

APPENDIX 1

PIGEON POINT LANDFILL INTERIM AGREEMENT

DECEMBER 21, 2005

File:
pigeon pt.

**Pigeon Point Landfill
Interim Agreement
December 21, 2005**

In order to provide additional controls on the use of stabilized sludge (sludge from Wilmington treatment plant, stabilized with coal ash and alkaline adjustment amendments approved by DNREC) for the cap enhancement project at the Pigeon Point Landfill (PPL), the Delaware Department of Natural Resources and Environmental Control (DNREC), VFL Technology Corporation (VFL), the Delaware Solid Waste Authority (DSWA), and the City of Wilmington (City) (the Parties) commit to the following:

I. Requirements for the Resumption of Stabilized Sludge Placement at PPL.

A. DNREC shall:

1. Conduct random and unannounced inspections of the VFL operations, including materials in transit or delivered at PPL and VFL's location at the City of Wilmington Waste Water Treatment Plant (WWTP).
2. Obtain random samples for established parameters pursuant to the development of a Sampling and Analysis Plan, developed by DNREC in consultation with VFL, for the stabilized sludge. VFL and DNREC retain the right to split samples for separate analysis.

B. VFL shall:

1. Report daily to the DNREC, DSWA and the City via an electronic submission:
 - a. The number of trucks delivering stabilized sludge to the PPL.
 - b. The tonnage of stabilized sludge delivered to PPL.
 - c. The type and percentage of the approved materials used to create stabilized sludge compiled on a daily basis.
 - d. The location and dimensions (height, width and depth measurements) of where the stabilized sludge is placed at PPL.
 - e. Type and amount of construction materials utilized.
2. Provide the results of any analytical data generated pursuant to sampling and analysis of the stabilized sludge.
3. Report daily to the DNREC, DSWA and the City via an electronic submission the number of trucks and the tonnage of bottom ash delivered on an as needed basis to PPL for the purpose of correcting problems with odors, erosion and/or ponding.
4. Ensure that during the placement and grading of the stabilized sludge care shall be taken to minimize the conditions that may result in odors, erosion and/or ponding.
5. Ensure that placement of stabilized sludge shall only be in areas specified by DSWA which must be an area separate and distinct from where stabilized sludge was placed prior to December 1, 2005. No stabilized sludge shall be placed in the locations utilized prior to December 1, 2005 until DNREC's approval is obtained.
6. Not, after final placement, blend or mix the stabilized sludge with materials other than as provided in number LB.3 and LB.4. above.
7. Bear the expense of samples obtained and analyzed by DNREC which are taken pursuant to provision I.A.2.
8. Retain physical copies of weight tickets for each individual truck and provide them upon request to the DNREC, DSWA, and the City.

9. Take whatever odor control measures are necessary at the VFL WWTP facility and PPL to prevent odors from the stabilized sludge.
10. Not resume placement of stabilized sludge and bottoms ash at PPL until such time as the stabilized sludge is sampled and analyzed and the results are deemed satisfactory by the DNREC. Under no circumstances shall the quantity of stabilized sludge delivered to PPL exceed 250,000 tons/year.
11. Manage the stabilized sludge at PPL consistent with the recommendations of the DSWA's 1999 plan prepared by Camp, Dresser & McKee (CDM) and consistent with the Division of Soil and Water's Erosion and Sediment Control Permit.

C. DSWA shall:

1. Agree jointly with the City, and any other appropriate parties, to submit to DNREC, prior to May 1, 2006, a complete post closure permit application pursuant to 7 Del.C. Chapter 60 and the Delaware Regulations Governing Solid Waste (DRGSW).
2. Allow VFL the use of PPL subject to the requirements set forth herein pending the development of a use agreement with the City an amendment to the existing agreement between Veolia (the City's contractor) and VFL for placement of stabilized sludge at PPL.
3. Continue to oversee the implementation of the cap enhancement project per the 1999 CDM plan and subsequently pursuant to the post closure permit.
4. Identify an appropriate "new" location at PPL wherein the placement of stabilized sludge could resume without interfering with the DNREC investigation of the placement of stabilized sludge and other materials prior to December 1, 2005.
5. Implement effective perimeter controls to prevent unauthorized dumping and access to the PPL.

D. City shall:

1. Agree jointly with DSWA, and any other appropriate parties, to submit to DNREC, prior to May 1, 2006, a complete post closure permit application pursuant to 7 Del.C. Chapter 60 and the Delaware Regulations Governing Solid Waste (DRGSW).
2. Commence discussions with DSWA regarding the development of a use agreement with the City and an amendment to the existing agreement between Veolia (the City's contractor) and VFL for placement of stabilized sludge at PPL.

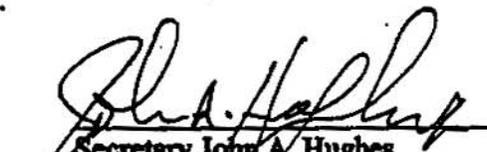
II. Requirements for the Continued Use of Stabilized Sludge and Sustainability of PPL to be completed by March 1, 2006.

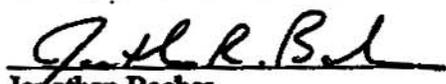
The following requirements must be satisfied by all parties in order to provide a permanent solution to the concerns identified.

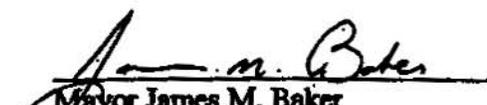
- A. DSWA, the City, and VFL shall finalize the agreements contemplated in I.D.2.
- B. It shall be the responsibility of DNREC to work toward the modification and re-issuance of the DWR's Distribution & Marketing permit by March 1, 2006 and DAWM's Beneficial Use Determination to include elements of this Agreement as appropriate.
- C. DSWA, City and DNREC shall work toward the issuance of a post closure permit for the PPL.

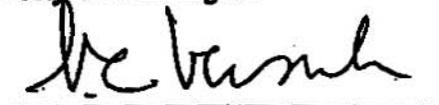
D. DNREC shall complete the review in a timely manner, no later than 90 days, the complete PPL post closure permit application submitted jointly by DSWA and the City and any other appropriate parties.

The term of this agreement shall be until all of the aforementioned requirements for resumption and continued use are satisfied. Once all of the requirements are satisfied this agreement shall expire. This Agreement may be amended by mutual written agreement of the Parties.


Secretary John A. Hughes
Department of Natural Resources
and Environmental Control


Jonathan Bacher
VFL Technology Corporation


Mayor James M. Baker
City of Wilmington


N.C. Vasuki
Delaware Solid Waste Authority

Cc: Kevin Maloney, Deputy Attorney General