



Agenda Sheet for City Council Meeting of:  
07/31/2017

<b>Date Rec'd</b>	7/19/2017
<b>Clerk's File #</b>	OPR 2014-0060
<b>Renews #</b>	
<b>Cross Ref #</b>	RES 2014-0131
<b>Project #</b>	
<b>Bid #</b>	
<b>Requisition #</b>	

<b>Submitting Dept</b>	PUBLIC WORKS
<b>Contact Name/Phone</b>	SCOTT SIMMONS 625-6584
<b>Contact E-Mail</b>	SMSIMMONS@SPOKANECITY.ORG
<b>Agenda Item Type</b>	Contract Item
<b>Agenda Item Name</b>	4490 - CITY/COUNTY DISPOSAL INTERLOCAL AGREEMENT AMENDMENT NO. 3

**Agenda Wording**

Amendment No. 3 to Interlocal Agreement between the City and County for transfer and disposal services at the City's Waste to Energy Facility (WTE).

**Summary (Background)**

This Amendment extends the term of the agreement, reduces the County disposal rate and removes the early termination option. The current Interlocal Agreement with the County contains a per ton disposal rate the County pays the City for disposal services as well as an option for the County to terminate the Agreement at any time by giving the City 12 months' notice.

**Fiscal Impact**

Select	\$
Select	\$
Select	\$
Select	\$

**Budget Account**

#
#
#
#

**Approvals**

<u>Dept Head</u>	SIMMONS, SCOTT M.
<u>Division Director</u>	SIMMONS, SCOTT M.
<u>Finance</u>	DAVIS, LEONARD
<u>Legal</u>	DALTON, PAT
<u>For the Mayor</u>	DUNIVANT, TIMOTHY

**Council Notifications**

<u>Study Session</u>	
<u>Other</u>	PWC

**Distribution List**

kgimpel@spokanecity.org
cconklin@spokanecity.org
acline@spokanecity.org
eschoedel@spokanecity.org

**Additional Approvals**

<u>Purchasing</u>	

APPROVED BY  
SPOKANE CITY COUNCIL:

*July 31, 2017*  
*Jan Hoff*  
CITY CLERK

## **BRIEFING PAPER**

**Public Works Division**

**July 24, 2017**

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**Subject:**

Amendment #3 to the Disposal Interlocal Agreement between the City and County.

**Background:**

In 2014, under Resolution No. 14-0131 and City Clerk OPR 2014-0060, the City and County worked diligently to draft and finalize the Interlocal Agreement (ILA) between the City of Spokane and Spokane County outlining the transfer and disposal of solid waste. The ILA laid the foundation for a smooth transition of the management of the Regional Solid Waste System from the City to the County, effective November 17, 2014. The City and County have worked together very effectively under the terms of that ILA, providing reliable solid waste transfer and disposal services to all the member jurisdictions of the Regional Solid Waste System.

The ILA was structured to provide for the possibility that the County might determine, after a period of three years that pursuing a lower-cost disposal alternative may be in the best interest of the County and the Regional System's other member jurisdictions. This "opt-out" provision in the ILA recognized that there were many uncertainties going forward relative to the cost of various disposal alternatives. In the ILA, the County made a commitment to three years of solid waste disposal at the City's WTE Facility, with one year notice stipulated for discontinuing flow to the WTE at any point in time after November 16, 2017.

The County's preference is to keep the Regional Solid Waste System operating under the current scenario, with all solid waste from member jurisdictions and the unincorporated areas of Spokane County transferred to the WTE Facility for final disposal. It is the County's position that the WTE Facility provides a disposal solution that is environmentally superior to landfill disposal, and they hope to continue to use the WTE Facility in the interest of environmental stewardship.

The City has benefitted from the current operational approach. The coordination of special services related to educational programs and promotion of waste reduction, recycling, and composting have proceeded especially well, with City and County staff working together for highly

effective outcomes. In addition, City and County staff collaborated effectively to streamline the procedures for weighing and tracking loads from the two County Transfer Stations whereby the City has realized time and cost savings at the WTE Facility. In short, the City no longer weighs the County transfer trucks in and out at the WTE reducing labor cost and allows City collection trucks faster more efficient dump time.

The County has requested a \$3 per ton disposal rate reduction in exchange for certain benefits and assurances to the City.

**Impact**

- The City would reduce the County Disposal Rate \$3 to \$51.90 per ton, which would be <\$300,000 per year of the \$7 million in annual revenue from the County.
- The term of the Amended ILA would be for five years with five 1-year extension options thereafter.
- The "opt-out" option for the County in the ILA would be eliminated.
- This Amendment to the ILA would guarantee the County's waste flow and \$7 million per year revenue would continue for at least five more years, allowing the City to recognize the community enhancements (additional neighborhood clean ups, improving alleys, etc.) outlined in our overall rate proposal.

**Action**

Request approval of Amendment #3 of the Disposal Interlocal Agreement between the City and County.

**Funding**

The Amendment will cost the Solid Waste Disposal Department <\$300,000 per year while retaining the County's \$7 million per year in revenue for at least five more years, allowing us to implement the community enhancements outlined in our overall rate proposal.

NO. 17-0706

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON

IN THE MATTER OF EXECUTING )  
AMENDMENT #3 TO THE INTERLOCAL )  
AGREEMENT BETWEEN THE CITY OF )  
SPOKANE AND SPOKANE COUNTY )  
REGARDING TRANSFER AND DISPOSAL OF )  
SOLID WASTE EXECUTED UNDER )  
RESOLUTION NO. 14-0131 AS MODIFIED BY )  
RESOLUTION NO. 14-1021 AND RESOLUTION )  
NO. 15-0581 )

**RESOLUTION**

**WHEREAS**, pursuant to the provisions of RCW 36.32.120(6), the Board of County Commissioners of Spokane County, Washington (“Board” or “Board of County Commissioners”) has the care of County property and the management of County funds and business; and

**WHEREAS**, pursuant to the provisions of RCW 36.58.040, counties may construct, lease, purchase, acquire, add to, alter, or extend solid waste handling systems, plants, sites, or other facilities and shall have full jurisdiction and authority to manage, regulate, maintain, utilize, operate, control and establish the rates and charges for those solid waste handling systems, plants, sites, or other facilities; and

**WHEREAS**, pursuant to the provisions of chapter 39.34 RCW (Interlocal Cooperation Act), counties and cities may contract with each other to perform certain functions which each may legally perform; and

**WHEREAS**, pursuant to the provisions of Spokane County Resolution No. 14-0131, the City of Spokane (“City”) and County of Spokane (“County”) jointly “Parties” executed an interlocal agreement entitled “INTERLOCAL AGREEMENT BETWEEN THE CITY OF SPOKANE AND SPOKANE COUNTY REGARDING TRANSFER AND DISPOSAL OF SOLID WASTE” (Interlocal Agreement”) which was subsequently modified under Resolution Nos. 14-1021 and 15-0581; and

**WHEREAS**, the Parties desire to amend the Interlocal Agreement as modified to provide for an immediate \$3/ton reduction in the rate the County pays to the City for waste taken to the City’s Waste To Energy Facility. In addition, the County commits to sending its solid waste to the Waste To Energy Facility for a five-year period ending September 1, 2022.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of County Commissioners of Spokane County, Washington, pursuant to the provisions of RCW 36.32.12(6), RCW 36.58.040 and chapter 39.34 RCW, that either the chairperson of the Board or a majority of the Board be and is hereby authorized to execute that document entitled “INTERLOCAL AGREEMENT

AMENDMENT” wherein the City of Spokane and Spokane County will amend certain provisions of that document executed under Spokane County Resolution No. 14-0131 and modified under Resolution Nos. 14-1021 and 15-0581 to provide for an immediate \$3/ton reduction in the rate the County pays to the City for waste taken to the City’s Waste To Energy Facility. In addition, the County commits to sending its solid waste to the Waste To Energy Facility for a five-year period ending September 1, 2022.

PASSED AND ADOPTED this 15th day of August, 2017.



BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON

AL FRENCH, Chairman

JOSH KERNS, Vice-chair

ATTEST:

Ginna Vasquez, Clerk of the Board

**VACANT**  
COMMISSIONER

**INTERLOCAL AGREEMENT AMENDMENT # 3**

**THIS INTERLOCAL AGREEMENT AMENDMENT # 3** is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City," and SPOKANE COUNTY, a political subdivision of the State of Washington, "County", whose address for the transaction of business is 1116 West Broadway Avenue, Spokane, WASHINGTON 99260. Together referenced as the "Parties".

WHEREAS, the Parties entered into an Interlocal Agreement Between the City of Spokane and Spokane County Regarding Transfer and Disposal of Solid Waste, (Agreement) under OPR 2014-0060/Resolution No. 2014-0131 (signed February 26, 2014 by City and March 18, 2014 by County) which was subsequently amended on January 21, 2015 to provide an early buy out for the purchase of the Transfer Stations (Amendment #1), and on June 22, 2015 to provide for all by-pass waste delivered to the Waste-To-Energy Facility (Amendment #2); and

WHEREAS, the City has reviewed and adjusted its rates for solid waste disposal in exchange for a longer contract term; and

WHEREAS, the Agreement and billing arrangements provide that the City will be responsible for weighing Solid Waste as it enters the Waste To Energy Facility; and

WHEREAS, County disposal of Solid Waste at the Waste To Energy Facility frequently occurs at times beyond commercial only hours, and create unnecessary delay for drivers to wait for the City to weigh the Solid Waste; and

WHEREAS, the County has implemented weighing protocol to weigh Solid Waste as it leaves the County Transfer Stations and generate a weight ticket, reducing labor and cost to the City while freeing up scales to be used by City Collection Vehicles; and

WHEREAS, maintaining the county-wide solid waste system as it currently exists provides efficiencies with all programs, public outreach and education; and

WHEREAS, the Parties now agree it would be in both Parties mutual interests to amend Sections 3, 4H, 4I, 4N and 16G of Interlocal Agreement to provide greater efficiencies and coordination; -- Now, Therefore,

The Parties agree as follows:

1. AGREEMENT DOCUMENTS. The Agreement OPR 2014-0060/Resolution No. 2014-0131 (signed February 26, 2014 by City and March 18, 2014 by County) dated February 19, 2014, amended January 21, 2015 (Amendment #1) and amended June 22, 2015 (Amendment #2) shall remain in full force and effect, except as provided herein.
2. AMENDMENT. Section 3 of the Agreement is hereby amended as follows:

~~This Agreement shall be effective upon execution by both Parties and run through September 1, 2023 (at 12:00 A.M. on November 17, 2014 ("Commencement Date") and run through 11:59 P.M. on November 16, 2021, unless the COUNTY provides written notice of termination as provided for in Section No. 4(M) of this Agreement.) Under no circumstances shall this Agreement be terminated without the consent of both Parties prior to the end of five (5) (three (3)) years or before September 1, 2023 (November 16, 2017).~~

~~This Agreement shall automatically extend for up to five (5) additional one year time frames commencing September 2nd and running through September 1st of the following year UNLESS one party gives notice to the other party six months prior to September 1st of any contract year that it does not intend to extend for an additional one (1) year term, in which case the Agreement will terminate on September 1st.~~

~~(Any notice of termination shall be provided in writing and not later than twelve (12) months prior to the effective date)~~

~~(Notwithstanding the above provisions, this Agreement may be extended in one (1) year increments for a period of five (5) years, or terms otherwise agreed upon, by mutual written agreement of the PARTIES.)~~

3. AMENDMENT. Section 4H of the Agreement is hereby amended as follows:

H. County Disposal Rate:

~~Upon execution of this Agreement by both Parties, the COUNTY will pay to the CITY Fifty-One and 90/100 Dollars (\$51.90) (For the period from November 17, 2014 through December 31, 2015, the COUNTY will pay to the CITY Fifty Four and 12/100 Dollars (\$54.12)) per ton for each ton of solid waste delivered from the Transfer Stations to the Waste To Energy Facility by the COUNTY.~~

~~On January 1<sup>st</sup> of each year following -2018 (2015), the CITY will adjust the County Disposal Rate to reflect increases in the United States Department of Labor, Bureau of Labor Statistics, West-Size Class B/C, Consumer Price Index,~~

All Items for All Urban Consumers (CPI-U) (the "Index"). The adjustment factor for computing annual rate adjustments shall be computed by dividing the Index number for October of the just-completed year by the Index number for October of the previous year. In the event the Index number stays the same or decreases, no rate adjustment will be made, and the next rate adjustment shall not occur until the Index number increases to a number exceeding the highest previous Index number, and shall be computed using the previous highest Index number.

Notwithstanding the above, the annual CPI adjustment in any given year will not be greater than 2%.

Example Calculation of Annual Rate Adjustments:

	INDEX	ADJUST FACTOR	COUNTY DISPOSAL RATE
Base Yr.N	125		<del>\$(54.12)</del> 51.90
N+1	128.844	1.030752	<del>\$(55.78)</del> 52.43
N+2	133.315	1.034710	<del>\$(57.72)</del> 52.98
N+3*	132.474	No change	<del>\$(57.72)</del> 52.98
N+4**	133	No change	<del>\$(57.72)</del> 52.98
N+5	137.748	1.033252	<del>\$(59.69)</del> 53.52
N+6	140.054	1.016741	<del>\$(60.64)</del> 54.07
* No change-Index decreased			
** No charge-Index did not exceed highest previous Index			

The CITY will be responsible for all of the costs associated with disposal of the Solid Waste once delivered to the Waste To Energy Facility, including but not limited to incineration, ash disposal, by-pass of unburned material, and all maintenance, operation, repairs and ordinary renewals and replacements necessary for the operation of the Waste To Energy Facility.

4. AMENDMENT. Section 4I of the Agreement is hereby amended as follows:

I. Billing:

The CITY shall bill the COUNTY monthly on or before the 20<sup>th</sup> of the month for the previous month. ~~(However, the first monthly bill shall be prepared in January 2015 for the period November 17, 2014 through December 31, 2014.)~~

The monthly bill shall ~~(consist of two components.~~

~~The first component shall)~~ be determined by multiplying the Solid Waste tonnage delivered by the COUNTY from the Transfer Stations to the Waste To Energy Facility by the County Disposal rate.



~~(The second component shall be the monthly installment for the purchase of the Transfer Stations (\$117,857.14), subject to the terms provided in Section No. 4(C).)~~

The CITY shall be responsible for weighing Solid Waste as it enters the CITY's Waste To Energy Facility. The CITY can authorize weighing of the Solid Waste by the COUNTY as it leaves the COUNTY Transfer Stations inbound to the CITY's Waste To Energy Facility. The COUNTY shall provide to the CITY copies of the COUNTY's weigh tickets within 10 days for verification. The PARTIES can mutually agree to other methods for weighing of the Solid Waste delivered to the Waste To Energy Facility by the COUNTY.

The COUNTY shall advise the CITY in writing within ten (10) business days of invoice receipt if it has any questions, needs further information, or disputes the bill. The COUNTY will reimburse the CITY for the monthly billing within sixty (60) calendar days of invoice receipt for all portions of the bill which are not disputed. Any dispute between the PARTIES as to any billing shall be resolved pursuant to the Dispute Resolution Section. If a billing not subject to dispute is outstanding for more than three (3) months, it shall, at the sole discretion of the CITY, accrue interest at the current local government investment pool rate until paid.

5. AMENDMENT. Section 4N of the Agreement is hereby amended as follows:

N. Early Termination:

Any termination shall be in accordance with Section 3.

~~(This Agreement shall be in effect for seven (7) years. After two (2) years, the COUNTY shall have the option to provide to the CITY twelve (12) months prior written notice ("Early Termination") of its intent to terminate this Agreement. Should the COUNTY exercise this Early Termination option, it will be effective no earlier than the end of three (3) years (November 16, 2017), or any other later time prior to the seven (7) year term of this Agreement. The COUNTY will then pay to the CITY a lump sum representing the remaining unpaid amount of the purchase price of the Transfer Stations owed to the CITY.~~

~~Said amount shall be paid within twelve (12) months of written notice of Early Termination, or at such time(s) as the PARTIES may mutually agree in writing. Upon payment of purchase price of the Transfer Station by the COUNTY, the CITY shall execute and file a Full Reconveyance of the Deed of Trust addressed in Section No. 4B(5)(b)(i).~~

~~Upon Early Termination, the COUNTY shall have no further obligation to deliver any Solid Waste received at the Transfer Stations to the Waste To Energy Facility for final disposal pursuant to this Agreement.)~~

6. AMENDMENT. Section 4M of the Agreement is hereby amended as follows:

M. Non-processible Waste:

The CITY shall be responsible for identifying and disposing of any non-processible waste delivered to the Waste To Energy Facility. The CITY and the COUNTY further agree, that upon request of the CITY during times when the Waste To Energy Facility is unavailable to process waste, the COUNTY agrees to load waste (by-pass) from one or both County Transfer Stations into intermodal containers and deliver directly to the BNSF rail yard in Spokane to be managed as by-pass waste by Rabanco under the current Agreement between the CITY and Rabanco, OPR # 1991-0473. Further, the Parties agree (~~to share equally (50% split)~~) any fee differential between the County Disposal Rate to the City and the Contract rate for by-pass disposal between the City and Rabanco shall be retained by the COUNTY.

7. AMENDMENT. Section 16G of the Agreement is hereby amended as follows:

G. Termination:

This Agreement can only be terminated (~~early~~) in accordance with Section 3 (~~4 (M)~~).

DATED: 8.15.17



BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON

*Al French*

AL FRENCH, Chair

ATTEST:

*Jinnavazquez*

*Josh Kerns*

JOSH KERNS Vice-Chair

Clerk of the Board

17-0706

**VACANT**

Commissioner

APPROVED AS TO FORM:

*[Signature]*

Deputy Civil Prosecuting Attorney

Dated: 8-4-17

CITY OF SPOKANE

By: *Daniel A. Cunniff* 8-4-17  
Title: MAYOR

Attest:

*Leri Hoffstedt*  
City Clerk

Approved as to form:

*Pat Dalton*  
for Elizabeth Schoedel  
Assistant City Attorney





AFTER RECORDING MAIL TO:

City of Spokane  
Attn: City Clerk  
808 W. Spokane Falls Blvd.  
Spokane, WA 99201-3301

RECEIVED

NOV 21 2014

CITY CLERK'S OFFICE  
SPOKANE, WA

Valley Transfer Station  
(OPR 2014-0060)

NOTICE

*This document is recorded as a courtesy only by First American Title Insurance Co. and is NOT a part of any title commitment or policy of title insurance.*

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**DEED OF TRUST**

*(For use in the state of Washington only)*

**Grantor(s):** SPOKANE COUNTY, a political subdivision of the State of Washington

**Beneficiary:** CITY OF SPOKANE, a municipal corporation of the State of Washington

**Trustee:** First American Title Insurance Company

**Abbreviated Legal:** Portion of the NE Quarter of the SE QTR, SEC 2, TWP 25N, RGE 44E. W. M., SPOKANE COUNTY.

**Legal:** Exhibit A

**Assessors tax parcel/Account No:** 45024.9027

**THIS DEED OF TRUST**, made this 17th day of November, 2014, between Spokane County, a political subdivision of the State of Washington, as GRANTOR, whose street address is 1116 West Broadway Avenue, Spokane, WA 99201; First American Title Insurance Company, as TRUSTEE, whose street address is 40 E Spokane Falls Blvd, Spokane, WA 99202; and the City of Spokane, as BENEFCIARY, whose street address is 808 W. Spokane Falls Blvd., Spokane, WA 99201.

WITNESSETH: Grantor hereby bargain(s), sell(s), and convey(s) to Trustee in trust, with power of sale, the real property described in Exhibit A hereto, which property is situated in Spokane County, Washington (the "Property"), which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter belonging or in any way appertaining, and the rents, issues, and profits of the property.

RECEIVED

MAY 13 2016

CITY CLERK'S OFFICE

This Deed of Trust is given for the purpose of securing performance the following: (a) each agreement of Grantor contained in this Deed of Trust; (b) payment of the sum of NINE MILLION NINE HUNDRED THOUSAND and 00/100 DOLLARS (\$9,900,000.00) in accordance with the terms of that certain document entitled "Interlocal Agreement Between the City of Spokane and Spokane County Regarding Transfer and Disposal of Solid Waste", executed under Spokane County Resolution NO. 14-0131 on March 18, 2014 by Grantor and City of Spokane PPR 2012-0080 on February 26, 2014, and all renewals, modifications, and extensions of said Interlocal Agreement (the "Interlocal Agreement"); and (c) performance of each agreement, term and condition set forth in the Interlocal Agreement.

To protect the security of this Deed of Trust, Grantor(s) covenant(s) and agree(s):

1. To keep the Property in good condition and repair; to permit no waste of the Property; to complete any building, structure, or improvement being built or about to be built on the Property; to restore promptly any building, structure, or improvement on the Property which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the Property.
2. To pay before delinquent all lawful taxes and assessments upon the Property; to keep the Property free and clear of all other charges, liens, or encumbrances impairing the security of this Deed of Trust.
3. To keep all buildings now or hereafter erected on the Property continuously insured against loss by fire or other hazards in an amount of \$7,200,000.00 secured by this Deed of Trust. All policies or proof thereof shall be delivered to and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor(s). The amount collected under any insurance policy may be applied upon any indebtedness secured by this Deed of Trust in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor(s) in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
5. To pay all costs, fees, and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured by this Deed of Trust and Trustee's and attorney's fees actually incurred, as provided by statute.
6. Should Grantor(s) fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the Property, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Interlocal Agreement secured by this Deed of Trust, shall be added to and become a part of the debt secured in this Deed of Trust.



Grantor (Initials)



Beneficiary (Initials)

IT IS MUTUALLY AGREED THAT:

7. In the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured by this Deed of Trust shall be paid to Beneficiary to be applied to said obligation.

8. By accepting payment of any sum secured by this Deed of Trust after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

9. The Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor(s) and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

10. Upon default by Grantor(s) in the payment of any indebtedness secured by this Deed of Trust or in the performance of any agreement contained in this Deed of Trust, all sums secured by this Deed of Trust shall immediately become due and payable at the option of the Beneficiary, subject to any cure period provided in the Interlocal Agreement secured by this Deed of Trust. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.

11. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser all right, title and interest in the real and personal property which Grantor(s) had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantor(s) may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.

12. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

13. In the event of the absence, death, incapacity, disability, or resignation of Trustee, or at the discretion of the Beneficiary, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of an action or proceeding in which Grantor(s), Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

14. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/their heirs, devisees, legatees, administrators, executors, and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

15. In any action commenced to enforce the obligations of Grantors created or arising under this Deed of Trust, the judgment or decree shall be enforceable against such parties only to the extent of their interests in the Property covered hereby, and any such judgment shall not be subject to execution on, nor be a lien on, assets of such

parties other than their interests in the Property. Notwithstanding the foregoing, such parties shall be personally liable for (a) fraud, gross negligence and/or misrepresentations on the part of Grantors, (b) waste committed on the Property or damage from failure by Grantors to maintain the Property in the manner required by this Deed of Trust, (c) retention of rent or other income after default, (d) collateral fixtures improperly removed or allowed to be removed by Grantors, (e) misapplication of insurance proceeds, condemnation awards or other funds or payments which under the terms of the Note and this Deed of Trust should have been paid to Beneficiary, (f) payments and the recovery of any sums expended by beneficiary in the performance of or compliance with the obligations of Grantor under the Note or this Deed of Trust, including, without limitation, sums expended to pay taxes or assessments or insurance premiums or bills for utilities or other services or products for the benefit of the Property, and/or (h) any damages suffered by Beneficiary caused by Grantors release of hazardous substances identified under any environmental laws; provided Grantor shall not be responsible for the release of hazardous substances the existed prior to Grantor's use and occupancy of the Property. Nothing in the foregoing shall in any manner release, affect or impair the existence of the debt evidenced by the Note or the enforceability of the liens and security interests created by this Deed of Trust, nor be construed in any way to limit the amount of Grantors' obligation pursuant to the Note or secured by this Deed of Trust.

GRANTOR:

Spokane County

By: \_\_\_\_\_

*Al French*  
Al French, Chairperson



BENEFICIARY

By: \_\_\_\_\_

*David H. Cumber*

Its: \_\_\_\_\_

Attest:

City Clerk

*Levi Roberts*

Approved as to form:

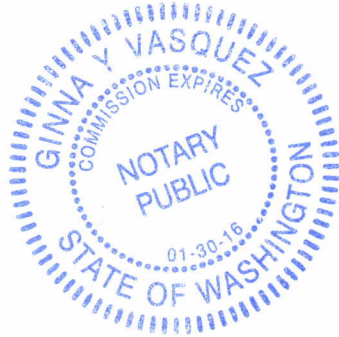
Assistant City Attorney

*James*

STATE OF WASHINGTON        )  
  )  
COUNTY OF SPOKANE        )

On this 17th day of November, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared Al French, to me known to be the Chairperson of the Board of County Commissioners of Spokane County, Washington and acknowledged the foregoing instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Ginna Y. Vasquez  
Print Name: Ginna Y. Vasquez  
NOTARY PUBLIC in and for the State of WA  
Residing at: Spokane  
My commission expires: Jan-30, 2016



## Exhibit "A"

### Legal Description

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 25 NORTH, RANGE 44 E.W.M., CITY OF SPOKANE VALLEY, SPOKANE COUNTY, SPOKANE WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 2;

THENCE ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER N 89°47'53" W 80.01 FEET TO THE WEST RIGHT OF WAY LINE OF SULLIVAN ROAD;

THENCE CONTINUING ALONG SAID WEST RIGHT OF WAY LINE S 00°36'39" E 1.13 FEET;

THENCE S 00°35'56" E 49.12 FEET TO A POINT ON SAID WEST RIGHT OF WAY LINE AND THE SOUTH RIGHT OF WAY LINE OF THE INLAND EMPIRE PAPER COMPANY CANAL AS RECORDED IN SURVEY BOOK 19, PAGE 35, AT SPOKANE COUNTY COURT HOUSE AND THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID WEST RIGHT OF WAY LINE THE FOLLOWING THREE (3) COURSES (1) S 00°35'56" E 515.99 FEET, (2) N 89°24'04" E 30.00 FEET, (3) S 00°35'56" E 84.04 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF KIERNAN AVE. AS RECORDED AT SPOKANE COUNTY COURT HOUSE IN BOOK OF DEEDS, VOL. 558, PAGE 1959, No. 8107240196;

THENCE ALONG SAID NORTH RIGHT OF WAY LINE THE FOLLOWING FOUR (4) COURSES (1) N 89°50'00" W 1162.16 FEET TO THE BEGINNING OF A CURVE CONCAVED TO THE NORTHEAST HAVING A RADIUS OF 15.00 FEET AND A CENTRAL ANGLE OF 67°31'08" (2) THENCE NORTHWESTERLY THROUGH SAID CURVE 17.68 FEET, TO THE POINT OF A REVERSE CURVE CONCAVED TO THE SOUTH HAVING A RADIUS OF 50.00 FEET AND A CENTRAL ANGLE OF 146°09'07" (3) THENCE WEST THROUGH SAID CURVE 127.54 FEET (4) THENCE N 89°50'00" W 1.30 FEET TO A POINT ON SAID NORTH RIGHT OF WAY LINE AND THE WEST LINE OF SAID NORTHEAST QUARTER OF SAID SOUTHEAST QUARTER;

THENCE ALONG SAID WEST LINE N 00°32'45" W 532.02 FEET TO THE SOUTH RIGHT OF WAY LINE OF SAID INLAND EMPIRE PAPER COMPANY CANAL;

THENCE ALONG SAID SOUTH RIGHT OF WAY LINE THE FOLLOWING THREE (3) COURSES (1) N 78°52'51" E 69.28 FEET TO THE BEGINNING OF A CURVE CONCAVED TO THE SOUTH HAVING A RADIUS OF 2715.47 FEET AND A CENTRAL ANGLE OF 11°09', (2) THENCE EASTERLY THROUGH SAID CURVE 528.44 FEET, (3) THENCE S 89°58'09" E 648.21 FEET TO THE TRUE POINT OF BEGINNING.

11/18/2014 11:33:19 AM  
 Recording Fee \$79.00 Page 1 of 7  
 Deed Of Trust SPOKANE, COUNTY UTILITIES  
 Spokane County Washington

6349112

## AFTER RECORDING MAIL TO:

City of Spokane  
 Attn: City Clerk  
 808 W. Spokane Falls Blvd.  
 Spokane, WA 99201-3301

(Northside Transfer Station)

RECEIVED

NOV 21 2014

CITY CLERK'S OFFICE  
 SPOKANE, WA

**NOTICE**

*This document is recorded as a courtesy only by First American Title Insurance Co. and is NOT a part of any title commitment or policy of title insurance.*

**DEED OF TRUST**

*(For use in the state of Washington only)*

**Grantor(s):** SPOKANE COUNTY, a political subdivision of the State of Washington

**Beneficiary:** CITY OF SPOKANE, a municipal corporation of the State of Washington

**Trustee:** First American Title Insurance Company

**Abbreviated Legal:** Portion of the SW Quarter of the SE Quarter of SEC 3, TWP 27N, RGE 43E.W.M., AND a portion of the NW Quarter of the NE Quarter of SEC 10 TWP 27N RGE 43E.W.M., SPOKANE COUNTY

**Complete Legal:** Exhibit A

**Assessors tax parcel/Account Nos:** 37036.9060

**THIS DEED OF TRUST**, made this 17<sup>TH</sup> day of November, 2014, between Spokane County, a political subdivision of the State of Washington, as GRANTOR, whose street address is 1116 West Broadway Avenue, Spokane, WA 99201; First American Title Insurance Company, as TRUSTEE, whose street address is 40 E Spokane Falls Blvd, Spokane, WA 99202; and the City of Spokane, as BENEFCIARY, whose street address is 808 W. Spokane Falls Blvd., Spokane, WA 99201.

WITNESSETH: Grantor hereby bargain(s), sell(s), and convey(s) to Trustee in trust, with power of sale, the real property described in Exhibit A hereto, which property is situated in Spokane County, Washington (the "Property"), which real property is not used principally for agricultural or farming

RECEIVED

MAY 13 2016

CITY CLERK'S OFFICE

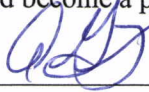
purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter belonging or in any way appertaining, and the rents, issues, and profits of the property.

This Deed of Trust is given for the purpose of securing performance the following: (a) each agreement of Grantor contained in this Deed of Trust; (b) payment of the sum of NINE MILLION NINE HUNDRED THOUSAND and 00/100 DOLLARS (\$9,900,000.00) in accordance with the terms of that certain document entitled "Interlocal Agreement Between the City of Spokane and Spokane County Regarding Transfer and Disposal of Solid Waste", executed under Spokane County Resolution No. 14-0131 on March 18, 2014 by Grantor and City of Spokane PPR 2012-0080 on February 26, 2014, and all renewals, modifications, and extensions of said Interlocal Agreement (the "Interlocal Agreement"); and (c) performance of each agreement, term and condition set forth in the Interlocal Agreement.

To protect the security of this Deed of Trust, Grantor(s) covenant(s) and agree(s):

1. To keep the Property in good condition and repair; to permit no waste of the Property; to complete any building, structure, or improvement being built or about to be built on the Property; to restore promptly any building, structure, or improvement on the Property which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the Property.
2. To pay before delinquent all lawful taxes and assessments upon the Property; to keep the Property free and clear of all other charges, liens, or encumbrances impairing the security of this Deed of Trust.
3. To keep all buildings now or hereafter erected on the Property continuously insured against loss by fire or other hazards in an amount of \$2,700,000.00 secured by this Deed of Trust. All policies or proof thereof shall be delivered to and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor(s). The amount collected under any insurance policy may be applied upon any indebtedness secured by this Deed of Trust in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor(s) in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
5. To pay all costs, fees, and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured by this Deed of Trust and Trustee's and attorney's fees actually incurred, as provided by statute.

6. Should Grantor(s) fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the Property, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Interlocal Agreement secured by this Deed of Trust, shall be added to and become a part of the debt secured in this Deed of Trust.



\_\_\_\_\_  
Grantor (Initials)



\_\_\_\_\_  
Beneficiary (Initials)

IT IS MUTUALLY AGREED THAT:

7. In the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured by this Deed of Trust shall be paid to Beneficiary to be applied to said obligation.

8. By accepting payment of any sum secured by this Deed of Trust after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

9. The Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor(s) and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

10. Upon default by Grantor(s) in the payment of any indebtedness secured by this Deed of Trust or in the performance of any agreement contained in this Deed of Trust, all sums secured by this Deed of Trust shall immediately become due and payable at the option of the Beneficiary, subject to any cure period provided in the Interlocal Agreement secured by this Deed of Trust. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.

11. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser all right, title and interest in the real and personal property which Grantor(s) had or had the power to convey at the time of the execution of this Deed of Trust, and such as Grantor(s) may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.

12. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

13. In the event of the absence, death, incapacity, disability, or resignation of Trustee, or at the discretion of the Beneficiary, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of an action or proceeding in which Grantor(s), Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

14. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/their heirs, devisees, legatees, administrators, executors, and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

15. In any action commenced to enforce the obligations of Grantors created or arising under this Deed of Trust, the judgment or decree shall be enforceable against such parties only to the extent of their interests in the Property covered hereby, and any such judgment shall not be subject to execution on, nor be a lien on, assets of such parties other than their interests in the Property. Notwithstanding the foregoing, such parties shall be personally liable for (a) fraud, gross negligence and/or misrepresentations on the part of Grantors, (b) waste committed on the Property or damage from failure by Grantors to maintain the Property in the manner required by this Deed of Trust, (c) retention of rent or other income after default, (d) collateral fixtures improperly removed or allowed to be removed by Grantors, (e) misapplication of insurance proceeds, condemnation awards or other funds or payments which under the terms of the Note and this Deed of Trust should have been paid to Beneficiary, (f) payments and the recovery of any sums expended by beneficiary in the performance of or compliance with the obligations of Grantor under the Note or this Deed of Trust, including, without limitation, sums expended to pay taxes or assessments or insurance premiums or bills for utilities or other services or products for the benefit of the Property, and/or (h) any damages suffered by Beneficiary caused by Grantors release of hazardous substances identified under any environmental laws; provided Grantor shall not be responsible for the release of hazardous substances the existed prior to Grantor's use and occupancy of the Property. Nothing in the foregoing shall in any manner release, affect or impair the existence of the debt evidenced by the Note or the enforceability of the liens and security interests created by this Deed of Trust, nor be construed in any way to limit the amount of Grantors' obligation pursuant to the Note or secured by this Deed of Trust.

GRANTOR:

Spokane County

By: \_\_\_\_\_

Al French, Chairperson

BENEFICIARY

By: \_\_\_\_\_

Its: \_\_\_\_\_

Attest:

City Clerk



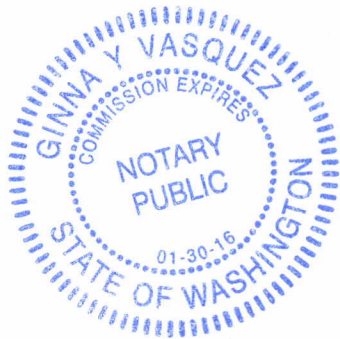
Approved as to form:

Assistant City Attorney

STATE OF WASHINGTON )  
  )  
COUNTY OF SPOKANE )

On this 17th day of November, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared Al French, to me known to be the Chairperson of the Board of County Commissioners of Spokane County, Washington and acknowledged the foregoing instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Ginna Y. Vasquez  
Print Name: Ginna Y. Vasquez  
NOTARY PUBLIC in and for the State of WA  
Residing at: Spokane  
My commission expires: Jan. 30, 2016

## **Exhibit "A"**

### **Legal Description**

**THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 27 NORTH, RANGE 43 EAST, W.M., IN SPOKANE COUNTY, WASHINGTON, LYING EASTERLY OF SR-2;**

**EXCEPT THE NORTH 20 FEET; AND ALSO EXCEPT THE EAST 60 FEET;**

**TOGETHER WITH AN EASEMENT FOR INGRESS AND EGRESS AND UTILITIES OVER, UNDER AND ACROSS THE EAST 60 FEET OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER;**

**TOGETHER WITH THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 27 NORTH, RANGE 43 EAST, W.M., IN SPOKANE COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:**

**BEGINNING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 10;**

**THENCE SOUTH 89°03'53" WEST ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER 60.00 FEET;**

**THENCE SOUTH 1°07'28" EAST PARALLEL WITH THE EAST LINE OF SAID NORTHWEST QUARTER 225.87 FEET;**

**THENCE SOUTH 19°07'12" WEST 142 FEET, MORE OR LESS, TO THE NORTH LINE OF ELK-CHATTAROY ROAD;**

**THENCE NORTH 65°56'51" EAST ALONG THE SAID NORTH LINE OF ELK-CHATTAROY ROAD 119 FEET, MORE OR LESS, TO THE EAST LINE OF SAID NORTHWEST QUARTER;**

**THENCE NORTH 1°07'28" WEST ALONG THE SAID EAST LINE OF SAID NORTHWEST QUARTER 313 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 10 AND THE POINT OF BEGINNING;**

**TOGETHER WITH THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 27 NORTH, RANGE 43 EAST, W.M., IN SPOKANE COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:**

**BEGINNING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 10;**

**THENCE SOUTH 89°03'53" WEST ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER 60.00 FEET;**

**THENCE SOUTH 1°07'28" EAST PARALLEL WITH THE EAST LINE OF SAID NORTHWEST QUARTER 225.87 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;**

**THENCE CONTINUING SOUTH 1°07'28" EAST 112.69 FEET TO THE NORTH LINE OF ELK-CHATTAROY ROAD;**

**THENCE SOUTH 65°56'51" WEST ALONG THE SAID NORTH LINE 53.46 FEET;**

**THENCE NORTH 19°07'12" EAST 142.31 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.**



07/28/15



**Agenda Sheet for City Council Meeting of:**  
06/22/2015

<b>Date Rec'd</b>	6/10/2015
<b>Clerk's File #</b>	OPR 2014-0060
<b>Renews #</b>	
<b>Cross Ref #</b>	RES 2014-0016
<b>Project #</b>	
<b>Bid #</b>	
<b>Requisition #</b>	

<b>Submitting Dept</b>	SOLID WASTE DISPOSAL
<b>Contact Name/Phone</b>	CHUCK 625-6524
<b>Contact E-Mail</b>	CCONKLIN@SPOKANECITY.ORG
<b>Agenda Item Type</b>	Contract Item
<b>Agenda Item Name</b>	AMENDMENT #2 TO INTERLOCAL AGREEMENT WITH SPOKANE COUNTY

**Agenda Wording**

Amendment #2 to Interlocal Agreement with Spokane County for transfer and disposal of solid waste and purchase of transfer stations.

**Summary (Background)**

The City of Spokane and Spokane County entered into an Interlocal Agreement on February 10, 2014, subsequently amended on January 21, 2015, regarding transfer and disposal of solid waste and the purchase of the 2 transfer stations. From time to time there are planned and unplanned situations where the waste to energy facility may not be able to process all waste and must utilize alternate disposal. The City currently has a contract with Rabanco for disposal of such by-pass waste.

<b>Fiscal Impact</b>	<b>Budget Account</b>
Neutral \$	#
Select \$	#
Select \$	#
Select \$	#

<b>Approvals</b>		<b>Council Notifications</b>	
<b>Dept Head</b>	CONKLIN, CHUCK	<b>Study Session</b>	PWC 6/8/12
<b>Division Director</b>	GIMPEL, KEN	<b>Other</b>	
<b>Finance</b>	DAVIS, LEONARD	<b>Distribution List</b>	
<b>Legal</b>	SCHOEDEL, ELIZABETH	ttauscher@spokanecity.org	
<b>For the Mayor</b>	SANDERS, THERESA	lbutz@spokanecity.org	
<b>Additional Approvals</b>			
<b>Purchasing</b>			

APPROVED BY  
SPOKANE CITY COUNCIL:

6/22/2015  
*[Signature]*  
CITY CLERK



**Continuation of Wording, Summary, Budget, and Distribution**

**Agenda Wording**

**Summary (Background)**

This agreement will, upon the City's request, allow the County to load by-pass waste directly into intermodal rail containers and deliver them to the BNSF rail yard to be managed under the City's current contract with Rabanco. Any fee differential between the County Disposal Rate and the City Contract rate for by-pass disposal will be shared equally between the City and County. While this amendment will reduce the revenue received from the County for the waste, it will at the same time reduce the cost to the City by eliminating the need for loading and by-passing the waste from the waste to energy facility. The result should be revenue neutral or a small net savings to the City. The savings amount will be dependant on the amount of waste that is by-passed.

**Fiscal Impact**

**Budget Account**

Select	\$	#
Select	\$	#

**Distribution List**


**BRIEFING PAPER**  
**Public Works Committee**  
**Solid Waste Disposal**  
**June 8, 2015**

---

**Subject**

Amendment #2 to Interlocal Agreement with Spokane County for Transfer and Disposal of Solid Waste and Purchase of Transfer Stations.

**Background**

The City of Spokane and Spokane County entered into an Interlocal Agreement on February 10, 2014, subsequently amended on January 21, 2015, regarding transfer and disposal of solid waste and the purchase of the 2 transfer stations.

There are from time to time planned and unplanned situations where the waste to energy facility may not be able to process all waste and must utilize alternate disposal. The City currently has a contract with Rabanco for disposal of such by-pass material. It is agreed that it would be in both parties' interest to by-pass waste directly from the transfer stations to Rabanco under the current contract between Rabanco and the City.

**Impact**

This agreement will, upon the City's request, allow the County to load by-pass waste directly into intermodal rail containers and deliver them to the BNSF rail yard to be managed under the City's current contract with Rabanco.

Any fee differential between the County Disposal Rate and the City Contract rate for by-pass disposal will be shared equally between the City and County.

**Action**

Recommend approval.

**Funding**

By-pass disposal will be funded with solid waste tipping fees.

**INTERLOCAL AGREEMENT AMENDMENT # 2**

**THIS INTERLOCAL AGREEMENT AMENDMENT # 2** is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City", and SPOKANE COUNTY, a political subdivision of the State of Washington, as "County", whose address for the transaction of business is 1116 West Broadway Avenue, Spokane, Washington 99260. Together referenced hereafter as the "Parties".

WHEREAS, the Parties entered into an Interlocal Agreement between the City of Spokane and Spokane County Regarding Transfer and Disposal of Solid Waste, (the "Agreement") on February 10, 2014, and amended on January 21, 2015 to provide an early buy out for the purchase of the Transfer Stations; and

WHEREAS, the Agreement provides the City will be responsible for all by-pass of unburned materials and any non-processible waste delivered to the Waste-To-Energy Facility; and

WHEREAS, the Parties recognize there will be planned and unplanned situations where the Waste to Energy Facility may not be able to process waste and must utilize by-pass methods; and

WHEREAS, the City has a current contract with Rabanco (Spokane City Clerk OPR 1991-0473) for disposal of all non-processible wastes and by-pass of unburned materials; and

WHEREAS, the Parties now agree it would be in both Parties mutual interests to amend the Interlocal Agreement to provide for direct by-pass of unburned materials and non-processible wastes from the Transfer Stations directly to Rabanco under the same terms and conditions as the current Rabanco Contract with the City; and

WHEREAS, the Parties agree to amend Section 4(M) of the Agreement to provide for situations wherein by-pass of unburned materials and non-processible waste will occur directly from the Transfer Stations; -- Now, Therefore,

The Parties agree as follows:

1. **AGREEMENT DOCUMENTS.** The Agreement OPR 2014-0060 dated February 19, 2014, and amended January 21, 2015 shall remain in full force and effect, except as provided herein.

2. **AMENDMENT.** Section 4(M) of the Agreement is hereby amended as follows:

M. **Non-processible Waste:**

The CITY shall be responsible for identifying and disposing of any non-processible waste delivered to the Waste To Energy Facility. The CITY and the COUNTY further agree, that upon request of the CITY during times when the Waste To Energy Facility is unavailable to process waste, the COUNTY agrees to load waste (by-pass) from one or both County Transfer Stations into intermodal containers and deliver directly to the BNSF rail yard in Spokane to be managed as by-pass waste by Rabanco under the current Agreement between the CITY and Rabanco, OPR # 1991-0473. Further, the Parties agree to share equally (50% split) any fee differential between the County Disposal Rate to the City and the Contract rate for by-pass disposal between the City and Rabanco.

ADOPTED by the Board of County Commissioners of Spokane County, Washington this 20th day of July 2015.



ATTEST:

GINNA VASQUEZ  
GINNA VASQUEZ  
Clerk of the Board

TODD MIELKE  
Todd Mielke, Chair  
Shelly O'Quinn  
Shelly O'Quinn, Vice-Chair

**ABSENT**  
Al French, Commissioner

Dated: \_\_\_\_\_

CITY OF SPOKANE

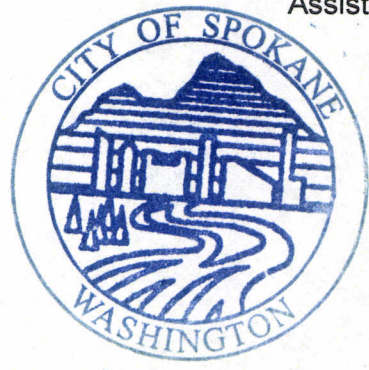
By: David A. Coe  
Title: Mayor

Attest:

Leri H. Galt  
City Clerk

Approved as to form:

Elizabeth Schoedel  
Elizabeth Schoedel  
Assistant City Attorney



NO. **15 - 0581**

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON

IN THE MATTER OF EXECUTING )  
AMENDMENT #2 TO THE INTERLOCAL )  
AGREEMENT BETWEEN THE CITY OF )  
SPOKANE AND SPOKANE COUNTY )  
REGARDING TRANSFER AND )  
DISPOSAL OF SOLID WASTE [Resolution )  
No. 14-0131, Resolution No. 14-1021] )

**RESOLUTION**

**WHEREAS**, pursuant to the provisions of RCW 36.32.120(6), the Board of County Commissioners of Spokane County, Washington ("Board" or "Board of County Commissioners") has the care of county property and the management of county funds and business; and

**WHEREAS**, pursuant to the provisions of RCW 36.58.040, counties may construct, lease, purchase, acquire, add to, alter, or extend solid waste handling systems, plants, sites, or other facilities and shall have full jurisdiction and authority to manage, regulate, maintain, utilize, operate, control and establish the rates and charges for those solid waste handling systems, plants, sites, or other facilities; and

**WHEREAS**, pursuant to the provisions of chapter 39.34 RCW (Interlocal Cooperation Act), counties and cities may contract between/among each other to perform certain functions which each may legally perform; and

**WHEREAS**, pursuant to the provisions Spokane County Resolution No. 14-0131, the City of Spokane and County of Spokane ("Parties") executed an interlocal agreement entitled "INTERLOCAL AGREEMENT BETWEEN THE CITY OF SPOKANE AND SPOKANE COUNTY REGARDING TRANSFER AND DISPOSAL OF SOLID WASTE" ("Interlocal Agreement") wherein Spokane County agreed to pay \$9,900,000.00 to the City of Spokane for the purchase of the North County Transfer Station, Valley Transfer Station and other personal property described in the Interlocal Agreement ("Property"); and

**WHEREAS**, pursuant to Resolution No. 14-1021, the Parties executed Amendment #1 to the Interlocal Agreement to provide that Spokane County instead of paying the \$9,900,000.00 purchase price for the Property in 84 equal monthly installments of \$117,857.14 can pay a lump sum on or before March 31, 2015 of \$8,900,000.00; and

**WHEREAS**, the Parties desire to execute Amendment #2 to the Interlocal Agreement to provide for direct by-pass of unburned materials and non-processible wastes from the Transfer Stations directly to Rabanco under the same terms and conditions as the Rabanco Contract with the City of Spokane (Spokane City Clerk OPR 1991-0473).

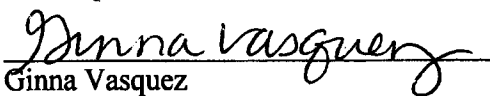
**NOW, THEREFORE, BE IT RESOLVED** by the Board of County Commissioners of Spokane County, Washington, pursuant to the provisions of RCW 36.32.12(6), RCW 36.58.040 and chapter 39.34 RCW that either the chairperson of the Board or a majority of the Board be and is hereby authorized to execute that document entitled "INTERLOCAL AGREEMENT AMENDMENT #2" wherein the City of Spokane and Spokane County will amend certain provisions of that document executed under Spokane County Resolution No. 14-0131 to provide for the direct by-pass of unburned materials and non-processible wastes from the Transfer Stations directly to Rabanco under the same terms and conditions as the Rabanco Contract with the City of Spokane (Spokane City Clerk OPR 1991-0473).

**PASSED AND ADOPTED** this 20<sup>th</sup> day of July 2015.

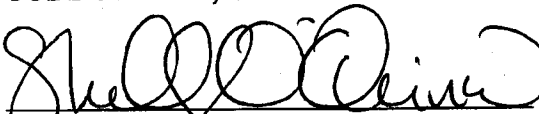
BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON



ATTEST:

  
Ginna Vasquez  
Clerk of the Board


  
TODD MIELKE, Chair

  
SHELLY O'QUINN, Vice-Chair

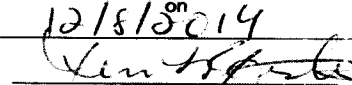
**ABSENT**  
AL FRENCH, Commissioner



12/16/14  
SRS

<b>SPOKANE</b>		<b>Agenda Sheet for City Council Meeting of:</b>	<b>Date Rec'd</b>	11/25/2014
		12/08/2014	<b>Clerk's File #</b>	DPR 2014-0020
			<b>Renews #</b>	
<b>Submitting Dept</b>	CITY COUNCIL		<b>Cross Ref #</b>	RES 2014-0116
<b>Contact Name/Phone</b>	BEN STUCKART	625-6269	<b>Project #</b>	
<b>Contact E-Mail</b>	AMCDANIEL@SPOKANECITY.ORG		<b>Bid #</b>	
<b>Agenda Item Type</b>	Resolutions		<b>Requisition #</b>	
<b>Agenda Item Name</b>	0320 SPOKANE COUNTY EARLY PAYOFF FOR TRANSFER STATIONS RESOLUTION			
<b>Agenda Wording</b>				
A resolution relating to the early payoff of \$8.9 million by Spokane County for transfer stations.				
<b>Summary (Background)</b>				
This resolution authorizes City of Spokane staff to approve and execute the early pay off of the transfer stations by Spokane County for \$8.9 million without further Council action.				
<b>Fiscal Impact</b>		<b>Budget Account</b>		
Select	\$		#	
Select	\$		#	
Select	\$		#	
Select	\$		#	
<b>Approvals</b>		<b>Council Notifications</b>		
<b>Dept Head</b>	MCDANIEL, ADAM		<b>Study Session</b>	
<b>Division Director</b>			<b>Other</b>	Public Works
<b>Finance</b>	DOLAN, PAM		<b>Distribution List</b>	
<b>Legal</b>	SCHOEDEL, ELIZABETH		Ken Gimpel	
<b>For the Mayor</b>	SANDERS, THERESA		Amber Waldref	
<b>Additional Approvals</b>		Hunt Whaley		
<b>Purchasing</b>			Rick Romero	

ADOPTED BY SPOKANE CITY COUNCIL

12/18/2014  
  
 SPOKANE CITY CLERK

**INTERLOCAL AGREEMENT AMENDMENT**

**THIS INTERLOCAL AGREEMENT AMENDMENT** is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City," and SPOKANE COUNTY, a political subdivision of the State of Washington, "County", whose address for the transaction of business is 1116 West Broadway Avenue, Spokane, WASHINGTON 99260. Together referenced as the "Parties".

WHEREAS, the Parties entered into an Interlocal Agreement Between the City of Spokane and Spokane County Regarding Transfer and Disposal of Solid Waste, (Agreement) under Spokane County Resolution No. 14-0131 and City of Spokane OPR 2014-0060. The Agreement provided for the County to purchase from the City two (2) Transfer Stations, including associated equipment and vehicles; and

WHEREAS, the Agreement provided for a purchase price to be paid over the period of eighty-four (84) consecutive months; and

WHEREAS, the Parties now agree to provide the County with an alternate payment option to pay off the Transfer Stations in one lump sum payment during the first quarter of 2015; and

WHEREAS, the Parties agree to amend Sections 4(B)(2) and 4(C)(2) to include an early pay off provision in the amount of Eight Million Nine Hundred Thousand and 00/100 Dollars (\$8,900,000.00); -- Now, Therefore,

The Parties agree as follows:

1. **AGREEMENT DOCUMENTS.** The Agreement executed under Spokane County Resolution No. 14-0131 and City of Spokane OPR 2014-0060 shall remain in full force and effect, except as provided herein.
2. **AMENDMENT.** Section 4(B)(2) of the Agreement is hereby amended as follows:

2) Purchase Price and Additional Consideration. The Purchase Price for the Transfer Stations and Personal Property is NINE MILLION NINE HUNDRED THOUSAND and 00/100 DOLLARS (\$9,900,000.00). The Purchase Price will be paid to the CITY in accordance with Section 4(C) herein below. Prior to March 31, 2015, the COUNTY may elect to pay an alternate lump sum payment of EIGHT MILLION NINE HUNDRED THOUSAND and 00/100 DOLLARS (\$8,900,000.00) in lieu of the monthly payments provided in Section 4(C). As additional consideration, the COUNTY shall continue to deliver to the CITY's Waste To Energy Facility all solid waste received by the Transfer Stations from November 17, 2014 through the term of this Agreement.

Section 4(C)(2) is hereby amended as follows:

2) Payment of Purchase Price. The COUNTY shall pay the Transfer Station Purchase Price to the CITY in eighty-four (84) equal monthly installments of ONE HUNDRED SEVENTEEN THOUSAND EIGHT HUNDRED FIFTY SEVEN and 14/100 DOLLARS (\$117,857.14), in accordance with Section 4(I) below. If the COUNTY Elects to pay the Purchase Price in a lump sum payment, the COUNTY shall pay to the CITY no later than March 31, 2015 the sum of EIGHT MILLION NINE HUNDRED THOUSAND and 00/100 DOLLARS (\$8,900,000.00) in lieu of monthly payments provided above.

DATED: 12/16/2014

BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON



Al French

AL FRENCH, Chair

ATTEST:

Todd Mielke

TODD MIELKE, Vice-Chair

Daniela Erickson  
Daniela Erickson  
Clerk of the Board

Shelly O'Quinn

SHELLY O'QUINN, Commissioner

14-1021

APPROVED AS TO FORM:

James Mack

Deputy Civil Prosecuting Attorney

Dated: 1/22/2015

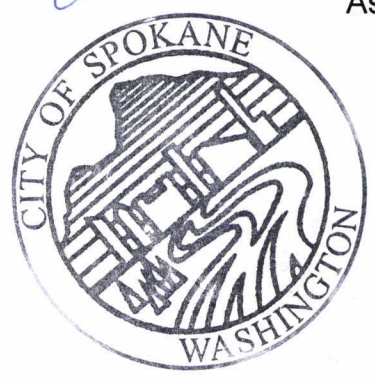
CITY OF SPOKANE

By: [Signature]  
Title: CITY ADMINISTRATOR

Attest:

[Signature]  
City Clerk

Approved as to form:  
[Signature]  
Elizabeth Schoedel  
Assistant City Attorney



NO. 14-1021

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON

RECEIVED

DEC 26 2014

CITY CLERK'S OFFICE  
SPOKANE, WA

IN THE MATTER OF EXECUTING AN )  
AMENDMENT TO THE INTERLOCAL )  
AGREEMENT BETWEEN THE CITY OF )  
SPOKANE AND SPOKANE COUNTY )  
REGARDING TRANSFER AND DISPOSAL )  
OF SOLID WASTE [Resolution No. 14-0131] )

RESOLUTION

**WHEREAS**, pursuant to the provisions of RCW 36.32.120(6), the Board of County Commissioners of Spokane County, Washington ("Board" or "Board of County Commissioners") has the care of county property and the management of county funds and business; and

**WHEREAS**, pursuant to the provisions of RCW 36.58.040 counties may construct, lease, purchase, acquire, add to, alter, or extend solid waste handling systems, plants, sites, or other facilities and shall have full jurisdiction and authority to manage, regulate, maintain, utilize, operate, control and establish the rates and charges for those solid waste handling systems, plants, sites, or other facilities; and

**WHEREAS**, pursuant to the provisions of chapter 39.34 RCW (Interlocal Cooperation Act), counties and cities may contract with each other to perform certain functions which each may legally perform; and

**WHEREAS**, pursuant to the provisions Spokane County Resolution No. 14-0131, the City of Spokane and County of Spokane ("Parties") executed an interlocal agreement entitled "INTERLOCAL AGREEMENT BETWEEN THE CITY OF SPOKANE AND SPOKANE COUNTY REGARDING TRANSFER AND DISPOSAL OF SOLID WASTE" ("Interlocal Agreement") wherein Spokane County agreed to pay \$9,900,000.00 to the City of Spokane for the purchase of the North County Transfer Station, Valley Transfer Station and other personal property described in the Interlocal Agreement ("Property"); and

**WHEREAS**, the Parties desire to amend the Interlocal Agreement to provide that Spokane County instead of paying the \$9,900,000.00 purchase price for the Property in 84 equal monthly installments of \$117,857.14 can pay a lump sum on or before March 31, 2015 of \$8,900,000.00.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of County Commissioners of Spokane County, Washington, pursuant to the provisions of RCW 36.32.12(6), RCW 36.58.040 and chapter 39.34 RCW that either the chairperson of the Board or a majority of the Board be and is hereby authorized to execute that document entitled "INTERLOCAL AGREEMENT AMENDMENT" wherein the City of Spokane and Spokane County will amendment certain provisions of that document executed under Spokane County Resolution No. 14-0131 so that Spokane County instead of paying the \$9,900,000.00 purchase price for the North Spokane

Transfer Station, Valley Transfer Station and other personal property in 84 equal monthly installments of \$117,857.14 can pay a lump sum on or before March 31, 2015 of \$8,900,000.00.

PASSED AND ADOPTED this 16th day of December, 2014.



ATTEST:

*Daniela Erickson*  
Daniela Erickson  
Clerk of the Board

BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON

*Al French*  
AL FRENCH, Chair

*Todd Mielke*  
TODD MIELKE, Vice-Chair

*Shelly O'Quinn*  
SHELLY O'QUINN, Commissioner



OFFICE OF THE CITY CLERK  
808 W. SPOKANE FALLS BLVD  
SPOKANE, WASHINGTON 99201-3342  
509.625.6350

April 1, 2014

City Clerk File Nos.:

RES 2014-0016

• OPR 2014-0060

COUNCIL ACTION MEMORANDUM

RE: RESOLUTION 2014-0016 DECLARING SOLID WASTE TRANSFER STATIONS SURPLUS AND APPROVING INTERLOCAL AGREEMENT WITH THE COUNTY (OPR 2014-0060)

During the Spokane City Council's 6:00 p.m. Legislative Session held Monday, February 10, 2014, Spokane Regional Solid Waste System Director Ken Gimpel and County Commissioner Al French provided an overview of Resolution 2014-0016 and they responded, along with other City staff, to Council inquiries and comments. The following action was then taken:

**Motion by Council Member Allen, seconded by Council Member Waldref, to replace and accept (the revised) legal description (attached to Resolution 2014-0016); carried unanimously.**

Subsequent to public testimony and Council commentary, the following action was taken:

**Upon Unanimous Roll Call Vote, the City Council adopted Resolution 2014-0016, as amended, declaring the City's solid waste transfer stations surplus to the City's needs and authorizing the sale of the transfer stations to Spokane County; and approving the Interlocal Agreement with Spokane County for solid waste transfer and disposal effective November 17, 2014.**

(Clerical Note: This matter appeared as two separate action items on the February 10 Advance Agenda – (a) the Resolution and (b) the Interlocal Agreement. Since the Resolution has a provision approving the Interlocal Agreement and this Interlocal Agreement is referenced as Exhibit A to the Resolution, the matters were combined into one action item.)

Terri L. Pfister, MMC  
Spokane City Clerk

04/01/14  
SB



**Agenda Sheet for City Council Meeting of:**  
02/03/2014

<b>Date Rec'd</b>	1/22/2014
<b>Clerk's File #</b>	OPR 2014-0060
<b>Renews #</b>	
<b>Cross Ref #</b>	RES 2014-0016
<b>Project #</b>	
<b>Bid #</b>	
<b>Requisition #</b>	

<b>Submitting Dept</b>	SPOKANE REGIONAL SOLID WASTE
<b>Contact Name/Phone</b>	KEN GIMPEL 625-6532
<b>Contact E-Mail</b>	KGIMPEL@SPOKANECITY.ORG
<b>Agenda Item Type</b>	Contract Item
<b>Agenda Item Name</b>	4490 INTERLOCAL AGREEMENT WITH SPOKANE COUNTY

**Agenda Wording**

Interlocal Agreement between the City of Spokane and Spokane County for solid waste transfer and disposal post November 16, 2014.

**Summary (Background)**

On November 16, 2014, the 1988 Interlocal Agreement that formed the Spokane Regional Solid Waste System (SRSWS) terminates. On November 17, 2014, Spokane County becomes responsible for all the statutory requirements for solid waste under RCW 70.95 and RCW 70.105. Following is a summarized list of issues the Interlocal Agreement memorializes.

**Fiscal Impact**

**Budget Account**

Revenue	\$ 7,035,600.00	# 4490-44110-37052-34379
Revenue	\$ 9,900,000.00	# 4490-30210-37078-39510
Select	\$	#
Select	\$	#

**Approvals**

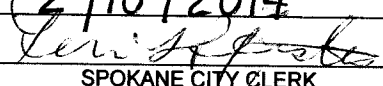
**Council Notifications**

<b>Dept Head</b>	GIMPEL, KEN	<b>Study Session</b>	Public Wks Comte
<b>Division Director</b>	ROMERO, RICK	<b>Other</b>	
<b>Finance</b>	LESESNE, MICHELE	<b>Distribution List</b>	
<b>Legal</b>	SCHOEDEL, ELIZABETH		ttauscher@spokanecity.org
<b>For the Mayor</b>	SANDERS, THERESA		cmarchand@spokanecity.org

**Additional Approvals**

<b>Purchasing</b>		stanght@spokanecity.org

APPROVED BY SPOKANE CITY COUNCIL ON

2/10/2014  
  
 SPOKANE CITY CLERK





**Continuation of Wording, Summary, Budget, and Distribution**

**Agenda Wording**

**Summary (Background)**

• The City is selling the Valley and North County transfer stations and all associated rolling stock and equipment for \$9,900,000. • The term of the Agreement is seven years with five 1-year extension options thereafter. • The County will deliver all waste received at the transfer stations to the WTE Plant. • The County will pay the City \$117,857.14 per month for 84 months for the purchase of the two transfer stations. • The County will pay the City \$54.12 per ton of waste delivered to the WTE(adjusted annually by CPI) • The Agreement contains a buyout clause any time after 3 full years whereby the County must provide the City 12 months' notice and pay the City the remaining balance of the \$9,900,000 value of the transfer stations. The City retains ownership and operation of the waste to energy plant.

**Fiscal Impact**

**Budget Account**

Select	\$	#
Select	\$	#
AmtType7	\$ Amount7	# Budget7
AmtType8	\$ Amount8	# Budget8

**Distribution List**

	Email16
	Email17
	Email18
	Email19
	Email20
	Email21
	Email22
	Email23

**INTERLOCAL AGREEMENT  
BETWEEN THE CITY OF SPOKANE AND SPOKANE COUNTY  
REGARDING TRANSFER AND DISPOSAL OF SOLID WASTE**

**THIS AGREEMENT** is entered into 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 Spokane**, a municipal corporation of the State of Washington, having offices for the transaction of business at 808 West Spokane Falls Boulevard, Spokane, Washington 99201, hereinafter referred to as "CITY", jointly hereinafter referred to as the "PARTIES."

**WITNESSETH:**

**WHEREAS**, pursuant to the provisions of RCW 36.32.120(6), the Spokane County Board of County Commissioners has the care of County property and the management of County funds and business; and

**WHEREAS**, chapter 39.34 RCW (Interlocal Cooperation Act), authorizes counties and cities to contract with each other to perform certain functions which each may legally perform; and

**WHEREAS**, chapter 39.33 RCW authorizes the intergovernmental transfer of any property, real or personal, or property rights, including but not limited to the title to real property, subject to certain notice and hearing requirements; and

**WHEREAS**, the CITY and the COUNTY formed the Spokane Regional Solid Waste Management System ("System") in 1989 through an Amended and Restated Interlocal Agreement ("1989 Agreement"); and

**WHEREAS**, Section 5.2 (b) of the 1989 Agreement provides for a term of twenty five (25) years, or such longer term as the Series 1988 Bonds, or any Additional Bonds remain outstanding; and

**WHEREAS**, Section 5.2 (d) of the 1989 Agreement provides that it shall be renewed automatically for successive twenty (20)-year terms unless the CITY and COUNTY agree not to renew it; and

**WHEREAS**, all bonds issued for the Spokane Regional Solid Waste Management System have been retired; and

**WHEREAS**, the 1989 Agreement has been amended by the PARTIES to extend the initial term of agreement until November 16, 2014, at which time it will expire; and

**WHEREAS**, Section 5.2 (e) of the 1989 Agreement provides that "(f)ollowing termination of this Agreement, the City shall own the System and all of its assets.."; and

**WHEREAS**, Section 1.1 (qq) of the 1989 Agreement defines the terminology "System" to include two (2) transfer stations commonly referred to as the North County Transfer Station and the Valley Transfer Station ("Transfer Stations"); and

**WHEREAS**, the PARTIES have been discussing long term planning associated with solid waste disposal; and

**WHEREAS**, the PARTIES agree to not renew the 1989 Agreement and that this Agreement shall replace the 1989 Agreement, effective November 17, 2014; and

**WHEREAS**, the COUNTY agrees to pay Nine Million Nine Hundred Thousand and 00/100 Dollars (\$9,900,000.00) to the CITY for the purchase of the Transfer Stations, including equipment listed in Exhibit "B". Of the total, \$2,700,000.00 represents the value of the North County Transfer Station, and \$7,200,000.00 represents the value of the Valley Transfer Station; and

**WHEREAS**, the COUNTY agrees to deliver all solid waste received at the Transfer Stations to the Waste To Energy Facility for final disposal during the term of this Agreement.

**NOW, THEREFORE**, for and in consideration of the mutual promises set forth hereinafter and the recitals referenced above, the PARTIES do mutually agree as follows:

#### **SECTION NO. 1: PURPOSE**

The purposes of this Agreement are to:

- A. Formally terminate the 1989 Agreement as of November 16, 2014. Effective November 17, 2014, this Agreement will replace all terms and conditions contained in the 1989 Agreement; and
- B. Provide that the CITY will continue to operate the System in accordance with the terms and conditions of the 1989 Agreement including subsequent amendments as mutually agreed to by the PARTIES, through November 16, 2014; and

- C. Provide that ownership of the Transfer Stations will transfer from the CITY to the COUNTY on November 17, 2014, including associated equipment and vehicles as agreed to in Exhibit "B"; and
- D. Establish the terms and conditions between the CITY and the COUNTY for the transfer and disposal of all solid waste collected through the Transfer Stations, which is to be delivered to the CITY's Waste To Energy Facility; and
- E. Establish flow control requirements to be maintained by the COUNTY to ensure the proper disposal of solid waste; and
- F. Establish the terms and conditions for continued service to non-City of Spokane customers who are part of the County's Regional Solid Waste System and deliver solid waste and yard waste to the CITY's Waste To Energy Facility.

## **SECTION NO. 2: DEFINITIONS**

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

- A. **CITY** - means the City of Spokane, or any vendor contracted with by the CITY for services related to the management of solid waste.
- B. **COUNTY** - means Spokane County, or any vendor contracted with by the COUNTY for services related to the management of solid waste.
- C. **County Disposal Rate** - means the rate charged to the COUNTY pursuant to this Agreement for solid waste delivered by the COUNTY to the CITY Waste To Energy Facility from the Transfer Stations. The rate shall be inclusive of all costs, including applicable taxes. The CITY agrees not to exceed authority granted under state or local law, including taxing authority.
- D. **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 chapters 70.95 and 70.105 RCW as well as litter control, and (3) all facilities associated with the performance of the activities addressed in (1) and (2) above.
- E. **Dangerous Wastes** - means any discarded, useless, unwanted, or abandoned substances, including but not limited to certain pesticides, or any residues or containers of such substances which are disposed of in such quantity or concentration as to pose a substantial present or potential hazard to human

health, wildlife, or the environment because such wastes or constituents or combinations of such wastes:

- 1) Have short-lived, toxic properties that may cause death, injury, or illness or have mutagenic, teratogenic, or carcinogenic properties; or
- 2) Are corrosive, explosive, flammable, or may generate pressure through decomposition or other means.

F. **Extremely Hazardous Waste** —means any dangerous waste which:

- 1) Will persist in a hazardous form for several years or more at a disposal site and which in its persistent form:
  - a. Presents a significant environmental hazard and may be concentrated by living organisms through a food chain or may affect the genetic make-up of human beings or wildlife, and
  - b. Is highly toxic to human beings or wildlife.
- 2) If disposed of at a disposal site in such quantities as would present an extreme hazard to human beings or the environment.

G. **Flow Control Ordinance** - means 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 may be further amended from time to time.

H. **Gate Fee** - means the amounts charged per ton of Solid Waste by the CITY or the COUNTY for the 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. Provided, however, the gate fee charged by either the CITY or the COUNTY shall be inclusive of all costs, including applicable taxes.

I. **Hazardous Waste** - means and includes all dangerous and extremely hazardous waste, including substances composed of both radioactive and hazardous components.

J. **Moderate-Risk Waste** – means

- 1) any waste that exhibits any of the properties of hazardous waste but is exempt from regulation under chapter 70.105 RCW solely because the waste is generated in quantities below the threshold for regulation; and

- 2) any household wastes which are generated from the disposal of substances identified by the department as hazardous household substances.
- K. **Nonprocessable Waste** - means any solid waste that the CITY deems to be unacceptable at the Waste To Energy Facility.
- L. **Solid Waste or Wastes** - means 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.
- M. **Transfer Stations** –means 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 Road, Spokane Valley, WA 99206, Spokane County Assessor Parcel No. 45024.9027 including all structures and site improvements.
- N. **Waste To Energy Facility or Facility** - means 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.

### **SECTION NO. 3: DURATION**

This Agreement shall be effective at 12:00 A.M. on November 17, 2014 (“Commencement Date”) and run through 11:59 P.M. on November 16, 2021, unless the COUNTY provides written notice of termination as provided for in Section No. 4(M) of this Agreement. Under no circumstances shall this Agreement be terminated prior to the end of three (3) years or before November 16, 2017.

Any notice of termination shall be provided in writing and not later than twelve (12) months prior to the effective date.

Notwithstanding the above provisions, this Agreement may be extended in one (1) year increments for a period of five (5) years, or terms otherwise agreed upon, by mutual written agreement of the PARTIES.

### **SECTION NO. 4: TERMS**

- A. **Termination of the Spokane Regional Solid Waste Management System:**

The 1989 Agreement shall be mutually terminated by the CITY and COUNTY at 11:59 P.M. on November 16, 2014. On the Commencement Date of this Agreement, the Spokane Regional Solid Waste Management System as defined in the 1989 Agreement will be terminated and cease to exist.

**B. Transfer of Ownership of the Transfer Stations, Associated Equipment, and Vehicles:**

- 1) Transfer of Property. Subject to the provisions of this Agreement, the CITY agrees to sell, transfer, and deliver to the COUNTY and the COUNTY agrees to purchase from the CITY the Transfer Stations, which are legally described in Exhibit "A", and all personal property (including vehicles) associated with the Transfer Stations (the "Personal Property"), as listed in Exhibit "B".
- 2) Purchase Price and Additional Consideration. The Purchase Price for the Transfer Stations and Personal Property is NINE MILLION NINE HUNDRED THOUSAND and 00/100 DOLLARS (\$9,900,000.00). The Purchase Price will be paid to the CITY in accordance with Section 4(C) herein below. As additional consideration, the COUNTY shall deliver to the CITY's Waste To Energy Facility all solid waste received by the Transfer Stations from November 17, 2014 through the term of this Agreement.
- 3) Title. At closing, as defined herein below, the CITY shall convey to the COUNTY fee simple title to the Transfer Stations by a duly executed and acknowledged statutory warranty deed (the "Deed"), subject to matters of record.
- 4) Closing Date. Closing will be held at the Office of the City Attorney on the Closing Date, which shall be November 17, 2014, no later than 3:30 p.m., Pacific Time.
- 5) Closing.
  - a. CITY's Closing Documents.
    - i. The duly executed and acknowledged Deed;
    - ii. A duly executed and acknowledged Real Estate Excise Tax Affidavit;
    - iii. A bill of sale to the Personal Property; and

- iv. Any other documents required by the provisions of this Agreement or required in order to consummate the transactions set forth in this Agreement.
- b. COUNTY's Closing Documents.
- i. A Deed of Trust to the Transfer Stations, or other similar instrument reasonably satisfactory to the CITY, granting the CITY a security interest in the Transfer Stations until such time as the COUNTY has fully satisfied its obligations to the CITY under this Agreement, including without limitation its obligation to pay the CITY the Purchase Price;
  - ii. A duly executed and acknowledged Real Estate Excise Tax Affidavit; and
  - iii. Any other documents required by the provisions of this Agreement or required in order to consummate the transactions set forth in this Agreement.
- 6) Closing Costs. Taxes and assessments, if any, shall be prorated between the CITY and COUNTY as of the Closing Date. COUNTY shall pay all recording fees, sales and use taxes, to the extent applicable to this transaction, title insurance premiums, and similar closing costs.
- 7) Utilities. All gas, electric, and other utility charges will be prorated as of the Closing Date.
- 8) Representations and Warranties. The COUNTY hereby agrees and acknowledges that, except as expressly provided in this Agreement:
- a. The CITY has made no warranty or representation, express or implied, with respect to the condition of the Transfer Stations or the suitability of the same for any particular purpose, and neither has the CITY made any representations or warranties whatsoever with regards to any personal property, including without limitation vehicles, to be transferred to the COUNTY pursuant to this Agreement; and
  - b. The COUNTY is taking the Transfer Stations and all associated personal property on an "as-is" basis; and
  - c. The COUNTY will conduct its own investigations and inspections of the Transfer Stations, including without limitation, the physical condition of the Transfer Stations and the Transfer Stations'



compliance with all laws applicable to the Transfer Stations' current or intended use or development; and

- d. The COUNTY is relying solely on such reports and its own investigations as to the Transfer Stations, their condition, and any other characteristics and compliance with laws; and
- e. Except for the express representations and warranties set forth in this Agreement, the COUNTY is taking ownership of the Transfer Stations without reliance upon any statements or representations, express or implied, made by the CITY or any of its representatives, as to the condition or characteristics of the Transfer Stations, their fitness for use for any particular purpose, the Transfer Stations' compliance with any zoning or other rules, regulations, laws or statutes applicable to the Transfer Stations, or the uses permitted on, or the development requirements for, or any other matters relating to the Transfer Stations.
- f. The CITY, to include all its current staff, to the best of its knowledge has not used, generated, manufactured, produced, treated, stored, released, discharged or disposed of any Hazardous Substance on, under, or about the Transfer Stations in violation of any Environmental Law.
- g. As used in the Agreement, the terminology Environmental Law means all federal, state or local laws, ordinances, rules and regulations now or hereafter in force, as amended from time to time, in any way relating to or regulation human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or pollution of contamination of the air, soil, surface water or groundwater, and includes without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et. seq., and the Hazardous Substance Account Act. As used in this Agreement the terminology "Hazardous Substance" means any substance or material that is described as a toxic or hazardous substance waste or material or a pollutant or contaminate, or words of similar import, in any of the Environmental Laws, and includes without limitation asbestos, petroleum, (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum products, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive matter, medical waste, and chemicals which

may cause cancer or reproductive toxicity. The provisions of Section No. 8 shall apply to any breach of this warranty.

- h. The CITY shall operate and maintain all structures, equipment and vehicles to be transferred to COUNTY under the terms of this Agreement in good working order, and in strict accordance with the manufacturers' recommendations and maintenance schedules through November 16, 2014. In conjunction with the transfer of the Transfer Stations, the CITY will provide the COUNTY with any and all operational manuals for any equipment therein as well as any warranties applicable to the equipment.

**C. Transfer and Disposal of Solid Waste delivered to the Transfer Stations and Payment of Purchase Price for Transfer Stations:**

- 1) Delivery of Solid Waste to City Waste To Energy Facility. As additional consideration for the CITY's sale and conveyance of the Transfer Stations to the COUNTY, the COUNTY shall deliver to the CITY's Waste To Energy Facility all solid waste received by the Transfer Stations from November 17, 2014 through the term of this Agreement. The COUNTY shall pay the County Disposal Rate as provided for in Section 4(H) of this Agreement.
- 2) Payment of Purchase Price. The COUNTY shall pay the Transfer Stations Purchase Price to the CITY in eighty-four (84) equal monthly installments of ONE HUNDRED SEVENTEEN THOUSAND EIGHT HUNDRED FIFTY SEVEN and 14/100 DOLLARS (\$117,857.14), in accordance with Section 4(I) below.
- 3) Early Termination Buy Out: If this Agreement is terminated for any reason prior to November 16, 2021, the COUNTY shall pay the remaining balance of the Purchase Price to the CITY in a lump sum payment. Such payment shall be made by the COUNTY within twelve (12) months of the written notice of Early Termination, unless a different payment deadline is agreed to in writing by both the CITY and COUNTY.

**D. County Flow Control:**

The COUNTY shall maintain, and enforce within its jurisdiction, its Flow Control Ordinance for the duration of this Agreement, so long as the Flow Control Ordinance is legally enforceable. During the term of this Agreement, subject to the exceptions currently in effect contained in its Flow Control Ordinance, the COUNTY designates the Waste To Energy Facility to be the sole final disposal site for solid waste at all times the Facility is in operation. The COUNTY shall not, directly or indirectly, site or permit to be sited any solid waste disposal site other than the Waste To Energy Facility, and shall enforce the Flow Control

Ordinance continuously; provided, however, that this requirement shall not apply to hazardous waste. The designation of the Waste To Energy Facility as the sole final disposal site for solid waste shall be made by the COUNTY concurrently with the effective date of this Agreement, but in no event later than November 17, 2014. This clause shall not apply to any municipality within Spokane County that does not execute an interlocal agreement with the COUNTY to participate in the County Regional Solid Waste System.

**E. Other Jurisdictions Flow Control Requirements:**

The COUNTY will require other jurisdictions within Spokane County participating in the County Regional Solid Waste System to enter into an interlocal agreement with the COUNTY, to uphold the COUNTY's Flow Control Ordinance, and to deliver solid waste from their jurisdictions to the Waste To Energy Facility, or to a County owned Transfer Station.

**F. County Flow Commitment to the Waste To Energy Facility:**

The COUNTY agrees to deliver to the Waste To Energy Facility all of the solid waste delivered to the Transfer Stations during the term of this Agreement.

**G. Municipal Flow Control Interference:**

Both the CITY and the COUNTY recognize flow control to the Transfer Stations and to the City Waste To Energy Facility provides consistency to the CITY and the COUNTY and should not be intentionally disrupted by either the CITY or the COUNTY.

The CITY and the COUNTY agree not to intentionally interfere with the other's attempt to meet all solid waste flow control requirements established within this Agreement. Specifically, neither party will intentionally interfere with Interlocal Agreements executed with other jurisdictions both within Spokane County and outside Spokane County during the term of this Agreement. The CITY and the COUNTY further agree to continue to cause the solid waste delivered to the Transfer Stations and to the Waste To Energy Facility respectively by the PARTIES to remain at historical volumes to the extent practicable through the term of this Agreement.

**H. County Disposal Rate:**

For the period from November 17, 2014 through December 31, 2015, the COUNTY will pay to the CITY Fifty Four and 12/100 Dollars (\$54.12) per ton for each ton of solid waste delivered from the Transfer Stations to the Waste To Energy Facility by the COUNTY.

On January 1<sup>st</sup> of each year following 2015, the CITY will adjust the County Disposal Rate to reflect increases in the United States Department of Labor, Bureau of Labor Statistics, West-Size Class B/C, Consumer Price Index, All Items for All Urban Consumers (CPI-U) (the "Index"). The adjustment factor for computing annual rate adjustments shall be computed by dividing the Index number for October of the just-completed year by the Index number for October of the previous year. In the event the Index number stays the same or decreases, no rate adjustment will be made, and the next rate adjustment shall not occur until the Index number increases to a number exceeding the highest previous Index number, and shall be computed using the previous highest Index number.

Example Calculation of Annual Rate Adjustments:

	INDEX	ADJUST FACTOR	COUNTY DISPOSAL RATE
Base Yr.N	125		\$54.12
N+1	128.844	1.030752	\$55.78
N+2	133.315	1.034710	\$57.72
N+3*	132.474	No change	\$57.72
N+4**	133	No change	\$57.72
N+5	137.748	1.033252	\$59.64
N+6	140.054	1.016741	\$60.64
* No change-Index decreased			
** No charge-Index did not exceed highest previous Index			

The CITY will be responsible for all of the costs associated with disposal of the Solid Waste once delivered to the Waste To Energy Facility, including but not limited to incineration, ash disposal, by-pass of unburned material, and all maintenance, operation, repairs and ordinary renewals and replacements necessary for the operation of the Waste To Energy Facility.

I. **Billing:**

The CITY shall bill the COUNTY monthly on or before the 20<sup>th</sup> of the month for the previous month. However, the first monthly bill shall be prepared in January 2015 for the period November 17, 2014 through December 31, 2014.

The monthly bill shall consist of two components.

The first component shall be determined by multiplying the Solid Waste tonnage delivered by the COUNTY from the Transfer Stations to the Waste To Energy Facility by the County Disposal rate.

The second component shall be the monthly installment for the purchase of the Transfer Stations (\$117,857.14), subject to the terms provided in Section No. 4(C).

The CITY shall be responsible for weighing Solid Waste as it enters the Waste To Energy Facility.

The COUNTY shall advise the CITY in writing within ten (10) business days of invoice receipt if it has any questions, needs further information, or disputes the bill. The COUNTY will reimburse the CITY for the monthly billing within sixty (60) calendar days of invoice receipt for all portions of the bill which are not disputed. Any dispute between the PARTIES as to any billing shall be resolved pursuant to the Dispute Resolution Section. If a billing not subject to dispute is outstanding for more than three (3) months, it shall, at the sole discretion of the CITY, accrue interest at the current local government investment pool rate until paid.

J. **Utility Taxes:**

In the event either the CITY or the COUNTY imposes any additional new utility tax, after the effective date of this Agreement, on the revenues generated from Solid Waste delivered to either the Transfer Stations or the Waste To Energy Facility the PARTIES agree to share such utility tax revenues which are generated from the increase in the Gate Fee, based on the proportion of Solid Waste received from the other party's jurisdiction. For the purpose of this provision, the CITY's jurisdiction shall mean the CITY's Solid Waste Service Areas and the COUNTY's jurisdiction shall mean unincorporated Spokane County and all incorporated municipalities in Spokane County who have executed an interlocal agreement with Spokane County to participate in the County Regional Solid Waste System.

K. **Ancillary Services:**

The CITY shall be responsible for providing to its citizens and businesses within its jurisdictional boundaries only - the following ancillary services:

- 1) Programs to educate and promote the concepts of waste reduction and recycling; pursuant to RCW 70.95.090 (7) (b) (iv); and
  - a. City of Spokane Litter Control Program; and
  - b. Moderate-risk waste management pursuant to chapter 70.105 RCW.

The COUNTY shall be responsible to comply with all requirements for providing citizens and businesses outside the City of Spokane's boundaries who are part of the County Regional Solid Waste System the above referenced ancillary services.

L. **Service to Non-CITY Spokane County Solid Waste System Customers At The CITY's Waste To Energy Facility:**

The CITY will allow non-city customers from jurisdictions participating in the County Regional Solid Waste System who self-haul and commercial haulers who collect solid waste from customers within jurisdictions participating in the County Regional Solid Waste System to dispose of household hazardous waste, recyclables, solid waste, yard debris, and other waste products to the Waste To Energy Facility for the duration of this Agreement. The non-city public access will be during the same hours that the Facility is open to city residents, provided that the Facility shall be open to the public a minimum of eight (8) hours per day on Saturday and Sunday and a minimum of forty (40) hours per week.

The gate fee for the non-city customers from within Spokane County participating in the County Regional Solid Waste System who self-haul shall be the same rate as for city residents who self-haul to the Waste To Energy Facility.

M. **Non-processible Waste:**

The CITY shall be responsible for identifying and disposing of any non-processible waste delivered to the Waste To Energy Facility.

N. **Early Termination:**

This Agreement shall be in effect for seven (7) years. After two (2) years, the COUNTY shall have the option to provide to the CITY twelve (12) months prior written notice ("Early Termination") of its intent to terminate this Agreement. Should the COUNTY exercise this Early Termination option, it will be effective no earlier than the end of three (3) years (November 16, 2017), or any other later time prior to the seven (7) year term of this Agreement. The COUNTY will then pay to the CITY a lump sum representing the remaining unpaid amount of the purchase price of the Transfer Stations owed to the CITY.

Said amount shall be paid within twelve (12) months of written notice of Early Termination, or at such time(s) as the PARTIES may mutually agree in writing. Upon payment of purchase price of the Transfer Station by the COUNTY, the CITY shall execute and file a Full Reconveyance of the Deed of Trust addressed in Section No. 4B(5)(b)(i).

Upon Early Termination, the COUNTY shall have no further obligation to deliver any Solid Waste received at the Transfer Stations to the Waste To Energy Facility for final disposal pursuant to this Agreement.

O. **Collaborative Efforts:**

The CITY and COUNTY intend to collaboratively work together during the term of this Agreement as follows:

- 1) Continue to investigate existing and/or emerging alternative disposal technologies and options, including but not limited to: long haul landfill disposal, plasma gasification, refuse derived fuel, etc.
- 2) Continue to investigate opportunities to increase rail capacity in the region, in an effort to promote and accommodate increased economic development, including the possibility of future long haul disposal by rail.
- 3) To Develop a mutually acceptable approach for the long-term use of the CITY's Waste To Energy Facility site as the COUNTY's West Plains regional transfer station beyond the term of this Agreement to avoid an unnecessary duplication of public facilities on the West Plains for the transfer of Solid Waste.
- 4) The COUNTY plans to further investigate the cost-effectiveness of various long-term alternatives for Solid Waste disposal during the term of this Agreement through the issuance of Requests for Proposals. The CITY agrees that options presented for response within the Requests for Proposals may include the CITY's Solid Waste volume for the CITY's consideration, but such inclusion shall not obligate the CITY in any way.

Any costs incurred in the issuance of Request for Proposals or any investigations associated with this subsection shall be the sole responsibility of the COUNTY.

P. **Gate Fees:**

For the purpose of transparency to the citizens of Spokane County, it is the intent of the CITY and the COUNTY to charge similar gate fees at the Transfer Stations and the Waste To Energy Facility throughout the term of this Agreement; however, both PARTIES understand that this subsection is not binding on either Party. The PARTIES shall give each other at least sixty (60) calendar days advance written notice in the event either determines to charge a gate fee which is not similar to the gate fee of the other party.

**SECTION NO. 5: AUDIT / RECORDS**

The COUNTY shall maintain for a minimum of three (3) years following final payment all records related to its performance of the Agreement. The COUNTY shall provide access to authorized CITY representatives at reasonable times and in a reasonable manner to inspect and copy any such record. In the event of conflict between this

provision and related auditing provisions required under federal law applicable to the Agreement, the federal law shall prevail.

The CITY shall maintain for a minimum of three (3) years following final payment all records related to its performance of the Agreement. The CITY shall provide access to authorized COUNTY representatives at reasonable times and in a reasonable manner to inspect and copy any such record. In the event of conflict between this provision and related auditing provisions required under federal law applicable to the Agreement, the federal law shall prevail.

#### **SECTION NO. 6: NOTICES**

All notices or other communications given hereunder shall be deemed served 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 certified mail delivery, receipt requested and postage prepaid addressed to PARTIES at the address set forth below, or at such other address as the PARTIES shall from time-to-time designate by notice in writing to the other PARTIES:

**CITY:** Mayor or designee  
City of Spokane  
Seventh Floor, City Hall  
808 West Spokane Falls Boulevard  
Spokane, Washington 99201

**With Copy to:** City Attorney  
Fifth Floor, City Hall  
808 West Spokane Falls Boulevard  
Spokane, Washington 99201

**COUNTY:** Board of County Commissioners  
Spokane County Courthouse  
1116 West Broadway Avenue  
Spokane, Washington 99260-0100

**With Copy to:** Spokane County Utilities Director  
1026 W. Broadway Avenue  
Public Works Bldg.  
Spokane, Washington 99260-0430

#### **SECTION NO. 7: ASSIGNMENT**

This Agreement shall be binding upon the PARTIES, their successors and assigns. No Party may assign, in whole or in part, its interest in this Agreement without the prior written approval of the other Party which shall not be unreasonably withheld.



## **SECTION NO. 8: 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. The Parties have specifically negotiated this provision.

## **SECTION NO. 9: INSURANCE**

During the term of the Agreement, the COUNTY and CITY shall each maintain in force at its own expense, the following insurance coverage or self-insurance:

- 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 \$5,000,000; and
- B. General Liability Insurance on an occurrence basis, with a combined single limit of not less than \$10,000,000 each occurrence for bodily injury and property damage. It shall include contractual liability coverage for the indemnity provided under this Agreement. It shall provide that the CITY, its officers and employees are additional insureds but only with respect to the COUNTY's services to be provided under this Agreement; and

- C. Automobile Liability Insurance with a combined single limit, or the equivalent of not less than \$5,000,000 each accident for bodily injury and property damage, including coverage for owned, hired and non-owned vehicles; and
- D. Professional Liability Insurance with a combined single limit of not less than \$5,000,000 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 (2) 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 thirty (30) days written notice from a Party or its insurer(s) to the other Party. Verification of insurance shall be provided upon request.

#### **SECTION NO. 10: ANTI-KICKBACK**

No officer or employee of either Party, having the power or duty to perform an official act or action related to this Agreement shall have or acquire any interest in the Agreement, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from or to any person involved in the Agreement.

#### **SECTION NO. 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.

#### **SECTION NO. 12: 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.

#### **SECTION NO. 13: 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.

## **SECTION NO. 14: DISPUTE RESOLUTION**

Any dispute between the PARTIES which cannot be resolved between the PARTIES shall be subject to binding arbitration. Such dispute shall first be reduced to writing. If the COUNTY CEO and the CITY Administrator cannot resolve the dispute it will be submitted to arbitration. The provisions of chapter 7.04A RCW shall be applicable to any arbitration proceeding.

## **SECTION NO. 15: MISCELLANEOUS**

### **A. Non- Waiver:**

No waiver by any Party of any of the terms of this Agreement shall be construed as a waiver of the same or other rights of that Party in the future.

### **B. Entire Agreement:**

This Agreement contains all 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 with the same formalities as this Agreement by the PARTIES.

### **C. Modification:**

No modification or amendment to this Agreement shall be valid until put in writing and signed with the same formalities as this Agreement.

### **D. 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.

### **E. 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.

### **F. Severability:**

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.

G. **Relationship of the Parties:**

The PARTIES intend that an independent contractor relationship will be created by this Agreement. No agent, employee, servant or representative of the COUNTY shall be deemed to be an employee, agent, servant or representative of the CITY for any purpose. 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.

**SECTION NO. 16: RCW 39.34 REQUIRED CLAUSES**

A. **Purpose:**

See Section No. 1 above.

B. **Duration:**

See Section No. 3 above.

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 above.

E. **Agreement to be Filed:**

The CITY shall file this Agreement with its City Clerk and place it on its web site or other electronically retrievable public source. The COUNTY shall file this Agreement with its County Auditor or place it on its web site or other electronically retrievable public source.

F. **Financing:**

Each party shall be responsible for the financing of its contractual obligations under its normal budgetary process.

G. **Termination:**

This Agreement can be terminated early in accordance with Section 4 (M).

H. **Property Upon Termination:**

Title to all property acquired by any party in the performance of this Agreement shall remain with the acquiring party upon termination of the Agreement.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed on the date and year opposite their respective signature blocks.

DATED: 3/18/2014

BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON



[Signature]  
AL FRENCH, Chair

ATTEST:

[Signature]  
Daniela Erickson  
Clerk of the Board

[Signature]  
TODD MIELKE, Vice-Chair

[Signature]  
SHELLY O'QUINN, Commissioner

APPROVED AS TO FORM:

[Signature]  
Deputy Civil Prosecuting Attorney

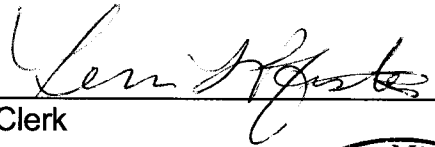
DATED: 2/26/14

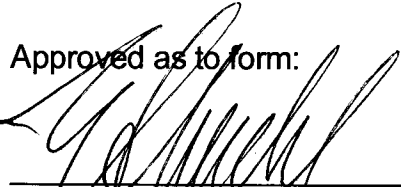
CITY OF SPOKANE

By: [Signature]  
Mayor

Attest:

Approved as to form:

  
\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
Assistant City Attorney



## EXHIBIT A

### Legal Description of Transfer Stations

#### Colbert Legal Description

The Southwest Quarter (SW1/4) of the Southeast Quarter (SE ¼) of Section 3, Township 27 North, Range 43 East, W.M., Spokane County, Washington, lying Easterly of SR-2; EXCEPT the North 20', AND ALSO EXCEPT the East 60 feet;

And Also:

That portion of the Northwest Quarter of the Northeast Quarter of Section 10, Township 27 North, Range 43 East Willamette Meridian, Spokane County, Washington described as follows:

Beginning at the Northeast corner of the Northwest Quarter of the Northeast Quarter of said Section 10; Thence South 89 03'53" West along the North line of said Northwest Quarter 60.00 feet; Thence South 1 07' 28" East parallel with the East line of said Northwest Quarter 225.87 feet; Thence South 19 07' 12" West 142 feet, more or less, to the North line of Elk-Chattaroy Road; Thence North 65 56' 51" East along the said North line of Elk-Chattaroy Road 119 feet, more or less, to the East line of said Northwest Quarter; Thence North 1 07' 28" West along the said East line of said Northwest Quarter 313 feet, more or less, to the Northeast corner of the Northwest Quarter of the Northeast Quarter of said Section 10 and the Point of Beginning.

Containing 22,320.60 square feet, more or less.

And Also:

That portion of the Northwest Quarter of the Northeast Quarter of Section 10. Township 27 North, Range 43 East W.M., Spokane County, Washington described as follows:

Beginning at the northeast corner of the Northwest Quarter of the Northeast Quarter of said Section 10; thence South 89 deg 03 min 53 sec West along the north line of said Northwest Quarter 60.00 feet; thence South 1 deg 07 min 28 sec East parallel with the east line of said Northwest Quarter 225.87 feet to the True Point of Beginning of this description; thence continuing South 1 deg 07 min 28 sec East 112.69 feet to the north line of Elk-Chattaroy Road; thence South 65 deg 56 min 51 sec West along the said north line 53.46 feet; thence North 19 deg 07 min 12 sec East 142.31 feet to the True Point of Beginning of this description.

Containing 2774.4 square feet more or less.

All subject to all existing encumbrances; including easements, restrictions and reservations of record.

## Valley Transfer Station Legal Description

A parcel of land located in the Northeast Quarter of the Southeast Quarter of Section 2, Township 25 North, Range 44 E.W.M., Spokane County, Spokane Washington, described as follows:

Beginning at the East Quarter corner of said Section 2; thence along the North line of said Southeast Quarter N 89°47'53" W 80.01 feet to the West right of way line of Sullivan road; thence continuing along said West right of way line S 00°36'39" E 1.13 feet; thence S 00°35'56" E 49.12 feet to a point on said West right of way line and the South right of way line to the Inland Empire Paper Company Canal as recorded in Survey Book 19, page 35, at Spokane County Court House and the True Point of Beginning; thence continuing along said West right of way line the following three (3) courses (1) S 00°35'56" E 515.99 feet, (2) N 89°24'04"E 30.00 feet, (3) S 00°35'56" E 84.04 feet to a point in the North right of way line of Kiernan Ave. as recorded at Spokane County Court House in Book of Deeds, Vol. 558, page 1959. Thence along said North right of way line the following four (4) courses (1) N 89°50'00" W 1162.16 feet to the beginning of a curve concaved to the Northeast having a radius of 15.00 feet and a central angle of 67°31'08" (2) thence Northwesterly through said curve 17.68 feet, to the point of a reverse curve concaved to the South having a radius 50.00 feet and a central angle of 146°09'07" (3) thence West through said curve 127.54 feet (4) thence N 89°50'00" W 1.30 feet to a point on said North right of way line and the West line of said Northeast Quarter of said Southeast Quarter. Thence along said West line N 00°32'45" W 532.02 feet to the South right of way line of said Inland Empire Paper Company Canal. Thence along said South right of way line the following three (3) courses (1) N 78°52'51" E 69.28 feet to the beginning of a curve concaved to the South having a radius of 2715.47 feet and a central angle of 11°09,' (2) thence Easterly through said curve 528.44 feet, (3) thence S 89°58'09" E 648.21 feet to the True Point of Beginning containing 16.75 acres.

Subject to all existing encumbrances; including easements, restrictions and reservations of record.



## EXHIBIT B - Asset List

In addition to the asset list below, the CITY agrees to transfer to the COUNTY all existing office furniture, lockers, conference tables and chairs, etc. as part of this Agreement.

No.	Fleet	Yr.	Make/Model	Type	Lic./Reg. No/ VIN#	Site
6872	426872	O7	Volvo L110E	Wheel Loader 4 yd. Bucket	L110EV61283	CTS
6873	426873	O7	Volvo L110E	Wheel Loader 4 yd. Bucket	L110EV61286	VTS
7802	428018	12	FORD F250	F250SCAB4X4	32011D	CTS
7818	428017	12	FORD F250	F250SCAB4X4	54611D	VTS
7827	407827		Master	Space Heater, kerosene		CTS
7828	407828		Master	Space Heater, propane		VTS
7830	426529	O7	Capacity-TJ7000	Yard Tractor/Mule	4LMCF21177LO17920	CTS
7831	426530	O7	Capacity-TJ7000	Yard Tractor/Mule	4LMCF21197LO17921	VTS
7832	426534	O6	American-Lincoln	MPV-60 Sweeper	1937999	VTS
7833	424566	O3	Manac 36348020	Transfer Trailer walking floor	2M533146536090054	ALL
7834	67	O3	Manac 36348020	Transfer Trailer walking floor	55	ALL
7835	68	O3	Manac 36348020	Transfer Trailer walking floor	56	ALL
7836	69	O3	Manac 36348020	Transfer Trailer walking floor	57	ALL
7837	70	O3	Manac 36348020	Transfer Trailer walking floor	2M533146536090058	ALL
7850		92	Robinair	Freon Recovery	01841 0292	VTS
7851		92	Robinair	Freon Recovery	00723 0990	CTS
7856	424326	O2	Bobcat-Melrose A300	Utility Tractor	5211-11248	CTS
7878	407878	94	Eagle	Utility Trailer, Van Box	17329D	VTS
7886	426197	O5	North Shore 2100 SE	Stationary Topload Tamper	SN: NS2894	VTS
7887	425403	O4	North Shore Builtrite	Stationary Topload Tamper	SN:NS2766	CTS
7888	425578	O3	SSI 4500 Pre-load	Compactor, Stationary	SN 91458-4500	VTS
7890	407890	99	Cat 436C /Bucket	4x4 Tractor/Backhoe (85HP)	2AR01644	CTS
7891	407891	99	Dayton	Standby Generator	3142438	CTS
7896	407896	92	Landa Northstar	Pres.Washer PGNW4-25221	PO492-2561	CTS

7897	407897	92	Landa Northstar	Pres.Washer PGNW4-25221	PO492-2562	VTS
7899			Echo SRM260S	Line Trimmer	301	VTS
7900		07	Echo HC 150	Hedge Trimmer	SN# 09096360	CTS
7908		91		Fire Sup. Air Compressor		VTS
7909			Speedaire32425G1	Fire Sup. Air Compressor	SN#051293L	CTS
7912			Master	Heater 50k BTU, kerosene	SN 1569438	CTS
7913		04	Speedaire3JR77A	Air Compressor	SN#L6/28/0400021	CTS
7914			Speedaire	Air Compressor, SSI		VTS
7915		02	Hustler Super Z 60"	Riding Lawn Mower, zero turn	S# 01082073	VTS
7919		02	Hustler Super Z 60"	Riding Lawn Mower, zero turn	S# 02022100	CTS
7920	407920	07	Echo -SRM261T	Line Trimmer	S#06064653	CTS
7921	407921	99	DESA 155-AT	Propane Heater	S#5823115	CTS
7922		05	RN Model#H624	Battery Charger	S#HC1190	VTS
7923	407923	97	Ariens-924082	ST824 Sno Thro	SN-052867	VTS
7924	407924	97	Ariens-924082	ST824 Sno Thro	SN-052245	CTS
7931		07	Honda 5.5hp 21"	Walk Behind Mower	SN:121806M-000314	VTS
7932		98	Stihl BG-75	Leaf Blower	SN-238584292	
7940	407940	98	Wilkens Load Runner	Transfer Trailer Walking Floor	27608D	ALL
7941	407941	98	Wilkens Load Runner	Transfer Trailer Walking Floor	27609D	ALL
7948	407948	98	Wilkens Load Runner	Transfer Trailer Walking Floor	27616D	ALL
7951	427307	09	Reliance ATSLT- 48-3	Transfer Trailer Walking Floor	48458D	ALL
7952	427308	09	Reliance ATSLT- 48-3	Transfer Trailer Walking Floor	48459D	ALL
7953	427309	09	Reliance ATSLT- 48-3	Transfer Trailer Walking Floor	48460D	ALL
7955	11	09	Reliance ATSLT- 48-3	Transfer Trailer Walking Floor	48462D	ALL
7956	12	09	Reliance ATSLT- 48-3	Transfer Trailer Walking Floor	48463D	ALL
7957	13	09	Reliance ATSLT- 48-3	Transfer Trailer Walking Floor	48464D	ALL
7958	14	09	Reliance ATSLT- 48-3	Transfer Trailer Walking Floor	48475D	ALL
7962		12	SALTD OG (on 428017)	Sand Spreader P/U mount		VTS
7963		12	SALTD OG (on 428018)	Sand Spreader P/U mount		CTS
7968	428086	13	Freightliner	Transfer Truck	54646D	CTS

7969	428087	13	Freightliner	Transfer Truck	54647D	VTS
7972	6	OO	Freightliner	Transfer Truck	28666D	REF
7973	7	OO	Freightliner	Transfer Truck	35590D	REF
7974	8	OO	Freightliner	Transfer Truck	28657D	REF
7975	9	OO	Freightliner	Transfer Truck	28670D	REF
7976	10	OO	Freightliner	Transfer Truck	28658D	REF
7977	11	OO	Freightliner	Transfer Truck	28664D	REF
7978	12	OO	Freightliner	Transfer Truck	32001D	REF
7979	423013	OO	Freightliner	Transfer Truck	28659D	REF



Agenda Sheet for City Council Meeting of:  
07/31/2017

<b>Date Rec'd</b>	7/19/2017
<b>Clerk's File #</b>	OPR 2014-0060
<b>Renews #</b>	
<b>Cross Ref #</b>	RES 2014-0131
<b>Project #</b>	
<b>Bid #</b>	
<b>Requisition #</b>	

<b>Submitting Dept</b>	PUBLIC WORKS
<b>Contact Name/Phone</b>	SCOTT SIMMONS 625-6584
<b>Contact E-Mail</b>	SMSIMMONS@SPOKANECITY.ORG
<b>Agenda Item Type</b>	Contract Item
<b>Agenda Item Name</b>	4490 - CITY/COUNTY DISPOSAL INTERLOCAL AGREEMENT AMENDMENT NO. 3

**Agenda Wording**

Amendment No. 3 to Interlocal Agreement between the City and County for transfer and disposal services at the City's Waste to Energy Facility (WTE).

**Summary (Background)**

This Amendment extends the term of the agreement, reduces the County disposal rate and removes the early termination option. The current Interlocal Agreement with the County contains a per ton disposal rate the County pays the City for disposal services as well as an option for the County to terminate the Agreement at any time by giving the City 12 months' notice.

**Fiscal Impact**

Select	\$
Select	\$
Select	\$
Select	\$

**Budget Account**

#
#
#
#

**Approvals**

<u>Dept Head</u>	SIMMONS, SCOTT M.
<u>Division Director</u>	SIMMONS, SCOTT M.
<u>Finance</u>	DAVIS, LEONARD
<u>Legal</u>	DALTON, PAT
<u>For the Mayor</u>	DUNIVANT, TIMOTHY

**Council Notifications**

<u>Study Session</u>	
<u>Other</u>	PWC

**Distribution List**

kgimpel@spokanecity.org
cconklin@spokanecity.org
acline@spokanecity.org
eschoedel@spokanecity.org

**Additional Approvals**

<u>Purchasing</u>	

APPROVED BY  
SPOKANE CITY COUNCIL:

*July 31, 2017*  
*Sen. Hoff*  
CITY CLERK

## **BRIEFING PAPER**

**Public Works Division**

**July 24, 2017**

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**Subject:**

Amendment #3 to the Disposal Interlocal Agreement between the City and County.

**Background:**

In 2014, under Resolution No. 14-0131 and City Clerk OPR 2014-0060, the City and County worked diligently to draft and finalize the Interlocal Agreement (ILA) between the City of Spokane and Spokane County outlining the transfer and disposal of solid waste. The ILA laid the foundation for a smooth transition of the management of the Regional Solid Waste System from the City to the County, effective November 17, 2014. The City and County have worked together very effectively under the terms of that ILA, providing reliable solid waste transfer and disposal services to all the member jurisdictions of the Regional Solid Waste System.

The ILA was structured to provide for the possibility that the County might determine, after a period of three years that pursuing a lower-cost disposal alternative may be in the best interest of the County and the Regional System's other member jurisdictions. This "opt-out" provision in the ILA recognized that there were many uncertainties going forward relative to the cost of various disposal alternatives. In the ILA, the County made a commitment to three years of solid waste disposal at the City's WTE Facility, with one year notice stipulated for discontinuing flow to the WTE at any point in time after November 16, 2017.

The County's preference is to keep the Regional Solid Waste System operating under the current scenario, with all solid waste from member jurisdictions and the unincorporated areas of Spokane County transferred to the WTE Facility for final disposal. It is the County's position that the WTE Facility provides a disposal solution that is environmentally superior to landfill disposal, and they hope to continue to use the WTE Facility in the interest of environmental stewardship.

The City has benefitted from the current operational approach. The coordination of special services related to educational programs and promotion of waste reduction, recycling, and composting have proceeded especially well, with City and County staff working together for highly

effective outcomes. In addition, City and County staff collaborated effectively to streamline the procedures for weighing and tracking loads from the two County Transfer Stations whereby the City has realized time and cost savings at the WTE Facility. In short, the City no longer weighs the County transfer trucks in and out at the WTE reducing labor cost and allows City collection trucks faster more efficient dump time.

The County has requested a \$3 per ton disposal rate reduction in exchange for certain benefits and assurances to the City.

**Impact**

- The City would reduce the County Disposal Rate \$3 to \$51.90 per ton, which would be <\$300,000 per year of the \$7 million in annual revenue from the County.
- The term of the Amended ILA would be for five years with five 1-year extension options thereafter.
- The "opt-out" option for the County in the ILA would be eliminated.
- This Amendment to the ILA would guarantee the County's waste flow and \$7 million per year revenue would continue for at least five more years, allowing the City to recognize the community enhancements (additional neighborhood clean ups, improving alleys, etc.) outlined in our overall rate proposal.

**Action**

Request approval of Amendment #3 of the Disposal Interlocal Agreement between the City and County.

**Funding**

The Amendment will cost the Solid Waste Disposal Department <\$300,000 per year while retaining the County's \$7 million per year in revenue for at least five more years, allowing us to implement the community enhancements outlined in our overall rate proposal.

NO. 17-0706

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON

IN THE MATTER OF EXECUTING )  
AMENDMENT #3 TO THE INTERLOCAL )  
AGREEMENT BETWEEN THE CITY OF )  
SPOKANE AND SPOKANE COUNTY )  
REGARDING TRANSFER AND DISPOSAL OF )  
SOLID WASTE EXECUTED UNDER )  
RESOLUTION NO. 14-0131 AS MODIFIED BY )  
RESOLUTION NO. 14-1021 AND RESOLUTION )  
NO. 15-0581 )

**RESOLUTION**

**WHEREAS**, pursuant to the provisions of RCW 36.32.120(6), the Board of County Commissioners of Spokane County, Washington (“Board” or “Board of County Commissioners”) has the care of County property and the management of County funds and business; and

**WHEREAS**, pursuant to the provisions of RCW 36.58.040, counties may construct, lease, purchase, acquire, add to, alter, or extend solid waste handling systems, plants, sites, or other facilities and shall have full jurisdiction and authority to manage, regulate, maintain, utilize, operate, control and establish the rates and charges for those solid waste handling systems, plants, sites, or other facilities; and

**WHEREAS**, pursuant to the provisions of chapter 39.34 RCW (Interlocal Cooperation Act), counties and cities may contract with each other to perform certain functions which each may legally perform; and

**WHEREAS**, pursuant to the provisions of Spokane County Resolution No. 14-0131, the City of Spokane (“City”) and County of Spokane (“County”) jointly “Parties” executed an interlocal agreement entitled “INTERLOCAL AGREEMENT BETWEEN THE CITY OF SPOKANE AND SPOKANE COUNTY REGARDING TRANSFER AND DISPOSAL OF SOLID WASTE” (Interlocal Agreement”) which was subsequently modified under Resolution Nos. 14-1021 and 15-0581; and

**WHEREAS**, the Parties desire to amend the Interlocal Agreement as modified to provide for an immediate \$3/ton reduction in the rate the County pays to the City for waste taken to the City’s Waste To Energy Facility. In addition, the County commits to sending its solid waste to the Waste To Energy Facility for a five-year period ending September 1, 2022.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of County Commissioners of Spokane County, Washington, pursuant to the provisions of RCW 36.32.12(6), RCW 36.58.040 and chapter 39.34 RCW, that either the chairperson of the Board or a majority of the Board be and is hereby authorized to execute that document entitled “INTERLOCAL AGREEMENT

AMENDMENT” wherein the City of Spokane and Spokane County will amend certain provisions of that document executed under Spokane County Resolution No. 14-0131 and modified under Resolution Nos. 14-1021 and 15-0581 to provide for an immediate \$3/ton reduction in the rate the County pays to the City for waste taken to the City’s Waste To Energy Facility. In addition, the County commits to sending its solid waste to the Waste To Energy Facility for a five-year period ending September 1, 2022.

PASSED AND ADOPTED this 15th day of August, 2017.



BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON

AL FRENCH, Chairman

JOSH KERNS, Vice-chair

ATTEST:

Ginna Vasquez, Clerk of the Board

**VACANT**  
COMMISSIONER



**INTERLOCAL AGREEMENT AMENDMENT # 3**

**THIS INTERLOCAL AGREEMENT AMENDMENT # 3** is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City," and SPOKANE COUNTY, a political subdivision of the State of Washington, "County", whose address for the transaction of business is 1116 West Broadway Avenue, Spokane, WASHINGTON 99260. Together referenced as the "Parties".

WHEREAS, the Parties entered into an Interlocal Agreement Between the City of Spokane and Spokane County Regarding Transfer and Disposal of Solid Waste, (Agreement) under OPR 2014-0060/Resolution No. 2014-0131 (signed February 26, 2014 by City and March 18, 2014 by County) which was subsequently amended on January 21, 2015 to provide an early buy out for the purchase of the Transfer Stations (Amendment #1), and on June 22, 2015 to provide for all by-pass waste delivered to the Waste-To-Energy Facility (Amendment #2); and

WHEREAS, the City has reviewed and adjusted its rates for solid waste disposal in exchange for a longer contract term; and

WHEREAS, the Agreement and billing arrangements provide that the City will be responsible for weighing Solid Waste as it enters the Waste To Energy Facility; and

WHEREAS, County disposal of Solid Waste at the Waste To Energy Facility frequently occurs at times beyond commercial only hours, and create unnecessary delay for drivers to wait for the City to weigh the Solid Waste; and

WHEREAS, the County has implemented weighing protocol to weigh Solid Waste as it leaves the County Transfer Stations and generate a weight ticket, reducing labor and cost to the City while freeing up scales to be used by City Collection Vehicles; and

WHEREAS, maintaining the county-wide solid waste system as it currently exists provides efficiencies with all programs, public outreach and education; and

WHEREAS, the Parties now agree it would be in both Parties mutual interests to amend Sections 3, 4H, 4I, 4N and 16G of Interlocal Agreement to provide greater efficiencies and coordination; -- Now, Therefore,

The Parties agree as follows:

1. AGREEMENT DOCUMENTS. The Agreement OPR 2014-0060/Resolution No. 2014-0131 (signed February 26, 2014 by City and March 18, 2014 by County) dated February 19, 2014, amended January 21, 2015 (Amendment #1) and amended June 22, 2015 (Amendment #2) shall remain in full force and effect, except as provided herein.
2. AMENDMENT. Section 3 of the Agreement is hereby amended as follows:

~~This Agreement shall be effective upon execution by both Parties and run through September 1, 2023 (at 12:00 A.M. on November 17, 2014 ("Commencement Date") and run through 11:59 P.M. on November 16, 2021, unless the COUNTY provides written notice of termination as provided for in Section No. 4(M) of this Agreement.) Under no circumstances shall this Agreement be terminated without the consent of both Parties prior to the end of five (5) (three (3)) years or before September 1, 2023 (November 16, 2017).~~

~~This Agreement shall automatically extend for up to five (5) additional one year time frames commencing September 2nd and running through September 1st of the following year UNLESS one party gives notice to the other party six months prior to September 1st of any contract year that it does not intend to extend for an additional one (1) year term, in which case the Agreement will terminate on September 1st.~~

~~(Any notice of termination shall be provided in writing and not later than twelve (12) months prior to the effective date)~~

~~(Notwithstanding the above provisions, this Agreement may be extended in one (1) year increments for a period of five (5) years, or terms otherwise agreed upon, by mutual written agreement of the PARTIES.)~~

3. AMENDMENT. Section 4H of the Agreement is hereby amended as follows:

H. County Disposal Rate:

~~Upon execution of this Agreement by both Parties, the COUNTY will pay to the CITY Fifty-One and 90/100 Dollars (\$51.90) (For the period from November 17, 2014 through December 31, 2015, the COUNTY will pay to the CITY Fifty Four and 12/100 Dollars (\$54.12)) per ton for each ton of solid waste delivered from the Transfer Stations to the Waste To Energy Facility by the COUNTY.~~

~~On January 1<sup>st</sup> of each year following -2018 (2015), the CITY will adjust the County Disposal Rate to reflect increases in the United States Department of Labor, Bureau of Labor Statistics, West-Size Class B/C, Consumer Price Index,~~

All Items for All Urban Consumers (CPI-U) (the "Index"). The adjustment factor for computing annual rate adjustments shall be computed by dividing the Index number for October of the just-completed year by the Index number for October of the previous year. In the event the Index number stays the same or decreases, no rate adjustment will be made, and the next rate adjustment shall not occur until the Index number increases to a number exceeding the highest previous Index number, and shall be computed using the previous highest Index number.

Notwithstanding the above, the annual CPI adjustment in any given year will not be greater than 2%.

Example Calculation of Annual Rate Adjustments:

	INDEX	ADJUST FACTOR	COUNTY DISPOSAL RATE
Base Yr.N	125		<del>\$(54.12)</del> 51.90
N+1	128.844	1.030752	<del>\$(55.78)</del> 52.43
N+2	133.315	1.034710	<del>\$(57.72)</del> 52.98
N+3*	132.474	No change	<del>\$(57.72)</del> 52.98
N+4**	133	No change	<del>\$(57.72)</del> 52.98
N+5	137.748	1.033252	<del>\$(59.69)</del> 53.52
N+6	140.054	1.016741	<del>\$(60.64)</del> 54.07
* No change-Index decreased			
** No charge-Index did not exceed highest previous Index			

The CITY will be responsible for all of the costs associated with disposal of the Solid Waste once delivered to the Waste To Energy Facility, including but not limited to incineration, ash disposal, by-pass of unburned material, and all maintenance, operation, repairs and ordinary renewals and replacements necessary for the operation of the Waste To Energy Facility.

4. AMENDMENT. Section 4I of the Agreement is hereby amended as follows:

I. Billing:

The CITY shall bill the COUNTY monthly on or before the 20<sup>th</sup> of the month for the previous month. ~~(However, the first monthly bill shall be prepared in January 2015 for the period November 17, 2014 through December 31, 2014.)~~

The monthly bill shall ~~(consist of two components.~~

~~The first component shall)~~ be determined by multiplying the Solid Waste tonnage delivered by the COUNTY from the Transfer Stations to the Waste To Energy Facility by the County Disposal rate.

~~(The second component shall be the monthly installment for the purchase of the Transfer Stations (\$117,857.14), subject to the terms provided in Section No. 4(C).)~~

The CITY shall be responsible for weighing Solid Waste as it enters the CITY's Waste To Energy Facility. The CITY can authorize weighing of the Solid Waste by the COUNTY as it leaves the COUNTY Transfer Stations inbound to the CITY's Waste To Energy Facility. The COUNTY shall provide to the CITY copies of the COUNTY's weigh tickets within 10 days for verification. The PARTIES can mutually agree to other methods for weighing of the Solid Waste delivered to the Waste To Energy Facility by the COUNTY.

The COUNTY shall advise the CITY in writing within ten (10) business days of invoice receipt if it has any questions, needs further information, or disputes the bill. The COUNTY will reimburse the CITY for the monthly billing within sixty (60) calendar days of invoice receipt for all portions of the bill which are not disputed. Any dispute between the PARTIES as to any billing shall be resolved pursuant to the Dispute Resolution Section. If a billing not subject to dispute is outstanding for more than three (3) months, it shall, at the sole discretion of the CITY, accrue interest at the current local government investment pool rate until paid.

5. AMENDMENT. Section 4N of the Agreement is hereby amended as follows:

N. Early Termination:

Any termination shall be in accordance with Section 3.

~~(This Agreement shall be in effect for seven (7) years. After two (2) years, the COUNTY shall have the option to provide to the CITY twelve (12) months prior written notice ("Early Termination") of its intent to terminate this Agreement. Should the COUNTY exercise this Early Termination option, it will be effective no earlier than the end of three (3) years (November 16, 2017), or any other later time prior to the seven (7) year term of this Agreement. The COUNTY will then pay to the CITY a lump sum representing the remaining unpaid amount of the purchase price of the Transfer Stations owed to the CITY.~~

~~Said amount shall be paid within twelve (12) months of written notice of Early Termination, or at such time(s) as the PARTIES may mutually agree in writing. Upon payment of purchase price of the Transfer Station by the COUNTY, the CITY shall execute and file a Full Reconveyance of the Deed of Trust addressed in Section No. 4B(5)(b)(i).~~

~~Upon Early Termination, the COUNTY shall have no further obligation to deliver any Solid Waste received at the Transfer Stations to the Waste To Energy Facility for final disposal pursuant to this Agreement.)~~

6. AMENDMENT. Section 4M of the Agreement is hereby amended as follows:

M. Non-processible Waste:

The CITY shall be responsible for identifying and disposing of any non-processible waste delivered to the Waste To Energy Facility. The CITY and the COUNTY further agree, that upon request of the CITY during times when the Waste To Energy Facility is unavailable to process waste, the COUNTY agrees to load waste (by-pass) from one or both County Transfer Stations into intermodal containers and deliver directly to the BNSF rail yard in Spokane to be managed as by-pass waste by Rabanco under the current Agreement between the CITY and Rabanco, OPR # 1991-0473. Further, the Parties agree (~~to share equally (50% split)~~) any fee differential between the County Disposal Rate to the City and the Contract rate for by-pass disposal between the City and Rabanco shall be retained by the COUNTY.

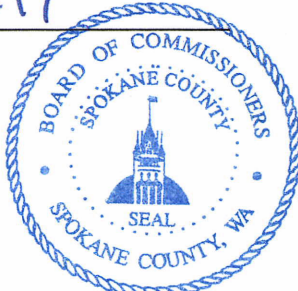
7. AMENDMENT. Section 16G of the Agreement is hereby amended as follows:

G. Termination:

This Agreement can only be terminated (~~early~~) in accordance with Section 3 (~~4 (M)~~).

DATED: 8.15.17

BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON



Al French

AL FRENCH, Chair

ATTEST:

Jinnav Vasquez

Josh Kerns

JOSH KERNS Vice-Chair

Clerk of the Board

17-0706

**VACANT**

Commissioner

APPROVED AS TO FORM:

[Signature]  
Deputy Civil Prosecuting Attorney

Dated: 8-4-17

CITY OF SPOKANE

By: *Daniel A. Cunniff* 8-4-17  
Title: MAYOR

Attest:  
*Leri Hoffstedt*  
City Clerk

Approved as to form:  
*Pat Dalton*  
for Elizabeth Schoedel  
Assistant City Attorney

