

LETTER OF UNDERSTANDING

By and Between

WASTE MANAGEMENT OF WASHINGTON INC.

And

GENERAL TEAMSTERS LOCAL UNION NO. 174

Date Ratified:	6-8-13
Agent OK:	PW
Date:	8-28-13

Affiliated With The
International Brotherhood of Teamsters

This Letter of Understanding to the Agreements by and between **WASTE MANAGEMENT OF WASHINGTON INC. d/b/a Waste Management of Seattle, d/b/a Waste Management of Marysville, d/b/a Waste Management of North Sound, and d/b/a/ Waste Management of South Sound** (hereinafter collectively referred to as the “Employer”) and **General Teamsters Local Union No. 174, affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America** (hereinafter "the Union "), shall apply to the employees who worked for each of the aforementioned companies in classifications covered by this Agreement as separate bargaining units and become effective commencing April 12, 2010 and shall continue in force and effect through March 31, 2015 and shall be extended and continue in full force and effect through March 31, 2019 with the modifications included in this Letter of Understanding, and also thereafter, on a year to year basis, by automatic renewal. Provided, however, for the purpose of negotiating alterations in wages and other terms and conditions of employment, either party may open this Agreement or any contract effectuated through automatic renewal by giving written "Notice of Opening" not later than sixty (60) days nor more than ninety (90) days prior to the expiration date of this Letter of Understanding. “Notice of Opening” is nowise intended as “Notice of Termination”.

ARTICLE 12. SCALE OF WAGES

12.01 A.) Classifications and Rates of Pay – Drivers

Effective May 2, 2010, the regular hourly rate of pay will be \$26.79
Effective October 1, 2010, the regular hourly rate of pay will be \$27.29
Effective April 1, 2011, the regular hourly rate of pay will be \$27.74
Effective April 1, 2012, the regular hourly rate of pay will be \$28.04
Effective April 1, 2013, the regular hourly rate of pay will be \$28.39
Effective April 1, 2014, the regular hourly rate of pay will be \$28.89
Effective April 1, 2015, the regular hourly rate of pay will be \$30.09
Effective April 1, 2016, the regular hourly rate of pay will be \$30.59
Effective April 1, 2017, the regular hourly rate of pay will be \$31.09
Effective April 1, 2018, the regular hourly rate of pay will be \$32.09

ARTICLE 14. HEALTH AND WELFARE, DENTAL AND VISION BENEFITS

14.01 All new employees who have completed five hundred twenty (520) hours of employment, and who were compensated for eighty (80) hours in the previous month, shall be eligible to have contributions made on their behalf. For eligible employees, the Employer shall pay into the Washington Teamsters Welfare Trust the following:

14.01.01 HEALTH AND WELFARE. Effective April 1, 2010, the Employer agrees to pay \$1,108.95 per month for the below listed plans:

Teamsters-Medical Plan "A"
Teamsters-Dental Plan "A"
Teamsters-Vision EXT Plan
Teamsters-Short Term Disability
Teamsters-Nine Month Waiver of Premiums
Teamsters-Life Insurance

14.01.02 The Employer will pay any increases required by the Trust to maintain benefits under the Plans identified in Section 14.01.01 and 14.01.04, to a maximum total contribution of eight percent (8%) annually for all benefits as follows:

Effective January 1, 2011, the Employer agrees to pay up to an additional \$88.72 per month for the plans listed in 14.01.01.

Effective January 1, 2012, the Employer agrees to pay up to an additional \$103.40 per month for the plans listed in 14.01.01 and 14.01.04.

Effective January 1, 2013, the Employer agrees to pay up to an additional \$111.67 per month for the plans listed in 14.01.01 and 14.01.04.

Effective January 1, 2014, the Employer agrees to pay up to an additional \$120.61 per month for the plans listed in 14.01.01 and 14.01.04.

Effective January 1, 2015, the Employer agrees to pay up to an additional \$130.26 per month for the plans listed in 14.01.01 and 14.01.04.

Effective January 1, 2016, the Employer agrees to pay up to an additional \$140.00 per month for the plans listed in 14.01.01 and 14.01.04.

Effective January 1, 2017, the Employer agrees to pay up to an additional \$152.00 per month for the plans listed in 14.01.01 and 14.01.04.

Effective January 1, 2018, the Employer agrees to pay up to an additional \$164.00 per month for the plans listed in 14.01.01 and 14.01.04.

Effective January 1, 2019, the Employer agrees to pay up to an additional \$177.00 per month for the plans listed in 14.01.01 and 14.01.04.

14.01.03 Effective May 2, 2010, employees will pay a minimum of \$30.00 per month in a lump sum pretax payroll deduction for this Health and Welfare package as well as any excess above the Employer's monthly maximum total contribution as listed in Section 14.01.02.

Effective January 1, 2011, employees will pay a minimum of \$35.00 per month in a lump sum pretax payroll deduction for this Health and Welfare package as well as any excess above the Employer's monthly maximum total contribution as listed in Section 14.01.02.

Effective January 1, 2012, employees will pay a minimum of \$40.00 per month in a lump sum pretax payroll deduction for this Health and Welfare package as well as any excess above the Employer's monthly maximum total contribution as listed in Section 14.01.02.

Effective January 1, 2013, employees will pay a minimum of \$45.00 per month in a lump sum pretax payroll deduction for this Health and Welfare package as well as any excess above the Employer's monthly maximum total contribution as listed in Section 14.01.02.

Effective January 1, 2014, employees will pay a minimum of \$50.00 per month in a lump sum pretax payroll deduction for this Health and Welfare package as well as any excess above the Employer's monthly maximum total contribution as listed in Section 14.01.02.

In the event that the above-listed amounts are insufficient to cover the annual premium increases to the Plans identified in 14.01.01 and 14.01.04, the Employer shall make available an additional \$19.06 per employee per month during the life of the Agreement to be applied to monthly health insurance premiums. Said amount shall be automatically applied, in whole or in part, to any premium increase that exceeds the caps listed in this section. In the event the \$19.06 is exhausted during the term of the Agreement, employees shall pay the portion of the increase in excess of the caps set forth in this section. Said employee payment shall be through a lump sum pretax payroll deduction as described in 14.01.03. In the event the entire \$19.06 is not exhausted by the January 1, 2019 increase, any unused portion shall be returned to employee wage rates by dividing the unused portion by 173.3.

ARTICLE 15. PENSION

15.01 Effective May 2, 2010, the Employer shall pay a pension contribution of six dollars and eighty-six cents (\$6.86) per hour into the Western Conference of Teamsters Pension Trust fund for each member of the bargaining unit for each hour for which compensation is paid, not to exceed one hundred eighty four hours per month (184 hours per month), and two thousand eighty (2080) hours per calendar year, to be apportioned appropriately between the basic Plan and the PEER/80 Plan described in 15.02 below. The pension contribution, which includes PEER/80, shall increase as follows:

April 1, 2011	\$6.96
April 1, 2012	\$7.06
April 1, 2013	\$7.16
April 1, 2014	\$7.26
April 1, 2015	\$7.56
October 1, 2015	\$7.81

October 1, 2016 \$8.06
October 1, 2017 \$8.26
October 1, 2018 \$8.46

Effective January 1, 2014, the Employer shall make applicable pension contributions into the Western Conference of Teamsters Pension Trust fund for each member of the bargaining unit for each hour for which compensation is paid, not to exceed two thousand eighty (2080) hours per calendar year, to be apportioned appropriately between the basic Plan and the PEER/80 Plan described in 15.02 below.

15.02 PEER/80. The Employer shall participate in the Western Conference of Teamsters Pension Trust Fund plan called the Program for Enhanced Early Retirement – PEER/80. This contribution shall be included in the total contribution amount and shall be paid on the same basis as contributions for the basic Plan provided for in Section 15.01. The contributions required to provide the PEER/80 will not be taken into consideration for benefit accrual purposes under the Plan. The additional contribution for PEER/80 must at all times be sixteen and one-half percent (16.5%) of the base contributions, and cannot be decreased or discontinued at any time. The contribution rates contained in Section 15.01 and subsequent rate increases, if any, shall include the applicable PEER/80 contribution.

For Waste Management North Sound, on behalf of those employees listed in Section 15.06 of the Letter of Understanding:

Effective January 1, 2014, the Employer shall make applicable pension contributions into the Western Conference of Teamsters Pension Trust fund for each member of the bargaining unit for each hour for which compensation is paid, not to exceed two thousand eighty (2080) hours per calendar year, to be apportioned appropriately between the basic Plan and the PEER/84 Plan described in 15.02 below.

15.02 PEER/84. the Employer shall participate in the Western Conference of Teamsters Pension Trust Fund plan called the Program for Enhanced Early Retirement – PEER/84. This contribution shall be included in the total contribution amount and shall be paid on the same basis as contributions for the basic Plan provided for in Section 15.01. The contributions required to provide the PEER/84 will not be taken into consideration for benefit accrual purposes under the Plan. The additional contribution for PEER/84 must at all times be sixteen and one-half percent (6.5%) of the base contributions, and cannot be decreased or discontinued at any time. The contribution rates contained in Section 15.01 and subsequent rate increases, if any, shall include the applicable PEER/84 contribution.

15.03 The total amount due each month shall be remitted in a lump sum not later than ten (10) days after the last business day of the month.

15.04 The Employer agrees to abide by the rules established by the Trustees of said Trust Fund to facilitate determination of hours, orderly collection, and accurate reporting. Upon Union request, a copy of pension transmittals shall be posted.

ARTICLE 29. ECONOMIC PARITY

29.01 During the term of this Agreement, should any other sanitation company obtain more favorable economic terms and conditions in a contract with Local Union No. 174, the Employer may serve upon the Union thirty (30) days notice of implementation of the more favorable economic terms and conditions. Should there be any change made in the economic terms and conditions of any agreement, the Employer may utilize this Section to obtain a change of equivalent value. The Union shall provide the Employer with prompt notice (five (5) working days) of any change in any agreement, and of the existence of any other collective bargaining agreement involving the sanitation industry. This provision will expire on January 1, 2017.

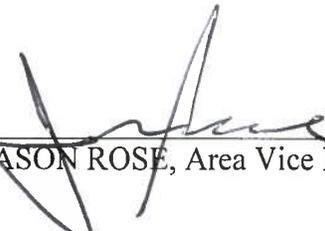
If, after thirty (30) days, the Employer in fact implements any or all of the economic terms and conditions which comprise the subject of the notice, the Union may challenge the appropriateness of the Employer's actions through the Settlement of Disputes Article or may take lawful economic action including a strike, notwithstanding the no-strike provisions of this Agreement.

Employees Under the Seattle Agreement

ARTICLE 18. SICK LEAVE

18.08 Waiver of Seattle Paid Sick and Safe Time Ordinance (Seattle Municipal Code 14.16. The parties agree that the Seattle Paid Sick Time and Safe Time Ordinance does not apply to employees covered by this Agreement per Seattle Municipal Code 14.16.120.

FOR THE EMPLOYER:

By: 
JASON ROSE, Area Vice President

Dated: 9/11/13

FOR LOCAL 174:

GENERAL TEAMSTERS LOCAL UNION NO. 174
Affiliated with the International
Brotherhood of Teamsters

By: 
RICK HICKS, Secretary-Treasurer

Dated: 9/5/13

Date Ratified: <u>6-8-13</u>
Agent OK: <u>pw</u>
Date: <u>8-28-13</u>

LETTER OF UNDERSTANDING
DATA ENTRY CLERKS and DISPATCHERS

The collective-bargaining agreement between Teamsters Local 174 and Waste Management, Seattle, shall be amended to include the following:

ARTICLE 12. SCALE OF WAGES

Classifications and Rates of Pay – Dispatcher/Data Entry Clerks

Effective upon ratification, the regular hourly rate of pay will be \$15.50
Effective April 1, 2014, the regular hourly rate of pay will be \$16.00
Effective April 1, 2015, the regular hourly rate of pay will be \$16.50
Effective April 1, 2016, the regular hourly rate of pay will be \$17.00
Effective April 1, 2017, the regular hourly rate of pay will be \$17.50
Effective April 1, 2018, the regular hourly rate of pay will be \$18.00

Current employees will receive a fifty cent (\$.50) increase each April 1 beginning with April 1, 2014.

ARTICLE 15. PENSION

B.) Effective on the dates below, the Employer shall pay into the Western Conference of Teamsters Pension Trust fund for each dispatcher/data entry clerk member of the bargaining unit for each hour for which compensation is paid, not to exceed two thousand eighty (2080) hours per calendar year, shall increase as follows:

January 1, 2014 \$2.00
January 1, 2015 \$3.00
April 1, 2015 \$3.25
April 1, 2016 \$3.50
April 1, 2017 \$3.75
April 1, 2018 \$4.00

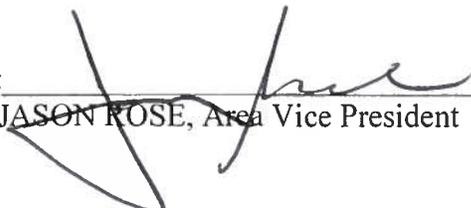
Retention Bonus

The Company agrees to compensate each eligible dispatcher who remained actively employed through April 1, 2013 a lump sum retention bonus of \$2,000. Each eligible dispatcher employed on the date of ratification shall receive \$1,000 of the \$2,000 retention bonus and the additional \$1,000 plus any monies owed for extra months of service (\$350 per month) on his/her last day of employment.

Severance Pay

Each eligible employee who remains actively working for the Employer through August 5, 2013 shall receive two weeks of severance pay per year of service.

FOR THE EMPLOYER:

By: 
JASON ROSE, Area Vice President

Dated: 9/18/13

FOR LOCAL 174:

GENERAL TEAMSTERS LOCAL UNION NO. 174
Affiliated with the International
Brotherhood of Teamsters

By: 
RICK HICKS, Secretary-Treasurer

Dated: 9/5/13

Date Ratified:	<u>6-8-13</u>
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