

WASTE MANAGEMENT OF KENNEWICK SCHEDULE OF RATES

RESIDENTIAL
35 GALLON CART 96 GALLON CART Additional Cart (Any size) Recycling Adjustment
EXTRAS - 35 GALLON CART CUSTOMERS ONLY CARRY OUT >5'/DISTANCE CHARGE SENIORS 96 OR 35 GAL Cart Recycling Adjustment
SPECIAL PICK UP Up to 3 items (plus dump fee) RETURN TRIP CAN OR 96 GAL CART CART REDELIVERY DRIVE IN - TO PICK UP

1/1/2023 Rates	
4.00%	
KENNEWICK CITY	
\$	15.80
\$	19.18
\$	2.13
-\$	0.14
\$	2.70
\$	4.87
\$	4.79
-\$	0.14
\$	110.07
\$	10.68
\$	15.55
\$	6.65

1/1/2024 Rates	
4.00%	
KENNEWICK CITY	
\$	16.43
\$	19.95
\$	2.22
\$	0.11
\$	2.81
\$	5.06
\$	4.98
\$	0.11
\$	114.47
\$	11.11
\$	16.17
\$	6.92

COMMERCIAL CAN/CART
1-32gal can per week Commercial extra can charge <div style="text-align: right;"> 1 96 GAL CART 2 96 GAL CARTS 3 96 GAL CARTS </div> EXTRA YARDAGE i.e.. extra bags 7-32 gal. cans/bags = 1yard
CONT. ROLL OUT Per Container i.e.. to physically move the container more than 5'
HOURLY RATE OVERTIME
RETURN TRIP CAN OR 96 GAL CART CONTAINER

1/1/2023 Rates	
KENNEWICK CITY	
\$	16.46
\$	2.78
\$	47.83
\$	72.04
\$	91.58
\$	18.05
\$	18.86
\$	154.28
\$	119.01
\$	10.68
\$	14.44

1/1/2024 Rates	
KENNEWICK CITY	
\$	17.12
\$	2.89
\$	49.74
\$	74.92
\$	95.24
\$	18.77
\$	19.61
\$	160.45
\$	123.77
\$	11.11
\$	15.02

WASTE MANAGEMENT OF KENNEWICK SCHEDULE OF RATES

		1/1/2023 Rates			1/1/2024 Rates		
COMMERCIAL FRONT LOADER		KENNEWICK CITY			KENNEWICK CITY		
PERMANENT FRONT LOADERS	PHYSICAL SIZE	INCLUDES 1 DUMP PER WEEK	EXTRA DMP. NO RETURN TRIP	EXTRA DMP. WITH RTN TRIP	INCLUDES 1 DUMP PER WEEK	EXTRA DMP. NO RETURN TRIP	EXTRA DMP. WITH RTN TRIP
2 YARD	(3x4x6.75)	\$ 100.00	\$ 23.10	\$ 29.82	\$ 104.00	\$ 24.02	\$ 31.01
3 YARD	(3.67x4.5x6.75)	\$ 132.84	\$ 30.69	\$ 37.40	\$ 138.15	\$ 31.92	\$ 38.90
4 YARD	(4.33x5x6.75)	\$ 168.31	\$ 38.89	\$ 45.96	\$ 175.04	\$ 40.45	\$ 47.80
6 YARD	(5.5x5x6.75)	\$ 216.65	\$ 50.01	\$ 56.69	\$ 225.32	\$ 52.01	\$ 58.96
8 YARD	(5.5x6x6.75)	\$ 267.02	\$ 61.66	\$ 68.41	\$ 277.70	\$ 64.13	\$ 71.15
TEMPORARY FRONT LOADERS	PHYSICAL SIZE	PLACE	DUMP	DAILY RENT	PLACE	DUMP	DAILY RENT
2 YARD	(3x4x6.75)	\$ 44.70	\$ 49.65	\$ 6.97	\$ 46.49	\$ 51.64	\$ 7.25
3 YARD	(3.67x4.5x6.75)	\$ 44.70	\$ 62.20	\$ 6.97	\$ 46.49	\$ 64.69	\$ 7.25
4 YARD	(4.33x5x6.75)	\$ 44.70	\$ 75.94	\$ 8.39	\$ 46.49	\$ 78.98	\$ 8.73
6 YARD	(5.5x5x6.75)	\$ 44.70	\$ 94.45	\$ 8.39	\$ 46.49	\$ 98.23	\$ 8.73
8 YARD	(5.5x6x6.75)	\$ 44.70	\$ 113.85	\$ 8.39	\$ 46.49	\$ 118.40	\$ 8.73
MILEAGE CHARGE		ADDITIONAL CHARGE OF PER MILE OVER TEN MILES FROM THE TRANSFER STATION \$ 7.23			ADDITIONAL CHARGE OF PER MILE OVER TEN MILES FROM THE TRANSFER STATION \$ 7.52		
EXTRA YARDAGE i.e. extra bags 7-32 gal. cans/bags = 1yard 3-32 gal. cans = 1 96 gal cart		\$ 18.05			\$ 18.77		
CONT. ROLL OUT PER CONTAINER i.e. to physically move the container more than 5'		\$ 18.86			\$ 19.61		
CONTAINER WASHING							
8 YARDS AND UNDER		\$ 62.62			\$ 65.12		
OVER 8 YARDS		\$ 93.96			\$ 97.72		
COMPACTED CONTAINERS (1x week service)							
2 YARD		\$ 156.93			\$ 163.21		
4 YARD		\$ 313.89			\$ 326.45		
6 YARD		\$ 549.66			\$ 571.65		

WASTE MANAGEMENT OF KENNEWICK SCHEDULE OF RATES

		1/1/2023 Rates		1/1/2024 Rates	
COMMERCIAL ROLL OFF		KENNEWICK CITY		KENNEWICK CITY	
PERMANENT ROLL OFF	PHYSICAL SIZE			Haul Fee	Haul Fee
11 YARD	(3x8x14)			\$ 184.86	\$ 192.25
16 YARD	(4x8x14)			\$ 184.86	\$ 192.25
20 YARD	(5x8x14)			\$ 184.86	\$ 192.25
25 YARD	(5.5x8x16)			\$ 184.86	\$ 192.25
30 YARD	(6x8x17)			\$ 184.86	\$ 192.25
\$9.42/yd +	\$165.69/HAUL				
TEMPORARY ROLL OFF	PHYSICAL SIZE	PLACE		DAILY RENT	PLACE
11 YARD	(3x8x14)	\$ 78.71		\$ 5.18	\$ 81.86
16 YARD	(4x8x14)	\$ 78.71		\$ 5.18	\$ 81.86
20 YARD	(5x8x14)	\$ 78.71		\$ 6.58	\$ 81.86
25 YARD	(5.5x8x16)	\$ 78.71		\$ 6.58	\$ 81.86
30 YARD	(6x8x17)	\$ 78.71		\$ 8.12	\$ 81.86
Yardage CHARGE - loose		\$ 10.50		\$ 10.92	
MILEAGE CHARGE		\$ 7.23		\$ 7.52	
EXTRA YARDAGE i.e. extra bags 7-32 gal. cans/bags = 1yard 3-32 gal. cans = 1 96 gal cart		\$ 18.05		\$ 18.77	
CONT. ROLL OUT PER CONTAINER i.e. to physically move the container more than 5'		\$ 18.86		\$ 19.61	
HOURLY RATE		\$ 148.37		\$ 154.30	
OVERTIME		\$ 114.40		\$ 118.98	
CONTAINER WASHING					
8 YARDS AND UNDER		\$ 62.62		\$ 65.12	
OVER 8 YARDS		\$ 93.96		\$ 97.72	
LOCK FEE		\$ 14.64		\$ 15.23	
		1/1/2023 Rates		1/1/2024 Rates	
COMPACTOR RATES					
SIZE				MIN CHG NO DUMP	MIN CHG NO DUMP
11 YARD				\$ 184.86	\$ 192.25
16 YARD				\$ 184.86	\$ 192.25
20 YARD				\$ 184.86	\$ 192.25
25 YARD				\$ 184.86	\$ 192.25
30 YARD				\$ 184.86	\$ 192.25
40 YARD				\$ 184.86	\$ 192.25
\$15.95/yd +	\$165.69/HAUL				
Roll Off Trip Charge		\$ 65.89		\$ 68.53	
Yardage CHARGE - compacted		\$ 17.80		\$ 18.51	

Exhibit A - Recyclables Market Evaluation Example

Waste Management - Spokane Materials and Recycling Technology (SMaRT)

1. Change in MRF Processing Costs

Explanatory Notes

a	Contract Implementation Processing Cost per Ton	\$	272.72	Based on 2022 SMaRT processing costs and DTG transload fee of \$102.50
b	Current Processing Fee	\$	250.99	Based on 2023 SMaRT processing costs and internal transload fee of \$85
c	New Annual Processing Cost per Ton	\$	(21.73)	[b - a]
d	Annual Residential Recycling Tons		1,192	Recycle tons August 2021 - July 2022
e	Change in Processing Cost Total Value - Residential	\$	(25,901)	[c x d]
f	Total Residential Accounts		22,015	Customers as of July 2023
g	New Processing Adjustment Per Account	\$	<u>(0.10)</u>	[e / f / 12] (example - positive number = rate increase; negative number = rate decrease) Annual Change to Monthly Residential Customer Rates (increase or decrease)

2. Change in Commodity Values

h	SMaRT commodity average August 2021 - July 2022	\$	135.27	SMaRT commodity average August 2021 - July 2022
i	SMaRT commodity average August 2022 - July 2023	\$	88.19	SMaRT commodity average August 2022 - July 2023
j	Revenue Change per Ton	\$	47.08	[h - i]
k	Annual Residential Recycling Tons		1,192	Recycle tons August 2021 - July 2022
l	Change in Total Commodity Revenue - Residential	\$	56,116	[j x k]
m	Total Residential Accounts		22,015	Customers as of July 2023
n	New Commodity Adjustment Per Account	\$	<u>0.21</u>	[l / m / 12] (example - positive number = rate increase; negative number = rate decrease)

3. Total Monthly Adjustment (Debit/Credit) to Accounts

\$ 0.11

[g + n] (example - positive number = rate increase; negative number = rate decrease)
Total Change to Residential Customer Rates (annual increase or decrease)

7. **CITY FEES.** As consideration for the Franchise granted herein and to compensate the City for the administrative cost of such franchise, Contractor shall pay the City \$5,000 each month (\$60,000 annually) during the Term. Such sum shall be paid by Contractor on or before the 25th day of the month. On each Adjustment Date (defined above), said City fee will be adjusted by the same percentage change in Contractor's Rates under Section 6.1.

Year	Annual Minimum	Monthly Installments
2015	\$ 60,000.00	\$ 5,000.00
2016	\$ 60,495.64	\$ 5,041.30
2017	\$ 61,628.66	\$ 5,135.72
2018	\$ 63,204.39	\$ 5,267.03
2019	\$ 64,971.26	\$ 5,414.27
2020	\$ 66,466.22	\$ 5,538.85
2021	\$ 67,723.53	\$ 5,643.63
2022	\$ 69,532.60	\$ 5,794.38
2023	\$ 72,313.90	\$ 6,026.16
2024	\$ 75,206.46	\$ 6,267.21

“6. ADJUSTEMENT TO AUTHORIZED RATES

6.1 **CPI Adjustment.** On the Commencement Date, and on the same date annually thereafter (the "Adjustment Date"), the Rates set forth in the Service Rate Schedule, as adjusted hereunder, shall be automatically adjusted by a percentage (determined on a sliding scale set forth below) of the annual percent change in the Consumer Price Index ("CPI") for Urban Wage Earners and Clerical Workers, Series ID CWURA423SA0, Seattle-Tacoma-Bremerton, WA-All Items, not seasonally-adjusted, as published by the Bureau of Labor Statistics for the August to June 12-month period. At least sixty (60) days prior to the Adjustment Date, Contractor shall notify City of the CPI adjustment to take effect on the Adjustment Date and shall provide City with its computations therefor. The following sliding scale shall be used to determine the annual CPI Adjustment:

If the CPI is 0% - 2%, Contractor receives 100% increase;

If the CPI is >2% - 3%, Contractor receives 90% increase, but not less than 1.99%;

If the CPI is >3%, Contractor receives 80% increase, but not less than 2.69%.

CPI increases will be capped at 4% in any given year and shall not be negative in any given year.”

6.2. **Other Adjustments.** Contractor's Rates are calculated to pay certain expenses and costs that are of a contingent and uncertain nature. Therefore, in addition to the annual CPI adjustment provided by Section 6.1, Contractor's Rates under this Contract shall, upon written request of Contractor, be further adjusted on an interim basis for increased expenses associated with performance of the services hereunder due to any one or more of the following causes:

6.2.1. Material changes in Contractor's costs resulting from a Force Majeure event;

6.2.2. Changes in the scope or method of services provided by Contractor, changes in the City Fee, or other changes or fees required, initiated, or approved by the City;

6.2.3. Any change in law, statute, rule, regulation, ordinance, order or requirement of any federal, state, regional or local government that is effective after the date this Contract is executed, including but not limited to any increase in surcharges, fees, assessments or taxes levied by federal, state or local regulatory authorities or other governmental entities upon the collection or disposal of City Solid Waste or Recyclable Materials;

6.2.4. Any increase in fees for disposal of City Solid Waste or the processing of Recyclable Materials if Contractor is required by the City or other governmental entity to utilize such facilities (i.e., flow control);

6.2.5. Any other extraordinary circumstances or causes or reasons that are not within the reasonable control of Contractor.

If Contractor requests an adjustment due to the circumstances set forth above, Contractor shall prepare a Rate adjustment request setting forth its calculation of the increased costs and accompanying Rate adjustment necessary to offset such increased costs. The City may request any and all documentation and data reasonably necessary to evaluate such request by Contractor, and shall act within ninety (90) days of receipt of the request from Contractor to either approve or disapprove the request, provided that approval shall not be unreasonably withheld.

Notwithstanding the foregoing, if the request is based upon any new or increased third party fees, taxes, assessments or charges, the City shall approve the interim rate adjustment within such time period as necessary to ensure that such fees, taxes, assessments or charges are passed on to customers by the date the same are effective.

7. **CITY FEES.** As consideration for the Franchise granted herein and to compensate the City for the administrative cost of such franchise, Contractor shall pay the City \$5,000 each month (\$60,000 annually) during the Term. Such sum shall be paid by Contractor on or before the 25th day of the month. On each Adjustment Date (defined above), said City fee will be adjusted by the same percentage change in Contractor's Rates under Section 6.1.

II. TERMS AND CONDITIONS

Section 1. Contract Exhibit B, Service Rate Schedule, is hereby amended to increase residential customer rates by an additional \$0.62/month, effective July 1, 2021, for the remainder of calendar year 2021. City and Contractor agree to adopt Contractor's recycling adjustment methodology, described in Attachment A of this Addendum No. 2, to annually adjust the customer rate up or down based on current recycling market conditions and costs, effective January 1 of each succeeding calendar year for the duration of Contract.

Section 2. Contract Exhibit C, Recyclable Materials, is hereby deleted in its entirety and replaced with Attachment B of this Addendum No. 2, eliminating certain materials that are no longer accepted by the market. Contractor will inform customers of updated lists of Recyclable Materials and other programmatic changes by way of Contractor's Annual Service Update and its website (<https://www.wmnorthwest.com/kennewick>).

Section 3. Contract Exhibit A, paragraph 6, fourth sentence, is hereby amended to read as follows: "Transfer Station Free Disposal. Customers served by the Contractor under this Franchise agreement will be allowed six (6) visits to the transfer station per year subject to the limitations imposed by the Contractor."

Section 4. Contract Exhibit B is hereby amended to increase the rates for additional carts to \$2.00 each per month, effective July 1, 2021, for the remainder of calendar year 2021, and subject to CPI increases for the duration of Contract.

Section 5. In consideration of the terms and conditions contained herein, Contractor agrees to reimburse City one-half of all increased revenue received from the \$0.97 increase in Contractor's Rates for additional carts, for the duration of the Contract, in part to offset City costs for operation of a moderate risk waste facility. Payments to City shall be made at least quarterly each year, to be paid by the last day of the month that follows the end of the quarter (e.g. first quarter revenue each year will be paid on April 30), and will be adjusted annually by the same percentage change made pursuant to Section 6.1 of the Contract.

Section 6. Section 16 of the Contract "NOTICE" is hereby amended to read:

16. NOTICE. Any notice required or permitted hereunder shall be in writing and may be delivered (a) personally; (b) by U.S. Mail; or (c) email or facsimile, directed to the other party at their addresses set forth below:

City of Kennewick: Cary M. Roe, P.E., Public Works Director
City of Kennewick
210 W. 6th Ave.
Kennewick, WA 99336
cary.roe@ci.kennewick.wa.us

Bureau of Labor Statistics

CPI-Urban Wage Earners and Clerical Workers (Current Series)
Original Data Value

Series Id: CWURS49DSA0,CWUSS49DSA0

Not Seasonally Adjusted

Series Title: All items in Seattle-Tacoma-Bellevue, WA, urban wage earners and clerical workers, not seasonally adjusted

Area: Seattle-Tacoma-Bellevue WA

Item: All items

Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2	Sliding Scale	
																% Change	% of Increase
2008		216.332		218.483		223.573		223.273		220.687		216.424	219.692	218.664	220.721		
2009		218.752		220.208		221.993		221.873		221.339		220.905	220.658	219.853	221.463		
2010		221.215		222.309		221.857		223.444		223.112		222.853	222.384	221.714	223.053		
2011		225.790		228.313		230.072		230.558		232.697		231.297	229.435	227.455	231.415		
2012		232.081		234.808		236.222		236.750		237.947		234.588	235.261	233.959	236.564		
2013		236.542		237.405		238.963		239.343		239.363		238.021	238.129	237.271	238.987		
2014		239.607		243.690		244.293		244.471		244.289		240.726	242.732	242.006	243.458		
2015		240.735		243.165		246.925		247.500		246.307		246.146	244.933	243.104	246.761		
2016		246.464		249.396		251.848		252.393		252.639		252.286	250.523	248.769	252.277		
2017		255.471		257.648		259.487		259.528		261.218		262.485	258.847	256.646	261.049	2.841%	2.557%
2018		264.477		266.720		268.957		267.757		269.719		269.470	267.550	265.898	269.203	3.494%	2.795%
2019		271.039		272.393		273.488		274.520		274.358		274.954	273.272	271.825	274.720	2.557%	2.301%
2020		278.081		276.427		276.244		281.131		280.152		279.308	278.476	277.012	279.941	1.892%	1.892%
2021		282.795		286.700		293.607		295.410		297.873		301.139	291.704	286.125	297.283	2.968%	2.671%
2022		305.702		310.928		321.626		322.664		325.897		324.906	317.403	310.691	324.114	7.571%	4.000%
2023		328.615		332.082		336.135		339.034						331.032		7.509%	4.000%