

Republic Services
Commodity Revenue Share Enhancement Plan for King County
August 1, 2012 – April 30, 2013 Part A (and)
May 1, 2013 – July 31, 2013 Part B
ADDENDUM 1

Republic Services and King County agree to amend the 2012 – 2013 Plan submitted to WUTC in June 2012 in order to address WUTC's concerns about the financial incentive eligibility requirements. The fourth paragraph of the plan on pages one and two is hereby superseded by the following:

Republic Services is eligible for a financial incentive for implementation of this plan as follows:

- For increasing diversion of materials from disposal by regulated residential customers, an amount equal to 4% of the total expenditures incurred by Republic Services in implementation of Plan activities. To determine eligibility for this incentive payment, Republic Services will calculate the diversion rate for regulated residential customers (single family and multifamily) during the period from May 2011 through April 2012, and compare this number with the diversion rate achieved in May 2012 – April 2013. Diversion rate means the weight of recycling, food and yard waste divided by the total weight of all material collected from regulated single family and multifamily customers. If the diversion rate has increased, Republic Services will be eligible for the incentive payment, subject to the conditions specified in bullet 3 of this addendum.
- For increasing voluntary subscriptions by regulated single family residential customers for food and yard waste (organics) collection services, an amount equal to 1% of the total expenditures incurred by Republic Services in implementation of Plan activities. To determine eligibility for this incentive payment, Republic Services will calculate the percentage of regulated single-family customers that subscribe to organics collection each month for the period from May 2011 through April 2012 to determine the average monthly organics participation rate for the period. This average participation rate will be compared with the May 2012 through April 2013 average participation rate. If the rate has increased, Republic Services will be eligible for the incentive payment, subject to the conditions specified in bullet 3 of this addendum.
- Eligibility for the incentive payments is conditional upon satisfaction by the County and WUTC that expenditures are consistent with the Plan activities and budget. The County shall provide a recommendation to WUTC regarding Republic Services' eligibility to retain the incentive payments by June 17, 2013.

Republic Services Authorized Representative

Date

Rick Waldren, Division Controller

8/16/12

Jeff Borgida Rick Waldren Division Controller
General Manager, Rabanco Ltd (dba Eastside Disposal)

[Signature]

8/16/12

Dennis Manes
General Manager, Rabanco Ltd (dba SeaTac Disposal
Kent-Meridian Disposal)

KING COUNTY CERTIFICATION

King County Authorized Representative

Date

[Signature]

08-16-12

Kevin Kiernan
Solid Waste Division Director, King County