INTERLOCAL AGREEMENT BETWEEN SPOKANE COUNTY AND THE CITY OF MILLWOOD FOR SOLID WASTE TRANSFER AND DISPOSAL AND OTHER MATTERS RELATED THERETO

THIS AGREEMENT, made and entered into by and between Spokane County, a political subdivision of the State of Washington, having offices for the transaction of business at 1116 West Broadway Avenue, Spokane, Washington 99260, hereinafter referred to as "**COUNTY**" and the City of Millwood, a municipal corporation of the State of Washington, having offices for the transaction of business at 9103 E. Frederick Avenue, Millwood, Washington 99206, hereinafter referred to as "**CITY**," jointly hereinafter referred to as the "**PARTIES**."

RECITALS:

WHEREAS, the Spokane Regional Solid Waste System ("System") was created in 1988 by interlocal agreement between the City of Spokane and Spokane County entitled "AMENDED AND RESTATED INTERLOCAL AGREEMENT BETWEEN THE CITY OF SPOKANE AND SPOKANE COUNTY, WASHINGTON SPOKANE REGIONAL SOLID WASTE MANAGEMENT SYSTEM". There are 14 member jurisdictions which represent all of incorporated and unincorporated Spokane County. Nearly all interlocal agreements and contacts related to the System expire November 16, 2014; and

WHEREAS, the current System is administered as a department of the City of Spokane. The System's facilities consist of four primary facilities: a waste-to-energy ("WTE") facility, a transfer station in Spokane Valley ("Valley Transfer Station"), a transfer station in unincorporated north Spokane County ("North County Transfer Station")(jointly referred to as the "Transfer Stations") and the North side Landfill. All System facilities are currently operated and owned by the City of Spokane; and

WHEREAS, the COUNTY has entered into an interlocal agreement with the City of Spokane entitled "INTERLOCAL AGREEMENT BETWEEN THE CITY OF SPOKANE AND SPOKANE COUNTY REGARDING TRANSFER AND DISPOSAL OF SOLID WASTE" ("City/County Interlocal Agreement"). The purpose of the City/County Interlocal Agreement is, among other matters, to (i) formally terminate the System 1988 interlocal agreement as of November 16, 2014, (ii) provide for the transfer of ownership on November 17, 2014 of the Valley Transfer Station and North County Transfer Station to the COUNTY, and (iii) establish the terms and conditions for the delivery and disposal of all solid waste collected by the COUNTY at the Transfer Stations to the City of Spokane's WTE facility for disposal for a term of seven (7) years ("County Regional Solid Waste System"). Provided, the COUNTY reserved the right to terminate the City/County Interlocal Agreement after an initial three (3) year time frame upon one years written notice to the City of Spokane in which instance, the solid waste collected at the Transfer Stations would be truck hauled to regional landfills for disposal, truck hauled to intermodal facilities combined with rail haul to regional landfills or some other disposal option; and

WHEREAS, pursuant to the provisions of RCW 70.95.080(1), each county within the state, in cooperation with the various cities located within such county, shall prepare a coordinated, comprehensive solid waste management plan. The purpose is to plan for solid waste and materials reduction, collection, and handling and management services and programs throughout the state, as designed to meet the unique needs of each county and city in the state; and

WHEREAS, pursuant to the provisions of RCW 70.95.080 (3), each city shall:

(a) Prepare and deliver to the county auditor of the county in which it is located its plan for its own solid waste management for integration into the comprehensive county plan; or
(b) Enter into an agreement with the county pursuant to which the city shall participate in preparing a joint city-county plan for solid waste management; or
(c) Authorize the county to prepare a plan for the city's solid waste management for inclusion in the comprehensive county.

; and

WHEREAS, pursuant to the provisions of RCW 70.95.080(1), the COUNTY is in the process of preparing a Spokane County Comprehensive Solid Waste Management Plan to replace the 2009 Comprehensive Solid Waste Management Plan; and

WHEREAS, the CITY desires to designate RCW 70.95.080(3)(c) as its choice in conjunction with the COUNTY preparing a Spokane County Comprehensive Solid Waste Management Plan as well as any subsequent amendments, revisions or updates thereto to replace the 2009 Comprehensive Solid Waste Management Plan; and

WHEREAS, the CITY, in consideration of the COUNTY handling disposal of the CITY's solid waste at the County Regional Solid Waste System as of November 17, 2014, agrees to exercise its police powers to designate the County Regional Solid Waste System as the sole site for disposal of solid waste under its control; and

WHEREAS, pursuant to the provisions of chapter 39.34 RCW, two or more public entities may jointly cooperate between each other to perform functions which may individually perform.

NOW, THEREFORE, for and in consideration of the mutual promises set forth hereinafter, the above recitals which are incorporated herein by reference, and as authorized by RCW 70.95.080 and chapter 39.34 RCW, the PARTIES do mutually agree as follows:

SECTION NO. 1: PURPOSE

The purpose of this Agreement is to:

(1) Reduce to writing the PARTIES' understandings as to the terms and conditions under which the COUNTY will prepare a Spokane County Comprehensive Solid Waste Management Plan ("SCCSWMP") as provided for in RCW 70.95.080(1) as well as any subsequent

amendments, revisions or updates thereto to replace the 2009 Comprehensive Solid Waste Management Plan and in conjunction therewith the CITY will select RCW 70.95.050 (3)(c) as its option with respect to its solid waste management planning.

RCW 70.95.050(3)(c) provides as follows:

> (c) Authorize the county to prepare a plan for the city's solid waste management for inclusion in the comprehensive county.

; and

(2) Establish participation by the CITY in the County Regional Solid Waste System as one of the Regional Cities.

SECTION NO. 2: DURATION / TERMINATION

This Agreement shall commence as of 12:01 A.M. November 17, 2014 and run until 11:59 P.M. on December 31, 2021. PROVIDED, however, the CITY may terminate this AGREEMENT upon twelve (12) months written notice as provided for in A.2. Under no circumstances shall this Agreement be terminated prior December 31, 2017.

Upon termination of this Agreement for any reason whatsoever, the CITY shall not be entitled to any part of the of the County Regional Solid Waste System enterprise fund provided for in C. 2 nor shall it be responsible for any unpaid amount owing and due on the acquisition of the Transfer Stations provided for in the City/County Interlocal Agreement.

This Agreement may be extended in five (5) year increments for a period of twenty (20) years, or terms otherwise agreed upon, by mutual written agreement of the PARTIES. Provided, further the CITY acknowledges that in the event of termination, it will be obligated to prepare its own solid waste management plan pursuant to RCW70.95.080 (3)(a).

SECTION NO. 3 AGREEMENT DOCUMENTS

The rights and obligation of the PARTIES to this Agreement are governed by this Agreement and the attachments incorporated herein by reference (the "Agreement Documents"). The Agreement Documents include:

(1) This Agreement,

(2) Attachment "A"-General Terms and Conditions,

(3) Attachment "B" -Special Terms and Conditions with respect to the City's selection of Option under RCW 70.95.080(3) in conjunction with Comprehensive Solid Waste Management Plan update-", and

(4) Attachment "C"-Special Terms and Conditions with respect to PARTIES' obligations with regard to the County Regional Solid Waste System.

In the event of an inconsistency among the above listed Agreement Documents, the more specific shall control.

IN WITNESS WHEREOF, the PARTIES have caused this Agreement to be executed on date and year opposite their respective signatures.

DATED: _____

BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON

_____
AL FRENCH, Chair

ATTEST
Clerk of the Board

_____
TODD MIELKE, Vice-Chairman

_____
Daniela Erickson

_____
SHELLY O'QUINN, Commissioner

DATED: 10/15/2014

CITY OF MILLWOOD

By: _____

Attest:

Title: Mayor

_____
City Clerk

ATTACHMENT "A"

GENERAL TERMS AND CONDITIONS

A. 1: DEFINITIONS

As used in this Agreement, the following words shall have the following meanings, unless the context dictates otherwise:

a. CITY shall mean the City executing this Agreement.

b. City/County Interlocal Agreement shall mean that agreement executed between the City of Spokane and Spokane County entitled "INTERLOCAL AGREEMENT BETWEEN THE CITY OF SPOKANE AND SPOKANE COUNTY REGARDING TRANSFER AND DISPOSAL OF SOLID WASTE".

c. Comprehensive Solid Waste Management Plan or SCCSWMP shall have the same meaning as set forth in chapter 70.95 RCW, applicable WAC regulations and Guidelines for Development of Local Comprehensive Solid Waste Management Plan and Plan Revisions (February 2012-Publication No. 10-07-005) as they presently exist or as they may be hereinafter amended.

d. COUNTY shall mean Spokane County or any vendor contracted with by the COUNTY for services related to the management of solid waste.

e. Flow Control Ordinance shall mean Ordinance No. 85-0398 of the COUNTY, adopted on May 14, 1985, as amended under Resolution No. 88-1268 of the County adopted on December 20, 1988 and Resolution No. 92-1500 of the COUNTY adopted on October 20, 1992 and as maybe further amended from time to time.

f. Regional Cities or Signatory Regional City shall mean all incorporated cities and towns in Spokane County executing this Agreement to participate in the County Regional Solid Waste System.

g. County Regional Solid Waste System includes (1) transfer and disposal of all solid waste collected at the Transfer Stations for all of unincorporated Spokane County as well as transfer and disposal of all solid waste collected at the Transfer Stations for incorporated municipalities in Spokane County who have executed an interlocal agreement with Spokane County to participate in the County Regional Solid Waste System, (2) ancillary services related to solid waste management as required under chapter 70.95 RCW as well as litter control, and (3) all facilities associated with the performance of the activities addressed in (1) and (2) above.

h. Solid Waste shall mean all putrescible and nonputrescible solid and semisolid wastes including, but not limited to, garbage, rubbish, ashes, industrial wastes, swill, sewage sludge, demolition and construction wastes, abandoned vehicles or parts thereof, contaminated soils and contaminated dredged material, and recyclable materials.

i. Transfer Stations shall mean the solid waste facility known as the North County Transfer Station, located at 22123 North Elk-Chattaroy Road, Colbert, WA 99005, Spokane County Assessor Parcel No. 37036.9060, and the solid waste facility known as the Valley Transfer Station, located at 3941 North Sullivan, Spokane Valley, WA 99206, Spokane County Assessor Parcel No. 45024.9027 including all structures and site improvements.

j. Waste To Energy Facility or Facility or WTE shall mean that solid waste facility located at 2900 South Geiger Boulevard, Spokane, WA 99224, including the solid waste incinerator and the portion of the facility that serves the general public for disposal of household hazardous waste, recyclables, solid waste, yard debris, and other waste products.

k. Gate Fee shall mean the amounts charged per ton of solid waste by the City of Spokane or the COUNTY for disposal of solid waste by customers at the Waste To Energy Facility and at the Transfer Stations. Customers include private self-haulers and commercial haulers who bring solid waste to the facilities. The gate fee charged by either the City of Spokane or the COUNTY shall be inclusive of all costs, including applicable taxes.

All other capitalized terms used herein, which are not defined, shall have the same meaning given in the City/County Interlocal Agreement.

A. 2: NOTICE

All notices or other communications given hereunder shall be deemed given on: (i) the day such notices or other communications are received when sent by personal delivery; or (ii) the third day following the day on which the same have been mailed by first class delivery, postage prepaid addressed to the COUNTY or the CITY at the address set forth hereinabove such party, or at such other address as either party shall from time-to-time designate by notice in writing to the other party.

A. 3: COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same.

A. 4: ASSIGNMENT

No party may assign in whole or part its interest in this Agreement without the written approval of the other party. Provided, however, this does not prohibit the COUNTY from contracting for all or a portion of the preparation of the SCSWMP or maintenance and operation of the County Regional Solid Waste System.

A. 5: LIABILITY

The COUNTY shall indemnify, defend and hold harmless the CITY, its officers and employees from all claims, demands, or suits in law or equity arising from the COUNTY's intentional or negligent acts or breach of its obligations under the Agreement. The COUNTY's duty to indemnify shall not apply to loss or liability caused by the intentional or negligent acts of the CITY, its officers and employees.

The CITY shall indemnify, defend and hold harmless the COUNTY, its officers and employees from all claims, demands, or suits in law or equity arising from the CITY's intentional or negligent acts or breach of its obligations under the Agreement. The CITY's duty to indemnify shall not apply to loss or liability caused by the intentional or negligent acts of the COUNTY, its officers and employees.

If the comparative negligence of the PARTIES and their officers and employees is a cause of such damage or injury, the liability, loss, cost, or expense shall be shared between the PARTIES in proportion to their relative degree of negligence and the right of indemnity shall apply to such proportion. Where an officer or employee of a party is acting under the direction and control of the other party, the party directing and controlling the officer or employee in the activity and/or omission giving rise to liability shall accept all liability for the other party's officer or employee's negligence.

Each party's duty to indemnify shall survive the termination or expiration of the Agreement.

Each party waives, with respect to the other party only, its immunity under RCW Title 51, Industrial Insurance and only as necessary to make this indemnity provision enforceable with respect to claims relating to the death or injury

of CITY and/or COUNTY employees acting within the scope of this Agreement. The PARTIES have specifically negotiated this provision.

COUNTY initials CITY initials

A. 6: RELATIONSHIP OF THE PARTIES

The PARTIES intend that an independent contractor relationship will be created by this Agreement. The COUNTY shall be an independent contractor and not the agent or employee of the CITY. The CITY is interested only in the results to be achieved and the right to control the particular manner, method and means in which COUNTY obligations are performed is solely within the discretion of the COUNTY. Any and all employees of the County who provide obligations to the CITY under this Agreement shall be deemed employees solely of the COUNTY. The COUNTY shall be solely responsible for the conduct and actions of all employees under this Agreement and any liability that may attach thereto. Likewise, no agent, employee, servant or representative of the CITY shall be deemed to be an employee, agent, servant or representative of the COUNTY for any purpose.

A. 7: MODIFICATION

This Agreement may be modified in writing by mutual written agreement of the PARTIES.

A. 8: PROPERTY AND EQUIPMENT

The ownership of all property and equipment utilized in conjunction with either party meeting its responsibilities under this Agreement shall remain with the party acquiring the property or equipment regardless of the source of funds unless mutually agreed by the PARTIES to the contrary. Upon termination, the COUNTY shall own the County Regional Solid Waste System and all of its assets.

A. 9: ALL WRITINGS CONTAINED HEREIN/BINDING EFFECT

This Agreement contains terms and conditions agreed upon by the PARTIES. The PARTIES agree that there are no other understandings, oral or otherwise, regarding the subject matter of this Agreement. No changes or additions to this Agreement shall be valid or binding upon the PARTIES unless such change or addition is in writing, executed by the PARTIES.

This Agreement shall be binding upon the PARTIES hereto, their successors and assigns.

A. 10: DISPUTE RESOLUTION

Any dispute between the PARTIES which cannot be resolved between the PARTIES shall be subject to arbitration. Except as provided for to the contrary herein, such dispute shall first be reduced to writing. If the COUNTY CEO and the CITY cannot resolve the dispute it will be submitted to arbitration. The provisions of chapter 7.04A RCW shall be applicable to any arbitration proceeding.

The COUNTY and the CITY shall have the right to designate one person each to act as an arbitrator. The two selected arbitrators shall then jointly select a third arbitrator. The decision of the arbitration panel shall be binding on the PARTIES and shall be subject to judicial review as provided for in chapter 7.04A RCW. The costs of the arbitration panel shall be equally split between the PARTIES.

A. 11: VENUE STIPULATION

This Agreement has been and shall be construed as having been made and delivered within the State of Washington and it is mutually understood and agreed by each party that this Agreement shall be governed by the laws of the

State of Washington both as to interpretation and performance. Any action at law, suit in equity or judicial proceeding for the enforcement of this Agreement, or any provision hereto, shall be instituted only in courts of competent jurisdiction within Spokane County, Washington.

A. 12: SEVERABILITY

The PARTIES agree that if any parts, terms or provisions of this Agreement are held by the courts to be illegal, the validity of the remaining portions or provisions shall not be affected and the rights and obligations of the PARTIES shall not be affected in regard to the remainder of the Agreement. If it should appear that any part, term or provision of this Agreement is in conflict with any statutory provision of the State of Washington, then the part, term or provision thereof that may be in conflict shall be deemed inoperative and null and void insofar as it may be in conflict therewith and this Agreement shall be deemed to modify to conform to such statutory provision.

A. 13: HEADINGS

The section headings appearing in this Agreement have been inserted solely for the purpose of convenience and ready reference. In no way do they purport to, and shall not be deemed to define, limit or extend the scope or intent of the sections to which they pertain.

A. 14: TIME OF ESSENCE OF AGREEMENT

Time is of the essence of this Agreement and in case either party fails to perform the obligations on its part to be performed at the time fixed for the performance of the respective obligation by the terms of this Agreement, the other party may, at its election, hold the other party liable for all costs and damages caused by such delay.

A. 15: FILING

The CITY shall file this Agreement with its City Clerk or alternatively place the Agreement on the CITY's website or other electronically retrievable public source. The COUNTY shall file this Agreement with the County Auditor, or, alternatively, place the Agreement on the COUNTY's website or other electronically retrievable public source.

A. 16: EXECUTION AND APPROVAL

The PARTIES warrant that the officers executing below have been duly authorized to act for and on behalf of the party for purposes of confirming this Agreement.

A. 17: COMPLIANCE WITH LAWS

The PARTIES shall observe all federal, state and local laws, ordinances and regulations, to the extent that they may be applicable to the terms of this Agreement.

A. 18: NON-DISCRIMINATION

No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this Agreement because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities.

A. 19: NO THIRD PARTY BENEFICIARIES

Nothing in this Agreement is intended to give, or shall give, whether directly or indirectly, any benefit or right, greater than that enjoyed by the general public, to third persons.

A. 20: INSURANCE

During the term of the Agreement, the COUNTY shall maintain in force at its own expense, each insurance noted below:

a. Worker's Compensation Insurance in compliance with RCW 51.12.020, which requires subject employers to provide workers' compensation coverage for all their subject workers and Employer's Liability or Stop Gap Insurance in the amount of not less than $1,000,000.

b. General Liability Insurance on an occurrence basis, with a combined single limit of not less than $1,000,000 each occurrence for bodily injury and property damage. It shall include contractual liability coverage for the indemnity provided under this Agreement.

c. Automobile Liability Insurance with a combined single limit, or the equivalent of not less than $1,000,000 each accident for bodily injury and property damage, including coverage for owned, hired and non-owned vehicles.

d. Professional Liability Insurance with a combined single limit of not less than $1,000,000 each claim, incident or occurrence. This is to cover damages caused by the error, omission, or negligent acts related to the professional services to be provided under this Agreement. The coverage must remain in effect for two years after the Agreement is completed.

There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without at least 30 days written notice from the COUNTY or its insurer(s) to the CITY.

A. 21: SUPERSEDES

This Agreement shall supersede any prior agreement between the PARTIES with respect to the purpose of this Agreement as set forth in Section No. 1.

A. 22: RCW 39.34 REQUIRED CLAUSES

a. **PURPOSE:** See Section No. 1.

b. **DURATION:** See Section No. 2.

c. **ORGANIZATION OF SEPARATE ENTITY AND ITS POWERS:** No new or separate legal or administrative entity is created to administer the provisions of this Agreement.

d. **RESPONSIBILITIES OF THE PARTIES:** See provisions within Contract Documents.

e. **AGREEMENT TO BE FILED:** See A.15.

f. **FINANCING:** See provisions within Contract Documents.

g. **TERMINATION:** See Section No. 2.

h. **PROPERTY UPON TERMINATION:** See A.8.

ATTACHMENT "B"

SPECIAL TERMS AND CONDITIONS WITH RESPECT TO CITY'S SELECTION OF OPTION UNDER RCW 70.95.080(3) IN CONJUNCTION WITH COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN UPDATE

B. 1: CITY's SELECTION OF OPTION UNDER RCW 70.95.080(3) IN CONJUNCTION WITH COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN

The CITY hereby selects the following option as provided for in RCW 70.95.080(3)(c) in conjunction with its solid waste management, namely:

> Authorize the COUNTY to prepare a plan for the CITY's solid waste management for inclusion in the Comprehensive Solid Waste Manage Plan.

With regard to this option, the CITY:

a. Authorizes the COUNTY to prepare a plan for the CITY's solid waste management as well as any amendments, revisions or updates thereto for inclusion in the SCCSWMP consistent with chapter 70.95 RCW, applicable WAC regulations and Guidelines for Development of Local Comprehensive Solid Waste Management Plan and Plan Revisions (February 2012-Publication No. 10-07-005),

b. Agrees to provide information to the COUNTY in conjunction with the preparation of the draft SCCSWMP or any amendments, revisions or updates thereto,

c. Agrees to provide timely comments on any draft SCCSWMP or any amendments, revisions or updates thereto,

d. Agrees to timely adopt the draft SCCSWMP or any amendment, revision or update thereto so long as the same has been considered by SWAC as provided in C.2,

e. Authorizes the COUNTY to submit the draft SCCSWMP or any amendments, revisions or updates thereto on behalf of the CITY and COUNTY to Washington State Department of Ecology ("WDOE') for its approval under RCW 70.95.094, and

f. Agrees that when the SCCSWMP or any amendment, revisions or update thereto is finally adopted by WDOE it shall be binding upon the CITY in its solid waste management.

With regard to this option, the COUNTY:

a. Shall prepare a plan for the CITY's solid waste management as well as any amendments, revisions or updates thereto for inclusion in the SCCSWMP consistent with chapter 70.95

RCW, applicable WAC regulations and Guidelines for Development of Local Comprehensive Solid Waste Management Plan and Plan Revisions (February 2012-Publication No. 10-07-005),

b. Shall submit the draft SCCSWMP or any amendments, revisions or updates thereto to the Solid Waste Advisory Committee for its review and comments,

c. Shall submit the draft SCCSWMP or any amendments, revisions or updates thereto on behalf of the CITY and COUNTY to WDOE for its approval under RCW 70.95.094,

d. Shall pay for the all costs of preparing the SCCSWMP or any amendments, revisions or updates thereto.

The COUNTY will seek financial aid from WDOE for preparing the SCCSWMP or any amendments, revisions or updates thereto as provided for in RCW 70.95.130. Provided, however, the PARTIES agree that any moneys expended by the COUNTY is preparing the SCCSWMP or any amendments, revisions or updates thereto in excess of WDOE financial aid, at the sole option of the COUNTY, shall be included in establishing any "gate fee" to be charged to individuals disposing of solid waste at COUNTY owned transfer stations and ultimately reimbursed to the COUNTY. The COUNTY shall maintain records of any all costs incurred in preparing the SCCSWMP or any amendments, revisions or updates thereto.

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ATTACHMENT "C"

SPECIAL TERMS AND CONDITIONS WITH RESPECT TO PARTIES' OBLIGATIONS WITH REGARD TO THE COUNTY REGIONAL SOLID WASTE SYSTEM

C. 1: CITY's OBLIGATION WITH REGARD TO THE COUNTY REGIONAL SOLID WASTE SYSTEM

CITY joins the County Regional Solid Waste System. CITY hereby covenants, agrees and contracts to exercise its police and contractual powers and authority as may now or hereafter be recognized in contract or at law to direct the deposit of Solid Waste generated within its geographical boundaries to the County Regional Solid Waste System. In conjunction with this obligation, the CITY will adopt and enforce the COUNTY's Flow Control Ordinance within its jurisdiction. During the term of this Agreement, subject to the exceptions currently in effect contained in the Flow Control Ordinance, the CITY (i) shall designate the County Regional Solid Waste System as its sole disposal site at all times, and (iii) shall enforce the Flow Control Ordinance continuously. In executing this Agreement, the CITY is designating the County Regional Solid Waste System as its sole disposal site at all times as required by the preceding sentence. Provided, however, paper sludge, ash, biosolids, and other solid wastes generated in relation to their industrial processes, generated by Inland Empire Paper Company through its proper management and recycling of wastes shall be excluded from the COUNTY's Flow Control Ordinance.

C. 2: COUNTY'S OBLIGATIONS WITH REGARD TO THE COUNTY REGIONAL SOLID WASTE SYSTEM

COUNTY shall own, maintain and operate the County Regional Solid Waste System. COUNTY shall additionally establish and maintain an enterprise fund for the County Regional Solid Waste System. All revenues, expenditures, liabilities, and assets, including Transfer Stations, belonging to the Regional Solid Waste System will be accounted for in the enterprise fund in compliance with Generally Accepted Accounting Principles. In the unlikely event that the County Regional Solid Waste System is ever dissolved, all assets within the enterprise fund will be transferred to the Landfill Closure Fund and used to mitigate landfill closure liabilities and expenses.

COUNTY shall establish and set the gate fee to be charged for the delivery of all solid waste to the Transfer Stations. The City of Spokane shall establish and set the gate fee to be charged for the delivery of all solid waste to the WTE.

COUNTY shall establish and maintain a Solid Waste Advisory Committee as provided for in RCW 70.95.165. The SWAC and its composition/membership will be established by the Board of County Commissioners. Each Signatory Regional City/Town shall have representation on the SWAC during the term of its Agreement with the COUNTY.

The purpose of the SWAC shall be to create a forum for meaningful discussion and consideration between the COUNTY and the participating jurisdictions concerning the System and to create a body to which information concerning the System can be provided. The SWAC shall have no independent decision-making authority.

The SWAC shall have the following responsibilities along with any additional responsibilities directed by the COUNTY:

(1) materially assist in the development of programs and policies concerning solid waste handling and disposal,
(2) review and comment upon proposed rules, policies, or ordinances prior to their adoption, which comment shall be duly considered by the COUNTY, and
(3) review and make a recommendation to the COUNTY on the amount of the Gate Fee to be charged by the COUNTY for disposal of solid waste by customers at the Transfer Stations. In conjunction with making any recommendation on the Gate Fee, the SWAC shall include at least the following cost factors: (i) disposal costs; (ii) the acquisition costs of the Transfer Stations; (iii) operating and debt service reserves; (iv) debt service; (v) the operation and maintenance expenses of the Transfer Stations; and (vi) County Regional Solid Waste System Program costs, including but not limited to programs to educate and promote the concepts of waste reduction and recycling pursuant to RCW 70.95.090(7), litter control programs, and moderate-risk waste management pursuant to chapter 70.105 RCW. If such recommendation on the Gate Fee by the SWAC is not accepted by the COUNTY, then upon request of the CITY one (1) member of the Board of County Commissioners shall appear at the next regular or special meeting of the City Council for the CITY immediately following the non-acceptance of such Gate Fee to respond to questions regarding the COUNTY's rejection of SWAC's recommendation.

COUNTY shall provide a statement of County Regional Solid Waste System income and expenses to the SWAC for each fiscal year upon closure of the financial records or on such other periodic basis as necessary for the SWAC to make a recommendation on the amount of the Gate Fee. COUNTY shall provide the SWAC with three (3) months advance notice of any proposed change in the Gate Fee. Failure of the SWAC to make a recommendation to the COUNTY on any change to the Gate Fee after notice shall not preclude the COUNTY from enacting any change to the Gate Fee.

C. 3: POTENTIAL FUTURE TRANSPORT AND DISPOSAL OPTIONS

During the term of this Agreement, the COUNTY plans to further investigate the cost-effectiveness of various alternatives for Solid Waste disposal. The COUNTY anticipates that it will issue an RFP for long haul disposal in approximately May 2016.

C. 3: PAYMENTS FROM THE CITY OF SPOKANE

Any payments received by the COUNTY from the City of Spokane pursuant to Section 4.J. ("Utility Taxes") of the City/County Agreement shall be shared proportionally, after the deduction of all appropriate and reasonable administration costs, based upon the tons of solid waste delivered to the County Regional Solid Waste System from the COUNTY and the signatory regional cities.