

OPERATING SPECIFICATIONS

Attachment to the

Contract Between the City of Seattle
And Washington Waste Systems
For Transportation and Disposal of Waste

I. Introduction

These Operating Specifications are an exhibit to the agreement between the City of Seattle (the "City") and Washington Waste Systems, Inc. ("Contractor") (collectively, "the parties") for solid waste transport and disposal services dated September 4, 1990 (the "contract"). The Operating Specifications are incorporated into the Contract by reference, and will be revised according to Section 75 of the Contract. The Operating Specifications describe for illustrative purposes the scope of work to be performed by WWS under the Contract. The parties intend that Contract terms in the Operating Specifications bear the meaning described in Section 25 of the Contract, and that provisions in the Contract control provisions in the Operating Specifications.

Generally, Contractor will transport and dispose of the City's Waste remaining after Recycling. Contractor will supply the containers in which Waste will be transported, and will perform rail Transportation Services and Landfill disposal services, all as described below. Contractor will conduct all operations in compliance with applicable local, state and federal laws.

II. Containers

During the life of the Contract, Contractor will supply containers in which Waste will be transported to the Landfill. Contractor will design and maintain containers to prevent leakage and minimize odors. Waste compaction equipment and chassis will be compatible with containers as described below. The parties will not make changes in compaction equipment or chassis that will affect container specifications without mutual consent. Contractor will supply a sufficient number of containers to ensure the safe, orderly and timely transport and disposal of the City's Waste.

For commencement of services under the Contract, Contractor will provide new containers measuring nominally 40 feet in length and eight feet respectively in width and height, with a tare weight of approximately 9,000 pounds each. Containers will be steel with smooth inner sidewalls and floors to facilitate loading and unloading of Waste, and will be capable of carrying payloads up to 32 tons. To prevent liquid from escaping, continuous welds will couple all seams, and the swinging doors at the end of each container will be fitted with heavy-duty rubber seals of a type similar to seals commonly used in the sludge hauling industry.

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Air vents with small-mesh screens will be installed in the upper corners of the sidewalls or in the closed end of containers. Contractor will engage a shipping container company in the Puget Sound region for supply of containers for back-up or emergency purposes. Contractor will maintain containers in good working condition and appearance. Maintenance will include replacement of seals, repair of doors, siding and frames, and painting as necessary. Contractor will pressure-wash and sweep the inside and outside of containers at its landfill as reasonably necessary to minimize odor and maintain clean appearance.

III. Receiving Facility

During the life of the Contract, Contractor will provide a permitted facility to receive the City's Waste. The Receiving Facility will be open to transfer vehicles hauling containers from the Public and Private Transfer Stations for the period required by the City, up to 24 hours daily, except the Receiving Facility may be closed on Thanksgiving Day, Christmas Day and New Years Day. Transfer vehicles will be serviced at the Receiving Facility in the order in which they arrive. The Receiving Facility will have storage capacity sufficient to accommodate the average number of loaded containers that would accumulate during two consecutive weekdays of normal operations. Contractor will ensure that transfer vehicles can enter the facility with a loaded container and leave with an empty container within 20 minutes, measured as a monthly average per trip. Contractor will provide a computer system for (i) tracking containers during shipment from the Receiving Facility to the Landfill and back to the Receiving Facility, and (ii) communicating information to the City about the supply and location of containers and the availability of storage space at the Receiving Facility. The computer system will be compatible with the City's commercial billing system, and will be accessible electronically by the City.

For commencement of services under the Contract, Contractor's Receiving Facility will be Argo Yard, an intermodal rail shipping facility owned and operated by Union Pacific Railroad ("UP"). Argo Yard is located at Fourth Avenue South and Dawson Street in Seattle. UP will develop a separate entrance for exclusive use by transfer vehicles. Contractor will install an above-ground, low-profile truck scale for weighing transfer vehicles as they enter the Yard. UP will operate a sufficient number of intermodal lift trucks, and will provide sufficient storage space in the Yard for loaded and/or empty containers to ensure service of transfer vehicles within the required 20 minute average cycle time, measured from the time a transfer vehicle registers at the checkpoint inside the gate until the transfer vehicle exits the facility. Contractor will develop additional storage capacity in the Yard as necessary to

accommodate the average number of loaded containers that will accumulate during two consecutive weekdays of normal operations.

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UP will provide a Back-up Receiving Facility at Terminal 18, Port of Seattle on Harbor Island in Seattle. The Back-up Receiving Facility will be operated by Stevedoring Services of America under contract to UP, and will be capable of providing the same level of service as the Primary Receiving Facility. In addition, UP will provide trucking services to, and short-term storage of containers at, other UP facilities in the Puget Sound region as necessary.

UP will track the location of each container throughout each cycle of the transport and disposal system; i.e. from the time it enters the Receiving Facility loaded with Waste, through transport to and disposal at the Landfill, through the return transport to the Receiving Facility, and through its pick-up by a transfer vehicle and exit from the Receiving Facility bound for a Public or Private Transfer Station to be reloaded with Waste. UP's tracking system is computerized. Contractor will supply the City with three compatible personal computers and modems that will enable the City to access UP's container tracking system to obtain information on (i) the location and status of each container in the system (e.g. weight, transfer station of origin, party and chassis that delivered the container to the Receiving Facility, time of delivery, time of loading on train, condition of container, and other information from the bill of lading), and (ii) the supply of empty containers and storage space available at Argo Yard. UP, Contractor and the City will be able to communicate via computer and modem regarding container tracking matters. In addition, Contractor will establish a computerized billing system utilizing information available from UP's tracking system. Only Contractor and the City will communicate via computer and modem regarding billing matters. Private Transfer Stations will not have computer access to UP's tracking system or to Contractor's billing system.

Contractor and the City will also establish a manifest document system for each train. When Waste is compacted and loaded into a container, Public and Private Transfer Station operators will record on a bill of lading form assigned to that container (i) the container, tractor and chassis numbers, and the identity of the driver; (ii) the date, time and transfer station; and (iii) the condition of the container. At the Receiving Facility, the vehicle will be weighed and approved tare weights for the container, chassis and tractor will be subtracted from the gross vehicle weight to determine the weight of the payload. Payments under Sections 500 and 550 of the Contract shall be based on weights recorded from the scale at the Receiving Facility. The City may inspect the scale periodically. Time of delivery will be recorded, along with the number of the train and its scheduled departure time. The bill of lading for each container loaded onto a train will comprise the manifest for that train and will accompany it during shipment to the Landfill. At the Landfill, the manifest will be

delivered to Contractor's personnel, who will verify its accuracy and record on each bill of lading (i) the arrival date and time, and the condition of each container;

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(ii) the gross vehicle weight of the chassis with tractor and the tractor and chassis numbers; (iii) the time of tipping of the Waste at the working face of the Landfill; (iv) whether the container is washed and/or repaired; (v) whether the container is taken out of service for repair or other purposes; and (vi) time of loading back onto the train and the train's scheduled departure time. The bills of lading for the containers reloaded onto the train comprise the manifest for that train and will accompany it during shipment back to Seattle, upon the train's arrival in Seattle, UP personnel will verify the accuracy of the manifest and record on each bill of lading (i) the arrival date and time; and (ii) the condition of each container. A new manifest form will then be assigned to each container, with the date, time, container and chassis numbers and the identity of the party to whom the container is dispatched all recorded.

Transfer vehicles hauling the City's Waste will present a bill of lading for their load to UP personnel at a checkpoint inside the gate at Argo Yard. UP personnel will review the bill of lading and inspect the container to determine whether it should be accepted for shipment. A container may be rejected only if there is reason to suspect it contains Unacceptable Waste, or if it is leaking. If a container is rejected because it may contain Unacceptable Waste, the transfer vehicle will be directed back to the Public or Private Transfer Station of origin. If a container is rejected because it is leaking, UP will place the container in secure storage and notify Contractor who will retrieve and repair the container. If the container is accepted for shipment, UP personnel will weigh the transfer vehicle, and direct it to a loading area where an intermodal lift truck owned and operated by UP will lift the container from the chassis onto a dedicated train or place the container in storage for the next available dedicated train. An empty container will be loaded onto the chassis, and a new bill of lading for that container, with appropriate information recorded, will be issued to the driver before he/she exits Argo Yard. This cycle will occur within 20 minutes, measured as a monthly average per trip. Before the dedicated train departs for the Landfill, UP will assemble the manifest for the train and enter appropriate information into the computerized container tracking system.

IV. Transportation

During the life of the Contract, Contractor will transport the City's Waste from the Receiving Facility to the Landfill for disposal. Contractor will not truck the City's Waste through the Columbia River Gorge National Scenic Area unless necessary due to train problems. Contractor will haul the City's Waste on a schedule and in a manner that minimizes the occurrence of prolonged storage of

containers loaded with waste at the Receiving Facility, and does not create a nuisance.

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For commencement of services under the Contract, Contractor will haul the City’s Waste by rail. UP will operate the trains, which will originate at UP’s Argo Yard, travel south to Portland, then east to Arlington, Oregon, then south and west along the Condon Branch to the Landfill. UP will supply necessary locomotives and stand-alone, double stack rail cars for the haul. The approximate specifications of the rail cars include a length of 71 ½ feet, tare weight of 56,000 pounds, platform capacity of 164,000 pounds and gross car weight capacity of 220,000 pounds. UP will operate two trains dedicated solely to the transport of the City’s Waste on the following schedule.

Train No. 1

Seattle to Portland	7pm – 1am	Su	T	Th
Portland to Landfill	1am – 8am	M	W	F
Unload Waste	8am – 5pm	M	W	F
Landfill to Portland	5pm – 12am	M	W	F
Portland to Seattle	12am – 8am	T	Th	S

Train No. 2

Seattle to Portland	7pm – 1am	M	W
Portland to Landfill	1am – 8am	T	Th
Unload Waste	8am – 5pm	T	Th
Landfill to Portland	5pm – 12am	T	Th
Portland to Seattle	12am – 8am	W	F

UP will provide sufficient hauling capacity to accommodate any seasonal fluctuations and peak flows of Waste. UP management personnel will operate the train on a priority basis if a labor dispute affects UP’s normal operations. If the rail line between Portland and Arlington is blocked, UP will haul over Burlington Northern track from Vancouver to either Wishram, where the train can cross the river back to the UP line, or through Pasco and back to Arlington from the east. If the rail line between Seattle and Portland is blocked, containers loaded with Waste will be stored at the Receiving Facility. Before storage of loaded containers create a nuisance at the Yard, Contractor will implement a truck haul from Argo Yard to the Landfill.

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The truck route will follow Interstate 90 east from Seattle to Interstate 82, southeast to U.S. 97, south to Interstate 84, then east to Arlington and to the Landfill. Alternatively, depending on weather conditions, trucks may follow Interstate 82 through the Tri-Cities, then south to Interstate 84 and west to Arlington and to the Landfill.

V. Landfill

During the life of the Contract, Contractor will provide Landfill disposal for the City's waste. The Landfill will be located in an arid region east of the Cascade Mountains, and its design and operation will meet or exceed Washington's Minimum Functional Standards ("MFS") for landfills located in non-arid climates. The Landfill will employ vadose-zone monitoring.

For commencement of services under the Contract, Contractor's Landfill will be the Columbia Ridge Landfill and Recycling Center ("CRL") in Gilliam County, Oregon, which is owned and operated by Oregon Waste Systems ("OWS"). CRL meets or exceeds Washington's MFS for landfills in non-arid climates, and is permitted to operate by the Oregon Department of Environmental Quality ("DEQ"). Total disposal capacity at CRL is approximately 190 million tons. Vadose-zone monitoring is employed at CRL.

Each module at CRL will include a composite liner system consisting of two feet of compacted clay overlain by a 60 mil. HDPE (High-density polyethylene) membrane liner protected by geotextile fabric. Below the composite liner is a pan lysimeter leak detection system (vadose zone monitoring). Above the composite liner is a gravity-fed leachate collection and removal system consisting of a one-foot layer of clean drainage gravel protected by geotextile fabric, interspersed with perforated HDPE drain piping. A one-foot layer of sand and soil over the gravel protects the liner from operating equipment and waste. The drain pipes will deliver any leachate generated in the landfill to an on-site leachate evaporation and treatment system featuring double composite-lined ponds. A gas extraction system will be installed when needed and gas will be burned by high-efficiency flares. Surface water is controlled by a system of berms, ditches, sedimentation ponds and other erosion control methods. Each area of approximately thirty acres filled to final grade with waste will be capped with compacted clay, revegetated, and returned to its natural use. Samples from groundwater monitoring wells around the perimeter of the Landfill are regularly analyzed and reported to DEQ.

Contractor will provide all necessary equipment to operate CRL, including intermodal lift trucks to unload trains, chassis to haul containers to the working

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face of the Landfill, tippers to discharge Waste from the containers, bulldozers and compactors to spread and compact Waste in the Landfill, scrapers to apply daily cover over Waste and to excavate new modules, and water trucks to control dust on haul roads and to treat clay soils during construction of the liner systems in new modules. Maintenance facilities for all equipment are present on-site.

A train hauling City Waste will arrive at CRL at about 8am each day, Monday through Friday. At a new intermodal siding to be developed by Contractor on-site, an intermodal lift truck will remove containers from the train and place them on chassis. Tractors will haul the chassis to the landfill to be tipped. The tractor will back the chassis onto a tipper, which will lift the chassis and the container to approximately a 70-degree angle, causing the Waste to slide out the end of the container into the Landfill. Bulldozers and compactors will spread and compact the Waste. Scrapers will apply six inches of compacted dirt over the waste as interim cover at the end of each working day. The tractor will recouple with the chassis and haul the empty container back to the intermodal siding. The container will be inspected after tipped. If necessary, the container will be repaired and/or cleaned. At the intermodal siding, the empty container will be reloaded onto the train. Appropriate information will be recorded on each container's bill of lading, and a manifest will be assembled for the train returning to Seattle.

OWS will employ a screening program at CRL to identify and secure Unacceptable Waste. During the tipping, spreading and compaction of Waste in the active area of the Landfill, equipment operators will visually scan the Waste for suspicious and Unacceptable Waste. When observed, such Unacceptable Waste will be isolated and secured and taken to a storage area near the maintenance facility. OWS will immediately notify the City of the Unacceptable Waste and its status. The City may direct OWS to test samples of the Waste to determine its character and whether the Waste is acceptable. If the Waste is acceptable, OWS will replace it in the Landfill. If the Waste is unacceptable, the City may direct OWS to properly package, transport and dispose of the Unacceptable Waste at an approved facility owned by Waste Management, Inc. or Waste Management of North America, Inc. OWS will handle the Unacceptable Waste in compliance with applicable law and will bill the City for the costs of following the City's directions. Alternatively, the City may make its own arrangements to handle the Unacceptable Waste.

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This program complements the screening program that the City and Contractor will implement at Public and Private Transfer Stations where City Waste will be compacted and loaded into containers. City personnel will periodically inspect the loading of containers at Public and Private Transfer Stations to prevent inclusion of Unacceptable Waste in containers bound for CRL. The City will provide Contractor access to Public Transfer Stations to conduct similar periodic inspections.

For commencement of services under the Contract, Contractor will provide Back-up Landfill disposal at Module 20 of CRL. Module 20 is approximately 0.6 miles from Module 1, which is the first active module at CRL. In the worst-case-scenario, back-up capacity for approximately 1.5 million tons could be necessary. This estimated volume includes five month of full waste flows from Portland Metro and Seattle, and waste excavated from the damaged primary module. Module 20 has capacity up to two million tons. Module 20 will be developed incrementally as set forth in the Operation Plan. A portion of Module 20 will be ready for operation on the first day of service under the Contract. Module 20 will feature the same level of environmental protection as the Primary Landfill. If Module 20 is filled to capacity with Waste, Contractor will develop an adjacent module for back-up services. CRL would become the Back-up Landfill if the City exercises its option to dispose of Waste at the Eastern Washington Landfill.

During the life of the Contract, Contractor will incrementally close the Landfill and perform post-closure care for 30 years. As each area of approximately thirty acres within the Landfill is filled to final grade with waste, Contractor will place final cover over the waste in compliance with MFS and Contractor's Closure and Post-closure Care Plan and Landfill permit. Closure will involve, among other things, (i) placement of a low-permeability cap over waste to minimize infiltration of surface water and precipitation; (ii) revegetation of the cap to control erosion and encourage evapotranspiration; (iii) installation of berms, ditches and other controls to properly route surface water drainage away from the Landfill; and (iv) completion of environmental control systems, such as leachate and gas collection and treatment systems. Post-closure care will consist primarily of monitoring and maintenance activities designed to ensure the continuing environmental integrity of the Landfill. Post closure care will involve, among other things, (i) monitoring for leachate and gas migration; (ii) performing periodic surface inspections and repairing any noted defects in the Landfill cap,

drainage system, security fencing, and monitoring systems; and (iii) extracting and treating any leachate or gas that must be removed from within the Landfill.

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IV. Special Waste

During the life of the Contract, Contractor will be prepared to transport and dispose of the City's Asbestos Waste, CDL Waste, and Contaminated Soils in accord with the Special Waste Management Plan. For commencement of services, Contractor will receive properly packaged Asbestos Waste at the Private Transfer Station owned and operated by Waste Management of Seattle located at 7155 West Marginal Way S.W. in Seattle. The Asbestos Waste will be hauled to the Landfill in the same type containers as the City's Waste. Containers containing Asbestos will be properly marked and labeled, and the Asbestos will receive special handling at the Landfill. For Contaminated Soils, Contractor will make available for pick-up by generators on reservation basis half-high containers mounted on chassis. The half-high containers will be approximately 40 feet long and will be equipped with tarps to contain the cargo. Generators will load the half-high containers with Contaminated Soils at their job sites and deliver them to the Receiving Facility, where UP will load them onto the train for transport to the Landfill.

For CDL Waste, Contractor will make available for pick-up by generators on a reservation basis 48 foot containers mounted on chassis. Generators will load the half-high containers with CDL Waste at their job sites and deliver them to the Receiving Facility, where UP will load them onto the train for transport to the Landfill. For individual generators disposing of small quantities of CDL, Contractor will receive such quantities at the Private Transfer Station owned and operated by Waste Management of Seattle.

Prices for all these services will be posted at the SWU at the Private Transfer Station owned and operated by Waste Management of Seattle and the Receiving Facility. Contractor will annually report to the City the sources and volumes of these waste streams. The container tracking and train manifest systems employed for the City's Waste will apply to the shipment and disposal of these waste streams.