

FROM : AES TRANSPORTATION

FAX NO. : 1 360 318 1206

Jun. 21 2004 12:49PM P1



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REGISTRATION DIVISION

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STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

**APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE TO OPERATE AS A SOLID WASTE COLLECTION COMPANY UNDER CHAPTER 81.77 RCW**

1300 South Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, WA 98504-7250

PHONE 360-664-1222

FAX 360-586-1181

TTY 360-586-8203

TTY TOLL FREE 1-887-210-5963

WEBSITE: [www.wUTC.wa.gov](http://www.wUTC.wa.gov)

The UTC has a policy of providing equal access to its services. If you need special accommodations, please call 360-664-1133.

Type of Solid Waste Authority Requested	Fee Required
<input checked="" type="checkbox"/> <b>Expedited Temporary Authority</b> (to meet an urgent need for up to thirty days) - Complete entire application and Attachment A (WAC 480-70-136)	\$ 25
<input type="checkbox"/> <b>Temporary Authority</b> (to meet an immediate or urgent need) - Complete entire application and Attachment A	\$ 25
<b>New Permanent Authority</b> (including extension of authority)- (check appropriate box below) Complete entire application and submit a proposed tariff as outlined in the standard tariff form	\$200
<input checked="" type="checkbox"/> New Certificate	
<input type="checkbox"/> Extension of Existing Certificate No. G-_____	
<b>Permanent Authority to Transfer</b> (WAC 480-70-090) (check appropriate box below) - Complete entire application and Attachments B	\$200
<input type="checkbox"/> All of Certificate No. G-_____	
<input type="checkbox"/> Portion of Certificate No. G-_____	
<input type="checkbox"/> <b>Reinstatement of Cancelled Certificate</b> (must be filed within 30 days of cancellation) -Include a statement justifying the reinstatement and complete sections 1, 2 and 8	\$200
<input type="checkbox"/> <b>Name Change</b> - does not include changes resulting in change in ownership - Complete section 1 and Attachment C	\$ 35
<input type="checkbox"/> <b>Mortgage of Certificate</b> - Complete section 1 and Attachment D	\$ 35
<b>Lease of Authority</b> - Complete entire application and Attachment B	\$200
<input type="checkbox"/> All of Certificate	
<input type="checkbox"/> Portion of Certificate No. G-_____	

**SECTION 1 - APPLICATION INFORMATION**

Name of Applicant: <u>Russell Vanderveen</u>	
Trade Name(s) (if applicable): <u>Vanderveen Family Transport</u>	
Phone Number: <u>360 410-7171</u>	Fax Number: <u>360 332-1089</u> E-Mail: <u>IT Networking@Comcast.net</u>
Street <u>5446 Allison Rd</u>	Street _____
City <u>Bellingham</u>	City _____
State/Zip <u>WA 98226</u>	State/Zip _____

**FOR OFFICIAL USE ONLY**

Date Filed: <u>6/30/04</u>	Staff Assigned: <u>FW</u>	Motor: <u>42900</u>	Permit Issued G: _____
Tariff: <u>FW</u>	Insurance: _____	Contract: <u>Yes</u>	DOL/SOS: <u>FW</u>
Application: <u>GA-79289</u>	RMS Docket #: <u>TG-041186</u>	Related App ID: <u>GA-79289</u>	MSP: _____
Text approved for docket	Reception #: <u>7744</u>	227-02: _____	032-05: _____

**SECTION 2 - BUSINESS INFORMATION**

Type of business structure:

Individual  Partnership  Corporation  Other(LP, LLP, LLC)

UBI No. 601 537052

List the name, title, and percentage of partner's share or stock distribution for major stockholders:

Name	Title	Stock Distribution or Percentage of Shares
Russell Vanderveen	owner	100%
-	-	-
-	-	-

Indicate below the commodity to be hauled and the territory in which you wish to operate. PLEASE NOTE Territory must be described using boundaries such as streets, avenues, roads, highways, townships, ranges, city limits, county boundaries or other geographic descriptions. In addition to describing the territory, you must file a map that meets the requirements of WAC 480-70-056 and clearly shows the described territory.

Leachate Water

From: Ceaderville Land Fill, Ceaderville Rd, Bellingham, Wa

To: Ferndale Waste Water Treatment Plant  
Ferndale Rd., Ferndale, Wa

State below the conditions that justify the granting of this application. If you are applying for temporary certificate authority, be sure your statement addresses and supports the question of "immediate and urgent need."

I received a County (Whatcom) contract to haul Leachate water on Jan. 7, 2004. I started hauling on Jan. 20. Neither the County or I were aware we need this permit. I have stopped hauling until I get my permit. This is our only source of income. I am in danger of losing this contract.

Do you currently hold, or have you ever held, a solid waste certificate?

No  Yes If yes, please indicate your certificate number: G-

Have you ever applied for and been denied a certificate to transport solid waste?

No  Yes If yes, please explain:

Please tell us about your experience and knowledge of transportation of solid waste, including motor carrier driver and equipment safety requirements.

I have been driving trucks for many years. I have and am in compliance with the FMCSR. I have driver files & maint. records for all vehicles.

Have you been cited for violation of state laws or Commission rules?

No  Yes If yes, please explain:

**SECTION 3 - RATES AND TARIFFS**

Is this application to operate under a contract?

No  Yes If yes, submit the original or a duplicate original of each contract under which service will be performed. The contract must contain all the elements stated in WAC 480-70-148.

If this application is for temporary authority, a new certificate, or extension of existing certificated authority, you must attach two copies of your proposed tariff using either the standard tariff format included in this package, or an approved alternate format. All tariffs submitted must comply with the provisions of WAC 480-70-226 through WAC 480-70-351.

If this application is a transfer or a lease of authority from an existing certificate, you must either file a new tariff at the same rate levels as on file, or you must adopt the current certificate holder's tariff. To file a new tariff, use the standard tariff format attached to this application or an approved alternate format. Indicate which option you will use:

- Adopt
- File a new tariff

**SECTION 4 - FINANCIAL STATEMENT**

You may attach a Balance Sheet, Profit and Loss Statement, or business plan if available.

ASSETS		LIABILITIES	
Cash in Bank	\$ 4000	Salaries/Wages Payable	\$ 1650.00
Notes Receivable	\$	Accounts Payable	\$ 1170.00
Accounts Receivable	\$ 5000	Notes Payable	\$
Investments	\$	Mortgages Payable	\$
Other Current Assets	\$	Contracts and Bonds Payable	\$
Prepaid Expenses	\$	<b>TOTAL LIABILITIES</b>	\$ 2820.00
Land and Buildings	\$	NET WORTH	
Trucks and Trailers	\$ 11,500	Preferred Stock	\$
Office Furniture	\$	Common Stock	\$
Other Equipment	\$ 1,000	Retained Earnings	\$
Other Assets	\$	Capital	\$
<b>TOTAL ASSETS</b>	\$ 21,500	<b>TOTAL LIABILITIES AND NET WORTH</b>	\$

**SECTION 5 - EQUIPMENT LIST**

Describe the equipment that will be used (attach additional sheets if necessary). Vehicles must pass inspection and be issued a valid Commercial Vehicle Safety Alliance inspection decal before your application may be granted.

Year	Make	License Number	Vehicle ID Number	Gross Vehicle Weight	Type of vehicle
1981	DAIRB	27078 PR		80,000	Tractor
1982	HEIL	5736 RM		10,720	Tank

**SECTION 6 - SAFETY AND OPERATIONS**

In each of the categories show below, list the person and position responsible for understanding and complying with the Federal Motor Carrier Safety Regulations (FMCSR) and Washington State laws and rules. Please refer to the WAC rules, Fact Sheets, and publication "Your Guide to Achieving a Satisfactory Safety Rating" for assistance with requirements that may apply to your specific operations.

**SAFETY RESPONSIBILITIES**

**COMMERCIAL DRIVERS LICENSE (CDL) REQUIREMENTS (Title 49, Code of Federal Regulations Part 383)** Any driver who operates a vehicle that meets the definition of a commercial motor vehicle must have a valid CDL.

Name: Russell Vanderveen Position: Owner

**DRIVER QUALIFICATION REQUIREMENTS (Title 49, Code of Federal Regulations Part 391)** Driver's must meet minimum qualification requirements and each company must maintain driver qualification files for each driver.

Name: Russell Vanderveen Position: Owner

**DRIVERS HOURS OF SERVICE (Title 49, Code of Federal Regulations Part 395)** Drivers must maintain logs and each company must maintain true and accurate hours of service records for each driver.

Name: Russell Vanderveen Position: Owner

**CONTROLLED SUBSTANCES AND ALCOHOL TESTING (Part 382)** All persons who drive commercial vehicles requiring a CDL must be in a Controlled Substance and Alcohol Testing program that complies with the FMCSR in 49 CFR Part 382 and 49 CFR Part 40.

Each company will have in place a system for complying with FMCSR governing alcohol and controlled substances testing requirements (49 CFR Part 382 and 49 CFR Part 40).

Name: Russell Vanderveen Position: Owner

**INSPECTION, REPAIR AND MAINTENANCE (Title 49, Code of Federal Regulations Part 396)** Every motor carrier shall systematically inspect, repair, and maintain all motor vehicles subject to its control.

Name: Russell Vanderveen Position: Owner

**OPERATIONAL RESPONSIBILITIES**

List the person and/or position responsible for understanding and complying with the requirements of each category shown below.

**TARIFF RATES AND CHARGES (WAC 480-70-226 through WAC 480-70-351)** Companies must file with the Commission a tariff showing all rates and charges it will charge its customers, together with rules that govern how rates and charges will be assessed.

Name: Russell Vanderveen Position: owner

**ANNUAL REPORTS and REGULATORY FEES (WAC 480-70-071 & 076)** Companies must annually file a report of their financial operations and pay regulatory fees.

Name: Russell Vanderveen Position: Owner

**BIOMEDICAL WASTE (WAC 480-70-426 through 476)** Companies that transport biomedical waste must handle and transport that waste according to the appropriate requirements of the federal hazardous materials regulations (49 CFR Parts 170-189) and the additional requirements in these rules.

Name: N/A Position:

**CUSTOMER SERVICE** - Person responsible for customer service complaints, customer notice requirements, and compliance with county solid waste plans.

Name: Russell Vanderveen Position: Owner

**STATE OF WASHINGTON - general laws, rules and regulations:** Individuals and companies doing business in the state of Washington must comply with the regulations of local, state, and federal agencies. Please state the name and position of the person in your organization who will be responsible for ensuring compliance with the laws of the state of Washington, such as, but not limited to: Department of Labor and Industries (industrial insurance, safety, prevailing wage); Department of Licensing (vehicle and drivers licenses, business licensing, Unified Business Identifier (UBI number), fuel permits, fuel tax); Secretary of State (corporate registrations); Department of Transportation (over-size or over-weight permits); Department of Revenue and Internal Revenue Service (taxes); and Employment Security.

Name: Russell Vanderveen Position: Owner

**SECTION 7 - HEARING INFORMATION**

If the Commission assigns this application for formal hearing, estimate the number of witnesses you will present and the amount of time you will need for your presentation.

Number of witnesses: <u>1</u>	Amount of time: <u>1/2 hour</u>
Will an attorney be representing you? If yes, complete the following: <u>NO</u>	
Attorney's name:	Attorney's phone number:
Attorney's address:	Fax Number:
Street	E-mail:
City, State, Zip	

**TYPE OF PAYMENT:**

Check     Money Order     AMEX     Discover     MasterCard     Visa

Credit Card Information:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Expiration Date: \_\_\_\_\_ Amount: \_\_\_\_\_

**SECTION 8 - DECLARATION OF APPLICANT:**

I understand that filing this application ~~does not~~ in itself constitute authority to operate as a solid waste collection company.

As the applicant for a solid waste collection company certificate, I understand the responsibilities of a solid waste collection company, and I am in compliance with all local, state, and federal regulations governing business in the state of Washington.

I certify under penalty of perjury under the laws of the State of Washington that the information contained in this application is true and correct.

I certify that I am authorized to execute and file this document.

Printed name of applicant: Russell Vander Veen

Signature of Applicant: Russell Vander Veen

Date, County, State: 10-25-04 Whatcom, WASHINGTON

**CONTRACTOR ORIGINAL**

**CONTRACT FOR SERVICES AGREEMENT  
Cedarville Leachate Hauling Agreement**

VanderVeen Family Transport, hereinafter called **Contractor**, and Whatcom County, hereinafter referred to as **County**, agree and contract as set forth in this Agreement, including:

- General Conditions, pp. 3 to 7,
- Exhibit A (Scope of Work), pp. 8 to 9,
- Exhibit B (Compensation), pp. 10 to     ,
- Exhibit C (Certificate of Insurance).

Copies of these items are attached hereto and incorporated herein by this reference as if fully set forth herein.

The term of this Agreement shall commence on the first day of January, 2004, and shall, unless terminated or renewed as elsewhere provided in the Agreement, terminate on the 31<sup>st</sup> day of December, 2004.

The general purpose or objective of this Agreement is to: collect, transport, and discharge leachate from the Cedarville Landfill to the City of Ferndale Wastewater Treatment Plant, as more fully and definitively described in Exhibit A hereto. The language of Exhibit A controls in case of any conflict between it and that provided here.

The maximum consideration for the initial term of this agreement or for any renewal term shall not exceed \$19,000.00. The Contract Number, set forth above, shall be included on all billings or correspondence in connection therewith.

Contractor acknowledges and by signing this contract agrees that the Indemnification provisions set forth in Paragraphs 11.1, 21.1, 30.1, 31.2, 32.1, 34.2, and 34.3, if included, are totally and fully part of this contract and have been mutually negotiated by the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement this      day of January, 2004.

**CONTRACTOR:**

VanderVeen Family Transport

Russell Jay VanderVeen  
Russell Jay VanderVeen, Owner

STATE OF WASHINGTON            )  
  ) ss.  
COUNTY OF WHATCOM         )

On this 8 day of January, 2004 before me personally appeared Russell VanderVeen to me known to be the owner of VanderVeen Family Transport and who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

[Signature]  
NOTARY PUBLIC in and for the State of Washington, residing at  
Skagit My commission expires 4-1-07

WHATCOM COUNTY:  
Recommended for Approval:

Department Director \_\_\_\_\_ Date \_\_\_\_\_

Approved as to form:

Daniel L. Gibson 1/7/04  
Prosecuting Attorney Date

Approved:

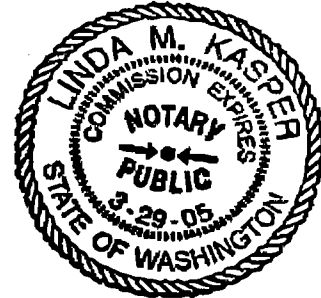
Accepted for Whatcom County:

By: Pete Kremen  
Pete Kremen, Whatcom County Executive

STATE OF WASHINGTON )  
  ) ss  
COUNTY OF WHATCOM )

On this 15 day of January, 2004 before me personally appeared Pete Kremen, to me known to be the Executive of Whatcom County, who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

Linda M. Kasper  
NOTARY PUBLIC in and for the State of Washington, residing at  
Bellingham My commission expires 3/29/05



CONTRACTOR INFORMATION:

VanderVeen Family Transport  
Russell J. VanderVeen, Owner

Address:

5446 Allison Rd.  
Bellingham, WA 98226

Mailing Address:

Same

Contact Name: Russell VanderVeen

Contact Phone: 360-592-5446 Cell: 360-410-7171

Contact FAX: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Contract for Services Agreement  
Cedarville Leachate Hauling Contract

## GENERAL CONDITIONS

### **Series 00-09: Provisions Related to Scope and Nature of Services**

#### **0.1 Scope of Services:**

The Contractor agrees to provide to the County services and any materials as set forth in the project narrative identified as Exhibit "A", during the agreement period. No material, labor, or facilities will be furnished by the County, unless otherwise provided for in the Agreement.

### **Series 10-19: Provisions Related to Term and Termination**

#### **10.1 Term:**

Services provided by Contractor prior to or after the term of this contract shall be performed at the expense of Contractor and are not compensable under this contract unless both parties hereto agree to such provision in writing. The term of this Agreement may be extended by mutual agreement of the parties; provided, however, that the Agreement is in writing and signed by both parties.

#### **10.2 Extension:**

The duration of this Agreement may be extended by mutual written consent of the parties, for a period of up to one year at a time, and for a total of no longer than three years.

#### **11.1 Termination for Default:**

If the Contractor defaults by failing to perform any of the obligations of the contract or becomes insolvent or is declared bankrupt or commits any act of bankruptcy or insolvency or makes an assignment for the benefit of creditors, the County may, by depositing written notice to the Contractor in the U.S. mail, first class postage prepaid, terminate the contract, and at the County's option, obtain performance of the work elsewhere. Termination shall be effective upon Contractor's receipt of the written notice, or within three (3) days of the mailing of the notice, whichever occurs first. If the contract is terminated for default, the Contractor shall not be entitled to receive any further payments under the contract until all work called for has been fully performed. Any extra cost or damage to the County resulting from such default(s) shall be deducted from any money due or coming due to the Contractor. The Contractor shall bear any extra expenses incurred by the County in completing the work, including all increased costs for completing the work, and all damage sustained, or which may be sustained by the County by reason of such default.

#### **11.2 Termination for Reduction in Funding:**

In the event that funding from State, Federal or other sources is withdrawn, reduced, or limited in any way after the effective date of this Agreement, and prior to its normal completion, the County may summarily terminate this Agreement as to the funds withdrawn, reduced, or limited, notwithstanding any other termination provisions of this Agreement. If the level of funding withdrawn, reduced or limited is so great that the County deems that the continuation of the programs covered by this Agreement is no longer in the best interest of the County, the County may summarily terminate this Agreement in whole, notwithstanding any other termination provisions of this Agreement. Termination under this section shall be effective upon receipt of written notice as specified herein, or within three days of the mailing of the notice, whichever occurs first.

#### **11.3 Termination for Public Convenience: Not Applicable**

### **Series 20-29: Provisions Related to Consideration and Payments**

#### **20.1 Accounting and Payment for Contractor Services:**

Payment to the Contractor for services rendered under this Agreement shall be as set forth in Exhibit "B." Where Exhibit "B" requires payments by the County, payment shall be based upon written claims supported, unless otherwise provided in Exhibit "B," by documentation of units of work actually performed and amounts earned, including, where appropriate, the actual number of days worked each month, total number of hours for the month, and the total dollar payment requested, so as to comply with municipal auditing requirements.

Unless specifically stated in Exhibit "B" or approved in writing in advance by the official executing this Agreement for the County or his designee (hereinafter referred to as the "Administrative Officer") the County will not reimburse the Contractor for any costs or expenses incurred by the Contractor in the performance of this contract. Where required, the County shall, upon receipt of appropriate documentation, compensate the Contractor, no more often than monthly, in accordance with the County's customary procedures, pursuant to the fee schedule set forth in Exhibit "B."



21.1 Taxes:

The Contractor understands and acknowledges that the County will not withhold Federal or State income taxes. Where required by State or Federal law, the Contractor authorizes the County to withhold for any taxes other than income taxes (i.e., Medicare). All compensation received by the Contractor will be reported to the Internal Revenue Service at the end of the calendar year in accordance with the applicable IRS regulations. It is the responsibility of the Contractor to make the necessary estimated tax payments throughout the year, if any, and the Contractor is solely liable for any tax obligation arising from the Contractor's performance of this Agreement. The Contractor hereby agrees to indemnify the County against any demand to pay taxes arising from the Contractor's failure to pay taxes on compensation earned pursuant to this Agreement.

The County will pay sales and use taxes imposed on goods or services acquired hereunder as required by law. The Contractor must pay all other taxes, including, but not limited to, Business and Occupation Tax, taxes based on the Contractor's gross or net income, or personal property to which the County does not hold title. The County is exempt from Federal Excise Tax.

22.1 Withholding Payment:

In the event the County's Administrative Officer determines that the Contractor has failed to perform any obligation under this Agreement within the times set forth in this Agreement, then the County may withhold from amounts otherwise due and payable to Contractor the amount determined by the County as necessary to cure the default, until the Administrative Officer determines that such failure to perform has been cured. Withholding under this clause shall not be deemed a breach entitling Contractor to termination or damages, provided that the County promptly gives notice in writing to the Contractor of the nature of the default or failure to perform, and in no case more than 10 days after it determines to withhold amounts otherwise due. A determination of the Administrative Officer set forth in a notice to the Contractor of the action required and/or the amount required to cure any alleged failure to perform shall be deemed conclusive, except to the extent that the Contractor acts within the times and in strict accord with the provisions of the Disputes clause of this Agreement. The County may act in accordance with any determination of the Administrative Officer which has become conclusive under this clause, without prejudice to any other remedy under the Agreement, to take all or any of the following actions: (1) cure any failure or default, (2) to pay any amount so required to be paid and to charge the same to the account of the Contractor, (3) to set off any amount so paid or incurred from amounts due or to become due the Contractor. In the event the Contractor obtains relief upon a claim under the Disputes clause, no penalty or damages shall accrue to Contractor by reason of good faith withholding by the County under this clause.

23.1 Labor Standards:

The Contractor agrees to comply with state and federal requirements, as applicable, pertaining to payment of wages and working conditions, in accordance with RCW 39.12.040, the Prevailing Wage Act; the Americans with Disabilities Act of 1990; the Davis-Bacon Act; and the Contract Work Hours and Safety Standards Act providing for weekly payment of prevailing wages, minimum overtime pay, and providing that no laborer or mechanic shall be required to work in surroundings or under conditions which are unsanitary, hazardous, or dangerous to health and safety as determined by regulations promulgated by the Federal Secretary of Labor and the State of Washington.

***Series 30-39: Provisions Related to Administration of Agreement***

30.1 Independent Contractor:

The Contractor's services shall be furnished by the Contractor as an independent contractor, and nothing herein contained shall be construed to create a relationship of employer-employee or master-servant, but all payments made hereunder and all services performed shall be made and performed pursuant to this Agreement by the Contractor as an independent contractor.

The Contractor acknowledges that the entire compensation for this Agreement is specified in Exhibit "B" and the Contractor is not entitled to any benefits including, but not limited to: vacation pay, holiday pay, sick leave pay, medical, dental, or other insurance benefits, or any other rights or privileges afforded to employees of the County. The Contractor represents that he/she/it maintains a separate place of business, serves clients other than the County, will report all income and expense accrued under this contract to the Internal Revenue Service on a Schedule C, and has a tax account with the State of Washington Department of Revenue for payment of all sales and use and Business and Occupation taxes collected by the State of Washington.

Contractor will defend, indemnify and hold harmless the County, its officers, agents or employees from any loss or expense, including, but not limited to, settlements, judgments, setoffs, attorneys' fees or costs incurred by reason of claims or demands because of breach of the provisions of this paragraph.

30.2 Assignment and Subcontracting:

The performance of all activities contemplated by this agreement shall be accomplished by the Contractor. No portion of this contract may be assigned or subcontracted to any other individual, firm or entity without the express and prior written approval of the County.

33.1 No Guarantee of Employment:

The performance of all or part of this contract by the Contractor shall not operate to vest any employment rights whatsoever and shall not be deemed to guarantee any employment of the Contractor or any employee of the Contractor or any subcontractor or any employee of any subcontractor by the County at the present time or in the future.

31.2 Patent/Copyright Infringement: Not Applicable

32.1 Confidentiality:

The Contractor, its employees, subcontractors, and their employees shall maintain the confidentiality of all information provided by the County or acquired by the Contractor in performance of this Agreement, except upon the prior written consent of the County or an order entered by a court after having acquired jurisdiction over the County. Contractor shall immediately give to the County notice of any judicial proceeding seeking disclosure of such information. Contractor shall indemnify and hold harmless the County, its officials, agents or employees from all loss or expense, including, but not limited to, settlements, judgments, setoffs, attorneys' fees and costs resulting from Contractor's breach of this provision.

33.1 Right to Review:

This contract is subject to review by any Federal, State or County auditor. The County or its designee shall have the right to review and monitor the financial and service components of this program by whatever means are deemed expedient by the Administrative Officer or by the County Auditor's Office. Such review may occur with or without notice and may include, but is not limited to, on-site inspection by County agents or employees, inspection of all records or other materials which the County deems pertinent to the Agreement and its performance, and any and all communications with or evaluations by service recipients under this Agreement. The Contractor shall preserve and maintain all financial records and records relating to the performance of work under this Agreement for three (3) years after contract termination, and shall make them available for such review, within Whatcom County, State of Washington, upon request. Contractor also agrees to notify the Administrative Officer in advance of any inspections, audits, or program review by any individual, agency, or governmental unit whose purpose is to review the services provided within the terms of this Agreement. If no advance notice is given to the Contractor, then the Contractor agrees to notify the Administrative Officer as soon as it is practical.

34.1 Proof of Insurance and Proof of Contract Bond: The Contractor shall obtain and maintain during the life of the Contract, the following, or equivalent, public liability and property damage insurance:

"A broad form Contractor's Public Liability Insurance policy, naming the County as an additional insured, providing a single limit combined comprehensive liability policy with a total limit of not less than One Million Dollars (\$1,000,000.00) for all damages arising out of bodily injury or death of one or more persons in one accident and for all damages arising out of injury to or destruction of property in any one accident."

The Contractor shall direct its insurance company to provide the County with a current certificate of insurance to this effect. Upon request of the County, the Contractor shall furnish a copy of the insurance policy or policies for review. Contractor shall also obtain a contract performance bond in the amount of \$4,000.00, and shall provide written proof of the same to the County. The performance bond shall remain in effect for the full term of the contract.

34.2 Industrial Insurance Waiver: Not Applicable

34.3 Defense & Indemnity Agreement:

The Contractor agrees to defend, indemnify and save harmless the County, its appointed and elective officers and employees, from and against all loss or expense, including, but not limited to, judgments, settlements, attorneys' fees and costs by reason of any and all claims and demands upon the County, its elected or appointed officials or employees for damages because of personal or bodily injury, including death at any time resulting therefrom, sustained by any person or persons and on account of damage to property, including loss of use thereof, whether such injury to persons or damage to property is due to the negligence of the Contractor, its subcontractors, its successor or assigns, or its agents, servants, or employees, the County, its appointed or elected officers, employees or their agents, except only such injury or damage as shall have been occasioned by the sole negligence of the County or its appointed or elected officials or employees.

It is further provided that no liability shall attach to the County by reason of entering into this contract, except as expressly provided herein.

35.1 Non-Discrimination in Employment:

The County's policy is to provide equal opportunity in all terms, conditions and privileges of employment for all qualified applicants and employees without regard to race, color, creed, religion, national origin, sex, age, marital status, disability, or veteran status. The

Contractor shall comply with all laws prohibiting discrimination against any employee or applicant for employment on the grounds of race, color, creed, religion, national origin, sex, age, marital status, disability, or veteran status, except where such constitutes a bona fide occupational qualification.

Furthermore, in those cases in which the Contractor is governed by such laws, the Contractor shall take affirmative action to insure that applicants are employed, and treated during employment, without regard to their race, color, creed, religion, national origin, sex, age, marital status, disability, or veteran status, except where such constitutes a bona fide occupational qualification. Such action shall include, but not be limited to: advertising, hiring, promotions, layoffs or terminations, rate of pay or other forms of compensation benefits, selection for training including apprenticeship, and participation in recreational and educational activities. In all solicitations or advertisements for employees placed by them or on their behalf, the Contractor shall state that all qualified applicants will receive consideration for employment without regard to race, color religion, sex or national origin.

The foregoing provisions shall also be binding upon any subcontractor, provided that the foregoing provision shall not apply to contracts or subcontractors for standard commercial supplies or raw materials, or to sole proprietorships with no employees.

35.2 Non-Discrimination in Client Services: Not Applicable

36.1 Waiver of Noncompetition: Not Applicable

36.2 Conflict of Interest:

If at any time prior to commencement of, or during the term of this Agreement, Contractor or any of its employees involved in the performance of this Agreement shall have or develop an interest in the subject matter of this Agreement that is potentially in conflict with the County's interest, then Contractor shall immediately notify the County of the same. The notification of the County shall be made with sufficient specificity to enable the County to make an informed judgment as to whether or not the County's interest may be compromised in any manner by the existence of the conflict, actual or potential. Thereafter, the County may require the Contractor to take reasonable steps to remove the conflict of interest. The County may also terminate this contract according to the provisions herein for termination.

37.1 Administration of Contract:

This Agreement shall be subject to all laws, rules, and regulations of the United States of America, the State of Washington, and political subdivisions of the State of Washington. The Contractor also agrees to comply with applicable federal, state, county or municipal standards for licensing, certification and operation of facilities and programs, and accreditation and licensing of individuals.

The County hereby appoints, and the Contractor hereby accepts, the Whatcom County Executive, and his or her designee, as the County's representative, hereinafter referred to as the Administrative Officer, for the purposes of administering the provisions of this Agreement, including the County's right to receive and act on all reports and documents, and any auditing performed by the County related to this Agreement. The Administrative Officer for purposes of this agreement is:

Penni Lemperes, Solid Waste Specialist. 322 N. Commercial St., Suite 220; Bellingham, WA 98225.

37.2 Notice:

Except as set forth elsewhere in the Agreement, for all purposes under this Agreement except service of process, notice shall be given by the Contractor to the County's Administrative Officer under this Agreement. Notice to the Contractor for all purposes under this Agreement shall be given to the address provided by the Contractor herein above in the "Contractor Information" section. Notice may be given by delivery or by depositing in the US Mail, first class, postage prepaid.

**Series 40-49: Provisions Related to Interpretation of Agreement and Resolution of Disputes**

40.1 Modifications:

Either party may request changes in the Agreement. Any and all agreed modifications, to be valid and binding upon either party, shall be in writing and signed by both of the parties.

40.2 Contractor Commitments, Warranties and Representations: Not Applicable

41.1 Severability:

If any term or condition of this contract or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this contract are declared severable.

41.2 Waiver:  
Waiver of any breach or condition of this contract shall not be deemed a waiver of any prior or subsequent breach. No term or condition of this contract shall be held to be waived, modified or deleted except by an instrument, in writing, signed by the parties hereto. The failure of the County to insist upon strict performance of any of the covenants and agreements of this Agreement, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such, or any other covenants or agreements, but the same shall be and remain in full force and effect.

42.1 Disputes:

a. General:

Differences between the Contractor and the County, arising under and by virtue of the Contract Documents, shall be brought to the attention of the County at the earliest possible time in order that such matters may be settled or other appropriate action promptly taken. Except for such objections as are made of record in the manner hereinafter specified and within the time limits stated, the records, orders, rulings, instructions, and decisions of the Administrative Officer shall be final and conclusive.

b. Notice of Potential Claims:

The Contractor shall not be entitled to additional compensation which otherwise may be payable, or to extension of time for (1) any act or failure to act by the Administrative Officer or the County, or (2) the happening of any event or occurrence, unless the Contractor has given the County a written Notice of Potential Claim within ten (10) days of the commencement of the act, failure, or event giving rise to the claim, and before final payment by the County. The written Notice of Potential Claim shall set forth the reasons for which the Contractor believes additional compensation or extension of time is due, the nature of the cost involved, and insofar as possible, the amount of the potential claim. Contractor shall keep full and complete daily records of the work performed, labor and material used, and all costs and additional time claimed to be additional.

c. Detailed Claim:

The Contractor shall not be entitled to claim any such additional compensation, or extension of time, unless within thirty (30) days of the accomplishment of the portion of the work from which the claim arose, and before final payment by the County, the Contractor has given the County a detailed written statement of each element of cost or other compensation requested and of all elements of additional time required, and copies of any supporting documents evidencing the amount or the extension of time claimed to be due.

d. Arbitration: Not Applicable

43.1 Venue and Choice of Law:

In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Agreement, the venue of such action of litigation shall be in the courts of the State of Washington in and for the County of Whatcom. This Agreement shall be governed by the laws of the State of Washington.

44.1 Survival:

The provisions of paragraphs 11.1, 11.2, 11.3, 21.1, 22.1, 30.1, 31.1, 31.2, 32.1, 33.1, 34.2, 34.3, 36.1, 40.2, 41.2, 42.1, and 43.1, if utilized, shall survive, notwithstanding the termination or invalidity of this Agreement for any reason.

45.1 Entire Agreement:

This written Agreement, comprised of the writings signed or otherwise identified and attached hereto, represents the entire Agreement between the parties and supersedes any prior oral statements, discussions or understandings between the parties.

**EXHIBIT "A"**  
(SCOPE OF WORK)

The Contractor shall be responsible for loading leachate collected at Cedarville Landfill, transporting it to the pretreatment facility at the City of Ferndale Wastewater Treatment Plant, and discharging it into the receiving station at the pretreatment facility.

**A. LOADING LEACHATE**

1. The Cedarville Landfill leachate collection system includes a 10,000 gallon reservoir with a 6-inch transmission pipe extending to the truck loading pad. The loading pad is shown in the Appendix. The Contractor can gravity load or pump the leachate from the 6-inch pipe by way of a 6-inch flange coupling. Contractor shall furnish necessary fitting and connections for connecting to coupling.
2. The Contractor will monitor the leachate level in the reservoir and be responsible for loading the leachate when the reservoir is full.
3. The Contractor shall be required to record beginning and ending volumes from the electromagnetic flowmeter located at the Cedarville landfill.
4. The Contractor shall be responsible for maintaining an adequate leachate removal schedule to avoid pressure build up in the system.
5. The Contractor shall be responsible for cleaning up only spills at either the loading station or pretreatment facility as well as on the haul roads between the two locations.
6. The Contractor will normally load leachate from the collection system after 7:00 a.m. and before 3:00 p.m. of any weekday, Monday through Friday (except legal holidays) to correspond with the leachate treatment agreement between Whatcom County and the City of Ferndale.

**B. TRANSPORT OF LEACHATE**

1. Vehicles delivering leachate to the leachate pro-treatment facility shall not normally use any City of Ferndale streets in traveling to or from said facilities. Exceptions may be granted by the City if the County roads are impassable due to flooding or other obstructions.
2. Normally, vehicles delivering leachate shall not enter the City of Ferndale Wastewater Treatment Plant on Saturdays, Sundays, and legal holidays, with the exception of holidays for emergency reasons, upon mutual agreement between the City of Ferndale Public works Director and Whatcom County Solid Waste.
3. Normally, no more than ten (10) vehicles per day shall be allowed to deliver leachate to the pretreatment facility at the City of Ferndale Wastewater Treatment Plant, but exceptions may be granted by the City for more deliveries per day during periods of heavy rain or other emergencies at Cedarville Landfill.
4. The Contractor shall furnish operators and adequate equipment to transport leachate from the Cedarville Landfill to the pretreatment facility. The equipment shall be in good working order and able to negotiate the turning movements at the landfill and the pretreatment

facility. It is expected that the Contractor will utilize truck tankers, possible with trailers, to haul the greatest legal load.

**C. DISCHARGING LEACHATE INTO PRETREATMENT FACILITY**

1. The leachate discharge rate shall be monitored so it does not exceed 1,000 gallons per minute (gpm) so as not to overburden the flow meter and flow recorder. The amount of leachate hauled will be based on information provided by the flow recorder.
2. The Contractor shall conform to all rules and regulations as established by the City of Ferndale regarding access to the pretreatment facility through the Wastewater Treatment Plant, hours of disposal, sampling, and other activities of this operation.
3. The pretreatment facility shall not normally receive more than an average daily flow of 20,000 gallons of leachate during any single calendar month nor more than an average daily flow of 12,050 gallons of leachate during any twelve-month period.
4. The Contractor delivering leachate to the pretreatment facility shall spray the facility with clean water after each delivery to assure maximum cleanliness and containment of leachate within the facility.

**CONSIDERATION**

As consideration for the services provided by the Contractor, the County agrees to compensate the Contractor at a rate of \$0.0189 cents per gallon of leachate hauled and discharged. This figure includes all costs incidental to and necessary to undertaking the performance of the service, including all taxes. The leachate volume will be based on the recording from the electromagnetic flowmeter located inside the building at the Cedarville Landfill. VanderVeen Family Transport truck drivers will be required to record the beginning volume before filling the truck and once again after the truck is filled. This information, along with the date, time, truck and trailer number, driver's signature and any other pertinent information will be recorded on each and every load of leachate removed from the Cedarville Landfill. The drivers will be required to complete a log posted inside the Cedarville leachate building listing the date, time, driver's name and the beginning and ending meter volumes. The VanderVeen Family Transport driver will deposit the truck tickets at a prearranged place at the Ferndale leachate collection facility. The truck tickets will be verified and tabulated, with monthly invoices prepared by the City of Ferndale and submitted to Whatcom County for payment. Whatcom County will record the volume of the electromagnetic flowmeter monthly and verify with the tabulated trip tickets.

In the event the annual leachate volume falls below 1,000,000 gallons, the Contractor shall be compensated at the rate of \$0.0191 cents per gallon. The necessary adjustment, if any, shall be made in the billing and payment during the month of January for services rendered in the month of December of the previous year. The adjustment, though contained in the billing and payment for December, shall cover the entire volume for the previous year.

**BILLING PROCEDURES**

The Contractor shall submit to the Whatcom County Solid Waste Division written claims for reimbursement for services provided on a monthly basis. All payments shall be based upon services provided unless otherwise approved in writing by the County. Each request for payment shall be submitted and supported by documentation of the service actually performed. The County agrees to make payment for services provided promptly in accordance with the County's customary procedures.

# ACORD CERTIFICATE OF LIABILITY INSURANCE

**PRODUCER**  
MAPLE LEAF INSURANCE AGENCY, INC.  
8695 HARLOW DRIVE  
BREMERTON WA 98312  
PHONE: 360-479-5707  
FAX: 360-479-3880

**INSURED**  
VANDERVEEN, RUSS  
5446 ELLISON ROAD  
BELLINGHAM WA 98226

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.


INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Progressive Insurance Company	
INSURER B: CHUBB GROUP OF INS COMPANIES	
INSURER C:	
INSURER D:	
INSURER E:	

## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> SUBJECT <input type="checkbox"/> LOC.				EACH OCCURRENCE \$ DAMAGES TO RENTED PREMISES (EA OCCURRENCE) \$ MED. EXP (Any One Person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS-COMP/OP AGG. \$
A	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> INCLUDES PHYSICAL DAMAGE <input checked="" type="checkbox"/> \$1,000 DEDUCTIBLE	02114087-0	APR 25 03	APR 25 04	COMBINED SINGLE LIMIT (EA ACCIDENT) \$ 750,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
	<b>EXCESS / UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				\$ \$ \$ \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER NUMBER EXCLUDED? IF YES, describe below SPECIAL PROVISIONS below				<input type="checkbox"/> NO STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE-EA EMPLOYEE \$ E.L. DISEASE-POLICY LIMIT \$
B	<b>OTHER: CARGO</b> REFER BRK DWN	451614	APR 25 03	APR 25 04	\$50,000 / \$1,000 DEDUCTIBLE \$2,500 DEDUCTIBLE

DESCRIPTION OF OPERATIONS/LOCATION/VEHICLES/EXCLUSIONS ADDED ENDORSEMENT/ SPECIAL PROVISIONS  
 CERTIFICATE HOLDER ADDED AS ADDITIONAL INSURED ONLY AS THEIR INTERESTS MAY APPEAR.

<b>CERTIFICATE HOLDER</b> WHATCOM COUNTY PUBLIC WORKS DEPARTMENT 380-738-4861 311 GRAND AVE Bellingham WA 98225 Attention:	ADDITIONAL INSURED; INSURER LETTER:	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE  Chrissy Todd
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Previous policy no. Form 1050 Ed. 1194  
 \*\*\* THIS AMENDED DECLARATION SUPERSEDES PRIOR DECLARATION PAGE EFFECTIVE 01/05/04 \*\*\*

DECLARATIONS  
 NAMED INSURED

RUSS VANDERVEEN PAGE 1 OF 3  
 5446 ALLISON RD  
 BELLINGHAM WA 98226

ENDORSED EFFECTIVE: JAN 5, 2004  
 POLICY TERM: OCT 25, 2003 TO APR 25, 2004

MAPLE LEAF INS AGCY  
 6635 HARLOW DR  
 BREMERTON WA 98312

This policy inception the later of: 1. the time the application for insurance is executed on the first day of the policy period; or 2. 12:01 a.m. on the first day of the policy period.  
 This policy shall expire at 12:01 a.m. on the last day of the policy period.

AGENT

**PROGRESSIVE**  
 COMMERCIAL VEHICLE INSURANCE

CA-80810  
 PROGRESSIVE NORTHERN INS. CO.  
 P.O. BOX 94739, CLEVELAND, OHIO 44101 1-800-444-4487

The following coverage and limits apply to the described vehicle as shown below. Coverages are defined in the policy and are subject to the terms and conditions contained in the policy, including amendments and endorsements. No changes will be effective prior to the time changes are requested.

SCHEDULE OF COVERAGES AND LIMITS OF LIABILITY

COVERAGES	FULL TERM PREMIUM CHARGES
A SINGLE LIMIT BODILY INJURY AND PROPERTY DAMAGE LIABILITY	\$1,000,000 CSL EACH OCC \$1584
I UNDERINSURED MOTORIST - BI	\$ 25,000 /PERS. \$ 50,000 /ACC. \$19
UIM-PD	\$ 10,000 /OCC. LESS \$ 100 DED \$6
PERSONAL INJURY PROTECTION	\$300 DED IF HIT-N-RUN OR PHANTOM \$ 10,000 LIMIT \$58

ADDL INT 01 ADDED

FILING FEES \$0.00  
 TOT. CHARGES DUE TO CHANGE \$0.00

TOTAL TERM PREMIUM \$1,667.00  
 ATTACHMENT IDENTIFIED BY FORM NUMBER

7937 (03-02) 1579 (10-01) 4792A (01-03) 0135 (03-02) 1197 (08-93) 1198 (08-93)  
 1349 (08-99)

DRIVERS PAGE 2 , COVERED VEH PAGE 3

UTC-N OTH-N

Any loss under Part I is payable as interest may appear to named insured and above loss payee:  
 Fin. Resp. Filed: C5 A10 04006 VAND For Whom: 8.0 CA1CS11C Case No:

Prog Premium Budget: C4  
 F/R 0603 % Factor Used: 100.00  
 F/R 102002

Countersigned:

1113 (12-92)

ADDITIONAL INTEREST COPY

CVWE0917011217L111301

PLEASE READ YOUR POLICY

POLICY NUMBER CA 0-21-14-067-1

This declarations Page/Amended Declaration page with the policy jacket identified by the form and edition date indicated completes the above numbered policy.

Previous policy no. Form 1050 Ed. 1194

\*\*\* THIS AMENDED DECLARATION SUPERSEDES PRIOR DECLARATION PAGE EFFECTIVE 01/05/04 \*\*\*

DECLARATIONS  
NAMED INSURED

RUSS VANDERVEEN PAGE 3 OF 3  
5446 ALLISON RD  
BELLINGHAM WA 98226

ENDORSED EFFECTIVE: JAN 5, 2004  
POLICY TERM: OCT 25, 2003 TO APR 25, 2004

This policy inception the later of: 1. the time the application for insurance is executed on the first day of the policy period; or 2. 12:01 a.m. on the first day of the policy period. This policy shall expire at 12:01 a.m. on the last day of the policy period.

AGENT  
MAPLE LEAF INS AGCY  
6635 HARLOW DR  
BREMERTON WA 98312

**PROGRESSIVE**  
COMMERCIAL VEHICLE INSURANCE

CA-80810  
PROGRESSIVE NORTHERN INS. CO.  
P.O. BOX 94739, CLEVELAND, OHIO 44101 1-800-444-4487

The following coverage and limits apply to the described vehicle as shown below. Coverages are defined in the policy and are subject to the terms and conditions contained in the policy, including amendments and endorsements. No changes will be effective prior to the time changes are requested.

SCHEDULE OF COVERED VEHICLES

VEH NO	DR NO	TRADE YR	NAME	BODY TYPE	SERIAL NO	VEH CLS	TER NO	ZIP	RAD IUS	DSC COD	DSC PCT
1-01	1	78	FREIG	TRACTOR	CA213HM147748	H01	30	98264	100	000	
2-02	1	88	FRUEH	DRY FREIGHT	IHSV04823JMO19768	H10	30	98264	100	000	

LIABILITY PREMIUM BY VEHICLE

VEH NO	LIAB	MED PAY	UIM/BI	UIM-PD	PIP
1	\$1,376		\$19	\$6	\$58
2	\$208				

PHYSICAL DAMAGE PREMIUM BY VEHICLE

VEH NO	COMP TYPE	OR FT/CAC DED	PREM	COLLISION DED	PREM	ON-HOOK LIMIT	DED	PREM	VEH TOTAL
1									\$1,459
2									\$208

Any loss under Part III is payable as interest may appear to named insured and above loss payee:

Fin. Resp. Filed: C5 A10 04006 VAND For Whom:

Case No: 8.0 CAICS11C

Prog Premium Budget: C4

R/R 0603 % Factor Used: 100.00  
R/R 102002

Countersigned:

1118 (12-02)

ADDITIONAL INTEREST COPY

CVWE0918011217L111303

**RETAINAGE INVESTMENT OPTIONS**

CONTRACTOR: VanderVeen Family Transport : Russell VanderVeen

PROJECT NAME: LEACHATE Hauling

DATE: January 9 - 2004

Pursuant to R.C.W. 60.28.010, as amended, you may choose how your retainage under this contract will be held and invested. Please complete and sign this form indicating your preference. If you fail to do so, the County will hold your retainage as described in "Current Expense" option 1 below. If Option 2 or 3 is chosen, please complete the escrow agreement on the following pages.

- 1. **Current Expense:** The County will retain your money in its Current Expense Fund Account until thirty days following final acceptance of the improvement or work as completed. You will not receive interest earned on this money.
  
- 2. **Interest Bearing Account:** The County will deposit retainage checks in an interest-bearing account in a bank, mutual savings bank, or savings and loan association, not subject to withdrawal until after the final acceptance of the improvement or work as completed or until agreed to by both parties. Interest on the account will be paid to you.
  
- 3. **Escrow/Investments:** The County will place the retainage checks in escrow with a bank or trust company until thirty days following the final acceptance of the improvement or work as completed. When the moneys reserved are to be placed in escrow, the County will issue a check representing the sum of the moneys reserved payable to the bank or trust company and you jointly. This check will be converted into bonds and securities chosen by you and approved by the County and these bonds and securities will be held in escrow. Interest on these bonds and securities will be paid to you as interest accrues.
  
- 4. **Retainage Bond:** Retainage is normally released 30-45 days after final acceptance of work by the County, or following receipt of Labor and Industries/Department of Revenue clearance, whichever takes longer.

Russell Jay VanderVeen  
(Contractor's signature)  
Owner  
(Title)

Industrial Credit Union of Whatcom County  
3233 Northwest Ave.  
Bellingham WA 98225  
Julia K. Parker - MSR  
(360) 734-2213  
Acct # 39067-01

COPY

Escrow No. 39067-01

Agency - Whatcom County  
Contract- \_\_\_\_\_

ESCROW AGREEMENT

TO: Industrial Cll of W.C.  
3233 Northwest Ave  
Bellingham, WA

The undersigned, Vanderveen Family Transport hereinafter referred to as the Contractor, has directed Whatcom County hereinafter referred to as the Agency, to deliver to you its warrants or checks which shall be payable to you and the Contractor jointly. Such warrants or checks are to be held and disposed of by you in accordance with the following instructions and upon the terms and conditions hereinafter set forth.

INSTRUCTIONS

1. The Agency shall deliver to you from time to time, checks or warrants payable jointly to you and the Contractor. You are hereby authorized by the Contractor to endorse in the Contractor's name, any such check or warrant so that you may receive the proceeds thereof and invest the same. The power of endorsement hereby granted to you by the Contractor shall be deemed a power coupled with an interest and shall be irrevocable during the term of this escrow. Although you may be a payee named in such warrants or checks as shall be delivered to you, your duties and responsibilities with respect to the same shall be only those duties and responsibilities which a depository bank would have, pursuant to Article 4 of the Uniform Commercial Code of the State of Washington for an item deposited with it for collection as of the date such check or warrant shall be delivered to you. The proceeds from collections shall be used by you to purchase, as directed by the Contractor, bonds or other securities chosen by the Contractor and approved by you, and the Agency. For the purpose of each such purchase, you may follow the last written direction received by you from the Contractor, provided such direction otherwise conforms with the restrictions or investments recited herein. Attached is a list of such bonds or other securities approved by the Agency. No further approval is necessary if any securities, except stocks, may be selected by the Contractor, subject to express written approval of you and the Agency. Purchase of such bonds or other securities shall be in a form which shall allow you alone to reconvert such bonds or other securities into money if you are required to do so by the Agency as provided in paragraph 4 of this Escrow Agreement.

The investments selected by the Contractor, approved by the Agency and purchase by you must mature on or prior to the date set for the completion of the contract, including extensions thereof or thirty days following the final acceptance of said improvement or work.

2. When and as interest on the securities held by you pursuant to this agreement accrues and is paid, you shall collect such interest and forward it to the Contractor at the address designated below unless within your written consent you are otherwise directed in writing by the Contractor.

3. You are not authorized to deliver to the Contractor all or any part of the securities held by you pursuant to this agreement (or any monies derived from the sale of such securities, or the negotiation of the Agency's warrants or checks) except in accordance with written instructions from the Agency. The Agency shall inform you and keep you informed in writing of the name of the person or persons with authority to give you such written instructions. Compliance with such instructions shall relieve you of any further liability related thereto. The estimated completion date of the contract underlying this Escrow Agreement is December 31, 2004.

Upon request by you, the Agency shall advise you in writing of any change in the estimated completion date. If the estimated completion date is changed, you are authorized to reinvest the monies held hereunder in accordance with the new estimated completion date.

4. In the event the Agency orders you to do so in writing, and notwithstanding any other provisions of this agreement, you shall, within thirty-five (35) days of receipt of such order, reconvert into money the securities held by you pursuant to this agreement and return such money, together with any other monies, including accrued interest on such securities held by you hereunder, to the Agency.

5. The Contractor agrees to pay you as compensation for your services hereunder as follows: \$ 4000.00

four thousand dollars & no cents Payment of all fees shall be the sole responsibility of the Contractor and shall not be deducted from any property placed with you pursuant to this agreement until and unless the Agency directs the release to the Contractor of the securities and monies held hereunder whereupon you shall be granted a first lien upon such property released and shall be entitled to reimburse yourself from such property for the entire amount of your fees and any anticipated amounts which might be owing as provided for herein. In the event that you are made a party to any litigation with respect to the property held by you

C-11

hereunder, or in the event that the conditions of this escrow are not promptly fulfilled or that you are required to render any services not provided for in these instructions, or that there is any assignment of the interests of this escrow or any modification hereof, you shall be entitled to reasonable compensation for such extraordinary services from the Contractor and reimbursement from the Contractor for all costs and expenses, including attorney fees occasioned by such default, delay, controversy or litigation.

6. Should you at any time and for any reason desire to be relieved of your obligations as escrow holder hereunder, you shall give written notice to the Agency and Contractor. The Agency and Contractor shall, within 20 days of the receipt of such notice, jointly appoint a successor escrow holder and instruct you to deliver all securities and funds held hereunder to said successor. If you are notified of the appointment of the successor escrow holder within 20 days, you may return the subject matter hereof to the Agency and upon so doing, it absolves you from all further charges and obligations in connection with this escrow.

7. This agreement shall not be binding until executed by the Contractor and the Agency and accepted by you.

8. This instrument contains the entire agreement between you, the Contractor and the Agency with respect to this escrow and you are not a party to nor bound by any instrument or agreement other than this; you shall not be required to take notice of any default any other matter, nor be bound by nor required to give notice or demand, nor required to take any action whatever except as herein expressly provided; you shall not be liable for any loss or damage not caused by your own negligence or willful misconduct.

9. The foregoing provisions shall be binding upon the assigns, successors, personal representatives and heirs to the parties hereto.

The undersigned have read and hereby approve the instructions as given above governing the administration of this escrow and do hereby execute this agreement this 8 day of

January, 19 2004

Vander Veer Family Transport  
Contractor Agency

By: Russell Vanderveer owner  
Signature and Title

\_\_\_\_\_  
Signature and Title

5446 Allison Rd  
Address Bellingham, wa 98226

C-12

The above escrow instructions received and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_

*Industrial Credit Union*

Bank or Trust Company

By 

LIST OF TYPE OF BONDS OR SECURITIES THAT ARE APPROVED BY AGENCY

1. Bills, certificates, notes or bonds of the United States.
2. Other obligations of the United States, or its agencies.
3. Any Corporation wholly-owned by the government of the United States.
4. Indebtedness of the Federal National Mortgage Association.
5. Time deposits in Commercial Banks, Mutual Savings Banks or Savings and Loan Associations.

The investments selected must mature on or prior to the date set for completion of the contract, including extensions thereof.