

**MEMORANDUM OF UNDERSTANDING BETWEEN WASTE MANAGEMENT of WISCONSIN, INC.
AND THE MILWAUKEE METROPOLITAN SEWERAGE DISTRICT
REGARDING AGREEMENT TO PROVIDE LANDFILL GAS**

Waste Management of Wisconsin, Inc. ("WM"), a corporate entity located at W132N10487 Grant Drive, Germantown, WI 53022, and the Milwaukee Metropolitan Sewerage District ("District"), a municipal body corporate, authorized, organized and operating pursuant to sections 200.21 through 220.65, Wisconsin Statutes. WM and District are jointly referred to herein as the "Parties". The Parties agree to enter into this Memorandum of Understanding for the purpose of memorializing the terms of a tentative agreement between the parties for the sale of landfill gas ("LFG") from WM to the District.

WHEREAS, WM has a quantity of LFG which is collected at the Metro Recycling and Disposal Facility ("Metro"), located at 10712 S. 124th Street, Franklin, Wisconsin, and which LFG is available for beneficial reuse as fuel; and

WHEREAS, WM desires to sell its available supply of LFG generated at Metro to the District, to the extent that the LFG can be utilized by the District; and

WHEREAS, the District currently owns power generating equipment capable of using LFG as fuel at its Jones Island Water Reclamation Facility, and plans to further expand the use of LFG in its dryer burners at the facility; and

WHEREAS, the District currently purchases LFG from the Emerald Park Landfill owned by Advanced Disposal Services and located across the road from Metro Landfill, and the District owns and operates a LFG pipeline ("Pipeline") which is used to convey LFG from the Emerald Park Landfill to the Jones Island Facility; and

WHEREAS, the proximity of the Pipeline to Metro makes the sale of LFG from WM to the District physically and economically feasible; further, the District desires to purchase Metro LFG to supplement the LFG currently being purchased from Advanced Disposal; and

WHEREAS, the Parties have had discussions concerning the terms of a future agreement for the sale of LFG by WM to the District ("the Agreement"); have now reached a tentative agreement on certain basic terms of said Agreement, and wish to memorialize the basic terms tentatively agreed upon to date; and

WHEREAS, the Parties intend that the actual delivery of LFG into the District pipeline may start during 2019, with full utilization by the District occurring during 2021; and

WHEREAS, the undersigned representatives of the Parties are each duly authorized to enter into this Memorandum of Understanding on behalf of each respective Party.

NOW THEREFORE, IT IS HEREBY TENTATIVELY AGREED BY THE PARTIES AS FOLLOWS:

1. The term of the Agreement will be for 20 years, commencing on the date the District begins taking delivery and purchasing Metro LFG from WM. The Parties will review the Agreement after 10 years with adjustments allowed for changes in the minimum number of MMBTUs delivered and accepted, the percent of NYMEX paid and the LFG floor price. Both parties must agree to any adjustments.
2. The District will install at its own expense a "Conditioning Plant" for the purpose of receiving the Metro LFG, processing and compressing the LFG to the quality and degree required by the District, and delivering the Metro LFG to a connection point with the Pipeline.
3. WM will design and construct at its own expense improvements necessary to deliver Metro LFG at a positive pressure from the Metro LFG collection system to a point designated by the District at the Conditioning Plant ("WM LFG Delivery Point").
4. The Conditioning Plant improvements are defined as all capital improvements located downstream from the WM LFG Delivery Point and up to and including the connection to the Pipeline. These capital improvements typically include but are not limited to pipelines, treatment systems to condition the LFG to approved specifications, compressors, controls, meters, and any equipment or facilities needed to blend the LFG from Metro with the LFG from Emerald Park at the Pipeline.
5. WM will grant a temporary easement to the District on the Metro Landfill property as necessary to access, construct, and operate the Conditioning Plant and a pipeline from the Conditioning Plant to the Metro Landfill property boundary. The terms and conditions of the temporary easement will be negotiated between the parties in a final contract.
6. The District will be responsible to operate and maintain all equipment downstream from the WM delivery point including the Conditioning Plant.
7. WM will be responsible to operate and maintain all equipment upstream of the WM delivery point, including vacuum blowers, piping, and flare system.
8. The District may consider purchasing all or a portion of the existing LFG to Energy Plant ("LFGTE Plant") located at the Metro Landfill and owned by WM Renewable Energy, LLC, a sister company of Waste Management of Wisconsin, subject to the District's sole determination that the LFGTE Plant would be a cost-effective supply of electricity to the Conditioning Plant or otherwise be beneficial to the District, and subject to the Parties' negotiation of a purchase price and asset acquisition agreement. If purchased by the District, the District will be responsible for the operation and maintenance of the LFGTE Plant, and for capital improvements to the LFGTE Plant, including the electrical interconnection to the Conditioning Plant. If requested by the District, WM will operate and

maintain the LFGTE Plant under contract to the District, subject to the Parties' negotiation of the terms and conditions of an Operation and Maintenance Agreement.

9. The price the District will pay WM for LFG under the Agreement, whether the LFG is allocated for purchase for the Pipeline or the LFG is used as fuel at the LFGTE Plant, will be 36% of the natural gas NYMEX last day settle price (\$/MMBTU) with a LFG floor price of \$1.00 per MMBTU for the term of the Agreement.
10. WM will make available to the District on demand all LFG collected from Metro Landfill during the term of the Agreement. WM may utilize for its own purposes any excess LFG not being physically utilized by the District at any given time, provided that WM shall divert LFG from its own purposes immediately on demand by the District. The minimum LFG delivery quantity from WM to the District is 300,000 MMBTU per year, including LFG delivered to the District's LFGTE plant, if purchased and operated by the District.
11. The District will have the right of first refusal to purchase all of the LFG available from Metro during the term of the Agreement, and will make best efforts to maximize the quantity of LFG purchased. The minimum LFG purchase quantity by the District from WM is 300,000 MMBTU in the first year of operation and 430,000 MMBTU per year for the remaining term of the Agreement and subject to any mutually-agreed revisions after the first 10 years, as described in Item 1 of this MOU.
12. If the minimum delivery quantity of 300,000 MMBTUs is not offered for sale by WM in a given year, for reasons not related to District actions, both parties will concur on the WM LFG energy shortfall in MMBTU's at year-end. WM will pay the District an amount equal to the LFG energy shortfall multiplied by 36% of the average annual NYMEX Last Day Settle price for Natural Gas (or the \$1.00 floor, whichever is applicable) for the given year. WM will pay the District for the prior year's WM LFG energy shortfall by March 20th in the subsequent year.
13. If the applicable minimum LFG purchase quantity is not purchased by the District in a given year, for reasons not related to WM actions, both parties will concur on the District LFG energy shortfall in MMBTU's at year-end. The District will pay WM an amount equal to the LFG energy shortfall multiplied by 36% of the average annual NYMX Last Day Settle price for Natural Gas (or the \$1.00 floor, whichever is applicable) for the given year. The District will pay WM for the prior year's District LFG energy shortfall by March 20th in the subsequent year.
14. This MOU and other contracts between WM and the District will include conditions that limit liability, limit any damages for LFG shortfalls not delivered or not purchased, will hold each party harmless and indemnify each other from any design, construction and operational liabilities.

15. This MOU is contingent on WM receiving a WDNR approval for a 9,000,000 CY (min) expansion to the Metro landfill.
16. This MOU is contingent upon the District's receipt of an approved air construction permit and operating permit for the dryer burner conversion at the Jones Island Water Reclamation Facility.
17. This MOU does not constitute a binding agreement or create any legally binding or enforceable obligations on either WM or the District (including, but not limited to, any obligation for WM to sell or the District to buy LFG). This MOU is intended to outline the terms under which we would proceed toward further defining an LFG contract between WM and the District. The parties understand that any LFG contract is subject to the negotiation, execution and delivery of mutually acceptable binding definitive documentation, signed by each party. Each party acknowledges that neither party shall have any liability to the other party based upon this MOU, whether under contract, tort, law or equitable principles, for any reason whatsoever, including failure to enter into a binding agreement. If any such claim may arise, each party waives its right to pursue such claim at law or equity.

The Parties further agree that this Memorandum of Understanding contains all of the terms tentatively agreed on at this time, and that further negotiation and agreement will be needed between the Parties in order to reach a final Agreement for the Sale and Purchase of LFG.

Dated at Milwaukee, Wisconsin, this _____ day of XX 2017.

MILWAUKEE METROPOLITAN SEWERAGE DISTRICT

Kevin L. Shafer, P.E., Executive Director

WASTE MANAGEMENT of WISCONSIN, INC.

Thomas Beaulieu, President