

FIRST AMENDMENT TO COMPREHENSIVE GARBAGE, RECYCLABLES AND ORGANICS COLLECTION CONTRACT

This FIRST AMENDMENT TO THE COMPREHENSIVE GARBAGE, RECYCLABLES AND ORGANICS COLLECTION CONTRACT is entered into as of July __, 2023, by and between the City of Redmond, a municipal corporation of the State of Washington ("City") and Waste Management of Washington, Inc. ("Contractor"). City and Contractor shall each be referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, the Parties entered into that certain Comprehensive Garbage, Recyclables and Organics Collection Contract as of October 7, 2015 ("Contract");

WHEREAS, Section 3.3.2 of the Contract provides for periodic Customer rate adjustments to reflect increases or decreases in King County disposal fees for solid waste;

WHEREAS, as of January 1, 2024, King County ("County") will be restructuring its disposal rates to determine a fixed annual charge ("FAC") for commercial hauler disposal of all Garbage at the King County disposal facilities, which will be allocated on a proportionate basis to each jurisdiction within the King County Disposal System based on the total aggregate tons of Garbage sent by the respective jurisdictions;

WHEREAS, Garbage from the City is sent to the King County Disposal System and will therefore receive an allocation of the FAC annually;

WHEREAS, the Contractor shall be responsible for billing the FAC as a disposal charge to Customers and remitting the FAC to the County;

WHEREAS, the Parties desire to amend the Contract to describe the Composite Commercial Rate ("CCR") methodology the Contractor will use to annually allocate and invoice the FAC and the County commercial hauler tipping fee ("County Tipping Fee") to Customers;

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

AGREEMENT

1. Capitalized Terms. Capitalized terms used herein but not defined shall have the meanings set forth in the Contract.
2. Section 3.1.3, Drop-Box Containers. Section 3.1.3 of the Collection Contract shall be deleted and replaced in its entirety with the following:

"3.1.3 Drop-Box Disposal Surcharge

The Contractor shall invoice Drop-Box Garbage Customers the Annual CCR (as described in Section 3.3.2) based on the applicable Drop-Box Container weight increased by twelve percent (12.0%)."

3. Section 3.3.1, Rate Adjustment Statement. The last paragraph of Section 3.3.1 shall be deleted and replaced in its entirety with the following:

"On or before October 1st of each year, the Contractor shall submit to the City for review and approval a Rate Adjustment Statement, calculating the new rates and the Annual

CCR for the next year. Notwithstanding the foregoing, in the event that the County notifies the City and the Contractor of the County Tipping Fee, FAC, and estimated commercial Garbage tonnage for the next calendar year pursuant to Section 3.3.2(a) after September 1st, the Contractor shall submit to the City for review and approval a Rate Adjustment Statement no later than thirty (30) days after receipt of such notice from the County. The City shall have thirty (30) days to approve or disapprove the calculations. If the City disapproves the Contractor's calculations, the Parties shall meet immediately thereafter to resolve any disagreement as to the correct calculation of the rate adjustment under subsection (b) above or the Annual CCR. Upon approval of the calculations, the Contractor shall provide 45 days notice of the new rates to its Customers, and the new rates shall be effective (i) on January 1st, or (ii) on the first day of the calendar month following the end of the 45-day notice period, whichever is later. Any delays in City approval or disapproval shall not be cause for a delay in implementation of the new rates and the Annual CCR."

4. Section 3.3.2, Periodic Adjustments. Section 3.3.2 shall be deleted and replaced in its entirety with the following:

"3.3.2 Periodic Adjustments

As of January 1, 2024, the Contractor shall annually adjust the disposal fee component of rates to reflect increases or decreases in the County Tipping Fee and King County Fixed Annual Charge ("FAC"). The Contractor shall utilize the Annual Composite Commercial Rate ("Annual CCR") methodology to annually adjust the disposal fee component of Customer rates to incorporate the FAC as follows:

- a. On or before September 1st of each year, the County shall notify the City and Contractor of the County Tipping Fee, FAC, and estimated commercial Garbage tonnage for the next calendar year. The FAC shall be divided by the County's estimated commercial Garbage tonnage which shall be expressed as a per-ton charge (the "Per-Ton FAC").
- b. The Per-Ton FAC shall be added to the County Tipping Fee that will be applicable during the next year, the sum of which shall be the Annual CCR for each ton of City Garbage during the next year.
- c. Adjustments to the disposal fee component of rates charged to Customers shall be based on percentage increase or decrease in the Annual CCR from the previous year, and further adjusted by the excise tax on the change in the disposal fee component.

Specific examples of rate modifications due to Consumer Price Index and Annual CCR are provided in Attachment C.

Adjustments to the disposal fee component shall be made in units of one cent (\$0.01). Fractions less than one cent (\$0.01) shall not be considered when making adjustments."

5. Attachment B: Contractor Rates. The column of the rate tables titled "2016 Disposal Per Month" shall be deleted in its entirety. Disposal rates shall be calculated as Annual CCR pursuant to Section 2 hereof.

6. Attachment C: Rate Modification Examples. Attachment C to the Contract is hereby deleted and replaced in its entirety with Exhibit A hereto.
7. Full Force and Effect. Except as otherwise provided herein, all other terms and provision of the Contract shall remain in full force and effect.

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

**WASTE MANAGEMENT OF
WASHINGTON, INC.**

CITY OF REDMOND

By: _____
Name: Jason S. Rose
Its: President

By: _____
Name: _____
Its: _____

Attested By: _____
Name: _____
Its: _____

Approved as to Form
By: _____
Name: _____
Its: _____

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EXHIBIT A

ATTACHMENT C: RATE MODIFICATION EXAMPLES

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