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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In Re Application of
WASTE MANAGEMENT OF
WASHINGTON, INC.
d/b/a WM Healthcare Solutions
of Washington
720 4th Ave. Ste 400
Kirkland, WA 98033-8136

Docket No. TG-120033

DECLARATION OF JARED VAN KIRK IN
SUPPORT OF PROTESTANT
STERICYCLE OF WASHINGTON, INC.'S
MOTION FOR LEAVE TO TAKE
DEPOSITION AND TO COMPEL
RESPONSES TO DEPOSITION
QUESTIONS

I, Jared Van Kirk, declare:

1. I am an attorney for Protestant Stericycle of Washington, Inc. (hereinafter
"Stericycle") in the above captioned action. I make this declaration based on personal
knowledge and am competent to testify herein.

2. Filed herewith in support of Protestant Stericycle of Washington, Inc.'s Motion
for Leave to Take Depositions and to Compel Responses to Deposition Questions are true and
correct copies of the following documents:

- Exhibit A: Excerpts of August 8, 2012 hearing transcript
- Exhibit B: Notice of Deposition of J. Daub
- Exhibit C: Excerpts of J. Norton Deposition Transcript

DECLARATION OF JARED VAN KIRK IN SUPPORT OF PROTESTANT
STERICYCLE OF WASHINGTON, INC.'S MOTION FOR LEAVE TO
TAKE DEPOSITION AND TO COMPEL RESPONSES TO DEPOSITION
QUESTIONS - 1

GARVEY SCHUBERT BARER
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS
eighteenth floor
1191 second avenue
seattle, washington 98101-2939
206 464-3939


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Exhibit D: Skagit Valley Medical Center Contract

Exhibit E: J. Norton email to Valley Medical Center

I declare under penalty of perjury under the laws of the State of Washington and the United States that the foregoing is true and correct to the best of my knowledge and belief.

EXECUTED this 24th day of October, 2012 at Seattle, Washington



Jared Van Kirk

CERTIFICATE OF SERVICE

I, Dominique Barrientes, certify under penalty of perjury under the laws of the State of Washington that, on October 24, 2012, I caused to be served on the person(s) listed below in the manner shown a copy of DECLARATION OF JARED VAN KIRK IN SUPPORT OF PROTESTANT STERICYCLE OF WASHINGTON, INC.'S MOTION FOR LEAVE TO TAKE DEPOSITION AND TO COMPEL RESPONSES TO DEPOSITION QUESTIONS:

Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Dr. SW
PO Box 47250
Olympia, WA 98504-7250
(360) 664-1160
records@utc.wa.gov

- Via Legal Messenger
- Via Facsimile
- Via FedEx
- Via Email

Administrative Law Judge
Gregory Kopta
gkopta@utc.wa.gov

- Via Email

Jessica Goldman
Polly L. McNeill
Summit Law Group
315 - 5th Avenue South
Seattle, WA 98104
jessicag@summitlaw.com
pollym@summitlaw.com
kathym@summitlaw.com
deannas@summitlaw.com

- Via Legal Messenger
- Via Facsimile
- Via U.S. Mail, First Class,
Postage Prepaid
- Via Email

James K. Sells
Attorney at Law
PMB 22, 3110 Judson Street
Gig Harbor, WA 98335
jamesells@comcast.net
cheryls@rsulaw.com
*Attorney for Protestant WRRRA,
Rubatino, Consolidated, Murrey's and
Pullman*

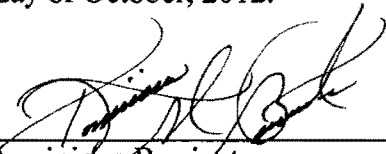
- Via Legal Messenger
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Postage Prepaid
- Via Email

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Frona Woods
Office of the Attorney General
Utilities and Transportation Division
1400 S. Evergreen Park Drive SW
PO Box 40128
Olympia, WA 98504-0128
(360) 664-1225
(360) 586-5522 Fax
fwoods@utc.wa.gov
BDeMarco@utc.wa.gov

- Via Legal Messenger
- Via Facsimile
- Via U.S. Mail, First Class,
Postage Prepaid
- Via Email

Dated at Seattle, Washington this 24th day of October, 2012.



Dominique Barrientes
dbarrientes@gsblaw.com

Exhibit A

Docket No. TG-120033 - Vol. II

**In the Matter of the Application of Waste Management of
Washington, Inc.**

August 8, 2012



1411 Fourth Avenue, Suite 820 • Seattle, Washington 98101

SEATTLE 206.287.9066

OLYMPIA 360.534.9066 SPOKANE 509.624.3261 NATIONAL 800.846.6989

Fax: 206.287.9832

E-mail: info@buellrealtime.com

www.buellrealtime.com

Page 92

1 22, which --
 2 MR. JOHNSON: 18, I think we already
 3 addressed, Your Honor.
 4 JUDGE KOPTA: All right. That's right,
 5 we did.
 6 MR. JOHNSON: But I think you are
 7 correct, it's 20 through 22.
 8 JUDGE KOPTA: Okay.
 9 MR. JOHNSON: And those deal with this
 10 issue of using recycling discounts to --
 11 JUDGE KOPTA: Right. And again --
 12 MR. JOHNSON: -- induce service switch.
 13 JUDGE KOPTA: Yes, I think you addressed
 14 that had in your opening comments as well. I don't
 15 need to hear anything more on that. I think that
 16 that's farther afield than we are going here.
 17 If you have concerns about what Waste
 18 Management is doing, you can always file a complaint.
 19 This is not an opportunity to provide every problem or
 20 objection you have to what Waste Management is doing.
 21 I'm not going to allow us to fall that far afield, so
 22 I'm denying this, the motion as to 20 through 22.
 23 MR. JOHNSON: So, Your Honor, just so
 24 that I understand your ruling. This goes directly to
 25 regulatory fitness, if they are violating the tariff

Page 93

1 requirements.
 2 JUDGE KOPTA: If you are aware of those,
 3 I am not saying that you cannot provide testimony on
 4 that. Although, I am not saying at this point that I
 5 would allow it, I am just saying at this point that I
 6 am not going to compel discovery on it.
 7 MR. JOHNSON: So we are entitled to
 8 raise it at the hearing, but we are not entitled to
 9 determine the facts that would allow us to raise it
 10 effectively?
 11 JUDGE KOPTA: What I am saying is I am
 12 not at this point precluding you from including it in
 13 your testimony. That doesn't mean that I would not
 14 entertain a motion to strike. At this point, I don't
 15 see that it is sufficiently relevant. This is not an
 16 occasion to air every complaint. I don't want to hear
 17 from Waste Management about your profitability and
 18 your overearning. And I don't want to hear from you
 19 about what you think Waste Management is doing wrong
 20 in its current service territory. That's not what we
 21 are here to talk about.
 22 MR. JOHNSON: Your Honor, I understand
 23 that. Can I just give you a little sort of
 24 perspective on where I'm coming from?
 25 If you look at our --

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1 JUDGE KOPTA: I know where you are
 2 coming from, and I understand --
 3 MR. JOHNSON: Let me just add one little
 4 wrinkle that perhaps you haven't heard about yet.
 5 Under RCW 81.77.040 if you read far enough
 6 down, you find that the Commission has the authority
 7 to issue certificates with conditions. It is my
 8 thought that regulatory fitness is certainly an issue.
 9 But if there is evidence presented at the hearing that
 10 an applicant is engaged in some kind of activity that
 11 is contrary to the statute and the Commission's rules,
 12 that even if the Commission ultimately determines that
 13 the application should be granted, that it has the
 14 ability, and in fact in that case, it should attach
 15 conditions.
 16 And I think this would go back to like the
 17 Ryder case, which I was also involved in, where
 18 Stericycle was dinged for a particular agreement with
 19 a subsidiary of the Washington Hospital Association,
 20 and was required to change the practice, you know, in
 21 an order issued in an application case.
 22 So that is where I am coming from, both
 23 regulatory fitness and the notion that this is a
 24 proper subject for a condition if the Commission so
 25 chooses.

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1 JUDGE KOPTA: And I appreciate that
 2 that's where you are coming from. I assumed that
 3 that's where you were coming from. I'm not in any
 4 way, shape or form alleging that you are using this
 5 forum improperly. That's not what my purpose is. My
 6 purpose at this point is to try and keep us focused on
 7 the issues. And to the extent that you have
 8 information that Waste Management is operating
 9 illegally or unlawfully or inconsistent with
 10 Commission rules or its own tariff, then I am not
 11 saying that you cannot provide that information.
 12 What I am saying is that I am not going to
 13 sanction an exploratory effort to try and look behind
 14 Waste Management's practices to find those kinds of
 15 things. I understand that you believe that you have
 16 seen smoke and you are looking for the fire.
 17 MR. JOHNSON: We have, actually, a
 18 declaration in the file that supports the notion that
 19 Waste Management has in fact offered a
 20 recycling discount to Northwest Hospital as an
 21 inducement for them to move their waste collection
 22 service to Waste Management. That's not hypothetical,
 23 it's not speculation, it's particular people having
 24 told particular people of the facts. We have put that
 25 on the table in connection with our request for a

1 leave to take a deposition.
 2 JUDGE KOPTA: And we will deal with that
 3 next. At this point, I am not going to compel a
 4 response to those requests.
 5 MS. GOLDMAN: Your Honor, I just want to
 6 make sure that the record is clear. I don't know if
 7 you actually ruled on No. 18. I believe your order
 8 was that --
 9 JUDGE KOPTA: Yes, I did rule on No. 18
 10 earlier, when we were talking about that, and the
 11 motion was denied.
 12 MS. GOLDMAN: Thank you, Your Honor.
 13 I'm sorry, I missed that.
 14 JUDGE KOPTA: That's all right. I am
 15 sure you will pore over the transcript of this. I
 16 expect to see my own words quoted back to me numerous
 17 times.
 18 MR. JOHNSON: Well, Your Honor, that's
 19 what my notes show.
 20 JUDGE KOPTA: Well, then, it must be
 21 right.
 22 MS. GOLDMAN: Thank you.
 23 JUDGE KOPTA: I'm going to go ahead and
 24 take up the motion for leave to take depositions as
 25 well. I'm not sure whether the parties contemplated

1 proceeding and I only very, very, very reluctantly
 2 would agree to compel someone who is not a party
 3 witness to be subject to a deposition. Under these
 4 circumstances, I am not willing to do so.
 5 I will deny that motion and allow the parties
 6 to make their own arrangements with respect to
 7 depositions.
 8 I believe that is everything, unless there is
 9 something else, Mr. Sells. It looks like you want to
 10 talk after all of this time.
 11 MR. SELLS: I am just trying stay awake,
 12 Your Honor.
 13 JUDGE KOPTA: I'm sorry I'm not more
 14 scintillating.
 15 MR. SELLS: Just one question and
 16 comment. I think I understood that all five days of
 17 hearing would be held here in Olympia --
 18 JUDGE KOPTA: That is correct.
 19 MR. SELLS: -- in this very room.
 20 There are going to be, I suspect, numerous
 21 witnesses from Eastern and Central Washington and
 22 South and North. The parties have very, very
 23 informally previously discussed perhaps doing
 24 perpetuation depositions, perhaps doing telephone, or
 25 whatever other electronic devices I'm not aware of

1 that, given that Waste Management's response came
 2 after the time when you all had talked about
 3 responding to cross-motions. I don't know what the
 4 parties had in mind, but since we are here, since I
 5 have looked at it, since it is related, then I'm going
 6 to take it up. I think we have largely just talked
 7 about it.
 8 As to taking depositions of potential Waste
 9 Management witnesses, it sounds to me like there is no
 10 objection to doing that. I have no problem with the
 11 parties making their own arrangements to take
 12 depositions should they so choose. I don't see a need
 13 to order that if the parties are already in agreement.
 14 Given that we will be pushing the schedule out, I am
 15 assuming that you can arrange for a mutually
 16 convenient time.
 17 I caveat that with saying that the Commission
 18 rules contemplate that I could schedule a deposition
 19 conference in which I play mediator. That I am not
 20 terribly willing to do. If you feel the need to do
 21 that, then you can revisit it. But no, I will
 22 probably say no. So if you can arrange it between
 23 yourselves, that's perfectly fine with me.
 24 As to a deposition of nonparty witnesses, as I
 25 said, I think that is beyond the scope of this

1 exist. I guess I just want to let Your Honor know
 2 that we are talking -- or at least I am talking about
 3 it, and that we may be coming back to you, or not,
 4 with a request to proceed in that manner. At least
 5 two of them would be party witnesses but fairly minor
 6 party witnesses.
 7 JUDGE KOPTA: Again, whatever the
 8 parties can agree to among themselves I have no
 9 problem with. If you get the information that you
 10 need, and we shorten the hearing by having
 11 perpetuation depositions, I am all for that. I am
 12 also willing to have people appear by telephone,
 13 particularly nonparty or shipper-type witness
 14 testimony, or generator, in this case, testimony. I'm
 15 not going to make people come all the way to Olympia
 16 from Moses Lake unless they are a party. I will have
 17 no problem with that.
 18 Hopefully, the parties can agree on that since
 19 I assume it will benefit all parties to be able to
 20 have that kind of accommodation to witnesses and
 21 others who they want testimony from to support their
 22 positions.
 23 MR. SELLS: Thank you.
 24 JUDGE KOPTA: Anything else?
 25 Hearing none --

Exhibit B

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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of:

Docket No. TG-120033

WASTE MANAGEMENT OF WASHINGTON,
INC. D/B/A WM HEALTHCARE SOLUTIONS
OF WASHINGTON

**NOTICE OF DEPOSITION UPON
ORAL EXAMINATION OF
JEFFREY NORTON**

For an Extension of Certificate G-237 for a
Certificate of Public Convenience and Necessity
to Operate Motor Vehicles in Furnishing Solid
Waste Collection Service

TO: Jeffrey Norton

AND TO: Waste Management of Washington, Inc., and its attorneys Polly L. McNeill
and Jessica L. Goldman

YOU AND EACH OF YOU WILL PLEASE TAKE NOTICE that the testimony of Jeffrey
Norton will be taken upon oral examination at the instance and request of the Stericycle of Washington,
Inc. in the above-entitled action, before a Notary Public, at the offices of Garvey Schubert Barer, 1191
Second Avenue, Suite 1800, Seattle, Washington, on Monday, October 15, 2012, beginning at
9:30 AM. Said oral examination is subject to continuance or adjournment from time to time or place to
place until completed, and to be taken on the grounds and for the reason said witness will give evidence
material to the establishment of Stericycle of Washington, Inc.'s case.

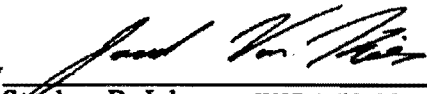
NOTICE OF DEPOSITION UPON ORAL EXAMINATION OF
JEFFREY NORTON - 1

GARVEY SCHUBERT BARER
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS
eighteenth floor
1191 second avenue
seattle, washington 98101-2939
206 464 3939

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DATED this 14th day of September, 2012.

GARVEY SCHUBERT BARER

By 

Stephen B. Johnson, WSBA #6196
Jared Van Kirk, WSBA #37029
Attorneys for Protestant Stericycle of Washington,
Inc.

NOTICE OF DEPOSITION UPON ORAL EXAMINATION OF
JEFFREY NORTON - 2

GARVEY SCHUBERT BARER
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS
eighteenth floor
1191 second avenue
seattle, washington 98101-2939
206 464 3939

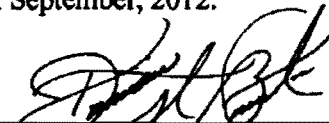
CERTIFICATE OF SERVICE

I hereby certify that I have this day served this document upon all parties of record in this proceeding, by the method indicated below, pursuant to WAC 480-07-150.

NOTICE OF DEPOSITION UPON ORAL EXAMINATION OF JEFFREY NORTON

Washington Utilities and Transportation Commission 1300 S. Evergreen Park Dr. SW PO Box 47250 Olympia, WA 98504-7250 360-664-1160 <u>records@utc.wa.gov</u>	<input type="checkbox"/> Via Legal Messenger <input type="checkbox"/> Via Facsimile <input checked="" type="checkbox"/> Via FedEx <input checked="" type="checkbox"/> Via Email
Fronda Woods Attorney General's Office of Washington PO Box 40128 Olympia, WA 98504 (360) 664-1225 <u>fwoods@utc.wa.gov</u> <u>bdemarco@utc.wa.gov</u>	<input type="checkbox"/> Via Legal Messenger <input type="checkbox"/> Via Facsimile <input type="checkbox"/> Via First Class U.S. Mail <input checked="" type="checkbox"/> Via Email
Jessica Goldman Polly L. McNeill Summit Law Group 315 - 5th Avenue South Seattle, W A 98104 <u>jessicag@summitlaw.com</u> <u>pollym@summitlaw.com</u> <u>kathym@summitlaw.com</u> <u>deannas@summitlaw.com</u>	<input type="checkbox"/> Via Legal Messenger <input type="checkbox"/> Via Facsimile <input type="checkbox"/> Via First Class U.S. Mail <input checked="" type="checkbox"/> Via Email
James K. Sells 3110 Judson Street Gig Harbor, WA 98335 (360) 981-0168 <u>jamesells@comcast.net</u> <u>cheryls@rsulaw.com</u> <i>Attorney for Protestant WRRRA, Rubatino, Consolidated, Murrey's, and Pullman</i>	<input type="checkbox"/> Via Legal Messenger <input type="checkbox"/> Via Facsimile <input type="checkbox"/> Via First Class U.S. Mail <input checked="" type="checkbox"/> Via Email

DATED at Seattle, Washington, this 14th day of September, 2012.



 Dominique Barrientes

NOTICE OF DEPOSITION UPON ORAL EXAMINATION OF JEFFREY NORTON - 3

GARVEY SCHUBERT BARER
 A PARTNERSHIP OF PROFESSIONAL CORPORATIONS
 eighteenth floor
 1191 second avenue
 seattle, washington 98101-2939
 206 484 3939

Exhibit C

Transcript of the Testimony of

Jeffrey Norton

October 15, 2012

**In the Matter of the Application of Waste Management of
Washington**

No. TG-120033



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Tacoma: **253 627-6401** Fax: **253 383-4884**

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Seattle/Tacoma, Washington

1 directing the witness not to answer.
2 And I'm certainly happy to hear from you how this
3 goes to an issue that is permissible for discovery, but
4 the pricing information is a tarified issue.
5 Please don't answer that question.
6 Q (By Mr. Van Kirk) You mentioned consulting services you
7 provided to customers, and you said that's a -- those
8 services are basically you providing your expertise to
9 those customers. Correct?
10 A Correct.
11 Q Does that include waste audits? Are you the person who
12 provides waste audits?
13 A That's correct.
14 Q And that's just an informal program between you and a
15 customer?
16 A That's correct.
17 Q Do you write up reports for customers?
18 A Yes.
19 Q Is there a standard form or standard -- for such reports,
20 or do you just write whatever you think is necessary for
21 them to know?
22 A There's no standard form. It's -- I generally use a
23 similar form that I've used, you know, since I've been
24 here. But -- yeah, it's just a -- it's my own form.
25 Q Is there any process you follow for a waste audit?

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1 A Yeah. Yes.
2 So the process would be to -- walking with the
3 customer, finding out where the waste is generated, the
4 flow of it to either the solid waste container,
5 recycling, medical waste, and then generally looking at
6 that waste stream and helping find ways to minimize each
7 of the waste streams into more recycling.
8 Q Is there any -- do you do any quantification, or is it
9 mostly your sort of -- your observations of what's
10 happening?
11 A Some quantifications based on my observations.
12 Q You mentioned -- just to clarify, you mentioned that
13 there was currently a local account representative
14 position open for the Northwest. Is that correct?
15 A Correct.
16 Q Has there been an employee to fill that in the past, or
17 is that a new position that's been created?
18 A We've had -- yes, we've had other employees that have had
19 similar positions, maybe a different name. But, yes, the
20 names have changed. Like my title changed, but similar
21 positions as account management.
22 Q And in the past, has there been an account management
23 employee who was qualified to and directed to provide
24 services related to medical waste?
25 MS. GOLDMAN: Objection. This goes to

Page 55

1 fitness.
2 I instruct you not to answer.
3 MR. VAN KIRK: This goes to customer
4 service, and customer service is an issue raised by -- as
5 public need by generators.
6 MS. GOLDMAN: What's the issue that
7 you're questioning about?
8 MR. VAN KIRK: Customer service.
9 MS. GOLDMAN: My objection stands, as
10 does my instruction.
11 MR. VAN KIRK: Okay. So now you're
12 also taking the position that we cannot ask questions
13 related to Waste Management's customer service in
14 Washington?
15 MS. GOLDMAN: You may ask questions
16 about Waste Management's, but now you're asking about the
17 structure of the company. So if you want to ask
18 questions about what services are provided to the
19 customers, as you have been for the last hour and a half,
20 that's fine.
21 MR. VAN KIRK: I just asked whether
22 there was an employee who provided -- an account manager
23 who provided services for -- related to medical waste.
24 That's not about the structure. That's about the
25 services being offered to customers.

Page 56

1 MS. GOLDMAN: If you want to ask him
2 about the services being offered, you may. You may do
3 whatever you'd like, but I will certainly not object to
4 you asking a question about what services are offered.
5 And I believe you have.
6 MR. VAN KIRK: Well, part of the
7 service is, are there employees providing such services.
8 That was my question.
9 MS. GOLDMAN: And you've asked that
10 multiple times now, and he's answered who is providing
11 those services in the state of Washington today.
12 MR. VAN KIRK: This was a thing that
13 didn't get answered, so I'm clarifying.
14 He said there was an open position. I didn't ask
15 him, until now, whether that position had been filled in
16 the past or not. And I just did. And I think he gave me
17 his answer. And I think if my question wasn't clear
18 about whether the person in the past that he was talking
19 about was able to perform that job for medical waste
20 services, and that's the clarification I'm trying to get.
21 MS. GOLDMAN: And I instruct him not
22 to answer. This does not go to the issues that are
23 permissible for discovery, and you have already asked him
24 quite at length what are the customer services that are
25 being provided to Washington customers and by whom.

Page 57

15 (Pages 54 to 57)

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Seattle/Tacoma, Washington

1 MR. VAN KIRK: I just want you to
2 understand, I take this position, in saying that the
3 availability of employees in Washington to provide direct
4 services to customers is off limits, in your opinion?
5 MS. GOLDMAN: I believe that
6 question -- those questions have been answered. He has
7 told you precisely who it is that offers customer service
8 to Washington, including the small generators and the
9 large generators, and all of the various individuals who
10 currently offer that service.
11 MR. VAN KIRK: And he's not made that
12 answer about this hypothetical employee -- whose name I
13 haven't asked for yet -- in the past. I just don't have
14 that information yet.
15 MS. GOLDMAN: That's correct -- well,
16 I don't know if you don't have that, but you're not going
17 to get it.
18 MR. VAN KIRK: Okay.
19 Q (By Mr. Van Kirk) Do you know when Waste Management
20 first was contemplating getting back into the medical
21 waste business?
22 MS. GOLDMAN: Objection. Calls for
23 speculation.
24 A No.
25 Q (By Mr. Van Kirk) Were you involved in any discussions

Page 58

1 about adding those services out here?
2 MS. GOLDMAN: Objection. Vague and
3 ambiguous.
4 A No, not until I was hired.
5 Q (By Mr. Van Kirk) Okay. And then after you were hired?
6 A After I was hired, yes, it was a goal to become
7 statewide, have statewide authority.
8 Q Did people ever tell you about the reasons why Waste
9 Management decided to set that goal?
10 A Yes. I mean, I was a part of that. So -- of the reasons
11 why, because I know the industry and I know the clientele
12 that has hospitals in multiple jurisdictions that want to
13 have one provider provide that service if it's available.
14 Q So it's your understanding that the reason Waste
15 Management decided to start providing medical waste
16 services was to provide service to generators who wanted
17 the option of having another provider?
18 A Yes.
19 Q Were you the first person who started writing to sell
20 medical waste services in Washington?
21 A To my knowledge, yes.
22 Q Okay. And when did you start that?
23 A Shortly after I was hired, I would say I had discussions
24 with people about it. But we didn't have services
25 available for, you know, six or seven months, until I

Page 59

1 was -- or even longer. Maybe a year.
2 So I had discussions with people.
3 Q Were these discussions about what services they'd need,
4 or discussions about whether they'd sign up for those
5 services once they were offered?
6 MS. GOLDMAN: I'm going to object
7 again. This has nothing to do with the issues that
8 are -- again, have been authorized for discovery. And
9 this goes to fitness.
10 And I'm going to direct you not to answer any
11 further questions on this line.
12 MR. VAN KIRK: Well, this goes to
13 regulatory issues, which were not excluded by the judge.
14 MS. GOLDMAN: I believe that the
15 judge's intention was that the testimony that was called
16 for and permitted by statute, by declaration -- which
17 includes fitness -- would include regulatory, as well.
18 And that is buttressed by the fact that, in the August
19 8th hearing, the judge prohibited any further discovery
20 regarding complaints that would address that regulatory
21 issue.
22 So this witness has not provided any testimony
23 regarding that issue.
24 MR. VAN KIRK: Well, the judge did not
25 address any limitations in depositions for discovery, and

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1 I don't remember any such limitations being placed in our
2 agreement to make people available for discovery.
3 You're saying that you did?
4 MS. GOLDMAN: Yes -- well, I'm saying
5 that I did what?
6 MR. VAN KIRK: That you placed
7 limitations on the topics to which deponents would answer
8 questions?
9 MS. GOLDMAN: No. I'm not the judge.
10 The judge put limitations on, and those limitations are
11 exactly -- the same issues that we raised in regards to
12 Mr. Daub's deposition apply here as well. We take
13 precisely the same position: that the judge has allowed
14 discovery on some limited number of issues, and those are
15 the ones that the judge held the protestants had an
16 interest in.
17 And fitness was one that the judge held that the
18 protestants did not have an interest in. So these
19 questions, including regarding regulatory fitness, are
20 issues that the judge has ruled are issues for the
21 commission and not Stericycle.
22 MR. VAN KIRK: The judge never ruled
23 on regulatory fitness as a whole. He addressed specific
24 issues with respect to previous discovery but not this
25 discovery. And the judge never made an order ordering

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1 this deposition or placing any limitations on it. It was
2 done by agreement.
3 And I'm further taking your position to be that,
4 despite putting in testimony or declarations directly
5 related to fitness, you believe Stericycle has no right
6 or authority to ask questions on those issues or about
7 that testimony?
8 MS. GOLDMAN: That's correct.
9 You have before you his direct testimony that's
10 offered on the questions that were permitted for
11 discovery, and we're here to allow to you ask questions
12 about that. We've gone quite far afield from that, but
13 if you have other questions regarding the direct
14 testimony he's offered on the competitive issues and the
15 public need that you're authorized to conduct discovery
16 on, we're happy to entertain those questions.
17 Q (By Mr. Van Kirk) Were you involved in identifying
18 generators to approach and ask to give testimony in this
19 proceeding?
20 A Yes.
21 Q And what did you do to identify those generators?
22 A Just with my base of knowledge that I've had, I, you
23 know, went out to generators I thought we would want to
24 service, and also generators I knew maybe wanted to look
25 at an option, another option, and made general inquiries

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1 about that.
2 Q And which generators did you talk to?
3 A Oh. So Peace Health, Providence, which are large
4 healthcare IDN's.
5 I would say -- I talked to the Washington State
6 Dental Association. I talked to the University of
7 Washington.
8 That's all I can recall off the top of my head.
9 I talked to others that may have provided
10 testimony -- or support already via declarations or
11 testimony.
12 Q Did you talk to every generator who actually filed a --
13 filed testimony in this case?
14 Strike that. Let me start over.
15 Have you read all the generator testimony that was
16 filed?
17 A Yes.
18 Q And so, now, were you involved in speaking to all those
19 generators?
20 A No.
21 Q Who else was involved?
22 A Jeff Daub.
23 Q Anyone else?
24 A No.
25 Q Did you speak to any generators who didn't put in

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1 testimony?
2 A Yes.
3 Q Which ones?
4 A I can't recall their names. I spoke to some smaller
5 quantity generators that did not want to get involved,
6 but maybe wrote a support letter, but did not want to be
7 a part of the record.
8 Q But you don't remember who any of those were?
9 A I can't remember, off the top of my head, their names.
10 Q Do you remember about how many?
11 A Maybe three or four.
12 Q Did you talk to any medium or large quantity generators
13 who didn't end up providing testimony?
14 A Not that I can recall.
15 Q So you didn't go out, probably, to talk to generators and
16 just find out whether they had any needs that weren't
17 currently being served?
18 MS. GOLDMAN: Objection. Vague and
19 ambiguous.
20 A Not specifically, no.
21 Q (By Mr. Van Kirk) You picked customers you already knew
22 had expressed interest or concerns?
23 A Not just that, but also that I had relationships with
24 from previous work.
25 Q All right. Were these all customers that you had, at

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1 least the large quantity ones, were these customers where
2 you had already provided service to them?
3 A What type of service?
4 Q Any type of service.
5 A For Waste Management?
6 Q Yes.
7 A When I -- so -- no, not necessarily just that had
8 service. There were no services with Waste Management at
9 the time.
10 Some of them, yes, had some services with us.
11 Q Before you -- let's use, as an example, Peace Health.
12 Before you approached Peace Health about giving
13 testimony, had they expressed an interest in signing up
14 for Waste Management medical waste services?
15 A Yes.
16 Q And before you approached them, why did they say they
17 wanted to sign up?
18 A In their corporate office, they had -- there are some
19 folks there that have negative feelings towards
20 Stericycle. And so --
21 Q Such as? They don't like the name?
22 A No. Such as just problems with service, some services
23 prior, from the past, from years ago, even when I was
24 working there.
25 Q So corporate people had service problems from the past.

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1 A Mm-hm.
2 Q Okay.
3 A They like some of our service offerings that we were
4 coming to market with, had heard about. Our ecoFinity
5 program was one of the -- one of the things they liked.
6 They expressed definite want for competition,
7 because they felt as though they weren't getting the
8 customer service they needed from Stericycle.
9 Q Did they want to try to get a better price?
10 A I'm sure that they asked -- I don't know. I can't recall
11 if they specifically said anything about price.
12 Q Did you approach anybody about giving testimony where you
13 didn't already know they had an interest in Waste
14 Management services?
15 A Not that I can recall.
16 Q How about --
17 A Excuse me, can you ask that question again?
18 Q I'm going to ask a different question.
19 A Okay.
20 Q How about Mr. Daub? Do you know whether he approached
21 anybody who hadn't already expressed an interest in Waste
22 Management medical waste services?
23 A I don't know.
24 Q Did you work together in this endeavor, you and Mr. Daub?
25 A No, we didn't work together on any of them.

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1 Q Did you tell him who to go talk to, or did he come up
2 with that on his own?
3 A I may have given him some -- a list of some people.
4 Q Okay. Which customers did Mr. Daub speak to about giving
5 testimony?
6 A I believe it was -- I didn't give names. I gave
7 facilities. So Port Angeles, Olympic Medical Center.
8 That's the only one I can remember that I gave him.
9 Q And did you tell Mr. Daub what he needed to do --
10 A No.
11 Q -- when he went to talk to Olympic Medical Center?
12 A No.
13 Q Did he understand what the goal of asking -- asking them
14 for their testimony was?
15 A Yes, we -- yes. It was very recent.
16 Q What did you say to customers when you went to ask them
17 for their testimony?
18 A First of all, I would ask them if they were interested in
19 services that Waste Management could provide for medical
20 waste service, and if they were interested in them, then
21 would they want to provide testimony to help allow us to
22 give -- get -- or give service to their outlying areas.
23 Generally when I was speaking to a customer, they
24 had a facility in our area we can service, and others
25 outside that were affiliated.

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1 Q And what did you tell them about the testimony that would
2 be relevant to your ability to get authority?
3 A I would say that we needed to prove that there was a
4 need, public need, for competition, and so they would --
5 yeah, so then we would need to prove that through this
6 process.
7 Q Did you tell them specifically that there was a need to
8 prove -- that there was -- that's going to be awkward.
9 Did you tell them specifically that you would have
10 to prove that there was a need for competition?
11 A I would say generally, yes, but it may have depended on
12 the situation and the customer, what they were wanting.
13 But generally, yes, that's the -- that's what I would
14 tell them.
15 Q Are there any other needs you told them were relevant to
16 your application?
17 A Not that I can recall.
18 Q And were you specific about competition? Did you say we
19 need to show there's a need for competitive pricing or
20 competitive services or customer service or anything like
21 that?
22 A Nothing about pricing. Mostly about probably my own
23 belief that, for customer service reasons, I would
24 just -- there's -- when there's someone out there that
25 could take your business from you, customer service tends

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1 to be better in general.
2 Q So that was a belief you shared with these --
3 A That's correct.
4 Q -- testifying generators?
5 A That's correct.
6 Q They didn't tell you they thought there was a need for
7 customer service competition or service competition?
8 A Generally they did. They would tell me that there was --
9 they felt that there was a need for this.
10 They generally shared my belief. And in this
11 specific instance, shared that there was a need for
12 competition for medical waste, which is why they put
13 testimony in.
14 Q Did any of the generators you talked to say they were
15 happy with the service that Stericycle was providing?
16 A Specifically talking about talking to generators that I
17 was asking for -- to do testimony?
18 Q Yes.
19 A No, not that I can recall.
20 Q Did they all say they were unhappy with the services, or
21 did they just want there to be competition out there?
22 A Generally they had some prior issue with service over the
23 past ten years, let's say, where there wasn't two
24 statewide holders of a certificate. So maybe not that
25 specific moment they weren't haven't any issues, but

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18 (Pages 66 to 69)

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1 Q So why are you not providing that service now?
2 **A That waste stream is a part of a committee.**
3 Q Okay.
4 **A And that committee canceled their meetings the last six**
5 **months. So they're voting on it currently.**
6 Q Okay.
7 **A Or at their next meeting.**
8 Q So you've essentially made an offer to them and --
9 **A That's correct.**
10 Q -- are hoping it will go your way?
11 Okay. Now, is it the committee's decision or does
12 Emily -- did Emily recommend to the committee that they
13 go with you, or is it an open question to them?
14 **A No, this -- Emily is on the committee, but she had no --**
15 **this started way before Emily worked there.**
16 Q Now, she has said in her testimony -- again, I'm not
17 getting you to confirm this -- but she's discussed the
18 reduced travel distance between the U-Dub facilities and
19 the Seattle facility of Waste Management.
20 Now, did you have discussions with her about that?
21 **A I did not.**
22 Q Okay. Did you talk to anybody at U-Dub about that?
23 **A I can't recall.**
24 Q Have you been asked to talk to this committee or have
25 gone to a committee meeting or something like that?

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1 **A Yes.**
2 Q Okay. Was that to deliver the proposal?
3 **A That's correct.**
4 Q Did they ask you questions?
5 **A Yes.**
6 Q Did the subject of local processing come up?
7 **A It was a while ago. Like I said, they haven't met for**
8 **six months.**
9 **I'm going to say, yes, we talked about it. I'm**
10 **pretty -- believe that we did talk about that as one of**
11 **the...**
12 Q And did members of the committee explain to you at all
13 why they felt that was important?
14 **A I can't -- I can't recall what the committee members**
15 **said.**
16 Q I believe you said before that it was Mr. Daub who went
17 out to Olympic Medical Center. Right?
18 **A I didn't say he went out there. I just --**
19 Q Okay.
20 **A -- said that he may have contacted them.**
21 Q Did you have any communications with Olympic Medical
22 Center --
23 **A No.**
24 Q -- about offering testimony?
25 **A Sorry.**

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1 **No.**
2 Q Did Mr. Daub report back to you on what he learned in any
3 of his conversations?
4 **A Yes.**
5 MS. GOLDMAN: I'm now going to direct
6 you to take caution that any communications that happened
7 in the presence of counsel for Waste Management are
8 subject to the attorney-client privilege. So to the
9 degree that you can answer any questions regarding
10 conversations with Mr. Daub that were outside the
11 presence of counsel, you may.
12 Q (By Mr. Van Kirk) In their pre-filed testimony, the
13 Olympic Medical Center or its representative mentioned
14 that they don't like Stericycle's method for scheduling
15 collections.
16 Did you receive any information about that
17 complaint?
18 **A I did not.**
19 Q What information did you get about what Olympic Medical
20 Center was -- the basis for why they wanted to agree to
21 offer testimony?
22 MS. GOLDMAN: And again, I'll restate
23 my direction that you take caution on attorney-client-
24 privileged communications.
25 **A I don't know -- I don't have any idea what they said or**

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1 **what they were going to testify to, other than the only**
2 **communication I had about it was, Jeff Daub had said that**
3 **he had reached out to them about it.**
4 Q (By Mr. Van Kirk) Now, are they on a -- do you know
5 whether they're on an on-call pickup or are they on a
6 schedule?
7 **A I do not know.**
8 Q You said you went to the WSDA. Did you talk -- does the
9 WSDA have a -- I don't know how it's governed. Does it
10 have a board or a committee or something that sort of --
11 how does it work?
12 **A I spoke to Michael Walsh on the phone. I couldn't tell**
13 **you his title. And -- yeah.**
14 Q Okay. And did you speak -- just speak to him one time?
15 **A I spoke to Mike Walsh probably two or three times.**
16 Q On the subject of providing testimony?
17 **A Yes.**
18 Q Now, the -- it was Mr. Warner who is providing the
19 testimony. Do you know who that is?
20 **A I don't.**
21 Q Do you have any -- do you know why it's not Mr. Walsh
22 providing the testimony?
23 **A I don't.**
24 Q Are you aware of any vote or approval from the WSDA to
25 provide testimony?

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1 MS. GOLDMAN: Objection. Calls for
2 speculation.
3 **A I don't.**
4 Q (By Mr. Van Kirk) But you never spoke to any board or
5 committee of the organization as a whole?
6 **A I did not.**
7 Q Did you speak to the gentleman from Wendell Family Dental
8 Center who has submitted testimony?
9 **A I did not.**
10 Q Do you know who did that?
11 **A I do not.**
12 Q Did you suggest their name that --
13 **A I did not.**
14 MR. VAN KIRK: Pardon me just a
15 minute. I'm looking for a spot to have lunch.
16 Okay. Well, I think we can probably take that break
17 here. It's lunchtime.
18 (Recess 12:18-1:15 p.m.)
19
20
21 EXAMINATION (Continuing)
22 BY MR. VAN KIRK:
23 Q Welcome back, Mr. Norton.
24 Let's talk about these Rehrig container issues. And
25 you had some testimony to that effect in your pre-file

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1 testimony.
2 When did Waste Management first make these Rehrig
3 containers available?
4 **A We had them as soon as we started service, but they had**
5 **been using them in California already before that. So in**
6 **June 2011, when we first started servicing customers.**
7 Q What was the first account to sign up to use the
8 containers?
9 **A Possibly the -- Providence over in -- Providence Sacred**
10 **Heart Medical Center and Providence Holy Family in**
11 **Spokane.**
12 Q Were they the first customers you think you signed up,
13 period?
14 **A No. They were -- I can't remember, but they're up there.**
15 **They were one of the first couple.**
16 Q Were you involved in deciding to -- deciding on offering
17 the Rehrig containers? Was that your decision?
18 **A No.**
19 Q That was two questions.
20 So first is: Was it your decision?
21 **A No.**
22 Q Were you involved in making that decision?
23 **A No.**
24 Q Okay. Were you asked your opinion about what kind of
25 containers should be used --

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1 **A Yes.**
2 Q -- in the Washington services?
3 **A Yes.**
4 Q Who asked you?
5 **A At the time, it was Mike Archer, Terry Bickel; Waste**
6 **Management Healthcare Solutions employees that were in**
7 **the process of helping set up the services up here.**
8 Q So they were involved in sort of making operational
9 decisions about what the services will look like here?
10 **A Correct.**
11 Q And why did you say -- why did you say -- I assume you
12 told them that the Rehrig containers are the ones that
13 should be used?
14 **A Yes.**
15 Q Okay. Why did you tell them that?
16 **A Just because my experience in this industry with these**
17 **customers, knowing that -- that that was something**
18 **customers wanted in the areas that I had covered**
19 **previously. They had wanted a container that was -- that**
20 **nested nicely. And if the lids could be attached, it was**
21 **a good added value for them, so they didn't have to store**
22 **lids separately.**
23 **So that's the reason.**
24 Q Did you have any experience working with these Rehrig
25 containers before?

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1 **A No.**
2 Q Had you ever had -- when -- strike that.
3 When you were talking to these customers -- or
4 strike that.
5 Again, these customer conversations, were they
6 referring specifically to these Rehrig containers, or
7 just talking about characteristics of containers that
8 they would like to have?
9 **A Generally talking about.**
10 Q When did this happen? Was this at the beginning of your
11 time with Waste Management or back when you were with
12 Stericycle? Or both, I suppose?
13 **A Both.**
14 Q Okay. Now, you say in your testimony here, "Stericycle's
15 black Steritubs were disliked by most of the customers
16 that used them"; is that correct?
17 **A That's correct.**
18 Q And that knowledge is based on communications that
19 customers made to you; correct?
20 **A That's correct.**
21 Q They would come and say, essentially, "We don't like
22 these containers"; right?
23 **A Essentially.**
24 Q And you've sort of taken all those communications
25 together and are now reporting it in your -- that most of

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25 (Pages 94 to 97)

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1 **A That's correct.**
2 Q And those are all collected under the normal biomedical
3 waste services; correct?
4 **A Correct.**
5 Q Am I also correct in understanding that, outside the
6 ecoFinity program, those sharps containers are all
7 single-use disposable containers?
8 **A Correct. They're all processed and disposed of, correct.**
9 Q In the landfill?
10 **A Correct.**
11 Q And that's the vast majority of all the sharps waste that
12 you collect; correct?
13 **A Correct.**
14 Q So leaving aside ecoFinity for just a second, when these
15 other kind of sharps make it to the Seattle facility, how
16 are they handled for processing?
17 **A They are basically dumped into a steel bin and put into
18 an autoclave for treatment. They're usually mixed with
19 other waste. It's not just sharps in that container --
20 or in those tubs.**
21 Q Are they dumped by hand or is there a machine that does
22 that?
23 **A There's a machine.**
24 Q Does the machine take the lids off the containers, or is
25 that done by hand?

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1 MS. GOLDMAN: I'm going to object
2 here. This is going to fitness, unless there's something
3 I'm missing here that is addressed to the issue of
4 competitive service. Waste Management has not raised
5 this as a basis for distinction.
6 MR. VAN KIRK: Well, it goes to the
7 services that are being offered and whether the
8 generators -- so the generators can understand the
9 services and whether they're different between the two
10 companies.
11 MS. GOLDMAN: I'm going to direct you
12 not to answer, as being beyond the scope of the discovery
13 that's been permitted here to the protestants.
14 MR. VAN KIRK: So we know they're
15 dumped by machine, but we don't know whether the machine
16 take the lids off. That's the line you want to draw?
17 MS. GOLDMAN: Well, frankly, the line
18 should have been drawn 40 minutes ago, but I'm trying to
19 give you some leeway. That is going to far afield from
20 the discovery that's been permitted, so that at this
21 point, I'm saying no further.
22 Q (By Mr. Van Kirk) Now, Waste Management doesn't offer
23 any reusable sharps container choice; correct?
24 **A Not in Washington.**
25 Q Not in Washington? Yes, that's what I meant. Thank you.

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1 **A Correct.**
2 Q So now specifically about ecoFinity, which is what your
3 testimony is about, who decided that ecoFinity was
4 commercial recycling?
5 **A Discussion with our attorneys.**
6 Q Okay. Well, don't tell me about your discussions, but
7 who from Waste Management was involved in those
8 discussions.
9 MS. GOLDMAN: By name or by position,
10 without describing what was said.
11 **A Terry Bickel, district manager at the time.**
12 Q (By Mr. Van Kirk) Okay. Anyone else?
13 **A No.**
14 Q Were you?
15 **A I was in some of the conversations.**
16 Q So don't tell me about anything that was said, but did
17 you receive advice of counsel on the issue of whether the
18 ecoFinity was commercial recycling?
19 **A Yes.**
20 Q And did Waste Management take any action on the basis of
21 that advice?
22 MS. GOLDMAN: Objection. Vague and
23 ambiguous.
24 **A Yes.**
25 Q (By Mr. Van Kirk) What did you do?

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1 MS. GOLDMAN: Objection. Vague and
2 ambiguous.
3 **A What did we do after the advice of counsel? We said,
4 okay, let's offer this in our area, to add recycling
5 services to our facility, for a hospital.**
6 Q (By Mr. Van Kirk) So now I'm not talking about the
7 decision whether to do it or not, but whose idea was it
8 to find out whether this service could be offered as
9 commercial recycling?
10 MS. GOLDMAN: Objection. Beyond the
11 scope.
12 I'm going to instruct you not to answer. This is
13 not within the subject matter that has been permitted for
14 discovery here regarding competitive service. It is not
15 an issue that has been raised regarding a distinction as
16 far as that -- I'll leave it at that.
17 MR. VAN KIRK: Well, he testified that
18 it's a more sustainable way to handle regulated medical
19 waste.
20 MS. GOLDMAN: You can ask him about
21 that.
22 MR. VAN KIRK: I think the generators
23 and everyone is entitled to know to the extent that they
24 don't actually consider it regulated medical waste.
25 That's what this testimony is going towards. That does

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31 (Pages 118 to 121)

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1 agreement?
2 **A Solid waste services?**
3 Q Yes.
4 **A Let's see here.**
5 If you look at Addendum A, which is WM 224, it
6 explains the different services. There's a 30-yard
7 compactor for solid waste at the hospital, there's a
8 20-yard compactor at the kidney center, and an open top
9 in the loading dock --
10 Q Right.
11 **A -- for C and D.**
12 Q These are collection services; right?
13 **A That's correct.**
14 Q Okay. So Waste Management provides solid waste
15 collection to Skagit Valley?
16 **A No. City of Mount Vernon provides it. They bill us.**
17 Q Okay. So you're just really managing their waste up to
18 the point of collection, then?
19 **A Correct, yeah. We're not -- we don't have any service**
20 **trucks that are providing for their solid waste.**
21 Q So there's no transportation services for solid waste
22 involved in this contract?
23 **A That's correct.**
24 Q There are transportation services for regulated medical
25 waste?

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1 **A That's correct.**
2 Q And those are provided by WM Healthcare Solutions?
3 MS. GOLDMAN: Objection.
4 Mischaracterizes the testimony.
5 **A Waste Management, yeah -- Healthcare Solutions of**
6 **Washington, yes.**
7 Q (By Mr. Van Kirk) But the contract is with Waste
8 Management Healthcare Solutions, Inc.; right?
9 **A That's correct.**
10 Q So is it then the case that WM Healthcare Solutions,
11 Inc., is contracting out the services to Waste Management
12 of Washington?
13 **A Correct.**
14 Q Is this a contract in which Waste Management -- WM
15 Healthcare Solutions, Inc., is acting as an agent for
16 Skagit Valley to sort of coordinate the services both of
17 the City and of Waste Management of Washington, Inc.?
18 MS. GOLDMAN: I'm going to object to
19 this line of questioning. This has absolutely nothing to
20 do with the areas that the judge has permitted for
21 discovery.
22 Where is this going as far as competitive services?
23 MR. VAN KIRK: This, again, is going
24 to which company is providing the services in Washington.
25 MS. GOLDMAN: And that has to do with

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1 fitness. That has nothing to do with competitive
2 service.
3 MR. VAN KIRK: And regulatory fitness,
4 the judge held, is still at issue in this case.
5 MS. GOLDMAN: Okay. So the basis for
6 this is a desire to obtain discovery regarding regulatory
7 fitness?
8 MR. VAN KIRK: Well, one, for
9 understanding, and two, to understand who is providing
10 services and how that's worked out.
11 MS. GOLDMAN: For the purposes of
12 understanding -- of conducting discovery regarding
13 regulatory fitness; is that correct?
14 MR. VAN KIRK: It is relevant to that,
15 yeah.
16 MS. GOLDMAN: Is it relevant to
17 anything else?
18 MR. VAN KIRK: Well, A, I don't think
19 it needs to be, because the judge, again, held that
20 regulatory fitness is an appropriate topic and it's still
21 a live topic in this case.
22 MS. GOLDMAN: I'm going to direct you
23 not to answer any further questions regarding this,
24 because it has to do with regulatory fitness, which is
25 part of the fitness issue which the judge ruled was not

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1 subject to discovery and was to be submitted based on
2 declarations pursuant to his order and the statute.
3 Q (By Mr. Van Kirk) So if you'll turn to 226. That's the
4 addendum having to do with medical waste; correct?
5 **A Correct.**
6 Q So this is a flat fee contract for a collection of
7 services, one of which is medical waste; right?
8 MS. GOLDMAN: I'm directing you not to
9 answer any more questions about this contract with Skagit
10 Valley Hospital.
11 MR. VAN KIRK: Well, surely the manner
12 in which they provide regulated medical waste services is
13 relevant to whether the services meet the public need --
14 the services are in the public interest or meet the
15 public need.
16 MS. GOLDMAN: In what way?
17 MR. VAN KIRK: Well, the generated --
18 the generators need to have comfort that they're
19 providing services in a lawful manner. And the prices at
20 which the services are being offered -- and this is one
21 example of pricing -- are also relevant to this case,
22 where people have asserted competition as a --
23 MS. GOLDMAN: And you've made these
24 arguments already to Judge Kopta, and he's already said
25 this is far afield and that if you had any concerns about

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1 Waste Management services, you can file a complaint,
2 which you have, and that is the proceeding in which you
3 are putting these issues to the test and not this --
4 MR. VAN KIRK: He didn't say they are
5 not relevant in this proceeding.
6 MS. GOLDMAN: I'm directing you not to
7 answer further questions regarding the contract which has
8 been attached as Exhibit 8 to your deposition.
9 Q (By Mr. Van Kirk) And are you going to decline to answer
10 any questions about Skagit Valley?
11 A I'll take the advice of my attorney.
12 Q And are you going to decline to answer any questions
13 about the flat fee arrangement with Skagit Valley?
14 A Yes.
15 Q And are you going to decline to answer any questions
16 about the charging of tariffed rates within the flat fee
17 arrangement?
18 A Yes.
19 Q And are you going to decline to answer any questions
20 about discounting of regulated rates to Skagit Valley in
21 the flat fee arrangement?
22 MS. GOLDMAN: And I'm going to object
23 to the characterization and the mischaracterization of
24 that testimony, and again instruct you not to answer any
25 questions regarding Exhibit 8 and the Skagit Valley

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1 contract.
2 A Yes.
3 Q (By Mr. Van Kirk) Who gets invoiced for Skagit billings?
4 MS. GOLDMAN: I'm directing you not to
5 answer that question. That goes to regulatory fitness.
6 There's been no issue raised subject to which Stericycle
7 is entitled to testimony on that issue.
8 (Exhibit No. 9 marked
9 for identification.)
10
11 Q (By Mr. Van Kirk) Are these invoices related to Skagit
12 Valley?
13 A Yes.
14 Q What is "WMHS ICS CUST BU" up at the top under the
15 customer line?
16 MS. GOLDMAN: And I'm again going to
17 direct you not to answer any further questions regarding
18 this customer, based on the restrictions on discovery in
19 this lawsuit.
20 Q (By Mr. Van Kirk) Is this an example of a Waste
21 Management invoice? Is this what they look like?
22 MS. GOLDMAN: I'm directing you not to
23 answer any further questions regarding Exhibit 9.
24 MR. VAN KIRK: You don't want him to
25 say whether this is the example of what your invoices

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1 look like?
2 MS. GOLDMAN: That's correct.
3 Q (By Mr. Van Kirk) And you're not going to answer that
4 question?
5 A Correct.
6 Q Do you know the answer?
7 MS. GOLDMAN: Objection. I've just
8 directed this witness not to answer the question.
9 I've also informed you that we need to leave at four
10 o'clock, so if you wish to spend your last five minutes
11 asking him questions regarding the subject I've directed
12 him not to testify, that's certainly your prerogative,
13 but I will remind you that we need to leave at four
14 o'clock.
15 MR. VAN KIRK: Well, I'm getting
16 towards the end, but I am going to finish. And if we
17 need to hold it over to a later date, then we can do
18 that.
19 (Exhibit No. 10 marked
20 for identification.)
21
22 MR. VAN KIRK: Fronda, this is 690
23 through 692.
24 MS. GOLDMAN: Did you have a copy for
25 me?

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1 MR. VAN KIRK: Oh, it bounced off
2 there.
3 MS. WOODS: What was that again?
4 MR. VAN KIRK: 690 through 692.
5 MS. WOODS: That's Exhibit 9?
6 MR. VAN KIRK: No. 10, actually. You
7 missed a No. 9. It came and went very quickly. It was
8 253 through 255.
9 MS. WOODS: Thank you.
10 Q (By Mr. Van Kirk) Is this an email string in which you
11 were one of the correspondents, Mr. Norton?
12 A Yes.
13 Q And you wrote the emails, at least the ones that are from
14 you?
15 A Yes.
16 Q And do these emails accurately reflect your negotiations
17 with Valley Medical Center?
18 A These are a couple of emails based on multiple meetings
19 and conversations with them. So we -- I don't know.
20 That's a vague characterization. Like, these emails do
21 not accurately -- no, they don't accurately...
22 Q Are there other emails besides these emails?
23 A No.
24 Q I take it you're going to raise your same objection if I
25 start asking more questions about these emails?

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1 MS. GOLDMAN: That's correct.
2 MR. VAN KIRK: So just for the record,
3 you are going to instruct him not to answer any questions
4 about the contents of Exhibit No. 10.
5 MS. GOLDMAN: No. You can ask him
6 those questions when you take his deposition in your
7 complaint proceeding.
8 MR. VAN KIRK: Okay.
9 And would your same objection apply to questions
10 having to do with his negotiations with Northwest
11 Hospital?
12 MS. GOLDMAN: Not to the degree that
13 he mentions them in his direct testimony.
14 MR. VAN KIRK: This will be the last
15 exhibit.
16 (Exhibit No. 11 marked
17 for identification.)
18
19 MR. VAN KIRK: It's 259 through 263,
20 Fronda.
21 MS. WOODS: Thank you.
22 MR. VAN KIRK: No. 11.
23 Q (By Mr. Van Kirk) Are these the currently active
24 contracts with Northwest Hospital?
25 A Yes.

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1 Q And this exhibit is the two different contracts; right?
2 A Correct.
3 Q One for recycling and one for medical waste?
4 A There's actually three.
5 Q Okay. Where did I -- what's the --
6 A It's for reporting and using our customer reporting tool.
7 Q Okay. That's not an addendum to another one; that's a
8 separate agreement?
9 A Correct.
10 Q And it's your understanding that these are effective even
11 though they don't have the Waste Management signature on
12 them; correct?
13 A Correct.
14 Q What were Northwest Hospital's recycling rates before
15 this contract?
16 A I believe they were \$130 or so per haul, and that's it.
17 Q And they didn't have this \$40 a time rebate?
18 A That's correct.
19 Q What is that? Explain it to me. I don't understand what
20 it is.
21 A That -- so rebate in this term is buying their
22 commodities, in effect. We were in a competition with
23 other recyclers that wanted their recyclables, and this
24 was a competitive rate to -- as long as they kept the
25 commodities that they wanted in their single stream

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1 compactor that we would pay them.
2 Q So instead of getting them for free, you would pay them
3 back for them?
4 A That's correct. But we still charged them a haul charge,
5 correct.
6 Q And this was a renewal of an existing contract, this
7 recycling contract?
8 A That's correct.
9 Q Okay. And was it renewed before the end of the term of
10 the agreement?
11 A I don't know.
12 Q You negotiated both of these -- or all of these
13 agreements; is that correct?
14 A I did, yes.
15 Q I believe you testified in your testimony that you had
16 had discussions with Northwest about moving their
17 regulated medical waste to Waste Management?
18 A Correct.
19 Q How were you trying to get them to do that? What was
20 your sales point with Northwest?
21 A New containers, and our rates are a little bit -- were a
22 little bit less when I first started talking to them.
23 And we were already providing certain services on-site,
24 and they were happy with our services.
25 That's it.

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1 Q And the agreement with -- for the medical waste agreement
2 was concluded the same day as the recycling agreement;
3 correct?
4 A Yes.
5 Q Okay. Would you have given Northwest the same recycling
6 deal if they hadn't also signed up for RMW on the same
7 day?
8 A Absolutely.
9 Q Okay. And why do you say that?
10 A Because I started the recycling -- this may have been
11 signed on February 15th, but I started -- this was a
12 reaction call because we were going to lose the recycling
13 business. That was originally how I -- so I started with
14 recycling, and then prior to us even having medical waste
15 services available, and then it just took this long to
16 get it signed and it worked to get it all signed at the
17 same time.
18 Q But sometime in there, you said let's see if I can get
19 them to sign up for medical waste also?
20 A Correct.
21 Q And the value of the medical waste wasn't a -- it wasn't
22 an impetus for being able to offer them a lower recycling
23 rate?
24 A No.
25 Q Okay. And did you communicate to Valley Medical Center

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1 that you had offered Northwest Hospital a lower recycling
2 rate if they would adopt regulated medical waste
3 services?
4 MS. GOLDMAN: Objection. I am again
5 directing you to not answer questions regarding Valley
6 Medical and communications to Valley Medical.
7 MR. VAN KIRK: Well, this is a
8 question about Northwest, because he references Northwest
9 in these communications.
10 Q (By Mr. Van Kirk) So I'm not talking about your Valley
11 Medical communications, but did you describe the deal
12 with Northwest Hospital that way?
13 MS. GOLDMAN: You're looking at a
14 document, it's an email, and you're asking him if it says
15 something. The email that you're looking at, which I
16 believe is Exhibit No. 10, it speaks for itself. And
17 I've already directed him not to answer questions about
18 that.
19 If you want to ask him any other questions about
20 Northwest Hospital and his discussions with them, you
21 can, but it's time for us to go.
22 Q (By Mr. Van Kirk) Leaving that email aside, have you
23 ever characterized this Northwest Hospital deal as
24 providing a recycling rate if they would adopt medical
25 waste services?

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1 MS. GOLDMAN: I'm sorry, could I have
2 that read back, please.
3 (Question on Page 190,
4 Lines 22 through 25,
5 read by the reporter.)
6
7 **A No, not that I can recall.**
8 Q (By Mr. Van Kirk) And your testimony today is that the
9 lower recycling rate that you signed in this deal than
10 what had previously been in place was in no way related
11 to their decision to accept medical waste services?
12 **A Yes.**
13 Q Now, did you explain to Northwest Hospital that they were
14 totally separate and that Northwest didn't need to accept
15 them both?
16 **A Yes. The only thing that connects anything is, with
17 multiple services, we can track. So it's the third
18 contract on here. That's the only thing that would sort
19 of require them to have multiple services with us to get
20 this extra use of our customer reporting tool, where we
21 track their sustainability.**
22 Q I'm talking about, in your negotiations, did you say you
23 can accept one or both of these offers and you don't need
24 to accept both of them?
25 **A That's correct.**

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1 MS. GOLDMAN: Okay. At this point,
2 we're done. It's beyond four o'clock, and as I advised
3 you at noon, I need to end this deposition at 4:00. It's
4 now 4:10. So we will be off the record.
5 And if you want to discuss with me any further
6 testimony, you can. I will reserve our right to object
7 to any further requests, given the amount of time that he
8 was made available today. And we'll be completed at this
9 time.
10 MR. VAN KIRK: Well, let me finish.
11 I haven't taken a full day, so there's still some
12 time left. Almost, but not entirely. And I haven't
13 quite finished deciding whether I've asked everything or
14 not, and there may be a few questions.
15 So if you're leaving, I am keeping this deposition
16 open until concluded, and we can set a time to finish it
17 if that needs to be done.
18 MS. GOLDMAN: We reserve all rights.
19 Thank you.
20 (Ms. Goldman and Mr. Daub and
21 witness leave.)
22 (Discussion off the record.)
23
24 MR. VAN KIRK: I have not concluded my
25 examination and may need to recall the witness to

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1 conclude my examination in the hour or so remaining in
2 the typical deposition window.
3 The deponent and his counsel have left without
4 agreement.
5 (Signature reserved.)
6 (Deposition concluded at
7 4:15 p.m.)
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Exhibit D



**WM HEALTHCARE SOLUTIONS
INTEGRATED CONTRACT AND SERVICES
AGREEMENT**

This INTEGRATED CONTRACT AND SERVICES Agreement ("Agreement") is entered effective as of the date last executed below on the signature page ("Effective Date"), by and between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital, a Mount Vernon, WA ("Customer") with reference to the following facts:

A. WMHS is in the business of providing full service consulting and management services to health care institutions and ancillary business enterprises with regard to maximizing value and increasing the Customer's satisfaction with respect to the Services represented in the various Attachments of this Agreement;

B. Customer wishes to retain WMHS to perform certain consulting, management and other services pursuant to the terms set forth herein, and WMHS wishes to provide such services to Customer on such terms;

NOW, THEREFORE, the parties agree as follows:

1. **Services.** WMHS, itself or through its affiliates and subcontractors, shall have the exclusive right to provide the Customer the specified services set forth in an Attachment(s) (the "Services"). Each service shall have its own Attachment. Should the Customer desire WMHS to perform additional services, the relevant attachment(s) shall be prepared, signed by both parties, and attached to this Agreement. The terms of each Attachment and any amendments or supplements thereto are hereby incorporated by reference herein in their entirety, and the specific terms of a particular Attachment shall control if such terms differ from the terms of this Agreement, as these services may include the management of various waste streams. Unless specified otherwise in an Attachment to this Agreement, Customer represents and warrants that it is fully aware of the type and character of the wastes it generates, and Customer acknowledges that it has the undeleagable duty to ensure proper classification, segregation, packaging and storage prior to pick up of each of its waste streams. Notwithstanding anything contained in this Agreement or any Attachment to the contrary, to the extent that WMHS is simply being appointed to act solely as a billing agent on behalf of the Customer for a particular waste stream(s), WMHS is only assuming the role of an agent for a disclosed principal and shall have no liabilities arising out of existing agreements between Customer and its vendors (if applicable, see Pricing Schedule Attachment). To the extent that WMHS is solely acting as an agent for Customer with respect to billing and invoice management for services rendered to Customer by other third party vendors, WMHS shall be appointed by Customer as an agent to act on its behalf in the management of any existing contracts with third party waste management vendors, Customer agrees to provide written instruction to each third party vendor to recognize the authority of WMHS to act on behalf of Customer, and WMHS will provide assistance in accomplishing notification of third party vendors. Customer agrees to indemnify, save harmless and defend WMHS and its affiliates from, and accepts full responsibility for, any and all liability arising out of the use of its vendor's services.

The Agreement includes an Attachment that lists the

locations of the Customer where Services will be provided. Such list of locations may be amended from time to time by the parties in writing. This Attachment is hereby incorporated by reference herein in its entirety.

2. **Proper Waste.** Customer acknowledges and understands that WMHS may enter into contracts with third party Service Providers ("Service Provider") to provide selected services including, but not limited to, the transport and/or disposal of certain waste streams generated by Customer and specifically identified, defined and made subject to this Agreement by virtue of the signed Attachment relating thereto ("Proper Waste"). Customer agrees to not deposit into Service Provider's or WMHS' equipment or place for collection any waste of a type not specifically covered by the Attachment. Any waste other than Proper Waste constitutes "Excluded Waste". If requested by WMHS, Customer shall provide WMHS or Service Provider with a Profile Sheet describing all waste materials with respect to which Services will be performed and, when required by WMHS or Service Provider, a representative sample of such waste materials. Customer shall update such information immediately upon becoming aware of any material change in the type or characteristic of the waste. Profile Sheet means a form provided by WMHS, which Customer shall complete describing in detail the nature and characteristics of Customer's waste materials. Profile sheets shall be submitted to WMHS for review and approval prior to commencement of services.

3. **Fees.** Customer shall pay the fees for the Services as set forth on the Attachment(s). Fees shall be invoiced on a monthly basis, and shall be due and payable net fifteen (15) days from the date of invoice. Interest shall be due at the rate of one and one-half percent, or such lower rate as may be required by law, per month or fraction thereof on all amounts past due.

4. **Fee Adjustments.** Unless specified otherwise in an Attachment to this Agreement, because disposal and fuel costs constitute a significant portion of the cost of the services to be provided hereunder and because contracts with other Service Providers may enable the Service Provider to increase the rates the Service Provider charges to WMHS, Customer agrees that WMHS may pass on to it under this Agreement any cost increases it directly incurs, or is obligated to pay to Service Providers under its Agreements with them, and related to Customer's Proper Waste. Such cost increases may also be due to any increase in disposal or fuel costs; any change in the composition of the Proper Waste; increased costs due to uncontrollable circumstances, including, without limitation, changes in local, state or federal laws or regulations, imposition of taxes, fees or surcharges and acts of God such as floods, fires, etc., or increases in other governmental charges assessed against or passed through to WMHS (other than income or real property taxes). Company may also increase the charges to reflect increases in the Consumer Price Index for the municipal or regional area in which the Services are rendered. Increases in charges for reasons other than as provided above require the written consent of Customer. All rate adjustments as provided above shall take effect upon notification from Company to Customer. Customer shall pay the rates in full within 30 days of receipt of each invoice from Company. To the extent that WMHS is acting solely as a billing agent on behalf of Customer for a particular waste stream(s), vendor invoices shall be managed as provided in the Pricing Schedule Attachment and the applicable addendum. In the event that WMHS commences to provide direct collection, transportation, treatment and/or disposal services, fees



for those direct services shall be mutually agreed upon in writing by the parties prior to commencement of service.

5. **Title.** WMHS or the Service Provider shall acquire title to the Proper Waste when it is loaded into WMHS' or Service Provider's truck. Title to and liability for any Excluded Waste shall remain with the Customer.

6. **Excluded Waste.** In the event Customer delivers Excluded Waste to WMHS or a Service Provider, Customer shall, at its sole cost, immediately remove or arrange to have the Excluded Waste removed from the control or property of WMHS or the Service Provider. If the rejected waste is not so removed within three (3) days from delivery, WMHS or the Service Provider shall have the right and authority to handle and dispose of the Excluded Waste. Customer shall pay and/or reimburse WMHS or the Service Provider for any and all costs incurred as a result of or relating to their handling and disposition of the Excluded Waste, including, without limitation, costs of inspection, testing, analysis, handling, treatment and disposal, as well as internal costs incurred by WMHS in managing such an Excluded Waste event. In addition, Customer expressly agrees to defend, indemnify and hold harmless WMHS and Service Provider from and against any and all damages, penalties, fines and liabilities resulting from or arising out of, the delivery of Excluded Waste to WMHS or Service Provider.

7. **Term.** This Agreement shall commence on the Effective Date, and shall continue for an initial term of two (2) years from the date that Services first begin for any Proper Waste. This agreement will be extended for three (3) years beyond the initial term after evaluation of pricing and services by Customer, the extension will be signed by both parties and any pricing adjustments that are to be applied will be noted in the extension. In the event, the extension is not signed by the end of the initial term, this agreement will be in effect on for additional 6-month terms until the extension is executed or agreement is canceled in accordance with section 22.

8. **Lease of Equipment.** To the extent that, in conjunction with the Services, Customer elects to lease any equipment from WMHS for the storage or processing of waste or recyclable materials, Customer and WMHS shall enter into WMHS' form of Lease Agreement and any such transaction shall be separately governed by the terms thereof.

9. **Equipment in General.** The equipment, materials and improvements provided by WMHS to Customer or its agents, or for WMHS' use on Customer's property (the "Equipment") in performance of services hereunder shall remain the property of WMHS and Customer shall have no interest in such Equipment. Customer acknowledges that it is responsible for all loss and damage to the Equipment not caused by WMHS (except for normal wear and tear). Customer shall not overload (by weight or volume), move or alter the Equipment, and shall use the Equipment only for its proper and intended purpose.

10. **Relationship of Parties.** WMHS shall be deemed for all purposes to be an independent contractor, and nothing contained herein shall be construed as creating any relationship of employment, partnership, agency (express or implied), joint venture or similar arrangement between WMHS and the Customer.

11. **Waste Transportation and Disposal.** Except as provided otherwise in an Attachment, nothing contained within this Agreement shall be construed or interpreted as requiring WMHS to assume the status of (i) a generator, (ii) arranger or (iii) a storage, treatment or disposal facility as those terms are defined by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., and any other applicable federal or state statutes, regulations, or rules. The Customer hereby acknowledges that while WMHS will offer complete waste solutions, the Customer is responsible for the nature and content of the waste it generates.

12. **Independent Contractor.** WMHS shall perform the Services in its capacity as an independent contractor and in such capacity will select and contract with waste haulers, transportation agents, and other third parties, and will advise regarding the selection and use of certain equipment and ultimate disposal sites for waste material. Neither Customer nor WMHS, nor their directors, officers, agents, employees or representatives, shall be, represent, act, purport to act or be deemed to be the agent, representative, employee or servant of the other.

13. **Customer Warranties:** Unless specified otherwise in an Attachment to this Agreement, Customer represents and warrants to WMHS:

a. The description of and specifications pertaining to its waste materials in a profile sheet or other descriptions is and at all times will be true and correct in all material respects, and waste materials tendered to WMHS or Service Provider will at all times, including, without limitation, at the time of recertification of the waste materials, conform to the description and specifications contained in the profile sheet. Customer will immediately advise WMHS upon discovery of any material change in the nature or type of the waste material.

b. Customer has made available to WMHS or Service Provider all information it has regarding the waste materials, and if Customer receives information that the waste materials described in the profile sheet present, or may present, a hazard or risk to persons or the environment not reasonably disclosed in the profile sheet, Customer will promptly report such information to WMHS and Service Provider;

c. If Customer is not the Generator of the waste materials (with Generator as defined by federal, state and local laws), Customer has all necessary authority to enter into this Agreement with respect to the waste materials;

d. Customer is under no legal restraint which prohibits the transfer of possession of such waste materials to WMHS;

e. Customer shall comply with all applicable statutes, ordinances, laws, orders, rules and regulations and Company policies, and shall provide WMHS and Service Provider a safe work environment for Services performed on any premises owned or controlled by Customer including but not limited to if WMHS or Service Providers will be sorting or managing waste for Customer. Customer shall provide WMHS or Service Providers applicable facility safety rules and policies;

f. If WMHS or Service Provider requests that work areas be secured, Customer will be solely responsible for securing such



work areas and for preventing anyone other than Contractor personnel from entering the designated work areas.

14. WMHS Warranties: WMHS represents and warrants to Customer that:

a. WMHS or Service Provider is engaged in the business of performing Services with respect to waste materials and has developed the requisite expertise to perform the Services agreed to by Customer and WMHS herein;

b. All WMHS or Service Provider vehicles and each Facility utilized to perform Services herein shall have all permits, licenses, certificates or approvals required under applicable laws and regulations for such Services; and

c. WMHS and Service Provider will perform Services for Customer in a safe and workmanlike manner, and in compliance with all statutes, ordinances, laws, orders, rules and regulations applicable to the Services.

15. Damage to Pavement/Equipment. WMHS shall not be responsible for damage to Customer's pavement or other driving surface due to the weight of the WMHS's vehicles. Any equipment supplied will remain WMHS's property. Customer will be responsible for any loss or damage resulting from Customer's use, possession or handling of the equipment, except for normal wear and tear. Customer will use the equipment only for its intended purpose and will not overload by weight or volume, move or alter the equipment and will take reasonable precautions to prevent others from doing the same. On collection day, Customer will provide unobstructed access to the equipment, and if the equipment is inaccessible or overloaded, Customer's service will be subject to an additional charge.

16. Negligence or Damage Caused by WMHS. WMHS shall indemnify, defend and hold Customer and its directors, officers, employees, agents and representatives harmless from and against any and all costs, losses, damages or expenses (excepting only consequential or liquidated damages) resulting from the negligence, intentional misconduct, breach of this Agreement or violation of law of WMHS' directors, officers, agents, employees or representatives performing services under this Agreement.

17. Hazardous Substances Indemnification. With respect to Proper Waste delivered by Customer and disposed of at a disposal facility owned and operated by WMHS or its parent, affiliate or subsidiary, WMHS agrees to indemnify, defend and hold harmless Customer for all claims, actual damages, natural resources damages, injuries, costs, response, remediation and removal costs, losses, liabilities, and expenses (including but not limited to reasonable attorneys' and experts' fees) of any kind whatsoever paid, incurred, or suffered by or against Customer arising from or attributable to any repair, clean up, removal action or response action undertaken pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (CERCLA), or other similar federal, state or local law or regulations. This indemnity is intended to operate as an agreement of WMHS pursuant to Section 107(e) of CERCLA and any other relevant and applicable similar state law, rule or regulation to defend, protect, hold harmless and indemnify Customer.

18. Negligence or Damage Caused by Service Providers. WMHS shall not be liable to Customer under any theory of recovery (including without limitation, negligent selection) for any cost, loss, damage, or expense as a result of the actual performance, malfeasance, negligence, intentional misconduct, breach of any agreement or violation of law, of Service Provider, its directors, officers, employees, agents or representatives. Customer acknowledges that its remedy in such situations is to pursue the Service Provider to recover its costs, losses, damages or expenses.

19. Negligence or Damage Caused by Customer. Customer shall indemnify, defend and hold WMHS and its directors, officers, employees, agents, and representatives, and specifically including any Service Provider, harmless from and against any and all costs, losses, damages or expenses resulting from the negligence, intentional misconduct, breach of this Agreement or violation by Customer's directors, officers, employees, agents or representatives performing services under this Agreement. For example but not by limitation, failure to properly segregate, mark and package Proper Waste; or the tender of any Excluded Waste shall serve as the basis for Customer's Indemnity under this paragraph, unless specified otherwise in an Attachment to this Agreement.

20. Confidentiality and Use of WM Materials. The parties acknowledge the competitive nature of the waste collection, transportation and disposal industry and agree that each of the parties derives a commercial benefit if the financial terms of their relationship are not discussed publicly or widely known. Accordingly, each of the parties hereto agrees to use its best efforts to keep the financial terms and conditions of this Agreement secret and confidential and to not publicly disclose such terms to any third party unless required to do so by law. At the expiration or termination of this Agreement, Customer shall promptly return to WMHS, or destroy and provide certification thereof if requested by WMHS, all materials, writings, posters, guidelines, instructions, equipment, models, mechanisms and the like obtained from or through WMHS or owned by WMHS or its affiliates, including, but not limited to, all WMHS or its affiliates' confidential information.

21. Force Majeure. In the event either party shall be prevented from performing its obligations hereunder due to governmental or administrative prohibitions, labor difficulties (including a breach or termination of its agreements with a Service Provider), acts of God, acts of public enemy, terrorist acts, riot, accidents, breakdown of equipment, weather conditions, delivery interruptions, or other causes beyond such party's control, the party so prevented shall, upon notice to the other party, be thereafter released from its obligations so long as such causes shall continue.

22. Termination: Liquidated Damages. Unless specified otherwise in an Attachment to this Agreement, (a) Either party may terminate this Agreement prior to the end of its then current term by providing ninety (90) days advance written notice to the other party of its material breach of this Agreement, such termination to be effective only if the other party fails to reasonably cure such alleged material breach within such ninety (90) day period (or, if the nature of the breach is such that a cure would reasonably take longer than 90 days, the contract will remain in effect so long as the breaching party promptly commences a cure and diligently pursues same until a cure is achieved). Such a termination shall not have the effect of



terminating the Customer's obligation to pay WMHS any fees resulting from WMHS' Services pursuant to a particular Attachment.

(b) If Customer breaches any material term or condition of this Agreement, including failure to pay on a timely basis, or if Customer becomes insolvent, the subject of an order for relief in bankruptcy, receivership, reorganization, dissolution, or similar law, or makes an assignment for the benefit of its Customers or if WMHS deems itself insecure as to payment the same shall constitute a default of this Agreement ("Default") and WMHS may terminate this Agreement for cause by delivering written notice of termination.

(c) If Customer terminates this Agreement for any reason other than as specified herein, or in the event WMHS terminates this Agreement as a result of Customer's Default, Customer shall pay liquidated damages calculated as follows: (1) If the remaining Initial Term or Renewal Term under this Agreement is six or more months, Customer shall pay an amount equal to its average monthly billings over the last six months, multiplied by six; (2) If the remaining Initial Term or Renewal Term under this Agreement is less than six months, Customer shall pay its average monthly billing over the last six months multiplied by the number of months remaining in the Initial Term or Renewal Term. Customer acknowledges that actual damage to WMHS in fact occurs when Customer defaults under this Agreement, and that the damage is difficult to fix or prove. Accordingly, the foregoing liquidated damage provision is reasonable and commensurate with the anticipated loss to WMHS and is an agreed fee, not a penalty. Collection of liquidated damages by WMHS shall be in addition to any rights or remedies available to Company under this Agreement or at common law.

23. No Brokers. Customer acknowledges that WMHS shall be obligated to take directions solely from Customer and authorized employees of Customer with regard to the subject matter of this Agreement; and WMHS shall not recognize any real or perceived claim of authority by, or be required to respond to, any third parties who may claim to have an agency or brokerage agreement to act on behalf of Customer.

24. Vendors: On behalf of the Customer, WMHS shall work with its own affiliates and subcontractors, and the qualified vendors who have been awarded service contracts with the Customer and coordinate activities associated with service transition with incumbent providers where applicable, to monitor and supervise equipment installation, service start up and ongoing operations. WMHS will evaluate subcontractor and vendor performance. As vendor contracts expire, WMHS will provide service through its affiliates or subcontractors or assist the Customer in procurement and negotiation of new vendor contracts. WMHS will provide initial and on-going management and coordination of in-service training to be furnished by the specific third party vendor associated with any of the services provided under this Agreement.

25. Billing Agent: WMHS shall work as "billing agent" for all services. Customer will provide information regarding existing agreements Customer has with other service providers where the waste stream is assigned to WMHS (including contract expiration dates, service information and cost), a signed letter of authorization to send to the service providers notifying them of WMHS' involvement in managing their services as Customer's agent, and a letter of introduction for WMHS to present to each facility manager on WMHS' first visit to each of Customer's sites, if applicable. Billing for services

provided prior to the Effective Date will be the responsibility of the Customer.

26. Waste Services Invoice: Provided that WMHS receives monthly invoices from its affiliates and subcontractors in a timely manner, WMHS shall audit, review for service accuracy and contract compliance, and consolidate such invoices into one "waste services invoice", that may include any other waste streams indicated in attached attachments and will provide the aggregated waste services invoice to Customer.

27. Reporting: WMHS will establish with the Customer a customized report format that will allow the Customer to access source data on-line and query the information to create specific reports applicable to the operations.

28. Sustainability Initiatives: WMHS personnel will identify and implement best-in-class alternatives for waste minimization, beneficial reuse, waste diversion, and recycling procedures. In this regard, WMHS will provide:

- a. Initial and on-going continuing education, internal messaging and communications necessary to support these protocols.
- b. External "operations management" that will include the supervision and responsibility to insure both the quality and timely delivery of services provided by the vendor partners. WMHS will provide one point-of-contact for all vendor relationships and will create service protocol that will mitigate service deficiencies and create problem resolutions procedures. WMHS will work with designated hospital staff to ensure the coordination and expediency of all services provided.
- c. Internal "operations management" (internal client stakeholders) that will include the identification and development of enhanced internal operation procedures relevant to the handling of all of the included waste categories. WMHS will help with the establishment and management of internal "green teams" that will directly support and promote all sustainability initiatives defined by the institution.

29. Non-Solicitation of Service Providers. Without prior written consent from WMHS, Customer will not solicit, directly or indirectly, the Services from Service Providers during the term of the Agreement and for 90 days after the termination of the Agreement.

30. Changes In Scope of Services. The parties agree that changes to the initial scope of services are best made in writing. However, the parties acknowledge that there may be circumstances when a written change order may not be possible at the time when such change order is needed. If Customer's representative (whom we believe in good faith is authorized by Customer) verbally requests WMHS or Service Provider to perform services which are not part of the initial scope of Services and WMHS or Service Provider agrees verbally to perform those additional services, Customer agrees that the



request and WMHS or Service Provider's acceptance will constitute a change order and the fees shall be adjusted accordingly. The parties further agree that, as soon as convenient thereafter, the parties will put the verbal change order in writing, to be signed by the parties.

31. Insurance. Each party shall procure and maintain, at its expense, during the term of this Agreement, at least the following insurance covering activities performed under, and contractual obligations undertaken in, this Agreement.

COVERAGE	LIMITS
Worker's Compensation	Statutory \$1,000,000
Employer's Liability	\$1,000,000 per occurrence
General Liability (bodily injury/property damages)	\$5,000,000 combined; single limit
Automobile Liability (bodily injury/property damages)	\$2,000,000 per occurrence
Pollution Liability	\$3,000,000 per occurrence; \$6,000,000 aggregate

Prior to commencing the Services, each party shall furnish to the other party certificates of the insurance required in the above sections. Such certificates shall provide that thirty (30) days written notice shall be given to the other party prior to cancellation of or material change in the coverage. Each party shall name the other party as an additional insured to the extent of their indemnity obligation on their respective General Liability and Automobile Liability Insurance policies. FAILURE OF WMHS OR CUSTOMER TO PROVIDE INSURANCE AS HEREIN REQUIRED OR FAILURE OF WMHS OR CUSTOMER TO REQUIRE EVIDENCE OF INSURANCE OR TO NOTIFY THE OTHER PARTY OF ANY BREACH OF THE REQUIREMENTS OF THIS SECTION SHALL NOT BE DEEMED TO BE A WAIVER OF ANY OF THE TERMS AND CONDITIONS OF THIS CONTRACT, NOR SHALL THEY BE DEEMED TO BE A WAIVER OF THE OBLIGATIONS TO DEFEND, INDEMNIFY, AND HOLD HARMLESS AS REQUIRED HEREIN.

32. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State in which the services are to be performed and shall be enforced to the fullest extent permissible (including, but not by way of limitation, by injunction) under the laws applied by the courts in each State and jurisdiction in which enforcement is sought.

33. Severability. If any one or more of the provisions of this Agreement shall be declared invalid, void or unenforceable, the same shall not affect the validity or enforceability of any other provisions of this Agreement.

34. Binding Agreement Assignment. This Agreement shall be binding upon and inure to the benefit of WMHS and the Customer and their respective successors and assigns; provided however, that this Agreement may not be assigned by Customer without the prior written consent of WMHS.

35. Notice. All notices required or permitted to be given hereunder shall be given in writing and shall be deemed to have been given when personally delivered or mailed, by certified or registered mail, return receipt requested, addressed to the intended recipient as follows:

If to WMHS:

WM Healthcare Solutions
1001 Fannin Street
Houston, TX 77002
Attn: General Counsel
Facsimile: 713 209-9710

If to Customer:

Skagit Valley Hospital
1415 E. Kirtland
Mount Vernon WA 98273

36. Entire Agreement. This Agreement including any Attachments hereto, constitutes the entire agreement of WMHS and the Customer with respect to the subject matter hereof, and supersedes any previous agreement or understandings; written or oral. This Agreement may not be modified except in writing executed by both parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as the last date executed below.

WMHS:

By: Michael P. McInerney, President, WM Healthcare Solutions, Inc.

Date: _____

Customer:

By: [Signature]
Name & Title: Lori Driskin, COO

Date: 10/15/11



Addendum A

Solid Waste Management

This Attachment to the INTEGRATED CONTRACT AND SERVICES Agreement ("AGREEMENT") originally dated September 1, 2011, between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital ("CUSTOMER") is made effective November 1, 2011 ("Effective Date").

- 1. Services: WMHS shall begin the exclusive collection, management, transportation, disposal, and treatment of Solid Waste (as defined in Attachment 3).

Table with 6 columns: Plant Name, Address, Equipment, Location, Rate Per Pull, Rate per Ton. It lists three locations for Skagit Valley Hospital with their respective equipment and rates.

- 2. Flat Monthly Rate: (if applicable, see Pricing Attachment 2)

- 3. Volume:

It is understood and agreed that the rate above is based on a total annual volume not to exceed the following volumes by waste stream as measured by WMHS:

- a. (.453) tons annually, 90 pulls annually

Additional weight exceeding ten percent (10%) of the stated annual amount shall be billed at the following rates:

- i. (\$300) ton

All of the terms, covenants and conditions set forth in the AGREEMENT and its Attachments are incorporated herein by reference as if the same had been set forth herein. If there is a conflict between the terms of this Attachment and the AGREEMENT, the terms of this Attachment shall prevail.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to execute this Attachment to the AGREEMENT as of the day and year first written above.

SKAGIT VALLEY HOSPITAL

WM HEALTHCARE SOLUTIONS, INC.

By: [Signature]
Authorized Agent

By: _____
Authorized Agent

Print Name: [Signature]

Print Name: _____

Print Title: [Signature]

Print Title: _____

Date: 10/15/11

Date: _____



Addendum B

Recycling Services

This Attachment to the INTEGRATED CONTRACT AND SERVICES Agreement ("AGREEMENT") originally dated July 25, 2011, between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital ("CUSTOMER") is made effective November 1, 2011 ("Effective Date").

- 1. Services: WMHS shall begin the exclusive collection, management, transportation, disposal, and treatment of Recycling Services (as defined in Attachment 3).

Table with 5 columns: Plant Name, Address, Equipment, Rate per Pull, Rate per ton. Row 1: Skagit Valley Hospital, 1415 E. Kincaid, Mount Vernon, WA, 98273, 8 y FEL plastic, Included, 8y FEL Cardboard.

- 2. CUSTOMER/Hospital retains responsibility of supplying interior collection containers for collection of the recyclable materials.
3. Additional Terms: Customer represents and warrants that it shall provide materials in accordance with WMHS specifications ("Specifications") set forth in the Exhibit R-1. In the event that the Recyclable Materials do not meet Specifications, Customer shall have the sole responsibility for any resulting settlement or adjustments. Except as specifically provided herein, Recyclable Materials specifically exclude, and Customer agrees not to deposit or permit the deposit for collection of, any waste tires, radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, bio-hazardous, regulated medical or hazardous waste, toxic substance or material, as defined by, characterized or listed under applicable federal, state, or local laws or regulations, or other waste not approved in writing by WMHS or other waste stated in the Exhibit R-1 as Excluded Waste (collectively, "Excluded Waste"). Title to and liability for Excluded Waste shall remain with Customer at all times. Title to Recyclable Materials shall vest in WMHS at time of pick-up or delivery. Customer warrants that the Recyclable Materials conform to the Specifications and that Customer has good title to the Recyclable Materials delivered, and that title to the same is conveyed free from liens, encumbrances, and security interests. Customer further warrants that, except as permitted herein, none of the Recyclable Materials under this Agreement constitutes or contains any Excluded Waste or that it contains any liquids or other objectionable substances.

All of the terms, covenants and conditions set forth in the AGREEMENT and its Attachments are incorporated herein by reference as if the same had been set forth herein. If there is a conflict between the terms of this Attachment and the AGREEMENT, the terms of this Attachment shall prevail.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to execute this Attachment to the AGREEMENT as of the day and year first written above.

SKAGIT VALLEY HOSPITAL

WM HEALTHCARE SOLUTIONS, INC.

By: [Signature]
Authorized Agent

By: _____
Authorized Agent

Print Name: [Signature]

Print Name: _____

Print Title: _____

Print Title: _____

Date: 10/15/11

Date: _____



Addendum C

Regulated Medical Waste

This Attachment to the INTEGRATED CONTRACT AND SERVICES Agreement ("AGREEMENT") originally dated September 1, 2011, between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital ("CUSTOMER") is made effective November 1, 2011 ("Effective Date").

- Services:** WMHS shall begin the exclusive collection, management, transportation, disposal and treatment of Regulated Medical Waste (as defined in Attachment 3).

Plant Name	Address	Equipment	Location	Price per container [unless flat rate]	Price per Pound [unless flat rate]
Skagit Valley Hospital	1415 E Kincaid Mount Vernon, WA	2017 gallons 30-32 gallons 20-43 gallons 10-30 gallon boxes	Hospital	Included in Flat Monthly	Included in Flat Monthly

- Flat Monthly Rate:** (if applicable, see Pricing Attachment 2)

- Volume:**

It is understood and agreed that the rate above is based on a total annual volume not to exceed the following volumes by waste stream as measured by WMHS:

- (3000) containers annually (at hospital)

Additional volume exceeding ten percent (10%) of the stated annual amount shall be billed at the following rate:

- Per most current Waste Management/Washington State approved tariff rates

All of the terms, covenants and conditions set forth in the AGREEMENT and its Attachments are incorporated herein by reference as if the same had been set forth herein. If there is a conflict between the terms of this Attachment and the AGREEMENT, the terms of this Attachment shall prevail.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to execute this Attachment to the AGREEMENT as of the day and year first written above.

SKAGIT VALLEY HOSPITAL

WM HEALTHCARE SOLUTIONS, INC.

By: [Signature]
Authorized Agent

By: _____
Authorized Agent

Print Name: Lois D. [Signature]

Print Name: _____

Print Title: CEO

Print Title: _____

Date: 10/15/11

Date: _____



Addendum E

Confidential Documents

This Attachment to the INTEGRATED CONTRACT AND SERVICES Agreement ("AGREEMENT") originally dated September 1, 2011, between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital ("CUSTOMER") is made effective November 1, 2011 ("Effective Date").

- 1. Services: WMHS shall begin the exclusive collection, management, transportation, disposal, and treatment of Confidential Documents (as defined in Attachment 3).

Table with 5 columns: Plant Name, Address, Description, Location, Price per Unit [unless flat rate]. Rows include Skagit Valley Hospital and Offsite Locations.

- 2. The flat rate includes up to 1800 tips annually (based on information provided by CUSTOMER). If tips vary by more than 5% than an extra: (a) \$5.75 per tip fee will be assessed. 3. Flat Monthly Rate: (if applicable, see Pricing Attachment 2)

I of the terms, covenants and conditions set forth in the AGREEMENT and its Attachments are incorporated herein by reference as if the same had been set forth herein. If there is a conflict between the terms of this Attachment and the AGREEMENT, the terms of this Attachment shall prevail.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to execute this Attachment to the AGREEMENT as of the day and year first written above.

SKAGIT VALLEY HOSPITAL

WM HEALTHCARE SOLUTIONS, INC.

By: [Signature] Authorized Agent

By: _____ Authorized Agent

Print Name: [Signature]

Print Name: _____

Print Title: [Signature]

Print Title: _____

Date: 10/15/11

Date: _____



Addendum F
PharmEcology License and Service Offerings

November 1, 2011

Skagit Valley Hospital ("Client" or "You")
1415 E. Kincaid
Mount Vernon, WA, 98273

- PharmE[®] Implementation Program: This three-year program provides your organization with all the tools and resources you need to design, implement, and maintain a compliant, cost-effective pharmaceutical waste management program.

Redacted

PharmEcology[®] Services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmecology.com
Patent No.7,096,161 and Patent No. 7,366,640



PharmEcology License and Services Agreement

between

*WM Healthcare Solutions, Inc.
("PharmEcology" or "We")
W129N8925 Boundary Road
Menomonee Falls, WI 53051-2402*

and

*Skagit Valley Hospital
("Client" or "You")
1415 E. Kincaid
Mount Vernon, WA, 98273*

I. PharmE® Pricing			
PharmE® Licenses and Services	No. of Months	Fee/ Hospital Site	Total Cost
PharmE® Implementation Program	36	1	
Total Cost (plus travel and expenses)			Included in Master Integrated Contract

II. Miscellaneous

Redacted

2. This Agreement will become effective as of the date when both parties have signed this Agreement, as indicated below.

IN WITNESS WHEREOF, each party has caused its authorized agent to execute this Agreement as of the date set forth below such party's signature.

SKAGIT VALLEY HOSPITAL

WM HEALTHCARE SOLUTIONS, INC.

By: [Signature]
Authorized Agent

By: _____
Authorized Agent

Print Name: [Signature]

Print Name: _____

Print Title: _____

Print Title: _____

Date: 10/15/11

Date: _____

Please fax the signed License and Services Agreement to (262) 250-8314 or mail it to WM Healthcare Solutions, Inc., W124 N8925 Boundary Rd., Menomonee Falls, WI 53051-2402.

PharmEcology® services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmecology.com
Patent No. 7,096,161 and Patent No. 7,366,640



pharm@ecology®

EXHIBIT A

General Terms and Conditions
Redacted

PharmEcology® Services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmecology.com
Patent No.7,096,161 and Patent No. 7,366,640 B2

Redacted

PharmEcology[®] Services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmecology.com
Patent No. 7,096,161 and Patent No. 7,366,640

A-2

Error! Unknown document property name.
HOU 406,904,910v3

WM000231

Redacted

PharmEcology[®] Services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmecology.com
Patent No. 7,096,161 and Patent No. 7,366,640

A-3

Error! Unknown document property name.
HOU 406,904,910v3

WM000232

Redacted

PharmEcology[®] Services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmecology.com
Patent No.7,096,161 and Patent No. 7,366,640

A-4

Error! Unknown document property name.
HOU 408,904,910v3

WM000233

Redacted

PharmEcology[®] Services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmecology.com
Patent No.7,096,161 and Patent No. 7,366,640

A-5

Error! Unknown document property name.
HOU 406,904,910v3

WM000234



pharm@ecology®

EXHIBIT B
Redacted

PharmEcology® Services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmecology.com
Patent No.7,096,161 and Patent No. 7,366,640

Error! Unknown document property name.
HOU 406,904,910v3

WM000235

**EXHIBIT C
Redacted**

**PharmEcology[®] Services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmecology.com
Patent No. 7,096,161 and Patent No. 7,366,640**

HOU 406,904,810v3

WM000236

Redacted

PharmEcology[®] Services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmacology.com
Patent No.7,096,161 and Patent No. 7,366,640

EXHIBIT D
Redacted

PharmEcology[®] Services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmecology.com
Patent No.7,096,161 and Patent No. 7,366,640



pharm@ecology®

EXHIBIT E

Redacted

PharmEcology® Services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmecology.com
Patent No.7,096,161 and Patent No. 7,366,640

Error! Unknown document property name.
HOU 406,904,910v3

WM000239



pharm@ecology®

EXHIBIT F

Redacted

PharmEcology® Services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmecology.com
Patent No.7,096,161 and Patent No. 7,366,640

Error! Unknown document property name.
HOU 406,904,910v3

WM000240

EXHIBIT G

Client's Organizations/Facilities Included in Agreement

PharmEcology[®] Services provided by WM Healthcare Solutions, Inc., a Waste Management company.
W124 N8925 Boundary Road, Menomonee Falls, WI 53051-2402
Phone: 877-247-7430 Fax: (262) 250-8314 www.pharmecology.com
Patent No.7,096,161 and Patent No. 7,366,640

Error! Unknown document property name.
HOU 406,904,910v3

WM000241



Attachment 1

Customer Locations

This is an Attachment to the INTEGRATED CONTRACT AND SERVICES Agreement ("AGREEMENT") dated November 1, 2011, between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital ("CUSTOMER").

This Attachment lists the locations of the Customer where Services (as defined in the Agreement) will be provided by WMHS. Such list of locations may be amended from time to time by the parties in writing in a signed attachment.

As the list of locations of the Customer changes, the fees for the Customer will be adjusted accordingly and the Customer will be notified about the changed fees. (Refer to Addendums for waste streams serviced.)

List of Customer Locations:

Plant Name	Address	Billing Code	Contact	Contact Phone	Contact Email	
Skagit Valley Hospital	1415 E Kincaid Mount Vernon WA 98273		Robert Spohn	360-770-2659	rspohn@skagitvalleyhospital.org	MSW, Recycling, RMW, Shredding, Pharmacology
Skagit Valley Hospital-Kidney Ctr	208 South 14 th St, Mount Vernon, WA 98273		Robert Spohn	Same	Same	Shredding/MSW Compactor
Skagit Valley Cancer Center	307 south 13 th Street, Mount Vernon, WA 98273		Robert Spohn	Same	same	Shredding/Pharmacology
Skagit Valley Clinical Services Bldg	221 south 13 th Mount Vernon, WA 98273		Robert Spohn	Same	Same	Shredding only
Skagit Valley Human Resources Bldg	206 south 13 th St., Mount Vernon, Wa 98273		Robert Spohn	Same	Same	Shredding only
Skagit Valley Records Storage	1580 Port Drive, Burlington, WA 98233		Robert Spohn	Same	Same	Shredding only

All of the terms, covenants and conditions set forth in the AGREEMENT and its Attachments are incorporated herein by reference as if the same had been set forth herein. If there is a conflict between the terms of this Attachment and the AGREEMENT or another Attachment, the terms of this Attachment shall prevail.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to execute this Attachment to the AGREEMENT as of the day and year first written above.

SKAGIT VALLEY HOSPITAL

WM HEALTHCARE SOLUTIONS, INC.

By: 
Authorized Agent

By: _____
Authorized Agent

Print Name: Lori Daisky
Print Title: _____
Date: 10/15/11

Print Name: _____
Print Title: _____
Date: _____



Attachment 2

**Pricing Schedule
Inclusive**

This Attachment to the INTEGRATED CONTRACT AND SERVICES Agreement ("AGREEMENT") originally dated July 20, 2011, between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital, a Hospital located in Mount Vernon, WA ("CUSTOMER").

1. **Fixed Pricing:** Customer agrees to pay WMHS \$ 15,800 monthly and for the term of the Agreement for Services as indicated in the attached Addendums to the Agreement. It is understood and agreed that the rate stated above is based on a total annual weight not to exceed the following weights by waste stream as reported by WMHS. (See Addendums for volume breakdown.)

Addendum	Waste Stream	Included	Effective Date
A	Solid Waste Management	Yes	11/01/2011
B	Recycling Services	Yes	11/01/2011
C	Regulated Medical Waste	Yes	11/01/2011
D	Sharps	NO	
E	Confidential Documents	yes	11/01/2011
F	PharmEcology	Yes	11/01/2011
G	Universal Waste	NO	
H	Chemical Waste	NO	
I	Pharmaceutical Waste	NO	
J	Construction and Demolition	NO	
K	Recycling of Construction and Demolition	NO	
L	Sharps with Reusable Container	NO	
M	Sharps With Recyclable Container	NO	
N	Aphis Marpol Waste	NO	
O	Hazardous Waste	NO	
	Consulting Fee	YES	11/01/2011

2. **Billing Agent:** WMHS shall work as "billing agent" for waste services and will receive monthly invoices from its affiliates and any subcontractors and vendors that shall be reviewed, based on information provided by CUSTOMER, for service accuracy and contract compliance, and consolidated into one "waste services invoice" to be provided to the CUSTOMER. The invoice shall be provided to Customer at: Customer Name

Address/contact information; Skagit Valley Hospital, Attn: Robert Spohn, Environmental Services , PO Box 1376, Mount Vernon, WA 98273

3. **Waste Services Invoice:** Provided that WMHS receives monthly invoices from its affiliates and any subcontractors and vendors in a timely manner, WMHS shall consolidate such invoices into one "waste services invoice", that may include any other waste streams indicated in attached addendums and will provide the aggregated waste services invoice to CUSTOMER. Single consolidated invoice shall be formatted according to WMHS specifications, and will only contain those items listed in the pricing model to facilitate payment for the services rendered unless a mutually accepted format is agreed upon in writing. This agreed upon format must contain all of CUSTOMER's pertinent internal billing information including but not limited to CUSTOMER's departmental PO's

and/or multiple facility locations containing specific accounts payable contact information to retain CUSTOMER within their specified net terms as listed in Section 3-(Fees) of the Agreement.

4. **Program Manager:** WMHS will provide to the CUSTOMER a program manager for all facilities who will perform the following:
- (a) Work as the liaison between CUSTOMER and waste/recycling service providers ensuring appropriate dock-in and dock-out solutions either through WMHS or 3rd party operations.
 - (b) Work with CUSTOMER to ensure that the implementation of the plan is achieved on time and within the expected cost parameters.
 - (c) Assist with compliance of policies, procedures and regulations.
 - (d) Collaborate with WMHS to provide solutions to problems, share best practices, identify new opportunities, products and services.
 - (e) Work directly with CUSTOMER to identify objectives. Utilize and direct resources to implement plans and programs throughout all assigned facilities.

All of the terms, covenants and conditions set forth in the AGREEMENT and its Attachments are incorporated herein by reference as if the same had been set forth herein. If there is a conflict between the terms of this Attachment and the AGREEMENT, the terms of this Attachment shall prevail.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to execute this Attachment to the AGREEMENT as of the day and year first written above.

SKAGIT VALLEY HOSPITAL
MOUNT VERNON, WA

By: [Signature]
Authorized Agent
Print Name: Laura Daisley
Print Title: [Signature]
Date: 12.5.11

WM HEALTHCARE SOLUTIONS, INC.

By: _____
Authorized Agent
Print Name: _____
Print Title: _____
Date: _____



Attachment 3

Definitions of Waste Streams and Waste Services

This Attachment to the INTEGRATED CONTRACT AND SERVICES Agreement ("AGREEMENT") originally dated July 20, 2011, between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital ("CUSTOMER") is made effective November 1, 2011 ("Effective Date").

Customer agrees that the following definitions shall apply to the waste streams being serviced by WMHS or its affiliates or subcontractors:

PLEASE NOTE: Federal, state and local laws and regulations may vary as to whether and how the wastes defined below can be managed. For more specific information on which waste can be managed, and permitted methods of management please refer to the current Waste Management Health Care Solutions Waste Acceptance Protocol, which is updated from time to time as laws and regulations change, or consult your WMHS representative.

Redacted



Attachment 3

Redacted

Medical Waste is any Solid Waste which is generated in the diagnosis, treatment or immunization of human beings or animals, in research pertaining thereto, or in the production or testing of biologicals. It does not include any Hazardous Waste identified or listed under relevant and applicable federal, state or local law, rule or regulation. (See 42 U.S.C. Section 6903(40) and related sections cited there). Medical Waste includes Regulated Medical Waste, Sharps Waste, Trace Chemotherapy Waste, Pathological Waste, Non-Hazardous Pharmaceutical Waste and Trauma Scene Waste. Medical Waste does not include Household Waste or Home-Generated Sharps Waste.

Attachment 3

Regulated Medical Waste is any Medical Waste regulated by the United States Department of Transportation Hazardous Materials Transportation regulations. (See 49 C.F.R. Section 173.134(5)). This category of waste included in the definition of Medical Waste.

Sharps Waste means Solid Waste and or Medical Waste which is any item capable of cutting or piercing which is contaminated with biohazardous – infectious waste including, without limitation, (a) any device that has acute rigid corners, edges or protuberances capable of cutting or piercing, (b) hypodermic needles, syringes, blades, needles with attached tubing, syringes contaminated with biohazardous waste, acupuncture needles, and root canal files, (c) broken glass items, such as Pasteur pipettes and blood vials contaminated with biohazardous waste. Sharps Waste is a subset of Medical Waste and these wastes are included in the definition of Medical Waste.

Trace Chemotherapy Waste is a Solid Waste and or Medical Waste which has come into contact with chemotherapeutic, antineoplastic or cytotoxic agents, or other formulations which are used to kill or prevent the reproduction of malignant cells. Chemotherapy Waste includes contaminated gloves, disposable gowns, towels, wipes and pads as well as "empty" vials, ampoules, syringes, containers, inner liners, intravenous solution bags and attached tubing. There are specific requirements to achieve "empty" status under the Resource Conservation and Recovery Act, see 40 CFR Section 261.7.

Pathological Waste is a type of Medical Waste comprised of human or animal tissues, organs or body parts, removed during surgery, autopsy, or other medical procedure but shall not include any intact fetuses, heads or torsos, all of which shall be deemed Non-Conforming Waste. Non-Conforming Waste also shall include formaldehyde or other preservative agent, or a human corpse or part thereof which is intended for burial or cremation. Pathological Waste cannot be treated or disposed of at locations not permitted to accept such waste. Also WM must comply with any federal, state or local laws and regulations which may be more restrictive on the collection, treatment and disposal of Pathological Waste.

Non-Hazardous Pharmaceutical Waste is a Solid Waste consisting of, including but not limited to, a drug as defined in Section 109925 of the Federal Food, Drug and Cosmetic Act, as amended, (21 USC Section 321(g)(1)) for which a decision to discard has been made and which does not qualify as a Hazardous Waste.

Trauma Scene Waste is any Medical Waste which has been contaminated with human blood, bodily fluids or other residues from the scene of a serious human injury, illness or death, which has been removed, is to be removed, or is in the process of being removed from trauma scene by authorized law enforcement or fire department personnel, or a third party qualified and authorized to remove such waste from trauma scenes.

Pharmaceutical Waste means a Solid Waste comprised of prescription or over-the-counter human or veterinary drugs, or immediate precursors, including but not limited to, a drug as defined in Section 109925 of the Federal Food, Drug and Cosmetic Act, as amended, (21 USC Section 321(g)(1)) for which a decision to discard has been made. Pharmaceutical Waste may or may not also be a Hazardous Pharmaceutical Waste or may be a Non-Hazardous Pharmaceutical Waste. Any Pharmaceutical Waste may also be a Controlled Substance.

Non-Hazardous Pharmaceutical Waste is a Solid Waste consisting of including but not limited to, a drug as defined in Section 109925 of the Federal Food, Drug and Cosmetic Act, as amended, (21 USC Section 321(g)(1)) for which a decision to discard has been made and which do not qualify as a Hazardous Waste.

Hazardous Pharmaceutical Waste means a Pharmaceutical Waste which qualifies as a Hazardous Waste (or is declared to be a Hazardous Waste by agreement of the parties, sometimes referred to as PharmE® Hazardous Waste). Stringent waste management precautions and procedures are required in order to safely manage this kind of waste.

PharmE® Hazardous Waste is a solid waste which does not qualify as a Hazardous Waste, but which the parties to this Agreement decide should be subject to the safeguards imposed upon Hazardous Waste. This waste is also known as declared hazardous waste.

Attachment 3

Redacted

Recycling means the collection, separation, processing and returning of materials to use in the form of raw materials for the production of new products. (See R-1 below)

Recycling of Solid Waste means the collection, separation, processing, and returning solid wastes to use in the form of raw materials for the production of new products. (See R-1 below)

Redacted

R-1 – Recycling Specifications:

Recyclable Materials Accepted (Proper Waste):

Aluminum food and beverage containers

Glass food and beverage containers – brown, clear, or green

Ferrous (Iron) cans

PET plastic containers with the symbol #1 – with screw tops only, without caps

HDPE natural plastic containers with the symbol #2 – narrow neck containers only (milk and water bottles)

HDPE pigmented plastic containers with the symbol #2 – narrow neck containers only, without caps (detergent, shampoo bottles, etc.)

Plastics with symbols #3, #4, #5, #6, #7-narrow and screw top containers

Newsprint

Old corrugated cardboard

Magazines

Catalogs

Cereal boxes

Telephone books



Attachment 3

Printer paper
Copier paper
Mail
All other office paper without wax liners

Recyclable Materials Not Accepted include but are not limited to Excluded Waste:

Microwave trays
Mirrors
Window or auto glass
Light Bulbs
Ceramics
Porcelain
Coat hangers
Glass cookware/bakeware
Household items such as cooking pots, toasters, etc.
Any materials that are not Proper Waste

All glass containers must be empty and free of metal caps and rings and contain less than 5% food debris.

All tin cans, bi-metal cans, and aluminum cans must be empty and contain less than 5% food debris.

All aerosol cans must be empty with less than 5% content

All plastic containers must be empty, caps removed; less than 5% food debris.

All Fiber must be dry and free of food debris and other contaminating material.

Tissues, paper towels or other paper that has been in contact with food is not acceptable.

Recyclables may contain up to 5% Unacceptable Materials, provided however, Recyclables may not:

1. Materially impair the strength or the durability of WMHS' or its affiliates' structures or equipment; or
2. Create flammable or explosive conditions in WMHS' or its affiliates' facilities;
3. Contain dry cell batteries or lead acid batteries;
4. Contain chemical or other properties which are deleterious or capable of causing material damage to any part of WMHS' or its affiliates' property, its personnel or the public; or
5. Contain Excluded Materials defined as any waste tires, radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, biohazardous, regulated medical or hazardous waste, toxic substance or material, as defined by, characterized or listed under applicable federal, state, or local laws or regulations, or other waste not approved in writing by WMHS.

WMHS reserves the right at its sole discretion upon notice to Customer to discontinue acceptance of any category of materials set forth above as a result of market conditions related to such materials and makes no representations as to the recyclability of the materials set forth above.

Loads not meeting the specifications may be rejected in whole or in part by WMHS.

All of the terms, covenants and conditions set forth in the AGREEMENT and its Attachments are incorporated herein by reference as if the same had been set forth herein. If there is a conflict between the terms of this Attachment and the AGREEMENT, the terms of this Attachment shall prevail.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to execute this Attachment to the AGREEMENT as of the day and year first written above.



Attachment 3

SKAGIT VALLEY HOSPITAL

WM HEALTHCARE SOLUTIONS, INC.

By: [Signature]
Authorized Agent

By: _____
Authorized Agent

Print Name: Lorei Dandy

Print Name: _____

Print Title: _____

Print Title: _____

Date: 10/15/11

Date: _____

**EXHIBIT A
SITE LIST FOR CLINIC MEDICAL WASTE PICKUP**

Additional Service Sites for Regulated Medical Waste at per unit pricing (not a part of the flat monthly fee)
Charges will be based on the Waste Management Tariff on file with the Washington Utilities and Transportation Commission.

site					Phone number	Schedule	container	QTY
site 1	Skagit Valley RC-Mt Vernon	307 S 13th St	Mount Vernon	WA	98274 360-336-9757	1 X 8 WEEKS	43-GALLON TUB	1
site 2	Skagit Valley RC- Mt Vemon	1400 E Kincaid St	Mount Vernon	WA	98274 360-428-2500	1 X 4 WEEKS	30 GALLON BOX	20
site 3	Skagit Valley RC-Starwood	9631 269th St N.W	Stanwood	WA	98292 360-629-4583	1 X 2 WEEKS	31-GALLON TUB	1
site 4	Skagit Valley RC-Sedro Woolley	1990 Hosptial Drive	Sedro Woolley	WA	98284 360-856-4222	1 X 4 WEEKS	43-GALLON TUB	1
site 5	Skagit Valley RC-Camano	127 North East Camano Dr	Camano Island	WA	98282 360-387-5398	1 X 4 WEEKS	43-GALLON TUB	1
site 6	Skagit Valley RC-Arlington	326 S Stillaguamish Ave	Arlington	WA	98223 360-435-2144	1 X 4 WEEKS	43-GALLON TUB	1
site 7	Skagit Valley RC-Arlington	16410 Smokey Pt Blvd	Arlington	WA	98223 360-336-9757	1 X 4 WEEKS	43-GALLON TUB	1
site 8	Skagit Valley RC- Anacortes	2511 M. Avenue, Suite D	Anacortes	WA	98221 360-293-0308	1 X 4 WEEKS	43-GALLON TUB	1
site 9	Skagit Valley RC-Oak Harbor	275 SE Cabot Drive	Oak Harbor	WA	98277 360-814-6200	1 x 12 weeks	43-GALLON TUB	1

SIGNED (SKAGIT VALLEY HOSPITAL)

By _____

DATE 11/5/14

SIGNED (WASTE MANAGEMENT)

By _____

DATE _____

VM1000252

Exhibit E

From: Jeremy Wyatt [Jeremy_Wyatt@Valleymed.org]
Sent: Friday, May 11, 2012 3:57 PM
To: Norton, Jeffrey
Subject: RE: Costs follow up

Let me look at what we have and who it is with.

*Jeremy C. Wyatt, Cert. A.T.
Supervisor
Perioperative Services
425-228-3440 ext. 6399 / 4457
206-715-5108 Cell
206-969-1656 Pager
425-656-5390 Fax*

From: Norton, Jeffrey [mailto:jnorton1@wm.com]
Sent: Friday, May 11, 2012 3:51 PM
To: Jeremy Wyatt
Subject: RE: Costs follow up

Our tariff pricing which is anywhere from .25-.36 per gallon for most hospitals.....If you can tell me how many medical waste containers you get picked up at each pickup, I can tell you how much it would be.

Sincerely,

Jeff Norton
Waste Management Healthcare Solutions
Account Development Manager
Pacific Northwest-WA/OR/ID/AK
cell: 360.913.4877 fax: 877 900 1814

From: Jeremy Wyatt [mailto:Jeremy_Wyatt@Valleymed.org]
Sent: Friday, May 11, 2012 3:00 PM
To: Norton, Jeffrey
Subject: RE: Costs follow up

Can you expand on what our medical waste would be?

*Jeremy C. Wyatt, Cert. A.T.
Supervisor
Perioperative Services
425-228-3440 ext. 6399 / 4457
206-715-5108 Cell
206-969-1656 Pager
425-656-5390 Fax*

WM000690

From: Norton, Jeffrey [<mailto:jnorton1@wm.com>]
Sent: Friday, May 11, 2012 2:42 PM
To: Jeremy Wyatt
Subject: Costs follow up

Hello Jeremy...

Jesse is on vacation....I tracked down some of your costs....I don't have the disposal rate for the trash other than the haul fee of \$190.79

Your recycle is \$155 haul fee and \$70/ton processing.

I think I can get your fees down for recycling.....Let me see what I can do.

If we can also service you for medical waste (not your sharps service...the remainder of your medical waste) we can reduce your recycling to \$120 haul fee and \$15/ton processing. This is similar to what we did for Northwest Hospital.

Sincerely,

Jeff Norton
Waste Management Healthcare Solutions
Account Development Manager
Northwest Region: WA/OR/ID/Northern CA/NV/AK
cell: 360.913.4877 fax: 877 900 1814



Providing our customers with economic and environmental sustainability

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