with respect to the City, its officials, employees and agents. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be in excess of Contractor's insurance and shall not contribute with it.
- (ii) Coverage shall state that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (iii) Contractor's insurance shall be endorsed to state that coverage shall not be cancelled unless the City is given prior written notice as provided under RCW 48.18.290.

9.6. Acceptability of Insurers

Contractor shall secure insurance policies from insurers with a current A.M. Best rating of not less than A:VII.

9.7. Verification of Coverage

Contractor shall furnish the City with original certificates including, but not necessarily limited to, the additional insured endorsements, evidencing the insurance policies required pursuant to this Article 9 prior to the Commencement Date.

9.8. Subcontractors

Contractor shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor before commencement of the work. All coverages for subcontractors shall be subject to the same insurance requirements as stated herein for Contractor.

9.9. Performance Bond/Surety

Contractor shall provide and maintain at all times a valid Contractor's Performance and Payment Bond or bonds, letter of credit or other similar instrument acceptable to and approved in writing by

the City in the amount of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00). The bond, letter of credit or other similar instrument shall be issued for a period of not less than one year, and Contractor shall provide a new bond, letter of credit or similar instrument, and evidence satisfactory to the City of its renewability, not less than sixty (60) days prior to the expiration of the bond, letter of credit or other similar instrument then in effect. The City shall have the right to call the bond, letter of credit or other similar instrument in full in the event its renewal is not confirmed at least five (5) days before its expiration.

10. GENERAL TERMS

10.1. Indemnification

10.1.1. Indemnify and Hold Harmless

Contractor shall indemnify, hold harmless and defend the City, its elected officials, officers, employees, agents and representatives, from and against any and all claims, actions, suits, liabilities, losses, costs, expenses, and damages of any nature whatsoever, including costs and attorney's fees in defense thereof, or injuries, sickness or death to persons, or damage to property, which is caused by or arises out of Contractor's exercise of duties, rights and privileges granted by the Agreement, provided, however, that Contractor's obligation to indemnify, defend and hold harmless for injuries, sickness, death or damage caused by or resulting from concurrent willful or negligent acts or actions of Contractor and the City shall apply only to the extent of Contractor's negligence.

10.1.2. Notice to Contractor; Defense

In the event an action is brought against the City for which indemnity may be sought against Contractor, the City shall promptly notify Contractor in writing. Contractor shall have the right to assume the investigation and defense, including the employment of counsel and the payment of all expenses. On demand of the City, Contractor shall at its own cost and expense defend, and provide qualified attorneys reasonably acceptable to the City to defend, the City, its officers, employees, agents and servants. The City shall fully cooperate with Contractor in its defense of the City, including consenting to all reasonable affirmative defenses and counterclaims asserted on behalf of the City. The City may employ separate counsel and participate in the investigation and defense, but the City shall pay the fees and costs of that counsel unless Contractor has agreed otherwise. Contractor shall control the defense of claims (including the assertion of counterclaims) against which it is providing indemnity under this section, and if the City employs separate counsel the City shall assert all defenses and counterclaims reasonably available to it.

10.1.3. Industrial Insurance Immunity Waiver

With respect to the obligations to hold harmless, indemnify and defend provided for herein, as they solely relate to claims against the City, its elected officials, officers, employees, agents and representatives, Contractor agrees to waive Contractor's immunity under industrial insurance, Title 51 RCW, for any injury, sickness or death suffered by Contractor's employees that is caused by or arises out of Contractor's negligent exercise of rights or privileges granted by the Agreement.

10.2. Transfer of the Contract

10.2.1. Assignments, Subcontracts and Delegations

Contractor shall not assign or subcontract any of the work or delegate any of its duties under this Agreement without the prior written approval of the City and submittal of proof of insurance coverage. When requested, approval by the City of a subcontract or assignment shall not be unreasonably withheld. In the event of an assignment, subcontracting or delegation of duties, Contractor shall remain responsible for the full and faithful performance of this Agreement and the assignee, subcontractor, or other obligor shall also become responsible to the City for the satisfactory performance of the work assumed. The City may condition approval upon the delivery by the assignee, subcontractor or other obligor of its covenant to the City to fully and faithfully complete the work or responsibility undertaken. In addition, the assignee, subcontractor or obligor shall sign a separate statement agreeing to abide by all terms and conditions of this Agreement.

10.2.2. Changes in Control

If Contractor is a corporation, limited liability company or limited liability partnership, then any transfer of this Agreement by merger or consolidation, or any change in the ownership of, or power to vote, the majority or controlling interest of its outstanding voting stock, membership interest, or limited partnership interests, or in the controlling interest at any tier in the ownership structure of Contractor, or change of the manager or general partner for LLCs and LPs, respectively, shall constitute an assignment for the purpose of this section. If Contractor is a partnership, then any transfer of any partnership interest shall constitute an assignment for the purpose of this section. Any transfer of this Agreement by (i) merger or consolidation, (ii) any change in the ownership of, or power to vote, the majority or controlling interest of its outstanding voting stock, membership interest or limited partnership interest, as applicable, (iii) any entity succeeding in the business and assets of Contractor, (iv) any transfer to an entity that controls or is under common control with Contractor, or (v) any transfer to a subsidiary or affiliate shall not be considered an assignment requiring the City's consent, provided however, that in each case described above such entity has equal or greater financial net worth than Contractor on the date of transfer, such entity remains in the control of Darrick Dietrich, the transferee assumes all obligations under this Agreement and that written notification of the transfer, including a copy of the transfer documentation, is provided to the City at least fifteen (15) days prior to the transfer. For purposes of this section, the term "control" shall mean ownership of more than 50% of the outstanding voting stock, membership interest or partnership interest.

10.3. Legal

10.3.1. Laws to Govern

This Agreement shall be governed by the laws of the State of Washington both as to interpretation and performance.

10.3.2. Attorney Fees

In the event of a dispute relating to the interpretation of, or to enforce, this agreement the substantially

prevailing party shall be entitled to recover its reasonable attorneys' fees, costs, and expenses incurred in relationship with such dispute.

10.3.3. Dispute Resolution

The Contractor will contact the City Mayor or a designee regarding any dispute it has with the City regarding the services provided hereunder or any provision of this Agreement. Any claim or dispute between the parties relating to the requirements of this Agreement may be submitted in writing to a formal dispute resolution process as described below. Throughout the process, the City and the Contractor shall proceed in a timely manner and in good faith to resolve such claims or disputes based on accurate and shared information and on a confidential basis to the extent permitted by law.

The parties shall make a good faith effort to resolve any dispute or claim by negotiation between representatives with decision-making power. These representatives shall not already have had prior substantive involvement in the matters involved in the dispute or claim unless the parties otherwise agree. Any admissions made or offers submitted during such negotiations shall not be admissible as evidence in any subsequent dispute resolution or legal proceeding. If the negotiation between the parties does not result in resolution of the claim or dispute, then within ten (10) calendar days after the last meeting between the parties or final exchange of written positions, the parties will initiate a non-binding, structured mediation. The City and the Contractor shall agree on a single qualified mediator from Judicial Dispute Resolution LLC ("JDR"), or if that entity fails or declines to serve, such other similar service or organization as agreed by the parties to this Agreement. The procedures utilized for the mediation shall include the exchange of written claims and responses, with supporting information, at least ten (10) days prior to the actual mediation. The mediation process shall be complete within thirty (30) days of the commencement of the mediation process. Each party shall bear their own costs in the mediation. If the parties have still not resolved the matter, then and only then shall arbitration be permitted. "Arbitration" for purposes of this Agreement shall be limited exclusively to arbitration by one arbitrator, administered by JDR in accordance with the rules of practice and procedure adopted by JDR. The arbitrator shall be someone other than the mediator who served under subsection (b) above. The arbitrator shall be bound to follow the applicable federal and state laws and regulations in deciding all issues and in rendering any award or decision, including any applicable statute of limitations. The arbitration proceedings shall be binding, conclusive and not appealable, and any party to any award rendered in any such arbitration proceeding shall be entitled to have judgment entered thereon. The arbitrator shall determine the substantially prevailing party and such party shall be entitled to reasonable attorney fees and costs. Arbitration shall take place in _____, Washington or other location mutually acceptable to the parties.

10.4. Compliance With Laws

Contractor shall comply with all applicable federal, state, county, and local laws, statutes, rules, regulations or ordinances, including without limitation, all health and environmental regulations and standards applying to the collection, transport and disposal of Solid Waste. Contractor shall also comply with all applicable requirements of the Federal Occupational Safety and Health Act of 1970 (OSHA), the Washington Industrial Safety and Health Act of 1973 (WISHA), and the standards and regulations issued pursuant to these statutes from time-to-time.

10.5. Non-Discrimination

Contractor shall not discriminate against any employee or applicant for employment because of age, race, religion, creed, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any sensory, mental or physical handicap, unless based upon a bona fide occupational qualification. Contractor understands and acknowledges that if it violates this non-discrimination provision and fails to cure such violation to the satisfaction of the EEOC or state agency having jurisdiction, including without limitation, compliance with all terms and conditions set forth in a settlement agreement, this Agreement may be terminated by the City with thirty (30) days prior written notice.

10.6. Permits and Licenses

Contractor shall secure all necessary business permits and licenses necessary to provide the Solid Waste services described herein. Contractor shall duly pay all applicable taxes, fees and charges incurred, including, but not limited to, license fees and all federal, state, regional, county and local taxes and fees, including income taxes, property taxes, permit fees, operating fees, business and occupation taxes, workers' compensation and unemployment benefits, surcharges of any kind that apply to any and all persons, facilities, property, income, equipment, materials, supplies or activities related to Contractor's services provided under the Agreement.

10.7. Relationship of Parties

The City and Contractor expressly acknowledge that the relationship between Contractor and the City shall at all times be as an independent contractor of the City. No agent, employee, servant or representative of Contractor shall be deemed to be an employee, agent, servant or representative of the City.

10.8. Bankruptcy

If (i) Contractor makes any general arrangement or assignment for the benefit of creditors; (ii) Contractor becomes a "debtor" as defined in 11 U.S.C. § 101 or any successor statute (unless, in the case of a petition filed against Contractor, the same is dismissed within ninety (90) days); or (iii) the appointment of a trustee or receiver to take possession of substantially all of Contractor's assets, where possession is not restored to Contractor within ninety (90) days, the City may terminate this Agreement upon giving Contractor written notice thereof. In the event that any provision of this section is contrary to any applicable law, such provision shall be of no force or effect.

10.9. Right to Renegotiate or Amend

The City shall retain the right to renegotiate this Agreement or negotiate an amendment based on subsequent changes in and to federal, state, county or city laws, regulations or policies that materially modify the terms and conditions of this Agreement, provided however, that the City may not modify the Rate Schedule or the terms by which service rates are determined. This Agreement may be amended, altered or modified only by a written amendment, alteration or modification, executed by authorized representatives of the City and Contractor.

10.10. Force Majeure

10.10.1 Force Majeure Events

If any Force Majeure event occurs that is not in the direct control of Contractor and which results in a detrimental effect or a material hardship to Contractor in the performance of this Agreement, Contractor may request to make an adjustments to one or more of the Solid Waste service rates or other fees included in the Rate Schedule by providing written notice to the City together with an explanation of the need for such rate adjustments arising from such Force Majeure event. Contractor shall submit such written request not more than ninety (90) days and not less than sixty (60) days prior to the proposed effective date of the requested service rate change, and the City shall promptly consider such proposed rate change. If the City requires review of Contractor's financial or other proprietary information in conducting its rate review, at the request of Contractor, the City shall retain a third party to review such information at Contractor's expense, provided however, that Contractor may require such third party to execute a commercially reasonable confidentiality agreement. Any such additional financial review costs shall be considered allowable business expenses for future rates adjustment purposes.

10.10.2 Force Majeure Occurrences of Non-Default

Contractor shall not be deemed to be in default and shall not be liable for failure to perform under this Agreement if Contractor's performance is prevented or delayed by acts of terrorism, acts of God including landslides, lightning, forest fires, storms, floods, freezing and earthquakes, civil disturbances, wars, blockades, public riots, explosions, unavailability of required materials or disposal restrictions, governmental restraint or other causes, whether of the kind enumerated or otherwise, that are not reasonably within the control of Contractor ("Force Majeure"). If as a result of a Force Majeure event, Contractor is unable wholly or partially to meet its obligations under this Agreement, Contractor shall promptly give the City written notice of the Force Majeure event, describing it in reasonable detail. Contractor's obligations under this Agreement shall be suspended, but only with respect to the particular component of obligations affected by the Force Majeure event and only for the period during which the Force Majeure event exists.

10.11. Illegal Provisions/Severability/Savings

If any provision of this Agreement shall be declared illegal, void, or unenforceable, the other provisions shall not be affected, but shall remain in full force and effect and any such provision shall be reformed or otherwise revised by a court of competent jurisdiction in such a way as to give maximum effect to the intent of the parties.

10.12. Waiver

No waiver of any right or obligation of either party hereto shall be effective unless in writing, specifying such waiver, and executed by the party against whom such waiver is sought to be enforced. A waiver by either party of any of its rights under this Agreement on any occasion shall not be a bar to the exercise of the same right on any subsequent occasion or of any other right at any time.

10.13. Entirety

This Agreement and the exhibits attached hereto represent the entire agreement of the City and Contractor with respect to the services to be provided under this Agreement. No prior written or oral statement or proposal shall alter any term or provision of this Agreement except as provided herein.

[The remainder of this page is left intentionally blank.]

WITNESS THE EXECUTION HEREOF on the day and year first herein above written.

CITY OF WAITSBURG,
a Washington municipal corporation

BASIN DISPOSAL, INC.

By: _____
Name: _____
Its: _____

By: _____
Darrick Dietrich, President

ATTEST:

By: _____
Name: _____
Its: _____

EXHIBIT A

Definitions

Agricultural Processed Waste: “Agricultural Processed Waste” means any waste which consists exclusively of the remainder and residue of processed fruit or vegetables.

Base Tonnage: “Base Tonnage” means the original 1,500 tons of solid waste services transported and removed by the Contractor to the City without any direct cost.

Biomedical Waste: “Biomedical Waste” has the same meaning set forth in WAC 480-70-041.

Bulky Materials: “Bulky Materials” means bags, boxes, or bundles, or empty carriers, cartons, boxes, crates, etc., or materials offered for disposal, all of which may be readily handled without shoveling (not loose, uncontained materials). Individual items shall not exceed two feet by two feet by five feet (2' x 2' x 5') in dimension, and not weight more than 65 pounds.

Charge: “Charge” means a set flat fee for performing a service, or the result of multiplying a rate for a unit times the number of units transported.

City: “City” means the City of Waitsburg, Washington.

City Service Area: “City Service Area” means the current corporate limits of the City, excluding only those areas for which a different Solid Waste collection company is providing Solid Waste service pursuant to a pre-existing franchise or permit.

Commercial Customer: “Commercial Customer” means all non-Residential Customers, including but not limited businesses, institutions, governmental agencies, and all other users, including occupants of Residences, Mobile Home Parks, Multi-Family Complexes and Mixed-Use Buildings, of commercial-type Solid Waste collection services.

Compactor Disconnect/Reconnect Charge: “Compactor Disconnect/Reconnect Charge” means a flat fee established by the solid waste collection company for the service of disconnecting a compactor from a drop box or container before taking it to be dumped, and then reconnecting the compactor when the drop box or container is returned to the customer’s site.

Container: “Container” means any Detachable Container, Drop-Box Container, or wheeled cart owned and provided by Contractor.

Contractor: “Contractor” means Basin Disposal, Inc.

Curb or Curbside: “Curb” or “Curbside” means a location on a Residential Customer’s property within five (5) feet of a Public Street or Private Road without blocking sidewalks, driveways or on-street parking.

Customer: “Customer” means all entities or persons required to utilize Solid Waste services within the City Service Area, including property owners, property managers and tenants.

Detachable Container: “Detachable Container” means a watertight metal or plastic Container equipped with a tight-fitting cover, capable of being mechanically unloaded into a collection vehicle, and that is not less than one and a half (1.5) cubic yards or greater than eight (8) cubic yards in capacity.

Drop-Box Container: “Drop-Box Container” means an all-metal Container with ten (10) cubic yards or more capacity that is loaded onto a specialized collection vehicle, transported to a disposal or recycling site, emptied and transported back to the Customer’s site.

Exercise Date: “Exercise Date” means the date that the City counter-signed the Contractor’s proposal that the City requested under Section 5.4.4 (Recyclable Materials) or 5.5 (Green Waste) or 5.7 (Electronic Waste) of this Agreement.

Gate Charge: “Gate Charge” means a flat fee charged for opening, unlocking, or closing gates in order to pick up solid waste.

Garbage: “Garbage” means all putrescible Solid Waste.

Green Waste: “Green Waste” means Yard Debris as that term is defined in RCW 70A.205.015(28) and Organic Materials, as that term is defined by RCW 70A.205.15(29).

Hazardous Waste: “Hazardous Waste” means any substance that is:

- A. Defined as hazardous by 40 C.F.R. Part 261 and regulated as Hazardous Waste by the United States Environmental Protection Agency under Subtitle C of the Resource Conservation and Recovery Act (“RCRA”) of 1976, 42 U.S.C. § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments (“HSWA”) of 1984; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; or any other federal statute or regulation governing the treatment, storage, handling or disposal of waste imposing special handling or disposal requirements similar to those required by Subtitle C of RCRA.
- B. Defined as dangerous or extremely hazardous by Chapter 173-303 WAC and regulated as dangerous waste or extremely Hazardous Waste by the Washington State Department of Ecology under the State Hazardous Waste Management Act, Chapter 70A.300 RCW, or any other Washington State statute or regulation governing the treatment, storage, handling or disposal of wastes and imposing special handling requirements similar to those required by Chapter 70A.300 RCW.
- C. Hazardous Waste shall not include any materials defined as Household Hazardous Waste.

Household Hazardous Waste: “Household Hazardous Waste” has the same meaning set forth in RCW 70A.415.010, together with any applicable regulations promulgated by the Washington Department of Ecology pursuant thereto.

Labor Disruption: “Labor Disruption” means any concerted activity (including, without limitation, strikes, sympathy strikes, work stoppages, picketing, slowdowns, handbilling, boycotts, or other work interference) against the Contractor or the Contractor’s operations under this Agreement.

Loose Material: “Loose Material” means material not set out in bags or containers, including

materials that must be shoveled.

Mixed Paper: “Mixed Paper” means magazines, junk mail, phone books, bond or ledger grade paper, cardboard, paperboard packaging, paper cups and other fiber-based materials meeting industry standards, but excluding tissue paper, paper towels, food-contaminated paper or paper packaging combined with plastic, wax and foil.

Mixed-Use Building: “Mixed-Use Building” means a structure inhabited by both Residential and Commercial Customers.

Mobile Home Park: “Mobile Home Park” shall mean a parcel of land which has been planned, improved or is currently used for the placement of mobile homes and contains more than one (1) mobile home lot. If billing is performed by Contractor, Mobile Home Parks shall be billed collectively for collection service.

Multi-Family Complex: “Multi-Family Complex” means a multiple-unit Residence with three or more attached units and billed collectively for collection service.

Packer: “Packer” means a device or vehicle specially designed to pack loose materials.

Pass Through Fees: “Pass Through Fees” means a fee collected by a solid waste collection company on behalf of a third party when the fee is billed directly to the customer without markup or markdown.

Permanent Service: “Permanent Service” means Container and drop-box service provided at the customer’s request for more than 90 days.

Private Road: “Private Road” means a privately owned and maintained right of way or access easement that allows for access by a service vehicle and that serves multiple Residences.

Public Street: “Public Street” means a public right-of-way or easement maintained by the City, County or the State and used for travel by the public.

Rate: “Rate” means a price per unit or per service. A rate is multiplied times the number of units or services.

Recyclable Materials: “Recyclable Materials” means materials consisting of aluminum cans and foil; corrugated cardboard; tin cans; recyclable plastic containers that did not contain Biomedical Waste, Hazardous Waste or Household Hazardous Waste; Mixed Paper; newspaper; and/or such other materials that the City and Contractor may determine from time to time to be recyclable and are otherwise consistent with all applicable ordinances or comprehensive solid waste management plans, if any.

Residence/Residential: “Residence” or “Residential” mean a living space, with a kitchen, individually rented, leased or owned.

Residential Cart: “Residential Cart” means a 64- or 96- gallon wheeled cart suitable for deposit, storage and collection of Solid Waste.

Residential Customer: “Residential Customer” means all Customers residing in a Single-Family Residences.

Service Accord: “Service Accord” means limited services that the Contractor agrees to provide to the City as described in Exhibit “L.”

Single-Family Residence: “Single-Family Residence” means all one-unit houses, each living unit of a duplex if billed individually, and mobile homes that are billed for collection service individually and located on a Public Street or Private Road, and not part of a Mobile Home Park.

Solid Waste: “Solid Waste” shall have the same meaning set forth in RCW 70.95.030, but shall not include Biomedical Waste or Hazardous Waste. If and when the City permits separate collection service for Recyclable Materials, Green Waste or Household Hazardous Waste at City’s request or under the jurisdiction of the WUTC, Recyclable Materials, Green Waste and Household Hazardous Waste shall be deemed to be separate categories of Solid Waste where expressly provided in this Agreement.

Solid Waste Collection Services: “Solid Waste Collection Services” shall mean the services provided by Contractor under this Agreement to collect Solid Waste, Recyclable Materials and/or Green Waste.

Special Pickup: “Special Pickup” means a pick-up requested by the customer at a time other than the regularly scheduled pick-up time that requires the special dispatch of a truck. If a special dispatch is required, the company will assess time rates established in the Contractor’s Exhibit.

Solid Waste Unit: “Solid Waste Unit” means a receptacle made of durable, corrosion-resistant, nonabsorbent material that is watertight, and has a close-fitting cover and two handles, or is a bag, box, or bundle that contains Solid Waste. A Solid Waste Unit can hold no more than thirty-two gallons or four cubic feet of Solid Waste, and weigh no more than 65 pounds when filled. In addition, a Solid Waste Unit shall not exceed two feet by two feet by five feet (2’ x 2’ x 5’) in dimension.

Unlocking: “Unlocking” means a flat fee imposed by a solid waste collection company when the company's personnel must unlock padlocks or other locking devices to perform pickup services.

WUTC: “WUTC” means the Washington Utilities and Transportation Commission.

EXHIBIT B
City Service Area

EXHIBIT C

Rate Schedule

EFFECTIVE DATES

01/01/2024 through 12/31/2024

Index of Items

<u>Item 5 – Application of Rates – Taxes</u>	1
<u>Item 40 – Material Requiring Special Equipment, Precautions, or Disposal</u>	1
<u>Item 45 – Material Requiring Special Testing and/or Analysis</u>	1
<u>Item 50 – Returned Check Charges</u>	1
<u>Item 51 – Restart Fees</u>	2
<u>Item 53 – Customer Prepayments</u>	2
<u>Item 70 – Return Trips</u>	3
<u>Item 80 – Carryout Service</u>	3
<u>Item 100 – Residential Monthly Rates</u>	4
<u>Charges and Rates</u>	4
<u>Item 150 – Units, Loose, and/or Bulky Material</u>	6
<u>Item 160 – Time Rates</u>	7
<u>Applying Time Rates</u>	7
<u>Recording and Charging Rates</u>	8
<u>Additional Disposal Fees</u>	8
<u>Item 200 – Application of Container and/or Drop Box Rates – General</u>	8
<u>Availability</u>	8
<u>Alternate-Sized Containers and/or Drop Box Containers</u>	8
<u>Disposal Fees for Alternate-Sized Drop Box Containers</u>	8
<u>Rates for Partially Filled Containers and/or Drop Box Containers</u>	8
<u>Rates for Compacted Materials</u>	9
<u>Rates for Loose Material</u>	9
<u>Permanent and Temporary Service</u>	9
<u>Item 205 – Roll-Out Charges and Gate Charges – Carts and Detachable Containers</u>	9
<u>Charges for Carts and Containers</u>	9
<u>Item 207 – Excess Weight – Rejection of Load, Charges to Transport</u>	10
<u>Weight Limits</u>	10
<u>Transporting Overfilled or Overweight Cart, Container, or Drop Box</u>	10
<u>Item 210 – Washing and Sanitizing Carts, Containers, and Drop Boxes</u>	11
<u>Item 230 – Disposal Fees</u>	11
<u>Item 240 – Container Service – Non-Compacted – Company-Owned</u>	12

<u>Non-Compacted Company-Owned Commercial Cart</u>	12
<u>Permanent Service Rates for the City of Waitsburg</u>	12
<u>Temporary Service Rates</u>	12
<u>Accessorial Charges</u>	13
<u>Non-Compacted Company-Owned Commercial Container</u>	14
<u>Permanent Service Rates</u>	14
<u>Special Pickup Rates</u>	14
<u>Temporary Service Rates</u>	15
<u>Accessorial Charges</u>	15
<u>Item 255 – Container Service – Compacted – Customer-Owned</u>	16
<u>Permanent Service Rates</u>	16
<u>Accessorial Charges</u>	16
<u>Item 260 – Drop Box Service – Non-Compacted – Company-Owned</u>	17
<u>Permanent Service Rates for City of Waitsburg</u>	17
<u>Temporary Service Rates</u>	17
<u>Accessorial Charges</u>	18
<u>Item 270 – Drop Box Service – Compacted – Customer-Owned</u>	19
<u>Permanent Service Rates</u>	19
<u>Accessorial Charges</u>	19
<u>Item 300 – List of Abbreviations and Symbols Used in this Exhibit C (N)</u>	20

Item 5 – Application of Rates – Taxes

Taxing Entity	Tax Description	Amount of Tax	Application (Commodities)
City of Waitsburg ¹	Waitsburg Utility Tax	N/A	Applicable Customers – Revenue
State of Washington ²	WA Solid Waste Tax	3.60%	Applicable Customers – Revenue

Notes:

- 1) The City of Waitsburg Utility Tax of (N/A) is included in the rates defined within this Exhibit C.
- 2) The Washington State Solid Waste Tax will be applied as a line item to the rates defined within this Exhibit C.

Item 40 – Material Requiring Special Equipment, Precautions, or Disposal

Transportation of solid waste requiring special equipment or precautions in handling or disposal will be subject to Time Rates named in [Item 160 – Time Rates](#), or to other specific rates contained in this Exhibit C.

Contractor will make every effort to be aware of the commodities that require special handling at the disposal sites. The Contractor shall maintain a list of those commodities and make it available for public inspection at the Contractor's office.

Item 45 – Material Requiring Special Testing and/or Analysis

When the Contractor or disposal facility determines testing and/or analysis of solid waste is required to determine whether dangerous or prohibited substances are present, the actual cost for such testing and/or analysis will be paid by the Customer. At the Contractor's election, they may help provide the Customer with testing and/or analysis of the dangerous or prohibited substance. If the Contractor elects to help with the testing and analysis, these costs will be passed through to the Customer.

Item 50 – Returned Check Charges

If a Customer pays with a check and the Customer's bank refuses to honor that check, the Customer will be assessed a returned check charge in the amount of \$35.00.

Item 51 – Restart Fees

A restart fee will be assessed on all Customers whose service is discontinued for non-payment and who subsequently reinstate service.

Type of Container	Redelivery Component	Restart Fee Component	Total Restart Fee
Cart: A restart fee will be assessed to Cart Customers whose service is suspended with Cart removed for non-payment ¹	\$14.23	\$34.19	\$48.42
Container: A restart fee will be assessed to Container Customers whose service is suspended with the Container removed for non-payment ¹	\$20.00	\$34.19	\$54.19
Drop Box Container: A restart fee will be assessed to Drop Box Container Customers whose service is suspended with the Drop Box Container removed for non-payment ¹	\$255.55	\$34.19	\$592.15
Drop Box Compactor: A restart fee will be assessed to Drop Box Compactor Customers whose service is suspended for non-payment ²	N/A	\$34.19	\$34.19

Notes:

- 1) Restart fee includes cost of delivery.
- 2) Restart fee excludes the cost of delivery for both Drop Box Compactor Containers and small Container Compactors.

Item 53 – Customer Prepayments

A prepayment of \$35.00 may be assessed to all first time (new) Residential Customers. The prepayment will be applied to the Customer's account in the event of non-payment, after one year of service, or be returned to the Customer upon termination of the residential service. See [Item 100 – Residential Monthly Rates](#).

A prepayment equal to the first month's cost of service may be assessed to all first time (new) Commercial Customers. The prepayment will be applied to the Customer's account in the event of non-payment, after one year of service, or be returned to the Customer upon termination of the commercial service. See [Item 240 – Container Service – Non-Compacted – Company-Owned](#) and [Item 255 – Container Service – Compacted – Customer-Owned](#).

A prepayment of \$250.00 will be assessed to first time (new) Drop Box Customers. The prepayment will be applied to the Customer's account in the event of non-payment, after one year of service, or be returned to the Customer upon termination of the Drop Box service. See [Item 260 – Drop Box Service – Non-Compacted – Company-Owned](#) and [Item 270 – Drop Box Service – Compacted – Customer-Owned](#).

A prepayment will be assessed for each temporary service at the time the Customer signs up for the temporary service. The prepayment will be applied to the Customer's account upon termination of the temporary service. See [Item 240 – Container Service – Non-Compacted – Company-Owned](#) and [Item 260 – Drop Box Service – Non-Compacted – Company-Owned](#).

Item 70 – Return Trips

When the Contractor is required to make a return trip that does not require the special dispatch of a truck, to pick up material that was unavailable for collection for reasons under the control of the Customer, or if the Customer requests to have a Cart, Container, or Drop Box Container moved or relocated, the following additional charges, per pickup, will apply:

Type of Container	Rate
Residential/Commercial Cart ¹	\$14.92
Commercial Container ¹	\$14.92
Drop Box Container ¹	Item 160

Note:

- 1) Return trips requiring special dispatch of a truck are considered special pickups. See [Item 100 – Residential Monthly Rates](#), [Item 240 – Container Service – Non-Compacted – Company-Owned](#), [Item 255 – Container Service – Compacted – Customer-Owned](#), [Item 260 – Drop Box Service – Non-Compacted – Company-Owned](#), and [Item 270 – Drop Box Service – Compacted – Customer-Owned](#).

Item 80 – Carryout Service

The following additional charges will apply when Customers request that Contractor personnel provide carryout service for Carts and/or Units not placed at the curb, the alley, or other point where the Contractor's vehicle can be driven to within five feet of the Carts and/or Units using improved access roads commonly available for public use. Driveways are not considered improved access roads commonly available for public use.

<i>Charge for Carryout Service ¹</i>	<i>Rate Residential/Commercial Per Unit, Per Pick Up</i>
Carts/Units that must be carried out over 5 feet but not over 25 feet	N/A
For each additional 25 feet, or fraction of 25 feet, add	N/A

Note:

- 1) Carryout service is provided to disabled Residential Customers free of charge.

Item 100 – Residential Monthly Rates

Number of Units or Type of Residential Carts	Frequency of Service	Garbage Service Rate	Recycle Service Rate	Green Waste Service Rate
(1) 96-Gallon Residential Cart ¹	WG	\$31.47	N/A	N/A
(1) Multi Family/Duplex 96-Gallon Residential Cart ¹	WG	\$31.47	N/A	N/A
Each Additional 96-Gallon Residential Cart ¹	WG	\$3.25	N/A	N/A
<i>Frequency of Service Codes: WG=Weekly Garbage; N/A=Service is not currently available.</i>				

Note:

- 1) Contractor's collection of solid waste placed outside of the 96-Gallon Residential Cart shall be at no additional cost unless the materials could reasonably have been placed in the Residential Cart. Each unit of solid waste not provided in this manner for collection shall be subject to the solid waste unit rates set forth in [Item 150 – Units, Loose, and/or Bulky Material](#).

Charges and Rates

Type of Charge	Rate
Prepayment ¹	\$35.00
Restart Charge ²	\$34.19
Special Pickup 96-Gallon ⁴	Item 160
Return Trip Charge ⁵	\$14.92

Type of Charge	Rate
Returned Check Charge ⁶	\$35.00
Carryout Service ⁷ (per Cart, per pick up, up to 25 feet)	N/A
Replacement Cart Charge ⁸	\$90
Freon Discharge Fee (appliances containing freon) ⁹	\$74.23
Passenger Tire Charge ¹⁰	Item 150
Passenger Tire with Rim Charge ¹⁰	Item 150

Notes:

- 1) A prepayment charge of \$35.00 may be assessed to a first time (new) Residential Customer. The prepayment will be applied to the Customer's account in the event of non-payment, after one year of service, or be returned to the Customer upon termination of the residential service. See [Item 53 – Customer Prepayments](#).
- 2) A restart charge of \$34.19 will be assessed on all Residential Customers whose service is discontinued for non-payment and who subsequently reinstate services. An additional charge will be assessed for redelivery if Cart is picked up and needs to be redelivered for non-payment. See [Item 51 – Restart Fees](#).
- 3) Contractor's collection of Solid Waste placed outside of the 96-gallon Residential Cart shall be at no additional cost unless the materials could reasonably have been placed in the Residential Cart. Each Unit of Solid Waste not provided in this manner for collection shall be subject to the Solid Waste Unit rates set forth on [Item 150 – Units, Loose, and/or Bulky Material](#).
- 4) A special pickup is subject to time rates. See [Item 160 – Time Rates](#).
- 5) If the Customer requests the Contractor to make a return trip due to no fault of Contractor, Contractor shall be permitted to charge the Customer a return trip charge. See [Item 70 – Return Trips](#).
- 6) If a Customer pays with a check and the Customer's bank refuses to honor that check, the Customer will be assessed a returned check charge. See [Item 50 – Returned Check Charges](#).
- 7) Additional charges will apply when Customers request that Contractor provide carryout services. See [Item 80 – Carryout Service](#).
- 8) If a particular Customer repeatedly damages a Residential Cart or requests more than one replacement Residential Cart during the term of the Contract due solely to that Customer's negligence or intentional misuse, the Contractor may charge the Customer a replacement cart charge. If Customer does not return the Residential Cart upon termination, or service is

shut off for non-payment and they refuse to surrender the Residential Cart, a replacement cart charge will be charged.

- 9) If a Customer requests Contractor to pick up any appliance that contains freon, the Customer will be charged a freon discharge fee. See [Item 150 – Units, Loose, and/or Bulky Material](#).
- 10) A Residential Customer is entitled to have four passenger tires collected and disposed of from the Residential Customer’s private automobile only. In the event Contractor believes that a Residential Customer is attempting to dispose of quantities of passenger tires more than what a typical Residential Customer would generate, Contractor shall require Customer to pay rates provisioned in [Item 150 – Units, Loose, and/or Bulky Material](#). Residential service does not include the collection and disposal of truck, semi or tractor tires.

[Item 150 – Units, Loose, and/or Bulky Material](#)

Description	Rate			Minimum Charge Per Pickup	
	Residential	Commercial	Rate Per	Residential	Commercial
Solid Waste Unit ^{1,2}	N/A	\$4.46	unit	N/A	\$4.46
Bulky Materials ^{1,3}	N/A	\$13.16	cubic yard	N/A	\$13.16
Appliances without freon, furniture Items ⁴	N/A	\$20.51	item	N/A	\$20.51
Freon Discharge Fee ⁴	\$74.23	\$96.82	item	\$74.23	\$96.82
Passenger Tires ⁵	\$4.68	\$6.11	item	\$4.68	\$6.11
Passenger Tires with Rims ⁵	\$8.19	\$10.69	item	\$8.19	\$10.69
Truck Tires	\$5.85	\$7.63	item	\$5.85	\$7.63
Truck Tires with Rims	\$9.36	\$12.21	item	\$9.36	\$12.21
Semi Tires	N/A	N/A	item	N/A	N/A
Semi Tires with Rims	N/A	N/A	item	N/A	N/A

Notes:

Solid waste units and bulky materials charges for Residential Customers only apply when items are not properly contained for collection as defined in the relevant section of the Agreement. See Notes 2 and 3 for definition of sizes and containment of solid waste units and bulky material.

A solid waste unit is defined in the Comprehensive Solid Waste Agreement, but generally means any individual receptacle, can, plastic bag, cart, box, carton, or other container that does not hold more than 32 gallons, or 4 cubic feet of solid waste, and which does not weight more than 65 pounds when filled.

Bulky material means bags, boxes, bundles; or empty carriers, cartons, crates, or materials offered for disposal all of which may be readily handled without shoveling (not loose, uncontained materials). Individual items shall not exceed two feet by two feet by five feet (2' x 2' x 5') in dimension, and not weigh more than 65 pounds.

Residential Customers may dispose of refrigerators, freezers, or other appliances containing freon with a fee sufficient to cover the Contractor's cost of properly abating the freon components pursuant to applicable law, or such appliances without a fee if they do not contain freon and the Residential Customer submits to the Contractor proper certification of professional evacuation of such freon components.

In the event Contractor believes that a Residential Customer is attempting to dispose of quantities of passenger tires more than what a typical Residential Customer would generate, Contractor shall require Customer to pay rates provisioned in [Item 150 – Units, Loose, and/or Bulky Material](#).

Item 160 – Time Rates

Type of Equipment ordered	Rate Per Hour		
	Truck and Driver	Each Extra Person	Minimum Charge
Single rear drive axle	\$84.74	\$56.43	\$84.74
Tandem rear drive axle	\$112.86	\$56.43	\$112.86

Applying Time Rates

Time Rates named in this item apply in the following situations:

- a) Material must be taken to a special site for disposal.

- b) Contractor's equipment must wait at, or return to, a Customer's site to provide scheduled service due to no disability, fault, or negligence on the part of the Contractor. Actual waiting time or time taken in returning to the site will be charged for.
- c) Customer orders a single, special, or emergency pickup, or when other items in this Exhibit C refer to [Item 160 – Time Rates](#).

Recording and Charging Rates

Time must be recorded and charged to the nearest increment of 15 minutes. Time rates apply for the period from the time the Contractor's vehicle leaves the terminal, until it returns to the terminal, or when it leaves its pre-scheduled route and drives towards the Customer's site, excluding interruptions. An interruption is a situation causing stoppage of service that is in the control of the company and not in the control of the Customer. Examples include work breaks, breakdown of equipment, and similar occurrences.

Additional Disposal Fees

Disposal site or facility use may apply additional fees as described in [Item 230 – Disposal Fees](#) in addition to time rates.

[Item 200 – Application of Container and/or Drop Box Rates – General](#)

Availability

Contractor must maintain a supply of all sizes of Containers and Drop Box Containers for which rates are listed in this Exhibit C. If a Customer requests a Container or Drop Box Container of a size listed in the Contractor's Exhibit C, and the Contractor is unable to provide the requested size within 7 days of the Customer request, the Customer must be notified in writing or by telephone.

Alternate-Sized Containers and/or Drop Box Containers

If the Contractor cannot provide the requested size Container or Drop Box Container (and that size is listed in this Exhibit C), the Contractor must provide alternate-sized Containers or Drop Box Containers, sufficient to meet the capacity originally requested by the Customer, at the same rates as would have applied for the requested Container or Drop Box Container.

Disposal Fees for Alternate-Sized Drop Box Containers

If the Contractor provides alternate-sized Drop Box Containers, the Customer is responsible for all applicable disposal fees resulting from the use of the alternate Drop Box Containers.

Rates for Partially Filled Containers and/or Drop Box Containers

Full pickup and rental rates apply regardless of the amount of waste material in the Container or Drop Box Container at pick up time.

Rates for Compacted Materials

Rates for compacted material apply only when the material has been compacted before it is picked up by the Contractor.

Rates for Loose Material

Loose material dumped into the Contractor's packer truck is subject to the rates for non-compacted material even though the material may be compacted later in the packer truck.

Permanent and Temporary Service

The following rules apply:

- a) If a Customer requests a Container or Drop Box Container for less than 90 days, the Customer will be billed at temporary service rates.
- b) If a temporary service Customer notifies the Contractor that it has decided to retain the Container or Drop Box Container for more than 90 days, permanent service rates will be assessed from the 91st day until the end of the period the Customer retains the Container or Drop Box Container.
- c) If a Customer requests a Container or Drop Box Container for more than 90 days, the Customer will be billed under permanent rates. If that Customer cancels service before the end of the 90-day period, the Contractor may not rebill the Customer at temporary service rates. The intent of the Customer at the time service was requested applies.

Item 205 – Roll-Out Charges and Gate Charges – Carts and Detachable Containers

Charges for Carts and Containers

The Contractor will assess roll-out charges where, due to circumstances outside of the control of the Contractor, the Contractor is required to move the Cart or Container more than ten (10) feet, but less than twenty (20) feet, to reach the truck.

The Contractor will assess a gate charge where the driver is required to unlock a container or locking bar, open and/or unlock an enclosure, or open a gate to access a Cart or Container.

Charge Type	Rate	Unit
Roll-Out Cart	\$2.12	per Cart, per pickup
Roll-Out Container	\$2.71	per Container, per pickup
Gate Charge	\$4.27	per pickup

Item 207 – Excess Weight – Rejection of Load, Charges to Transport

Weight Limits

The Contractor reserves the right to reject pick up of any Container, Stationary Packer, or Drop Box Container which, upon reasonable inspection:

- 1) Appears to be overloaded.
- 2) Would cause applicable vehicle load limitations to be exceeded.
- 3) Would cause the company to violate load limitations or result in unsafe vehicle operation.
- 4) Would negatively impact or otherwise damage road surface integrity.
- 5) Contains anything that appears not to be Municipal Solid Waste (MSW) or could do damage to the vehicle.

For the purposes of this Exhibit C, the following maximum weights apply:

Type/Size of Container, Drop Box, or Cart	Maximum Weight Allowance per Receptacle (in pounds)
Carts – 64-Gallon	N/A
Carts – 96-Gallon	180 pounds
Detachable Containers – 1.5 to 8 cu yds	1,200 pounds
Drop Boxes – All Sizes	20,000 pounds

Transporting Overfilled or Overweight Cart, Container, or Drop Box

If the Cart, Container, or Drop Box Container exceeds the limits stated above, is filled beyond the marked fill line, or the top is unable to be closed, but the Contractor transports the materials, the following additional charges will apply.

Type/Size of Container, Drop Box, or Cart	Charge	Unit
Carts – All Sizes	\$7.32	per pickup
Detachable Non-Compact Containers – 1.5 to 8 cu yds	\$13.16	per yard
Detachable Compact Containers – 1.5 to 8 cu yds	N/A	per yard
Drop Box Containers – All Sizes ¹	\$25.00	per ton

Note:

- 1) If a Drop Box Container is hauled and the weight exceeds the legal limit identified in [Item 207 – Excess Weight – Rejection of Load, Charges to Transport](#), the Contractor will assess an additional charge per ton for any weight over the limit. See [Item 230 – Disposal Fees](#).

Item 210 – Washing and Sanitizing Carts, Containers, and Drop Boxes

Upon Customer request, the Contractor will provide washing and sanitizing service at the following rates:

Size or Type of Container or Drop Box	Delivery Fee Component	Steam Clean Component	Total Steam Clean Charge
Steam Cleaning – Residential Cart ²	N/A	N/A	N/A
Steam Cleaning – Detachable Container ¹	N/A	N/A	N/A
Steam Cleaning – Drop Box ¹	N/A	N/A	N/A

Note:

- 1) The rate for washing and sanitizing Detachable Containers and Drop Box Containers includes the fee for delivering the newly cleaned Detachable Container or Drop Box Container back to the Customer's location.
- 2) See [Item 100 – Residential Monthly Rates](#).

Item 230 – Disposal Fees

Charges herein apply when other items in this Exhibit C specifically refer to this [Item 230 – Disposal Fees](#).

Type of Material	Disposal Fee
Municipal Solid Waste ^{1,2}	\$75.48
Green Waste ³	N/A
Commingled Recycle ³	N/A

Notes:

- 1) The disposal fee includes the Waitsburg Utility Tax of (N/A)

- 2) Disposal fees for MSW apply to [Item 207 – Excess Weight – Rejection of Load, Charges to Transport](#), [Item 260 – Drop Box Service – Non-Compacted – Company-Owned](#), [Item 270 – Drop Box Service – Compacted – Customer-Owned](#), and possibly [Item 150 – Units, Loose, and/or Bulky Material](#), if the material can reasonably be weighed.
- 3) Disposal fees for Green Waste and Commingled Recycle materials are only applicable if specifically authorized by the Agreement. During the effective dates of this Exhibit C, disposal fees for green waste and commingled recycle are not authorized by the Agreement.

Item 240 – Container Service – Non-Compacted – Company-Owned

Non-Compacted Company-Owned Commercial Cart

Permanent Service Rates for the City of Waitsburg

Permanent Service ^{1,2,3}	64-Gallon Cart	96-Gallon Cart	300-Gallon Container
Pickup - one time per week	\$34.41	\$34.41	\$146.07
One – Additional Cart	\$26.11	\$26.11	\$129.75
Two – Additional Carts	\$51.31	\$51.31	N/A
Three – Additional Carts	\$76.68	\$76.68	N/A
Four – Additional Carts	\$102.01	\$102.01	N/A
Five – Additional Carts	\$127.35	\$127.35	N/A
Six – Additional Carts	\$149.46	\$149.46	N/A
Seven – Additional Carts	\$178.08	\$178.08	N/A
Special Pickups per Unit ⁴	\$22.87	\$22.87	\$48.15
Return Trip Charge per Unit ⁵	\$14.42	\$14.42	\$14.42
Restart Charge ⁶	\$34.19	\$34.19	\$34.19
Prepayment ³	N/A	N/A	N/A

Temporary Service Rates

Temporary Service	64-Gallon Cart	96-Gallon Cart	300-Gallon Container
Delivery	N/A	N/A	\$117.52
Per Pick Up Rate	N/A	N/A	\$48.15

Temporary Service	64-Gallon Cart	96-Gallon Cart	300-Gallon Container
Rent Per Calendar Day	N/A	N/A	\$0.98
Prepayment ⁸	N/A	N/A	\$150.00

Accessorial Charges

Accessorial charges include charges for lids, unlocking cart, unlatching cart, etc.

- a) A gate charge will be assessed on each pickup where the driver is required to unlock a container, locking bar, enclosure or open a gate to access a Cart or Container. See [Item 205 – Roll-Out Charges and Gate Charges – Carts and Detachable Containers](#).
- b) Additional charges will apply when a Customer requests that Contractor provide Carryout Service. See [Item 80 – Carryout Service](#).

Notes:

- 1) Rates are stated per Commercial Cart, per month.
- 2) Permanent service is defined as no less than scheduled, every week pickup. Customer will be charged for service requested, even if fewer Containers are serviced on a particular trip. No credit will be given for partially filled Containers.
- 3) Permanent Service: A prepayment may be assessed to all first time (new) Commercial Customers. The prepayment will be applied to the Customer's account in the event of non-payment, after one year of service, or be returned to the Customer upon termination of the commercial service.
- 4) A Special Pickup requires the special dispatch of a truck. See Item [160 – Time Rates](#).
- 5) If the Customer requests the Contractor to make a Return Trip due to no fault of Contractor, the Return Trip charge shall apply. See [Item 70 – Return Trips](#).
- 6) Restart subject to [Item 51 – Restart Fees](#).
- 7) Additional charges will apply when a Customer requests that Contractor provide carry-out services. See [Item 80 – Carryout Service](#).
- 8) A prepayment will be assessed to all Customers requesting temporary service carts and containers.
- 9) Temporary service shall apply for all service requests that do not exceed ninety (90) consecutive days in any calendar year. If the Customer requires a Cart for a longer period, the Contractor may require the Customer to select the appropriate commercial service plan.

- 10) The prepayment will be applied to the Customer's account upon termination of the temporary service as a credit against amounts owed to the Contractor.
- 11) If a Customer requests Contractor to pick up any appliance that contains freon, the Customer will be charged a freon discharge fee. See [Item 150 – Units, Loose, and/or Bulky Material](#).

Non-Compacted Company-Owned Commercial Container

Non-compacted material rates are stated per Commercial Container per month within the city of Waitsburg.

Permanent Service Rates

Permanent Service ^{1,2}	Size or Type of Container					
	1.5 Yard	2 Yard	3 Yard	4 Yard	6 Yard	8 Yard
Pickup - One Time per Week	N/A	N/A	N/A	N/A	N/A	N/A
Pickup - Two Times per Week	N/A	N/A	N/A	N/A	N/A	N/A
Pickup - Three Times per Week	N/A	N/A	N/A	N/A	N/A	N/A
Pickup – Four Times per Week	N/A	N/A	N/A	N/A	N/A	N/A
Pickup – Five Times per Week	N/A	N/A	N/A	N/A	N/A	N/A

Special Pickup Rates

Service	Size or Type of Container					
	1.5 Yard	2 Yard	3 Yard	4 Yard	6 Yard	8 Yard
Special Pickups ⁴	N/A	N/A	N/A	N/A	N/A	N/A
Return Trip Charge	N/A	N/A	N/A	N/A	N/A	N/A
Additional Pickup	N/A	N/A	N/A	N/A	N/A	N/A
Restart Charge ⁵	N/A	N/A	N/A	N/A	N/A	N/A

Temporary Service Rates

Temporary Service	Size or Type of Container					
	1.5 Yard	2 Yard	3 Yard	4 Yard	6 Yard	8 Yard
Delivery	N/A	N/A	N/A	N/A	N/A	N/A
Pickup Rate	N/A	N/A	N/A	N/A	N/A	N/A
Rent Per Calendar Day	N/A	N/A	N/A	N/A	N/A	N/A
Prepayment ³	N/A	N/A	N/A	N/A	N/A	N/A

Accessorial Charges

Accessorial charges include charges for lids, unlocking cart, unlatching cart, etc.

- a) A gate charge will be assessed on each pick-up where the driver is required to unlock a container, locking bar, enclosure or open a gate to access a Cart or Container. See [Item 205 – Roll-Out Charges and Gate Charges – Carts and Detachable Containers](#).
- b) A return trip charge will be assessed when the Contractor is required to make a return trip that does not require the special dispatch of a truck, to pick up a Cart, Container, or solid waste material or unit(s) that was unavailable for collection for reasons under the control of the Customer. See [Item 70 – Return Trips](#).
- c) If Customer requires a Locking Container, a one-time fee of (N/A) will be assessed.

Notes:

- 1) Permanent service is defined as no less than scheduled, every week pickup. Customer will be charged for service requested, even if fewer containers are serviced on a particular trip. No credit will be given for partially filled containers.
- 2) A prepayment is equal to the first month's cost of service and may be assessed to all first time (new) Commercial Customers. The prepayment will be applied to the Customer's account in the event of non-payment, after one year of service, or be returned to the Customer upon termination of the Commercial Service. See [Item 240 – Container Service – Non-Compacted – Company-Owned](#) and [Item 255 – Container Service – Compacted – Customer-Owned](#).
- 3) A prepayment will be assessed to all Commercial Customers requesting temporary service Containers. The Prepayment will be applied to the Commercial Customer's account upon termination of the temporary service as a credit against amounts owed to the Contractor.
- 4) A Special Pickup requires the special dispatch of a truck. See Item [160 – Time Rates](#).

5) Restart subject to [Item 51 – Restart Fees](#).

If a Customer requests Contractor to pick up any appliance that contains freon, the Customer will be charged a freon discharge fee. See [Item 150 – Units, Loose, and/or Bulky Material](#).

[Item 255 – Container Service – Compacted – Customer-Owned](#)

Compacted Material Rates are stated per Detachable Container, per month within the City of Waitsburg.

Permanent Service Rates

Permanent Service ¹	Size or Type of Container				
	2 Yard	3 Yard	4 Yard	6 Yard	8 Yard
Pickup – One Time per Week	N/A	N/A	N/A	N/A	N/A
Pickup – Two Times per Week	N/A	N/A	N/A	N/A	N/A
Special Pickups ²	N/A	N/A	N/A	N/A	N/A
Additional Pickup	N/A	N/A	N/A	N/A	N/A
Return Trip Charge	N/A	N/A	N/A	N/A	N/A
Restart Charge ³	N/A	N/A	N/A	N/A	N/A

Accessorial Charges

Accessorial charges include charges for lids, unlocking cart, unlatching cart, etc.

- a) A gate charge will be assessed on each pickup where the driver is required to unlock a container, locking bar, enclosure or open a gate to access a Cart or Container. See [Item 205 – Roll-Out Charges and Gate Charges – Carts and Detachable Containers](#).
- b) A return trip charge will be assessed when the company driver is required to make a return trip that does not require the special dispatch of a truck, to pick up a Cart or material that was unavailable for collection for reasons under the control of the Customer. See [Item 70 – Return Trips](#).
- c) A disconnect/reconnect fee of (N/A) per pickup will be assessed when Containers are attached to a compactor that requires disconnecting or reconnecting.

Notes:

- 1) Permanent service is defined as no less than scheduled, every week pickup. Customer will be charged for service requested, even if fewer containers are serviced on a particular trip. No credit will be given for partially filled containers.
- 2) A Special Pickup requires the special dispatch of a truck. See Item [160 – Time Rates](#).
- 3) Service restart subject restart fees. See [Item 51 – Restart Fees](#).
- 4) If a Customer requests Contractor to pick up any appliance that contains freon, the Customer will be charged a freon discharge fee. See [Item 150 – Units, Loose, and/or Bulky Material](#).

[Item 260 – Drop Box Service – Non-Compacted – Company-Owned](#)

Non-Compacted Material Rates are stated per Drop Box, per pick-up. ¹

[Permanent Service Rates for City of Waitsburg](#)

Permanent Service ²	Size or Type of Container				
	11 and 15 Yard	20 Yard	30 Yard	40 Yard	50 Yard
Delivery Charge	\$255.55	\$255.55	\$255.55	\$255.55	N/A
Haul Charge	\$374.37	\$374.37	\$374.37	\$374.37	N/A
Trip Charge	\$255.55	\$255.55	\$255.55	\$255.55	N/A
Restart fee ⁵	\$34.19	\$34.19	\$34.19	\$34.19	N/A
Prepayment ⁷	\$250.00	\$250.00	\$250.00	\$250.00	N/A
Minimum Monthly Charge ³	\$374.37	\$374.37	\$374.37	\$374.37	N/A
Mileage Charge ⁶	N/A				

[Temporary Service Rates](#)

Temporary Service ⁴	Size or Type of Container				
	11 and 15 Yard	20 Yard	30 Yard	40 Yard	50 Yard
Delivery Charge	\$255.55	\$255.55	\$255.55	\$255.55	N/A
Haul Charge	\$374.37	\$374.37	\$374.37	\$374.37	N/A
Trip Charge	\$255.55	\$255.55	\$255.55	\$255.55	N/A

Temporary Service ⁴	Size or Type of Container				
	11 and 15 Yard	20 Yard	30 Yard	40 Yard	50 Yard
Daily Rental Charge	\$12.39	\$12.39	\$12.39	\$12.39	N/A
Prepayment ⁷	\$250	\$250	\$250	\$250	N/A
Mileage Charge ⁶	N/A				

Accessorial Charges

Accessorial charges include charges for lids, unlocking cart, unlatching cart, etc.

- a) A gate charge will be assessed on each pick up where the driver is required to unlock a container, locking bar, enclosure or open a gate in order to access a Cart or Container. See [Item 205 – Roll-Out Charges and Gate Charges – Carts and Detachable Containers](#).
- b) A trip charge will be assessed when the company driver makes a trip to the Customer's location, but due to reasons under the control of the Customer, was not able to complete the haul. See [Item 70 – Return Trips](#).

Notes:

- 1) Rates in this item are subject to disposal fees named in [Item 150 – Units, Loose, and/or Bulky Material](#), [Item 207 – Excess Weight – Rejection of Load, Charges to Transport](#), and [Item 230 – Disposal Fees](#).
- 2) Permanent service means Drop Box service provided at Customer's request for more than 90 days.
- 3) For permanent service accounts, there shall be a minimum of two collections per month, or in the alternative, the customer shall pay two times the applicable haul rate set forth above.
- 4) Temporary service means providing Drop Box service at the Customer's request, for a period of 90 days or less.
- 5) Restart subject to [Item 51 – Restart Fees](#).
- 6) Rates named in this item apply for all hauls within the city limits of Waitsburg, to the disposal site. Any miles driven outside the city limits of Waitsburg will be charged at (N/A) per mile. Mileage charge is in addition to all regular charges.
- 7) A prepayment will be assessed on permanent and temporary service accounts as noted above. The prepayment will be applied to the Customer's account in the event of non-payment or be returned to the Customer upon termination of service. For permanent Drop Boxes, the prepayment will be applied to Customer account upon termination or after one year.

- 8) If a Customer requests Contractor to pick up any appliance that contains freon, the Customer will be charged a freon discharge fee. See [Item 150 – Units, Loose, and/or Bulky Material](#).

Item 270 – Drop Box Service – Compacted – Customer-Owned

Compacted material rates are stated per Drop Box, per pickup for the city of Waitsburg service area.

Permanent Service Rates

Permanent Service	Size or Type of Container			
	11 and 15 Yard	20 and 25 Yard	30 and 35 Yard	40 Yard
Delivery Charge	Item 160	Item 160	Item 160	Item 160
Haul Charge	\$374.37	\$374.37	\$374.37	\$374.37
Trip Charge	\$255.55	\$255.55	\$255.55	\$255.55
Prepayment ³	N/A	N/A	N/A	N/A
Restart Charge ²	\$34.19	\$34.19	\$34.19	\$34.19
Mileage Charge	N/A			

Accessorial Charges

Accessorial charges include charges for lids, unlocking cart, unlatching cart, etc.

- a) A gate charge will be assessed on each pick up where the driver is required to unlock a container, locking bar, enclosure or open a gate to access a Cart or Container. See [Item 205 – Roll-Out Charges and Gate Charges – Carts and Detachable Containers](#).
- b) A Compactor disconnect/reconnect charge of (N/A) per haul will be assessed when Drop Boxes with compactors require connecting or disconnecting.
- c) A trip charge will be assessed when the company driver makes a trip to the Customer's location, but due to reasons under the control of the Customer, was not able to complete the haul. See [Item 70 – Return Trips](#).
- d) A turn around charge of (N/A) per haul will be assessed when company driver must turn the Drop Box around to empty and/or re-connect the Drop Box.
- e) Rates named in this item apply for all hauls within the city limits of Waitsburg, to the disposal site. Any miles driven outside the city limits of Waitsburg will be charged (N/A) per mile. Mileage charge is in addition to all regular charges.

Notes:

- 1) Rates in this item are subject to disposal fees named in [Item 230 – Disposal Fees](#).
- 2) Restart subject to [Item 51 – Restart Fees](#).
- 3) A prepayment will be assessed on all (new) Drop Box Compactor service accounts as noted above. The prepayment will be applied to the Customer's account in the event of non-payment or be returned to the Customer after one year.
- 4) If a Customer requests Contractor to pick up any appliance that contains freon, the Customer will be charged a freon discharge fee. See [Item 150 – Units, Loose, and/or Bulky Material](#).

Item 300 – List of Abbreviations and Symbols Used in this Exhibit C (N)

(C) Denotes changes in wording

(N) Denotes new rates, services, or rules

(N/A) Denotes not available

***denotes that material previously shown has been deleted

Yd. Or yd. Are abbreviations for yard

Cu. Or cu. Are abbreviations for cubic

EXHIBIT D

Adjustments to the Rate Schedule

Contractor's service charges, excluding fuel expenses, for each level of Solid Waste Collection Service shall increase once every year in an amount not to exceed eighty percent (80%) of the annual percentage increase in the Consumer Price Index – All Urban Consumers; West Region, Size B/C, standard reference base period 1982-84 = 100, hereinafter referred to as the "Adjustment Index," as determined in this section. Adjustments to Contractor's service charges shall be made in units of one cent (\$0.01). Fractions less than one cent (\$0.01) shall not be considered when making adjustments.

EXHIBIT E

WACOD ADJUSTMENT FORMULA

The following definitions apply to the calculation of the WACOD Adjustment:

If the following is true: **Change in Volume** = $(\text{TONS}_{\text{CP}} - \text{TONS}_{\text{BP}}) / \text{TONS}_{\text{BP}} \geq 5\%$

Then, the following calculation shall be made by the Contractor:

$$\text{WACOD Adjustment} = \text{WACOD Expense} \times \text{WACOD Change}$$

The following definitions shall apply to the above formulas:

- **WACOD Expense** = the proportion of approved rates attributable to gross Solid Waste disposal expense, hereby fixed at 26.05%.
- **WACOD Change** = $(\text{WACOD}_{\text{CP}} - \text{WACOD}_{\text{BP}}) / \text{WACOD}_{\text{BP}}$
- **WACOD_{BP}** = $\text{MSW}_{\text{BP}} \times \text{TONS}_{\text{MSW-BP}} + \text{GRN}_{\text{BP}} \times \text{TONS}_{\text{GRN-BP}}$
- **WACOD_{CP}** = $\text{MSW}_{\text{CP}} \times \text{TONS}_{\text{MSW-CP}} + \text{RCY}_{\text{CP}} \times \text{TONS}_{\text{RCY-CP}} + \text{GRN}_{\text{CP}} \times \text{TONS}_{\text{GRN-CP}}$
- **TONS_{BP}** = $\text{TONS}_{\text{MSW-BP}} + \text{TONS}_{\text{GRN-BP}}$
- **TONS_{CP}** = $\text{TONS}_{\text{MSW-CP}} + \text{TONS}_{\text{GRN-CP}}$
- **MSW_{BP}** = Contractor's disposal rate for Solid Waste during the Base Period
- **TONS_{MSW-BP}** = Volume of Solid Waste collected during the Base Period
- **RCY_{BP}** = Contractor's Recycle Container number of hauls during Base Period
- **RCY_{CP}** = Contractor's Recycle Container number of hauls during Comparison Period
- **TONS_{RCY-BP}** = Contractor's volume of Recyclable Materials during the Base Period
- **TONS_{RCY-CP}** = Contractor's volume of Recyclable Materials during the Comparison Period
- **GRN_{BP}** = Contractor's processing rate for Green Waste during the Base Period
- **TONS_{GRN-BP}** = Volume of Green Waste processed during the Base Period
- **MSW_{CP}** = Contractor's disposal rate for Solid Waste during the Comparison Period
- **TONS_{MSW-CP}** = Volume of Solid Waste collected during the Comparison Period
- **GRN_{CP}** = Contractor's processing rate for Green Waste during the Comparison Period
- **TONS_{GRN-CP}** = Volume of Green Waste processed during the Comparison Period

If the City has not added separate collection services for Yard Waste during the Base Period, then the values for those respective variables representing the volume of such materials will be set to zero, and shall remain zero for the term of this Agreement, i.e.:

$$\text{TONS}_{\text{GRN-BP}} = 0$$

Until such time as the City adds separate collection service for Green Waste, the values for those respective variables representing the volume of such materials will be set to zero, i.e.:

$$\text{TONS}_{\text{GRN-CP}} = 0$$

In either case, the volume of Green Waste shall be included in the measured volume of Solid Waste until such time as the City implements such separate collections services.

EXHIBIT F

Fuel Surcharge Adjustments

City of Waitsburg

1 Base Fuel Expense

Base Fuel Expense = 6.32% *Fixed*

2 Percentage Increase in Cost of Fuel

<u>Current Fuel Price</u>	\$ 5.63	<i>Variable</i>
Minus <u>Base Fuel Price</u>	- \$ 5.63	<i>Fixed</i>
Equals Fuel Price Difference	= \$ -	<i>Variable</i>
Divided By <u>Base Fuel Price</u> (Line 6)	÷ \$ 5.63	<i>Fixed</i>
Equals Fuel Percent Change	=	<u>0.00%</u> <i>Variable</i>

Fuel Surcharge

3 Calculation

<u>Base Fuel Expense</u> (Line 1)	<u>6.32%</u>	
Multiplied By Percent Change in Fuel Price	x	<u>-</u>
<u>Fuel Surcharge</u>		<u><u>0.00%</u></u>

The Fuel Surcharge shall be implemented and charged by Contractor in the instance that the resulting calculation equals 0.5% or more as described below. The following definitions apply to the use and application of the Fuel Surcharge:

- Base Fuel Expense: the proportion of approved rates attributable to gross fuel expense, hereby fixed at 6.32%
- Base Fuel Price: the average cost of diesel fuel used at the time rates were initially established under this Agreement, hereby fixed at \$5.63.
- Current Fuel Price: the per gallon price for retail sales of “West Coast Number 2 Diesel Ultra-Low Sulfur” (0-15 PPM) for the most recent full month reported in the “Monthly Diesel Prices – Ultra-Low” index published by the Energy Information Administration of the US Government or the DGE index.
- Fuel Surcharge: the product of multiplying the base fuel expense by the percentage change between the base fuel price and current fuel price [e.g. 6.32% * ((current price/\$5.63)-1)].

The Fuel Surcharge shall be calculated by subtracting the Base Fuel Price from the Current Fuel Price and converting the difference to a percentage of the Base Fuel Price; that percentage shall then be multiplied by the Base Fuel Expense and the resulting product shall constitute the Fuel Surcharge.

EXHIBIT G

**Curbside Recycling Provisions
Materials List**

[omitted]

EXHIBIT H

Green Waste Recycling Provisions

In the event City requests that Contractor collect, transport, and process Green Waste from all Customers residing within the City Service Area. Within ninety (90) days of receipt of such notice, Contractor shall provide the City with a written proposal of the service rates, planned service routes and schedules for Customers residing in Residences and, if also requested by the City, all other Customers, proposed Green Waste Carts and Containers, materials that will qualify as Green Waste, estimated interval to secure necessary equipment and facilities, and any other pertinent terms and conditions of such service. If Contractor's proposal is acceptable to the City, the City shall give written notice (Exercise Date) to Contractor to commence providing such service within the City Service Area on the date set forth in the City's notice that is consistent with Contractor's proposal. Upon receipt of the City's notice, the parties shall cooperate in good faith to develop and distribute materials and information to Customers within the City Service Area concerning the addition of the recycling and/or green service.

If Contractor's proposal is not acceptable to the City, the City shall give written notice to Contractor of its counterproposal as to the proposed, Green Waste Carts and Containers, materials that will qualify as Green Waste, rates, and any other pertinent terms. If Contractor accepts such terms, it shall commence service upon the date included in City's proposal, which shall not be sooner than 90 days following the date on which Contractor receives City's proposal. If City's terms are unacceptable to Contractor, the parties agree to work in good faith to negotiate the rates applicable to the Green Waste program consistent with the principles set forth in Section 6 of this Agreement. If the City objects to the Contractor's proposed rate adjustment, then the parties shall resolve the dispute pursuant to the mediation, and if necessary, binding arbitration, process set forth in Section 10.3.3, "Dispute Resolution."

EXHIBIT I

Electronic Waste Collection Provisions (E-Waste)

In the event City requests that Contractor collect, transport, and process Electronic Waste from all Customers located within the City Service Area. Within ninety (90) days of receipt of such notice, Contractor shall provide the City with a written proposal of the service rates, planned service routes and schedules for Customers residing in Residences and, if also requested by the City, all other Customers, proposed Electronic Waste Carts and Containers, materials that will qualify as Electronic Waste, estimated interval to secure necessary equipment and facilities, and any other pertinent terms and conditions of such service. If Contractor's proposal is acceptable to the City, the City shall give written notice (Exercise Date) to Contractor to commence providing such service within the City Service Area on the date set forth in the City's notice that is consistent with Contractor's proposal. Upon receipt of the City's notice, the parties shall cooperate in good faith to develop and distribute materials and information to Customers within the City Service Area concerning the addition of the recycling and/or green service.

If Contractor's proposal is not acceptable to the City, the City shall give written notice to Contractor of its counterproposal as to the proposed, Green Waste Carts and Containers, materials that will qualify as Electronic Waste, rates, and any other pertinent terms. If Contractor accepts such terms, it shall commence service upon the date included in City's proposal, which shall not be sooner than 90 days following the date on which Contractor receives City's proposal. If City's terms are unacceptable to Contractor, the parties agree to work in good faith to negotiate the rates applicable to the Electronic Waste program consistent with the principles set forth in Section 6 of this Agreement. If the City objects to the Contractor's proposed rate adjustment, then the parties shall resolve the dispute pursuant to the mediation, and if necessary, binding arbitration, process set forth in Section 10.3.3, "Dispute Resolution.

EXHIBIT J

Residential Recycling Commodity Credit/Debit Calculation

Intentionally Deleted

EXHIBIT K
Service Accord

City Service Address	Type of Container	Frequency of pick-up
106 Main Street - City Hall	1- 96 Gal	weekly
212 Main Street – Town Hall	1- 96 Gal	weekly
128 Coppei – City Shop	4- 300 gal containers	weekly
16531 W. HWY 124 – Water Treatment Plant	300 gal	weekly