CITY COUNCIL REPORT



Meeting Date:

March 1, 2016

General Plan Element:

Public Services and Facilities

General Plan Goal:

Maintain a sustainable solid waste system.

ACTION

Intergovernmental Agreement with Salt River Pima-Maricopa Indian Community. Adopt Resolution 10358 authorizing Recycling Services Contract 2016-022-COS; and Solid Waste Disposal Services Contract 2016-023-COS with the Salt River Pima-Maricopa Indian Community and its Division Salt River Commercial Landfill Company.

BACKGROUND

The purpose of this action is to adopt a new Recycling Services Contract 2016-022-COS and a new Solid Waste Disposal Contract 2016-023-COS, both with the Salt River Pima-Maricopa Indian Community and its business enterprise, the Salt River Commercial Landfill Company. The two contracts, together, will replace the existing contract which was originally entered into in 1994 and subsequently amended several times. The existing contract is set to expire on March 4, 2016.

The Salt River Landfill is owned and operated by the Salt River Pima-Maricopa Indian Community, and is located on 200 acres just north of State Route 87 (the Beeline Highway) at Gilbert Road on Community land. The facility opened in 1993, and the City entered into an IGA (Agreement # 940041) in May 1994 for disposal services for non-hazardous wastes collected by the City's Solid Waste program. The City and SRPMIC/SRCLC entered into the Second Amended and Restated Solid Waste Disposal Facilities Agreement on April 20, 2004, governing the disposal and acceptance of solid waste, green waste and the recycling and reuse of recyclable materials.

ANALYSIS & ASSESSMENT

Recent Staff Action

Solid Waste Management staff has been negotiating two proposed 25-year agreements, one covering landfill services and the other concerning recycling services. When completed and approved, these agreements will supersede the current Second Restated Agreement.

The existing landfill agreement required the City to bring a quantity equal to at least 90% of all solid waste collected from its residential customers for disposal at the Salt River landfill. This provision effectively prevented the City from using a competitive process to seek more cost effective alternatives. The low rates historically charged by the Salt River landfill, coupled with the landfill's

Action Taken			

proximity to the City, which keeps the City's transportation and other operating costs relatively low, makes it unlikely currently that the City would find any cost effective alternatives. While this is the case now, future technological innovations or business changes in the waste management industry could potentially change this situation. The new contract will give the City flexibility to take advantage of these possible changes by committing to an amount equal to a minimum of 50%, instead of 90%, of the waste collected from its residential customers for disposal at the Salt River landfill.

While SRPMIC agreed to the reduced minimum of waste tonnage, they also sought to include incentives for the City to bring more than the minimum amount of waste each year. The incentives take the form of a sliding scale, with the tipping fee charged to the City increasing if the City brings less than 100% of tonnage collected by Scottsdale from its residential customers. The Tipping Fee will increase by 2% for each 10% increment of the total delivered volume of Solid Waste tonnage below 100% of the Solid Waste tonnage collected by or on behalf of Scottsdale from its residential customers. For example, the volume-adjusted Tipping Fee for Scottsdale delivering 90-99% of its total Solid Waste tonnage would be equal to 102% of the Tipping Fee for 100%; the Tipping Fee for Scottsdale delivering 80-89% of its total Solid Waste tonnage would be equal to 104% of the Tipping Fee. The basic annual tipping fee would be adjusted annually with a Consumer Price Index (CPI) adjustment.

In addition to the flexibility provided in the new contract, the City also sought a long term commitment from SRPMIC. In response to this request, the SRPMIC Council agreed in 2012 to effectively extend the life of the Salt River landfill, which allowed the longer term the City had requested.

The separate recycling agreement also gives the City the flexibility to bring a minimum of 50% of the tonnage of recyclable materials collected by the City from its residential customers instead of the 90% minimum in the existing contract, in this case without any corresponding fee adjustment.

The additional goal that SRPMIC and their commercial recycling materials processing contractor sought to achieve with the new recycling contract was a mechanism to protect them from low commodity prices for the recycled materials. The City currently receives a revenue payment for each ton of recyclable materials delivered to the Material Recovery Facility at the landfill for processing. The proposed contract calculates a revenue payment based on current market prices for the two largest components of the City's recyclable materials, cardboard and paper. All other recyclable commodities are represented by a third value negotiated between the City and SRPMIC. These commodity values are then adjusted to account for the cost to SRPMIC to process the materials, and for the cost to transport them to locations where they are marketed. The processing and transportation costs remain relatively stable, and are adjusted over time by a CPI escalator. The market rates for the commodities, however, fluctuate a great deal, thereby having a significant impact on the revenue payment the City receives. The proposed contract protects the City by establishing minimum amounts for the cardboard and paper commodities, and a minimum amount for the final calculated revenue payment. The contract establishes this minimum revenue payment

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amount at \$0. If market conditions occur which would otherwise drive the revenue payment below this level, then SRPMIC would propose an amendment to the contract which would have to be approved by Council.

Policy Implications

Approval of these contracts will implement an agreement that historically has been an important cooperative effort between the City and SRPMIC, while at the same time giving the City the flexibility and long term certainty it sought. Although the contract includes a mechanism for the City to use alternative landfill and recycling service providers, current market conditions make it unlikely that the City could get a better deal, and staff accordingly has no current plans to solicit or contract with any other providers.

RESOURCE IMPACTS

Available funding

Solid Waste and Financial Services staff has used the fee and revenue changes included in these contracts as the basis for future year revenue and expense estimates in developing the draft fiscal year 2016/17 Solid Waste budget. Staff have also used the fee and revenue changes in the recently completed rate study analysis, which will support separate recommendations for rate adjustments.

Staffing, Workload Impact

Solid Waste Services staff will regularly meet and coordinate with SRPMIC and will perform the services and other obligations identified as being the responsibility of the City in the agreement. The contract administrator for this agreement will be Frank Moreno, Department Director, Solid Waste Management.

OPTIONS & STAFF RECOMMENDATION

Recommended Approach

Adopt Resolution 10358 authorizing Recycling Services Contract 2016-022-COS; and Solid Waste Disposal Services Contract 2016-023-COS with the Salt River Pima-Maricopa Indian Community and its Division Salt River Commercial Landfill Company.

Proposed Next Steps:

If the contract is approved it will become effective immediately. Although the contract includes a mechanism for the City to use alternative landfill and recycling service providers, staff has no current plans to solicit or contract with any other providers.

RESPONSIBLE DEPARTMENT(S)

Public Works Division, Solid Waste Management

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STAFF CONTACTS (S)

Frank Moreno, Solid Waste Management Director, FMoreno@scottsdaleaz.gov (480) 312-5605

APPROVED BY

Daniel J. Worth, Director, Public Works

(480) 312-5555, dworth@scottsdaleaz.gov

ATTACHMENTS

- 1. Resolution 10358
- 2. Contract 2016-022-COS
- 3. Contract 2016-023-COS

Z-16-16 Date

RESOLUTION NO. 10358

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE,
MARICOPA COUNTY, ARIZONA, APPROVING RECYCLING SERVICES CONTRACT NO.
2016-022-COS AND SOLID WASTE DISPOSAL SERVICES CONTRACT NO. 2016-023-COS
WITH THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY AND ITS DIVISION
SALT RIVER COMMERCIAL LANDFILL COMPANY

The City entered into a Second Amended and Restated Solid Waste Disposal Facilities Agreement with the Salt River Pima-Maricopa Indian Community and its division, the Salt River Commercial Landfill Company (SRPMIC/SRCLC) on April 20, 2004 and certain subsequent amendments thereto; and

The City and SRPMIC/SRCLC now desire new Recycling Services and Solid Waste Disposal Services Agreements that would benefit both parties;

BE IT RESOLVED by the Council of the City of Scottsdale as follows:

Section 1.	The Mayor of the City of Scottsdale is authorized and directed to execute the Recycling Services Contract No. 2016-022-COS and Solid Waste Disposal Services Contract No. 2016-023-COS with SRPMIC/SRCLC.		
PAS	SED AND ADOPTED by the City C _, 2016.	ouncil of the City of Scottsdale this day of	
ATTEST:		CITY OF SCOTTSDALE An Arizona municipal corporation	
Carolyn Jag	ger, City Clerk	W. J. "Jim" Lane, Mayor	
	AS TO FORM: City Attorney		

By:

Clifford J. Frey

Bruce Washburn

Sr. Assist. City Attorney

ATTACHMENT 2

Scottsdale Agreement No. 2016-022-COS

RECYCLABLE MATERIALS HANDLING AGREEMENT BETWEEN THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, THE SALT RIVER COMMERCIAL LANDFILL COMPANY AND THE CITY OF SCOTTSDALE

THIS RECYCLABLE MATERIALS HANDLING AGREEMENT (this "Agreement") is made and entered into as of March 1, 2016 (the "Effective Date"), by and between the SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, a federally recognized Indian Tribe ("SRPMIC" or the "Community"), and its division, the SALT RIVER COMMERCIAL LANDFILL COMPANY ("SRCLC" or "Company"), and the CITY OF SCOTTSDALE, an Arizona municipal corporation ("Scottsdale") (individually, a "Party;" collectively, the "Parties"). For purposes of this Agreement, the Salt River Pima-Maricopa Indian Community and the Salt River Commercial Landfill Company shall be referred to collectively as "SRPMIC/SRCLC."

RECITALS

- A. SRPMIC/SRCLC and Scottsdale have a long history of a mutually beneficial contractual relationship concerning the processing of Recyclable Materials.
- B. SRPMIC/SRCLC and Scottsdale are committed to a waste management program that incorporates source reduction, recycling or reuse.
- C. The Community and Scottsdale previously entered into that certain Solid Waste Disposal Facilities Agreement, dated May 16, 1994, Agreement No. 940041 (the "Original Agreement"), which was amended by that certain agreement No. 940041A dated March 18, 1996, and as thereafter modified and restated by the agreement on August 31, 1998, and was further amended by the agreement on December 4, 2000, which was then modified and restated by the Second Amended and Restated Solid Waste Disposal Facilities Agreement, dated April 20, 2004, and further amended by the First Amendment to the Second Amended and Restated Solid Waste Disposal Facilities Agreement, dated June 19, 2007, and the Second Amendment to the Second Amended and Restated Solid Waste Disposal Facilities Agreement, dated December 2, 2015.
- D. It is the Parties intent that the Original Agreement, as amended, modified and restated (collectively, the "Prior Agreement"), and any other prior agreements pertaining to the subject matter hereof, are hereby superseded by this Agreement and the Solid Waste Disposal Facilities Agreement executed contemporaneously herewith, but that the Prior Agreement shall remain in full force and effect until the Effective Date of this Agreement.
- E. The Community, the Company and Scottsdale now desire to enter into this Agreement, superseding the Prior Agreement, to provide, among other changes, for (i) modifications to the Recyclable Materials fee/revenue sharing calculation, (ii) a mechanism for separating the Solid Waste disposal and Recyclable Materials handling into two discrete agreements and (iii) extending the term during which SRPMIC/SRCLC will provide Recyclable Materials processing services to Scottsdale.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by this reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the SRPMIC/SRCLC and Scottsdale hereby agree as follows:

ARTICLE 1 - DEFINITIONS

In addition to the terms defined above or elsewhere in this Agreement, the Parties agree that the following terms shall have the meanings noted, except where the context clearly indicates otherwise:

- 1.1 "Adjusted OCC" is defined in Subsection 3.9.1(A).
- 1.2 "Adjusted ONP" is defined in Subsection 3.9.1(B).
- 1.3 "Alternative MRF" is defined in Section 3.11.1.
- 1.4 "Billing Month" means each calendar month.
- 1.5 "Classification Sort" means the process of sorting a minimum of 100 Tons of randomly-selected Recyclable Materials, collected from all areas of the City, and across all collection days, delivered by Scottsdale to determine the composition percentages of each Recyclable Material delivered from Scottsdale, and the percentage of Rejects present in Scottsdale's Commingled Materials. The Recyclable Materials collected for this Classification Sort will be processed through the processing system similar to a typical processing day.
- 1.6 "Classification Sort Percentages" means the percentage of Recyclable Materials by composition and the percentage of Rejects present in Scottsdale's Commingled Materials as determined by a Classification Sort and shown in Exhibit C.
- 1.7 "Commingled Materials" means Recyclable Materials collected and delivered as part of any Scottsdale recycling program that are not separated as to source (i.e., glass, aluminum beverage, newspaper, cardboard, or other type).
 - 1.8 "Composite Revenue Value" or "CRV" is defined in Section 3.9.1.
 - 1.9 "Composite Revenue Value Base" or "CRV Base" is defined in Section 3.9.2.
- 1.10 "CPI" means the Consumer Price Index, published by the U.S. Bureau of Labor Statistics, All Urban Consumers, U.S. City Average, All Items (1982-84=100). If, on a relevant date, the CPI does not exist in the above format, SRPMIC/SRCLC will substitute any official index published by the Bureau of Labor Statistics, any successor agency, or similar governmental agency, which is then in existence and which is then most nearly comparable to the CPI.
 - 1.11 "Effective Date" is defined in the introduction.
- 1.12 "Excess Rejects" means the quantity of Rejects that exceeds, by weight, 15% of the Recyclable Materials delivered, as determined by the most recent Classification Sort.

- 1.13 "Facility" means the municipal solid waste landfill unit, as defined by 40 C.F.R. § 258.2, owned, operated and maintained by SRPMIC/SRCLC, located between the Arizona Canal and the Beeline Highway just east of the Gilbert Road alignment, as depicted on the map attached hereto as Exhibit B.
- 1.14 "Fiscal Year" means Scottsdale's fiscal year that commences on each July 1 and ends on each immediately following June 30.
- "Force Majeure" means any act, event or condition materially and adversely affecting the ability of a Party to perform or comply with any material obligation, duty or agreement required under this Agreement, if such act, event, or condition is beyond the reasonable control of the nonperforming Party or its agents relying thereon, is not the result of the willful or negligent action, inaction or fault of the Party relying thereon, and the nonperforming Party has been unable to avoid or overcome the act, event or condition by the exercise of due diligence, including, without limitation: (A) an act of God, epidemic, landslide, lightning, earthquake, fire, explosion, storm, flood or similar occurrence; (B) an act of public enemy, war, blockage, insurrection, riot, general unrest or restraint of government and people. civil disturbance or disobedience, sabotage, act of terrorism or similar occurrence; (C) an order or judgment (including without limitation a temporary restraining order, temporary injunction. preliminary injunction, permanent injunction, or cease and desist order) or other act of any federal, state, county or local court, administrative agency or governmental office or body which prevents a Party's obligations as contemplated by this Agreement; or (D) adoption or change (including a change in interpretation, enforcement or permit requirement) of any federal, state or local law after the Effective Date of this Agreement ("Change in Law"), preventing performance of or compliance with the obligations hereunder.
 - 1.16 "Freight Charge" is defined in Subsection 3.9.1(C).
- 1.17 "Hazardous Waste" means any hazardous waste as defined in 42 U.S.C. § 6903(5), as the same may be amended or superseded.
- 1.18 "Medical Waste" means any medical waste as defined in the Section R18-13-1401 of the Arizona Administrative Code, as the same may be amended or superseded.
 - 1.19 "Minimum Share Price" is defined in Section 3.9.3.
- 1.20 "MRF" means the materials recovery facility used for the receiving, weighing, sorting, and otherwise processing of Recyclable Materials, constructed and located within the exterior boundaries of the Facility.
- 1.21 "OCC" means the average price per Ton, during the applicable calendar month, for "OCC" (Grade 11, old corrugated cardboard) as quoted in the PPI Pulp & Paper Week ("PPI"), the Yellow Sheet, L.A. Export Market, High-Side Pricing (the "PPI Index"). If more than one quote is given by the PPI (Yellow Sheet) in any Billing Month, the average monthly price will be computed based on the number of days each quote represents. If the PPI Index is no longer published or is no longer representative of market prices, SRPMIC/SRCLC and Scottsdale will work in good faith to agree on an alternative index.
 - 1.22 "OCC Floor" is defined in Subsection 3.9.1(A).

- 1.23 "ONP" means the average price per Ton, during the applicable calendar month, for "News" (Grade 8, old newsprint) as quoted in the PPI Index, the Yellow Sheet, L.A. Export Market, High-Side Pricing. If more than one quote is given by the PPI Index (Yellow Sheet) in any Billing Month, the average monthly price will be computed based on the number of days each quote represents. If the PPI Index is no longer published or is no longer representative of market prices, SRPMIC/SRCLC and Scottsdale will work in good faith to agree on an alternative index.
 - 1.24 "ONP Floor" is defined in Subsection 3.9.1(B).
 - 1.25 "Other Commodity Rate" is defined in Subsection 3.9.1(D).
- 1.26 "Rate Adjustment" is a fraction, the numerator of which is the CPI for June of the then-current year and the denominator of which is the CPI for June of the previous calendar year.
- 1.27 "Rate Change Date" is July 1 of each year during the term of this Agreement, beginning on July 1, 2016.
- 1.28 "Recyclable Materials" means any solid waste consisting of post-consumer materials which are collected for delivery and processing at a materials recovery facility as Commingled Material, including without limitation, (A) green, amber and clear glass food and beverage containers, (B) aluminum beverage containers, (C) aluminum foil and tin/steel containers, (D) newsprint, writing paper, corrugated paper, white paper, colored paper, envelopes, direct mailings, chipboard, magazines, and telephone books; (E) aerosol cans; (F) all cups and containers with imprinted recycling numbers 1 7, (G) aseptic boxes, (H) polycoated containers, (I) and other such materials as the Parties may jointly designate in writing as Recyclable Materials at a later date. The term "Recyclable Materials" as used in this Agreement is limited to Commingled Materials.
- 1.29 "Reject" means Commingled Materials that are delivered to the MRF and, pursuant to the terms of this Agreement: (A) are not accepted by SRPMIC/SRCLC; or (B) are accepted by SRPMIC/SRCLC but are segregated from Recyclable Materials prior to or during processing. The term "Reject" does not include Recyclable Materials that become mixed with other Rejects because of the failure to sort or process the materials to the fullest extent. As an example, broken glass or glass shards are not defined as a category of Rejects, even if they are mixed with Rejects.
- 1.30 "Scottsdale Collection Vehicle" means a vehicle used in making a Scottsdale Delivery.
- 1.31 "Scottsdale Delivery" means a delivery of Recyclable Materials to the MRF by or on behalf of Scottsdale under the terms of this Agreement.
- 1.32 "Share Price" means the amount per Ton that SRPMIC/SRCLC shall pay to Scottsdale for each Ton of Recyclable Materials that is delivered to the MRF for processing. The Share Price calculation is defined in Section 3.9.
- 1.33 "Solid Waste" means garbage, trash, rubbish, refuse, and other discarded material, including without limitation solid, contained liquid, semisolid, or contained gaseous material, and Green Waste, but excluding untreated sewage or Hazardous Waste.

- 1.34 "Tare Weight" means the recorded weight of an unloaded Scottsdale Collection Vehicle.
 - 1.35 "Ton" means a short ton of 2,000 U.S. pounds.
 - 1.36 "Transfer Fee" is defined in Section 4.6.
- 1.37 "Transfer Station" means the Scottsdale-owned facility located at Union Hills Drive west of Pima Road, which serves as a collection point for the delivery of a portion of the Recyclable Materials collected by Scottsdale Collection Vehicles.

ARTICLE 2 - ENVIRONMENTAL PROTECTION STANDARDS

- 2.1 <u>Compliance with Law.</u> SRPMIC/SRCLC shall develop, design, operate, close, and maintain during post-closure, the MRF in compliance with Community laws and regulations, all applicable Federal laws and regulations, and any other applicable laws and regulations.
- Environmental Protection Adjustments. In the event that any agency having jurisdiction over the use or operation of the MRF, other than SRPMIC/SRCLC, determines that the law requires the installation of devices, equipment, or material or the imposition of new methods of operation, and the required installation or new methods of operation changes capital investment or operating costs of the MRF, then the Parties shall meet within 30 days after such requirements have been determined and ordered to confer to agree on a new fee schedule. In the event Scottsdale is of the opinion that protection of the environment requires the installation of devices, equipment, or material or new methods of operation, and the required installation or new methods of operation changes capital investment or operating costs of the MRF, then the Parties shall meet within 30 days after Scottsdale has by written notice notified SRPMIC/SRCLC of its opinion in regard to such environmental requirements. The Parties shall confer with respect to the appropriateness of the suggestions made by Scottsdale and any new fee schedule that will be required as the result of any such change. If SRPMIC/SRCLC and Scottsdale fail to agree on a new fee schedule whether the issue has arisen from a Change in Law or the suggestion of Scottsdale, then the Parties shall mediate the controversy with an independent engineer acceptable to all Parties. Thereafter, continued disagreement shall be resolved under the dispute resolution provisions of Article 5 of this Agreement.

ARTICLE 3 - RECYCLABLES SORTING AND MARKETING SERVICES

- 3.1 <u>MRF Location and Capacity</u>. SRPMIC/SRCLC constructed the MRF within the exterior boundaries of the Facility. The MRF is a 40,000 square foot building erected on a concrete slab and equipped to process commingled Recyclable Materials up to 85,000 Tons per year.
- 3.2 <u>Delivery of Recyclable Materials Requirement</u>. Not less than 50% of all Recyclable Materials collected by or on behalf of Scottsdale (the "Guaranteed Recycling Tonnage") shall be delivered to the MRF.
- 3.3 MRF Acceptance of Recyclable Materials. SRPMIC/SRCLC shall receive for sorting, processing and marketing all Recyclable Materials delivered to the MRF by or on behalf of Scottsdale. SRPMIC/SRCLC shall ensure that the MRF is operated to allow standard refuse-hauling compactor trucks and transfer trailers hauling on behalf of Scottsdale to access the interior tipping floors easily and to exit the MRF with minimal maneuvering, backing up, or other safety risks. SRPMIC/SRCLC shall provide qualified personnel at the MRF during the hours the

MRF accepts Recyclable Materials. SRPMIC/SRCLC shall provide a smooth and paved road from the nearest public right-of-way to the MRF.

3.4 Operating Standards.

- 3.4.1 Operation, Security. SRPMIC/SRCLC shall be responsible for the operation of the MRF. SRPMIC/SRCLC shall operate or cause to be operated the MRF in compliance with: (A) all normal and customary operating and safety procedures typical of a municipal materials recovery facility; and (B) all necessary permits, licenses, and other approvals. SRPMIC/SRCLC shall provide security for the MRF at a level comparable to the level of security provided at similar types of facilities within the United States. SRPMIC/SRCLC shall comply with all applicable Federal and Community laws and regulations in relation to the MRF.
- 3.4.2 Hours and Timing of Deliveries. SRPMIC/SRCLC shall have the MRF open, staffed, and available for delivery of Recyclable Materials, Monday through Saturday, including all holidays, during the hours of 6:00 a.m. to 5:00 p.m. SRPMIC/SRCLC shall extend the MRF's receiving time as necessary to accommodate extended collection operations by Scottsdale due to increased workload and/or holiday collections. Scottsdale will notify the MRF Manager and the Landfill Operations Manager not less than two hours in advance of any extension of operating time. Any such extension of operating time pursuant to this Section shall be at no cost to Scottsdale.
- 3.4.3 <u>Unloading Times</u>. SRPMIC/SRCLC will use reasonable efforts to ensure an average weekly unloading time of all Scottsdale Collection Vehicles of no more than 15 minutes, and at no time more than 30 minutes for any one Scottsdale Collection Vehicle as long as the Scottsdale Collection Vehicles deliver the Recyclable Materials within the hours set forth in Section 3.4.2 above; provided, however, the unloading time limitations set forth above shall not apply to loads containing Excess Rejects. As used in this Section, "unloading time" shall begin when the Scottsdale Collection Vehicle enters the MRF and shall end when the Scottsdale Collection Vehicle leaves the MRF.

3.5 Maintenance of MRF.

- 3.5.1 <u>Maintenance and Litter Abatement</u>. SRPMIC/SRCLC shall be responsible for all grounds maintenance at the MRF and shall keep the MRF free from litter and other debris.
- 3.5.2 <u>Lighting</u>. During the hours that the MRF is open to accept Recyclable Materials, SRPMIC/SRCLC shall ensure that adequate artificial light to minimize safety risks in the delivery and operation of the MRF is provided as follows: (A) in the interior of the MRF, at all times when the MRF accepts Recyclable Materials; and (B) in the exterior and peripheral areas of the MRF during the early morning and late afternoon periods of diminished natural light.
- 3.5.3 <u>internal Storage</u>. SRPMIC/SRCLC shall ensure that the MRF has sufficient internal storage area to store a minimum of 75 Tons of Recyclable Materials.
- 3.5.4 <u>Visual and Noise Distractions</u>. SRPMIC/SRCLC shall be responsible for ensuring that the MRF is screened or set back from main thoroughfares in order to minimize visual and noise distractions to the surrounding area.

- 3.5.5 <u>Truck Cleaning</u>. SRPMIC/SRCLC shall be responsible for ensuring that the MRF has an area dedicated for the cleaning of Scottsdale Collection Vehicles by Scottsdale drivers before leaving the MRF, including providing debris bins for the driver's use.
- 3.5.6 <u>Protection from Weather</u>. SRPMIC/SRCLC shall maintain the MRF to protect the Recyclable Materials and MRF operations from adverse weather conditions.

3.6 Classification Sorting, Rejects, Hazardous Waste.

- 3.6.1 <u>Classification Sort Percentages</u>. Within seven days after the Effective Date, the Parties shall agree upon the initial Classification Sort Percentages determination, which shall be included in <u>Exhibit C</u>. Thereafter, Classification Sorting shall be conducted as set forth in this Section.
 - A. Regularly Scheduled Classification Sort. Within six months following the Effective Date, and at least once every six-month period thereafter, SRPMIC/SRCLC and Scottsdale shall sample no less than 100 Tons of selected loads of Scottsdale's Recyclable Materials collected from all areas of the City, and across all collection days, delivered to the MRF to determine the Classification Sort Percentages. SRPMIC/SRCLC shall provide for all labor and equipment necessary to perform the sort. Scottsdale may have representatives present during the Classification Sort. The Recyclable Materials collected for this Sort will be processed through the processing system similar to a typical processing day.
 - B. <u>Requests for Sampling</u>. Either Party may direct additional Classification Sorts upon prior written notice of two business days to the other Party; provided, however, that the Classification Sort shall not occur more frequently than two times in any 30-day period. All Classification Sorts shall be performed in compliance with this Section 3.6.
 - C. <u>Use of Sort Percentages</u>. The Classification Sort Percentages shall be used to determine the (1) CRV from that point in time until the next Classification Sort and (2) the amount of the Rejects disposal charge billable to Scottsdale under Section 3.6.2 for Excess Rejects, if any, for the period of time until the next Classification Sort.
 - D. <u>Delivery of Report</u>. SRPMIC/SRCLC shall be responsible for providing Scottsdale with a report of each Classification Sort that shows for each load of sorted Recyclable Materials the amount of the net total weight (LBS/2000 LBS) of the load and the weight of each of the individual commodities as a percentage of the total load delivered.
- 3.6.2 <u>Disposal of Rejects, Cost.</u> SRPMIC/SRCLC shall dispose of all Rejects at the Facility as Solid Waste. SRPMIC/SRCLC shall pay all costs associated with the disposal of all Rejects delivered to the MRF; provided, however, that the Rejects consist of 15% or less by weight of the Recyclable Materials delivered, as determined by the Classification Sort Percentages. The Parties may mutually agree to revise the Excess Rejects percentage if, in the reasonable opinion of the Scottsdale Public Works Director and the SRCLC CEO, the revised Excess Rejects percentage is reasonable. If the Classification Sort Percentages identify Excess Rejects, then Scottsdale shall pay to SRPMIC/SRCLC the Reject Disposal Cost ("RDC"), calculated as follows:

RDC = Then-current Scottsdale Solid Waste tipping fee x Tons of Excess Rejects

3.6.3 Hazardous Waste. In the event Medical Waste, Special Waste, or Hazardous Waste is present within the Commingled Materials delivered by Scottsdale to the MRF, SRPMIC/SRCLC shall notify Scottsdale within four hours after the delivery of such Recyclable Materials. Scottsdale's obligations under this Section 3.6.3 shall only apply to Medical Waste, Special Waste, or Hazardous Waste that SRPMIC/SRCLC has reported to Scottsdale within four hours after delivery. Upon notification to Scottsdale by SRPMIC/SRCLC, Scottsdale shall either cause a qualified non-Party to perform the transportation, cleanup, removal and disposal of all Medical Waste, Special Waste, and Hazardous Waste proven to be delivered to the MRF by Scottsdale, or shall itself undertake such transportation, cleanup, removal and disposal. To the extent permitted by law, so long as the Medical Waste, Special Waste, and Hazardous Wastes are of a type and scope that can be segregated and temporarily put aside so that the MRF's ability to sort and process materials is not impeded, disrupted, or shut down, and so long as the health and safety of employees of the MRF are not put at risk, the deadline for Scottsdale's removal of such wastes shall be extended up to 48 hours from the time Scottsdale is notified. In the event such Medical Waste, Special Waste, or Hazardous Waste are of the type and scope that cannot be segregated and temporarily set aside, these wastes shall be removed no later than close of business of the day in which they were delivered, except where such wastes are delivered after 2:00 p.m. in which case they shall be removed by 12:00 noon of the following day.

3.7 Weighing Recyclable Materials.

- 3.7.1 <u>Accurate Scales</u>. SRPMIC/SRCLC shall provide accurate scales to weigh all vehicles delivering Recyclable Materials to the MRF. SRPMIC/SRCLC shall have the scales certified semi-annually by an independent testing firm qualified to perform such tests within the State of Arizona, or have an appropriate Arizona governmental agency conduct the testing. SRPMIC/SRCLC shall provide Scottsdale with copies of all test results for the scales within 10 business days after SRPMIC/SRCLC's receipt of such test results.
- 3.7.2 <u>Weighing Recyclable Materials</u>. SRPMIC/SRCLC shall weigh each load of Recyclable Materials delivered to the MRF by or on behalf of Scottsdale, and shall record said load's net weight (gross weight minus Tare Weight) according to the delivery vehicle identification number. SRPMIC/SRCLC may require the drivers of Scottsdale Collection Vehicles to weigh their empty trucks at SRPMIC/SRCLC's scale no more than once per month in order to determine current accurate Tare Weight.
- 3.8 <u>Records.</u> SRPMIC/SRCLC shall maintain records and reports summarizing the MRF operations. SRPMIC/SRCLC shall furnish a statement to Scottsdale, on or before the last day of each Billing Month, which provides Scottsdale with a monthly report for the previous Billing Month for each delivery of Recyclable Materials delivered to the MRF by or on behalf of Scottsdale. Such statement shall contain the following information:

3.8.1 Delivery Information.

- A. The date and time of the delivery;
- B. The delivery vehicle identification number;
- C. The gross weight of the delivery vehicle;

- D. The Tare Weight of the delivery vehicle; and
- E. The net weight of the load of Recyclable Materials delivered.
- 3.8.2 <u>Summary Information</u>. SRPMIC/SRCLC shall provide the following summarized information related to Scottsdale's Delivery of Recyclable Materials for the subject Billing Month:
 - A. The total weight of Recyclable Materials delivered by Scottsdale during the Billing Month and the net weight and date of each delivery.
 - B. The amount owed by SRPMIC/SRCLC to Scottsdale under Section 3.9 (Revenue Share, Recyclable Materials); the amount owed by Scottsdale to SRPMIC/SRCLC, if any, under Section 3.6.2 (Disposal of Rejects, Cost), or Section 3.6.3 (Hazardous Waste).
 - C. Total Tons of Recyclable Materials delivered to the MRF from all delivery sources.
- 3.9 Revenue Share, Recyclable Materials. The Parties intend that Scottsdale shall receive from SRPMIC/SRCLC an amount (the "Share Price") for each Ton of Recyclable Materials delivered by or on behalf of Scottsdale to the MRF, as described below and depicted on Exhibit A attached hereto. The Share Price represents a fixed percentage of the difference between the value of the commodities that make up the Recyclable Materials delivered by Scottsdale (the Composite Revenue Value, or CRV, see Section 3.9.1; this includes an adjustment for the freight costs of moving the commodities to west coast ports for export) and the costs for SRPMIC/SRCLC to process the Recyclable Materials (the CRV Base, see Section 3.9.2). The Share Price shall be calculated as follows:

If the CRV equals or exceeds the CRV Base, then the Share Price equals 75% of the difference between the CRV and the CRV Base; or

If the CRV Base exceeds the CRV, then the Share Price equals the Minimum Share Price (see Section 3.9.3).

3.9.1 <u>Composite Revenue Value (CRV)</u>. The CRV is the value derived to represent the value of the commodities which make up the Recyclable Materials. It consists of a value for cardboard (Adjusted OCC), a value for newsprint (Adjusted ONP), and a composite value for all other materials (Other Commodity Rate). The values for cardboard and newsprint are published index values adjusted by a Freight Charge (see Subsection 3.9.1(C)) and subject to agreed-upon minimum floor prices for each commodity. During the term of this Agreement, the CRV shall be the sum of the Adjusted OCC, the Adjusted ONP, and the Other Commodity Rate:

CRV = Adjusted OCC + Adjusted ONP + Adjusted Other Commodity Rate.

A. <u>Value for Cardboard</u>. The "Adjusted OCC" is the percentage composition of cardboard from the most recent Classification Sort times the greater of (i) OCC minus the Freight Charge (see Subsection 3.9.1(C)); or (ii) the OCC Floor. The OCC is defined in Section 1.21. The OCC Floor is the agreed-upon lowest OCC value, despite the rates published in the PPI Index (minus the Arizona Adjustment). Beginning

on the Effective Date, OCC Floor is \$90 per Ton. Any downward adjustment of the OCC Floor will require an amendment to this Agreement.

- B. <u>Value for Newsprint</u>. The "Adjusted ONP" is the percentage composition of newsprint from the most recent Classification Sort times the greater of (i) ONP minus the Freight Charge (see Subsection 3.9.1(C)); or (ii) the ONP Floor. The ONP is defined in Section 1.23. The ONP Floor is the agreed-upon lowest ONP value, despite the rates published in the PPI Index (minus the Arizona Adjustment). Beginning on the Effective Date, the ONP Floor is \$90 per Ton. Any downward adjustment of the ONP Floor will require an amendment to this Agreement.
- C. <u>Freight Charge</u>. The "Freight Charge" is the amount that represents freight-related costs or surcharges related to movement of commodities from the Phoenix area to west coast ports for export. Beginning on the Effective Date, the Freight Charge is \$35 per Ton, subject to the annual CPI Adjustment set forth in Section 3.9.4.
- D. Other Commodity Rate. The "Other Commodity Rate" is the rate per ton to represent the value of all commodities in the Recyclable Materials other than cardboard and newsprint. Beginning on the Effective Date, the Other Commodity Rate is \$20 per Ton. Beginning January 1, 2019, and prior to January 1 of each year during the Term thereafter, SRPMIC/SRCLC and Scottsdale shall review current commodity pricing and shall negotiate in good faith any adjustments in the Other Commodity Rate to reflect the then-current market conditions. If, in the reasonable opinion of the Scottsdale Public Works Director and the SRCLC Landfill CEO, the proposed adjustment is reasonable, they shall agree to a change in the Other Commodity Rate. Adjustments in the Other Commodity Rate after January 1, 2019, if any, shall become effective on October 1 of each year.
- 3.9.2 <u>CRV Base</u>. The "CRV Base" is the value to represent the costs for SRPMIC/SRCLC to process the Recyclable Materials. Beginning on the Effective Date, the CRV Base is \$70 per ton, subject to the annual CPI Adjustment set forth in Section 3.9.4 below.
- 3.9.3 <u>Minimum Share Price</u>. The "Minimum Share Price" is the agreed-upon lowest Share Price, despite the result of the Share Price calculation. Beginning on the Effective Date, the Minimum Share Price is \$0. Any downward adjustment of the Minimum Share Price will require an amendment to this Agreement.
- 3.9.4 <u>CPI Adjustments</u>. Beginning on July 1, 2016, and continuing on each succeeding Rate Change Date, the CRV Base and the Freight Charge shall be modified by multiplying the then-current values for the CRV Base and the Freight Charge by the Rate Adjustment.
- 3.10 <u>Title to Recyclable Materials</u>. Scottsdale shall retain title and responsibility for the Rejects and Recyclable Materials until they are delivered to the MRF. Upon delivery to the MRF, title to all Rejects and Recyclable Materials shall pass to SRPMIC/SRCLC and shall be the responsibility of SRPMIC/SRCLC. Scottsdale shall continue to retain title and responsibility for Medical Waste, Special Waste, and Hazardous Waste delivered to the MRF by or on behalf of Scottsdale, so long as the presence of such waste has been reported to Scottsdale within four- hours (4) after delivery. If SRPMIC/SRCLC does not report Medical Waste, Special Waste

or Hazardous Waste to Scottsdale within the four-hour (4) time period, title to such waste shall pass to SRPMIC/SRCLC upon expiration of such four-hour time period.

3.11 Temporary Loss of Capacity at MRF.

- 3.11.1 Loss of Processing Capacity. If SRPMIC/SRCLC is unable to accept and process Recyclable Materials for any period, or if equipment shortcomings cause a decrease in processing capacity, SRPMIC/SRCLC shall correct any mechanical problem or other issue affecting the MRF's processing system. SRPMIC/SRCLC shall diligently proceed with such correction until completed.
- 3.11.2 Alternative MRF. At any time during a period of decreased processing capability or loss of processing capacity, SRPMIC/SRCLC may designate a substitute alternative Materials Recovery Facility that is available for acceptance, processing and marketing of the Recyclable Materials delivered by or on behalf of Scottsdale during the period of correction ("Alternative MRF"). In the event SRPMIC/SRCLC designates an Alternative MRF, Scottsdale shall continue to deliver Recyclable Materials to the MRF as provided in this Agreement. Upon delivery to the MRF, SRPMIC/SRCLC shall transport the Recyclable Materials to the Alternative MRF for acceptance, processing and marketing and shall pay all costs and fees related to the use of the Alternative MRF.
- 3.11.3 <u>Delivery of Recyclable Materials to Alternative MRF</u>. Notwithstanding the foregoing, Scottsdale may deliver Recyclable Materials directly to the Alternative MRF upon request of SRPMIC/SRCLC. If Scottsdale agrees to deliver Recyclable Materials to an Alternative MRF, SRPMIC/SRCLC will compensate Scottsdale for the incremental costs of delivering to the Alternative MRF, including paying for additional fuel, and maintenance and repair rates for incremental vehicle usage, and paying additional labor hours for drivers at the overtime rate.
- 3.11.4 <u>Delivery of Transfer Loads to Alternative MRF</u>. When providing transfer services under Article 4, SRPMIC/SRCLC may deliver transferred Recyclable Materials loads directly to the Alternative MRF at any time. If SRPMIC/SRCLC chooses to deliver transferred Recyclable Materials loads to an Alternative MRF, then Scottsdale will continue to pay the thencurrent Transfer Service Fee for each ton delivered. Scottsdale will not be required to pay any incremental costs for delivering transferred Recyclable Materials loads to an Alternative MRF.
- 3.11.5 Shipping Interruptions: Processing capacity can also be impacted by third party actions that impact the MRF's ability to ship recovered materials to end markets. Activities that may interrupt regular shipping may include, but are not limited to, labor actions such as strikes and work slowdowns, long-term disruptions in transportation corridor infrastructure (e.g. roadway, highway or rail infrastructure damages), or other activities outside the control of either the City or SRPMIC/SRCLC. The Parties agree, that should such an event arise, they will negotiate in good faith appropriate remedies and cost sharing to provide for ongoing service while such shipping interruptions impact MRF operations. Should any labor actions such as strikes and work slowdowns occur as a result of activities within the control of SRPMIC/SRCLC, SRPMIC/SRCLC shall take such actions as are reasonable and necessary under the circumstances to assure that the services contracted for herein continue without significant interruption.

ARTICLE 4 - TRANSFER SERVICES

- 4.1 <u>Transfer Services.</u> SRPMIC/SRCLC shall provide transfer services for all Scottsdale-collected Recyclable Materials from the Transfer Station to the MRF as provided in this Article. SRPMIC/SRCLC may contract out for transfer services provided that the standards set out in this Article are adhered to and remain the ultimate responsibility of SRPMIC/SRCLC. All such transferred Recyclable Materials loads shall be included in Scottsdale's annual disposal requirements as set forth in Section 3.2. SRPMIC/SRCLC's transfer services shall accommodate the Transfer Station's daily hours of operation set forth below, and shall be conducted to ensure no Recyclable Materials or loaded trailers shall be stored at the Transfer Station site after the close of daily operations. SRPMIC/SRCLC personnel shall be responsible for the appropriate tarping of each loaded trailer.
- 4.2 <u>Personnel</u>. SRPMIC/SRCLC shall provide qualified personnel to perform the transfer services.
- 4.3 <u>Vehicles</u>. SRPMIC/SRCLC shall provide suitable vehicles, the suitability of which shall be approved by Scottsdale's Solid Waste Director, to perform its transfer services. Transfer services shall include:
- 4.3.1 <u>Minimum Trailers</u>. No less than five trailers, each of which shall be a minimum of 50 feet in length and capable of hauling 20 Tons of Recyclable Materials.
- 4.3.2 <u>Minimum Tractors; Maintenance; Regulations; Storage</u>. No less than two tractors sufficiently powered and appropriately licensed to pull any loaded trailer on public thoroughfares. SRPMIC/SRCLC shall ensure the proper maintenance of all trailers and tractors. All vehicles provided pursuant to this Agreement shall comply with all applicable federal, state, and local laws and regulations. Except when being serviced for repairs or routine maintenance, all tractors and unloaded trailers shall, upon the close of daily operations, be temporarily stored at a Scottsdale-designated location at the Transfer Station site.
- 4.4 Reports. In addition to the monthly statements required by Section 3.8, SRPMIC/SRCLC shall provide Scottsdale with a tonnage reading for each load of Recyclable Materials it transfers from the Transfer Station to the Facility or the MRF. Each such tonnage reading shall set forth:
 - (i) The vehicle identification number;
 - (ii) The date and time of delivery;
 - (iii) The gross weight of the vehicle as loaded;
 - (iv) The Tare Weight of the vehicle (Scottsdale may require SRPMIC/SRCLC to weigh its empty vehicles at SRPMIC/SRCLC's scale no more than once per month in order to determine current accurate Tare Weight);
 - (v) The net weight of each load of Recyclable Material; and
 - (vi) The calculation of the transfer charge for each load of transferred Recyclable Materials.

- 4.5 <u>Transfer Station</u>. Scottsdale shall operate the Transfer Station between the hours of 7:00 a.m. and 4:00 p.m., Monday through Friday. Scottsdale may increase the number of hours or days of operation as determined by Scottsdale's Solid Waste Director. Scottsdale shall provide adequate space for the temporary storage of unloaded SRPMIC/SRCLC trailers and tractors at the Transfer Station site. Scottsdale personnel shall be responsible for the loading of trailers with Recyclable Materials to be delivered to the MRF. Scottsdale personnel may move trailers to or from the trailer loading area when necessary to ensure the efficient loading and relocation of trailers at the Transfer Station site.
- 4.6 <u>Transfer Service Fee.</u> In addition to the fees set forth above, Scottsdale shall pay a fee to the SRPMIC/SRCLC for the transfer of Recyclable Materials from the Transfer Station to the Facility (the "Transfer Fee"). As of the Effective Date, the agreed upon Transfer Fee is \$10.00 per Ton. Thereafter, on the Rate Change Date, the Transfer Fee shall be adjusted according to the Rate Adjustment. In no event shall such Rate Adjustment related to the Transfer Fee: (i) exceed the amount of 3% of the Transfer Fee in effect the day prior to the Rate Change Date; or (ii) result in a reduction in the Transfer Fee in effect the day prior to the Rate Change Date. If the Rate Adjustment calculation would otherwise cause a reduction in the Transfer Fee, the Transfer Fee in effect the day prior to the Rate Change Date shall remain in effect until the next annual Rate Change Date.

ARTICLE 5 - DEFAULT; DISPUTE RESOLUTION

- 5.1 <u>Event of Default</u>. An "Event of Default" shall occur upon the occurrence of any one of the following:
- 5.1.1 <u>Failure to Make Payments</u>. If either Party fails to pay any sum of money due to the other Party under this Agreement when the same is due, and such failure continues for 30 days after the non-defaulting Party has given the defaulting Party notice specifying the amount due.
- 5.1.2 <u>Failure of Performance</u>. If either Party fails to perform any other of its material obligations or breaches any other of its material covenants contained in this Agreement and, unless another time limit is specifically stated elsewhere in this Agreement, the breach continues for a period of 60 days after written demand for performance is given by the non-defaulting Party, or, if the breach is of such a character as to require more than 60 days to cure (a "Cure Period") and the breaching Party shall fail to use reasonable diligence in curing such breach, provided, however, that in no event shall any Cure Period exceed 120 days.
- 5.2 Remedies for Default. Upon the occurrence of an Event of Default, the non-defaulting Party may exercise any remedies available to it at law or in equity and shall proceed in accordance with Section 5.3, Methods and Priorities, to exercise or enforce its remedies.
- 5.3 <u>Methods and Priorities</u>. All disputes arising out of this Agreement must be addressed as set forth in this Article 5. The Parties agree to try and resolve any dispute arising out of this Agreement first by informal meetings. If informal meetings fail to resolve the dispute, then the Parties agree to try and resolve the dispute through mediation. If mediation is unsuccessful, then the Parties agree that they shall resolve the dispute through arbitration in accordance with the then current Rules of Commercial Arbitration of the American Arbitration Association or any successor organization (the "AAA"). In the event of a conflict between this Agreement and the AAA Rules, this Agreement shall govem.

- 5.4 <u>Mediation</u>. The Party desiring to initiate the mediation process shall give written notice to that effect to the other Party and, in such written notice, include a brief statement of its claims. Within 10 days of the notice of intent to mediate, the Parties shall meet for the purpose of attempting to jointly select a single mediator to serve in the matter. If the Parties cannot agree on a single mediator, within five days of said meeting, the Party initiating the mediation process shall provide the other Party with notice of the name of one mediator. Within five days of receiving this notice, the other Party to the dispute shall name one mediator and give written notice to the other Party of its selection. The two selected mediators shall, within five days of selection of the second mediator, jointly select a third mediator who shall be the mediator. The mediation proceeding shall be held within 60 days of the appointment of the mediator and the mediator shall render his or her decision within 30 days after the conclusion of the mediation proceeding. If agreed to by the Parties, any mediation conducted pursuant to this Section shall be final and binding upon the Parties. The Parties shall bear the cost of such mediation equally between them.
- 5.5 Arbitration. In the event of failure of mediation or the Parties do not consent to the mediation being final and binding, the Parties shall proceed to arbitration using the same selection process for the selection of an arbitrator as was used in selecting a mediator. The arbitration proceeding shall be held within 60 days of the selection of the arbitrator. The arbitrator shall render his or her decision within 30 days after the conclusion of the arbitration proceeding. Any arbitration conducted pursuant to this Section shall be final and binding upon the Parties. The prevailing Party in such arbitration shall be entitled to file the decision and award with the United States District Court in Phoenix, or if the United States District Court lacks jurisdiction, then in the Maricopa County Superior Court and have judgment rendered thereon in accordance with applicable law. The prevailing Party shall be entitled to all costs incurred in connection with the arbitration proceeding, including its reasonable attorneys' fees, the arbitrator's fees, witness fees and other costs as determined by the arbitrator.
- 5.6 <u>General Considerations</u>. The Parties may stipulate in writing to extend or to shorten the time periods prescribed in this Article 5. All provisions of this Agreement not in dispute shall be observed and performed without interruption during the pendency of the procedures specified in this Article 5. By this Agreement, the SRPMIC/SRCLC does not waive, limit or modify its sovereign immunity from unconsented suit, except as specifically provided in this Agreement. SRPMIC/SRCLC hereby grants a limited waiver of sovereign immunity for the sole purpose of authorizing an arbitration proceeding as described above and to bring a judicial action in the United States District Court in Phoenix or, if the United States District Court lacks jurisdiction, in the Superior Court of Maricopa County, Arizona, for the enforcement of an arbitration decision (or failure to submit to arbitration, if applicable) authorized under and related to this Agreement. This limited waiver of sovereign immunity does not consent to or authorize a judicial action for damages against the SRPMIC/SRCLC other than the enforcement of arbitration decisions (which includes specific performance of the provisions of an arbitration decision).

ARTICLE 6. GENERAL PROVISIONS

6.1 <u>Duration of Agreement; Term.</u> The term of this Agreement shall commence on the Effective Date, and shall and continue to and include December 31, 2021, unless sooner terminated as set forth in this Agreement. On or before February 1, 2020, the SRPMIC/SRCLC shall notify Scottsdale of SRPMIC/SRCLC's intent to offer an extension of the term of this Agreement until December 31, 2026. Scottsdale shall, not later than December 31, 2020, notify SRPMIC/SRCLC whether it accepts or rejects the extension. If the term of this Agreement is

extended by the Parties until December 31, 2026, then, on or before February 1, 2025, the SRPMIC/SRCLC shall notify Scottsdale of SRPMIC/SRCLC's intent to offer an extension of the term of this Agreement until December 31, 2031. Scottsdale shall, not later than December 31, 2025, notify SRPMIC/SRCLC whether it accepts or rejects the extension. If Scottsdale rejects any extension or fails to respond to SRPMIC/SRCLC within the time periods set forth in this Section 6.1, this Agreement shall terminate at the end of the then-current term.

6.2 <u>Applicability of Other Legal Requirements</u>. Nothing set forth in this Agreement diminishes the responsibility of each Party to comply with all applicable laws and regulations affecting the transactions that are the subject matter of this Agreement. The Parties shall comply with any changes in applicable laws or regulations and if such applicable laws and regulations require, modify this Agreement to comply with such applicable laws and regulations.

6.3 Indemnification.

- 6.3.1 <u>SRPMIC/SRCLC</u>. SRPMIC/SRCLC agrees to indemnify, defend and hold Scottsdale, its agents, representatives, officers, officials, directors and employees, harmless from and against any and all liability, suits, obligations, fines, damages, penalties, claims, costs, charges, and expenses (including reasonable attorney fees) of any character or nature resulting from the negligent or willful misconduct of SRPMIC/SRCLC. For purposes of this Section, "negligent or willful misconduct of SRPMIC/SRCLC" shall include any act or omission of SRPMIC/SRCLC, or its assignees or subcontractors under the Agreement, determined by a court or other agency of competent jurisdiction to be negligent, intentional, or a violation of a federal environmental law or this Agreement.
- 6.3.2 <u>Scottsdale</u>. Scottsdale agrees to indemnify, defend and hold SRPMIC/SRCLC, and their agents, representatives, officers, officials, directors and employees, harmless from and against any and all liability, suits, obligations, fines, damages, penalties, claims, costs charges, expenses (including reasonable attorney fees) of any character or nature resulting from the negligent or willful misconduct of Scottsdale. For purposes of this Section, "negligent or willful misconduct of Scottsdale" shall include any act or omission of Scottsdale, or its assignees or subcontractors under the Agreement, determined by a court or other agency of competent jurisdiction to be negligent, intentional, or a violation of a federal environmental law or this Agreement.

6.4 <u>Insurance Requirements</u>.

6.4.1 Required Coverage.

- A. <u>General</u>: SRPMIC/SRCLC, at its own expense, shall purchase and maintain, until all work required under this Agreement is satisfactorily completed, the minimum insurance specified below with companies duly licensed, with a current A.M. Best, Inc. rating of B++6, or approved unlicensed by the State of Arizona Department of Insurance. Any alternative insurer must be approved by Scottsdale's Risk Management Division.
- B. <u>Additional insured</u>: The insurance coverage, except Workers Compensation, required by this Agreement shall name Scottsdale, its agents, representatives, officers, directors, officials and employees as additional insured.

- C. <u>Primary coverage</u>: SRPMIC/SRCLC's insurance shall be primary insurance as respects Scottsdale, and any insurance or self-insurance maintained by Scottsdale shall not contribute to it.
- D. <u>Waiver</u>: The policies, except Workers Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against Scottsdale, its agents, representatives, directors, officers, and employees for any claims arising out of the work of the SRPMIC/SRCLC.
- E. <u>Commercial General Liability</u>: SRPMIC/SRCLC shall maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence, \$1,000,000 Products and, Completed Operations Annual Aggregate, and a \$1,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 01 0798 or equivalent thereof, including but not limited to, separation of insureds clause.
- F. <u>Vehicle Liability</u>: SRPMIC/SRCLC shall maintain Business Automobile Liability insurance with a limit of \$2,000,000 each accident with respect to any owned, hired, and non-owned vehicles assigned to or used in the performance of the SRPMIC/SRCLC work or services. Coverage will be at least as broad as Insurance Services Office, Inc. coverage code "1" "any auto" policy form CA 00 01 07 97 or equivalent thereof. Insurance shall include coverage for loading and off-loading hazards.
- G. <u>Workers Compensation Insurance</u>: SRPMIC/SRCLC shall carry Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of SRPMIC/SRCLC's employees engaged in the performance of the services; and employers' liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee and \$500,000 disease policy limit. In case any work is subcontracted, SRPMIC/SRCLC shall require the subcontractor to provide workers' compensation and employer's liability to at least the same extent as required of SRPMIC/SRCLC.
- 6.4.2 <u>Certificates of Insurance</u>: Prior to commencing services under this Agreement, SRPMIC/SRCLC shall furnish Scottsdale with Certificates of Insurance, or formal endorsements as required by the Agreement, issued by SRPMIC/SRCLC's insurer(s) as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect. Such certificates shall identify this Agreement and shall provide for not less than 30 days advance Notice of Cancellation, Termination, or Material Alteration. In the event any insurance policy(ies) required by this Agreement is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the work or services and/or the termination of this Agreement and as evidenced by annual Certificates of Insurance.
- 6.5 <u>NOTICES</u>. Except as otherwise indicated, all notices, waivers, demands, requests and other communications required or permitted by this Agreement (collectively, "Notices") shall be in writing and shall be effective only if sent by one or more of the following methods: (i) personal delivery; (ii) generally-recognized overnight commercial courier regularly providing proof of delivery, with delivery charges prepaid or duly charged; or (iii) United States

registered or certified mail, return-receipt requested, postage prepaid, addressed to the Parties at the respective addresses set forth opposite their names below, or to any other address or addresses as either Party shall designate from time to time by notice given to the other in the manner provided in this Section:

If to SRPMIC:

Salt River Landfill Chief Executive Officer 13602 East Beeline Hwy Scottsdale, AZ 85256

Copies to:

Salt River Pima-Maricopa Indian Community

Office of the General Counsel 10005 East Osborn Road Scottsdale. AZ 85256

If to Scottsdale:

City of Scottsdale

Solid Waste Management Division 9191 East San Salvador Drive

Scottsdale, AZ 85258

Attention: Solid Waste Director

Copies to:

City of Scottsdale

Office of the City Attorney 3939 Drinkwater Blvd. Scottsdale, AZ 85251

Notices given or served by personal delivery shall be deemed to have been received upon tender to the respective Party. Notices given or served by mail or commercial courier shall be deemed to have been given or served as of the date of delivery (whether accepted or refused) established by the United States Postal Service return-receipt or the overnight courier's proof of delivery, as the case may be.

- 6.6 <u>Attorneys' Fees and Court Costs</u>. In any action, at law or in equity, brought to interpret or enforce any of the terms and conditions of this Agreement or to obtain damages arising from any default under or violation of this Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and expenses, expert witness and consultant fees and expenses, court costs, arbitration fees and expenses, and the cost of appellate proceedings, in addition to any other relief to which said Party may be entitled.
- 6.7 <u>Waiver</u>. No waiver is valid except when signed by the Party giving the waiver. The waiver of any provision of this Agreement shall not be construed as a waiver of: (A) any claims arising from a subsequent breach of that or any other provision of this Agreement; or (B) the obligations under any other provision of this Agreement. The failure of a Party to object to or to take affirmative action with respect to any conduct of any other Party shall not be construed as a waiver of any objection to such conduct, or as a waiver of any claim arising from a future breach or subsequent wrongful conduct. Neither any failure nor any delay on the part of any Party hereto in exercising any right hereunder shall operate as a waiver, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

- 6.8 <u>Joint Participation in Negotiation of Agreement</u>. The Parties have participated jointly with the assistance of counsel in the negotiation and drafting of this Agreement. Parties of equal bargaining power have negotiated this Agreement at arm's length. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.
- 6.9. <u>Contract Administrator</u>. The Contract Administrator for Scottsdale shall be the Solid Waste Director or the Director's designee. The Contract Administrator shall be authorized to represent Scottsdale on all matters relating to the performance and enforcement of this Agreement.
- 6.10 References to Law. Any reference to any federal, state, local or foreign statute, law or ordinance shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.
- 6.11 <u>Calendar Days</u>. Unless otherwise indicated, any reference to a period of days shall mean calendar days (e.g., "10 days" shall mean 10 calendar days).
- 6.12 <u>Obligations of SRPMIC and SRCLC</u>. SRCLC is a Division of the SRPMIC charged with the responsibility under the laws of the SRPMIC to operate and maintain the landfill, recycling, green waste and related transportation business of the SRPMIC under the name of the SRCLC. SRCLC is not a separate entity, but is a Division or Department of the SRPMIC. The obligations undertaken by the SRPMIC and the SRCLC under this Agreement are obligations of the SRPMIC and its Division, SRCLC, without regard to the fact that the SRCLC will perform those obligations.
- 6.13 <u>Authority</u>. SRPMIC/SRCLC and Scottsdale each represent, warrant and covenant to the other that they have the right to enter into and make this Agreement.
- 6.14 <u>Governing Law.</u> This Agreement will be governed by and construed in accordance with the laws of the State of Arizona except to the extent such laws mandate, require or utilize state court jurisdiction not otherwise contemplated or set forth in this Agreement. The Parties agree that in the event any action is commenced consistent with and in connection with this Agreement, venue for such action or proceeding shall be proper only in the United States District Court in Phoenix, or if the United States District Court lacks jurisdiction, then in the Superior Court of Maricopa County, Arizona, and the Parties hereby waive any right to object to such venue.
- 6.15 Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof, and except as otherwise specified herein, all prior and contemporaneous agreements, representations, negotiations and understandings of the Parties, oral or written, are superseded hereby and merged herein. No subsequent notation, renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written amendment or other agreement properly executed by the Parties.
- 6.16 <u>No Third Party Beneficiaries</u>. This Agreement will be binding upon and inure solely to the benefit of the Parties and their successors and assigns, and nothing herein, express or implied, is intended to or will confer upon any other person or party any legal or equitable right, benefit, or remedy of any nature whatsoever.

- 6.17 <u>Severability</u>. If any term or other provision of this Agreement is deemed invalid, illegal or incapable of being enforced by a court of competent jurisdiction, all other terms and provisions of this Agreement will nevertheless remain in full force and effect. Upon such determination, the Parties will negotiate in good faith to modify this Agreement to give effect to the original intent of the Parties as closely as possible.
- 6.18 <u>Headings</u>. The descriptive headings contained in this Agreement are for convenience of reference only and will not affect in any way the meaning or interpretation of this Agreement.
- 6.19 <u>No Partnership.</u> Nothing contained in this Agreement will be construed to establish the Parties as partners, joint venturers, or as agents of any other party, and, except as expressly provided herein, neither of the Parties has any power to obligate or bind the other in any manner whatsoever.
 - 6.20 Time of the Essence. Time is of the essence of this Agreement.
 - 6.21 A.R.S. § 38-511. Notice is hereby given of the applicability of A.R.S. § 38-511.
- 6.22 <u>Effectiveness of Agreement</u>. This Agreement shall become effective upon approval and execution by both Parties.
- 6.23 <u>Incorporation of Exhibits and Recitals</u>. All Exhibits attached hereto are incorporated herein by this reference as though fully set forth herein, unless specifically stated otherwise. The Parties acknowledge and agree that all of the "Recitals" at the beginning of this Agreement are true and correct and are incorporated herein as binding agreements and obligations of this Agreement by this reference.
- 6.24 <u>Counterparts</u>. This Agreement may be executed in counterparts, and each counterpart executed by any of the undersigned, together with all other counterparts so executed, shall constitute a single instrument and agreement of the undersigned.
- 6.25 <u>Non-Default</u>. By executing this Agreement, each Party affirmatively asserts that (A) the other Party is not currently in default, nor has been in default at any time prior to this Agreement, under any of the terms or conditions of the Prior Agreement and (B) any and all claims, known or unknown, relating to the Prior Agreement and existing on or before the date of this Agreement are forever waived.
- 6.26 Force Majeure. Neither Party shall be liable to the other for damages (including liquidated damages) if such Party's performance is delayed or prevented due to an event of Force Majeure. In such event, the affected Party shall promptly notify the other of the event of Force Majeure and its likely duration. During the continuation of the Force Majeure Event, the nonperforming Party shall (A) exercise commercially reasonable efforts to mitigate or limit damages to the performing Party; (B) exercise commercially reasonable due diligence to overcome the Force Majeure event; (C) to the extent it is able, continue to perform its obligations under this Agreement; and (D) cause the suspension of performance to be of no greater scope and no longer duration than the Force Majeure event requires. In the event of a delay in either Party's performance of its obligation hereunder for more than 60 days due to a Force Majeure, the other Party may, at any time thereafter, terminate this Agreement.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Pawritten above	arties have executed this Agreement as of the date first
	SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, a federally recognized Indian Tribe
ATTEST:	By Delbert Ray, Sr., President
Secretary	
APPROVED AS TO FORM:	·
Michael C. Shiel, General Counsel	
	SALT RIVER COMMERCIAL LANDFILL COMPANY, a Division of the Salt River Pima-Maricopa Indian Community
ATTEST:	By Meldon Andrews, Board Chairperson
Secretary	
APPROVED AS TO FORM:	
Jennifer K. Giff, Counsel	

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

CITY OF SCOTTSDALE, an Arizona municipal corporation

	By W.J. "Jim" Lane, Mayor	
ATTEST:		
Carolyn Jagger, City Clerk		

Katié Callaway Risk Management Director

Frank Moreno Solid Waste Director

REVIEWED BY:

APPROVED AS TO FORM:

Bruce Washburn, City/Attorney

By: Clifford J. Frey

Senior Assistant City Attorney

EXHIBIT A TO RECYCLABLE MATERIALS HANDLING AGREEMENT BETWEEN THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, THE SALT RIVER COMMERCIAL LANDFILL COMPANY AND THE CITY OF SCOTTSDALE

[CRV and Share Price Calculation]

See following page.

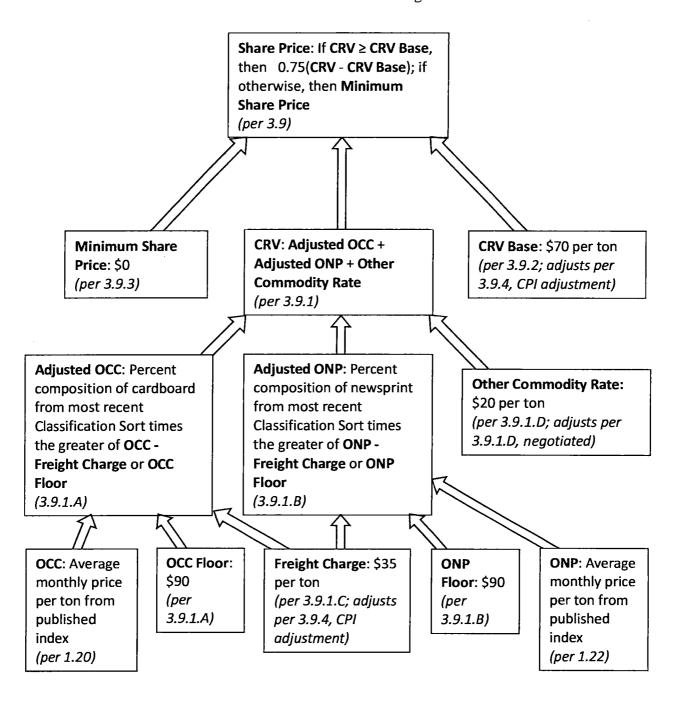


EXHIBIT B TO RECYCLABLE MATERIALS HANDLING AGREEMENT BETWEEN THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, THE SALT RIVER COMMERCIAL LANDFILL COMPANY AND THE CITY OF SCOTTSDALE

[Facility Map]

See following page.

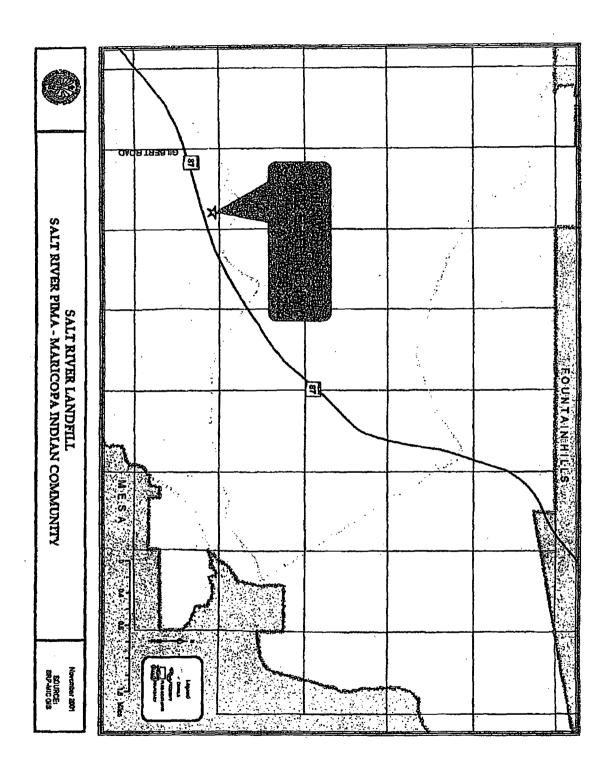


Exhibit B

EXHIBIT C TO RECYCLABLE MATERIALS HANDLING AGREEMENT BETWEEN THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, THE SALT RIVER COMMERCIAL LANDFILL COMPANY AND THE CITY OF SCOTTSDALE

[Classification Sort Percentages]

See following page.

Classification Sort Percentages

As of the Effective Date of this Agreement, the Classification Sort Percentages are as follows:

Cardboard (OCC)	14.6 %
Newsprint (ONP)	50.8 %
Other Recyclable Materials	26.0 %
Rejects	8.2 %

ATTACHMENT 3

Scottsdale Agreement No. 2016-023-COS

SOLID WASTE DISPOSAL FACILITIES AGREEMENT BETWEEN THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, THE SALT RIVER COMMERCIAL LANDFILL COMPANY AND THE CITY OF SCOTTSDALE

THIS SOLID WASTE DISPOSAL FACILITIES AGREEMENT (the "Agreement") is made and entered into as of March 1, 2016, by and between the SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, a federally recognized Indian Tribe ("SRPMIC" or the "Community"), and its division, the SALT RIVER COMMERCIAL LANDFILL COMPANY ("SRCLC" or "Company"), and the CITY OF SCOTTSDALE, an Arizona municipal corporation ("Scottsdale") (individually, a "Party;" collectively, the "Parties"). For purposes of this Agreement, the Salt River Pima-Maricopa Indian Community and the Salt River Commercial Landfill Company shall be referred to collectively as "SRPMIC/SRCLC."

RECITALS

- A. SRPMIC/SRCLC and Scottsdale have a long history of a mutually beneficial contractual relationship concerning the disposal of municipal solid waste.
- B. SRPMIC/SRCLC and Scottsdale are committed to a solid waste management program that incorporates source reduction and disposal in a solid waste disposal facility meeting all applicable environmental requirements.
- C. The Community and Scottsdale previously entered into that certain Solid Waste Disposal Facilities Agreement, dated May 16, 1994, Agreement No. 940041 (the "Original Agreement"), which was amended by that certain agreement No. 940041A dated March 18, 1996, and as thereafter modified and restated by the agreement on August 31, 1998, and was further amended by the agreement on December 4, 2000, which was then modified and restated by the Second Amended and Restated Solid Waste Disposal Facilities Agreement, dated April 20, 2004, and further amended by the First Amendment to the Second Amended and Restated Solid Waste Disposal Facilities Agreement, dated Solid Waste Disposal Facilities Agreement to the Second Amendment to the Second Amended and Restated Solid Waste Disposal Facilities Agreement, dated December 2, 2015.
- D. The Parties intend that the Original Agreement, as amended, modified and restated (collectively, the "Prior Agreement"), and any other prior agreements pertaining to the subject matter hereof, are hereby superseded by this Agreement and the Recyclable Materials Handling Agreement executed contemporaneously herewith, but that the Prior Agreement shall remain in full force and effect until the Effective Date of this Agreement.
- E. The Community, Company and Scottsdale have determined that it is in the best interests of all Parties to separate the provisions of the Prior Agreement into individual agreements relating to Solid Waste disposal and Recyclable Materials handling.
- F. The Community, Company and Scottsdale now desire to enter into this Agreement, superseding portions of the Prior Agreement pertaining to Solid Waste disposal, to provide, among other things, for (i) modifications to the solid waste Tipping Fee calculation, (ii) a mechanism for separating the Solid Waste disposal and Recyclable Materials handling into two

Scottsdale Agreement No. 2016-023-COS

discrete agreements and (iii) extending the term during which SRPMIC/SRCLC will provide Solid Waste disposal services to Scottsdale.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the SRPMIC/SRCLC and Scottsdale hereby agree as follows:

ARTICLE 1 - DEFINITIONS

In addition to the terms defined above or elsewhere in this Agreement, the Parties agree that the following terms shall have the meanings noted, except where the context clearly indicates otherwise:

- 1.1 "Billing Month" means each calendar month.
- 1.2 "CPI" means the Consumer Price Index, published by the U.S. Bureau of Labor Statistics, All Urban Consumers, U.S. City Average, All Items (1982-84=100). If, on a relevant date, the CPI does not exist in the above format, SRPMIC/SRCLC will substitute any official index published by the Bureau of Labor Statistics, any successor agency, or similar governmental agency, which is then in existence and which is then most nearly comparable to the CPI.
 - 1.3 "Effective Date" is defined in the introduction.
- 1.4 "Facility" means the municipal solid waste landfill unit, as defined by 40 C.F.R. § 258.2, owned, operated and maintained by SRPMIC/SRCLC, located between the Arizona Canal and the Beeline Highway just east of the Gilbert Road alignment, as depicted on the map attached hereto as Exhibit A.
- 1.5 "Fiscal Year" means Scottsdale's fiscal year that commences on each July 1 and ends on each immediately following June 30.
- 1.6 "Force Majeure" means any act, event or condition materially and adversely affecting the ability of a Party to perform or comply with any material obligation, duty or agreement required under this Agreement, if such act, event, or condition is beyond the reasonable control of the nonperforming Party or its agents relying thereon, is not the result of the willful or negligent action, inaction or fault of the Party relying thereon, and the nonperforming Party has been unable to avoid or overcome the act, event or condition by the exercise of due diligence, including, without limitation: (i) an act of God, epidemic, landslide, lightning, earthquake, fire, explosion, storm, flood or similar occurrence; (ii) an act of public enemy, war, blockage, insurrection, riot, general unrest or restraint of government and people, civil disturbance or disobedience, sabotage, act of terrorism or similar occurrence; or (iii) an order or judgment (including without limitation a temporary restraining order, temporary injunction, preliminary injunction, permanent injunction, or cease and desist order) or other act of any federal, state, county or local court, administrative agency or governmental office or body which prevents a Party's obligations as contemplated by this Agreement.
- 1.7 "Green Waste" means all brush and vegetation of any nature whatsoever, including branches and clippings.

- 1.8 "Hazardous Waste" means any hazardous waste as defined in 42 U.S.C. § 6903(5), as the same may be amended or superseded.
 - 1.9 "Inspecting Entity" is defined in Section 2.10.2.
- 1.10 "Medical Waste" means any medical waste as defined in the Section R18-13-1401 of the Arizona Administrative Code, as the same may be amended or superseded.
 - 1.11 "Rate Adjustment" is defined in Section 2.9.2.
 - 1.12 "Rate Change Date" is defined in Section 2.9.2.
- 1.13 "Scottsdale Collection Vehicle" means a vehicle used in making a Scottsdale Delivery.
- 1.14 "Scottsdale Customer" means a Scottsdale residential Solid Waste utility customer, whose name is on the Solid Waste utility account, or who resides at the address of the residence for which Scottsdale residential Solid Waste management services are provided.
- 1.15 "Scottsdale Customer Delivery" means a delivery of Solid Waste by a Scottsdale Customer under the terms of this Agreement.
- 1.16 "Scottsdale Delivery" means a delivery of Solid Waste by or on behalf of Scottsdale under the terms of this Agreement.
- 1.17 "Solid Waste" means garbage, trash, rubbish, refuse, and other discarded material, including without limitation solid, contained liquid, semisolid, or contained gaseous material, and Green Waste, but excluding untreated sewage or Hazardous Waste.
 - 1.18 "Solid Waste Tonnage Election" is defined in Section 2.9.3.
- 1.19 "Special Waste" means any special waste as defined in A.R.S. §49-851 (5), as the same may be amended or superseded.
- 1.20 "Tare Weight" means the recorded weight of an unloaded Scottsdale Collection Vehicle.
- 1.21 "Tipping Fee" means the amount charged by SRPMIC/SRCLC to Scottsdale for disposal of Solid Waste delivered by or on behalf of Scottsdale to the Facility. The Tipping Fee is derived by multiplying the then-current rate per Ton by the number of Tons delivered, as calculated in Subsection 2.9.
 - 1.22 "Ton" means a short ton of 2,000 U.S. pounds.
 - 1.23 "Transfer Fee" is defined in Section 3.6.
- 1.24 "Transfer Station" means the Scottsdale-owned facility located at Union Hills Drive west of Pima Road, which serves as a collection point for the delivery of a portion of the Solid Waste collected by Scottsdale Collection Vehicles.

1.25 "Uncontained Waste" means residential waste that is not placed in a standard waste container.

ARTICLE 2 - SOLID WASTE DISPOSAL

- 2.1 <u>Facility Maintenance</u>. SRPMIC/SRCLC will maintain the Facility adequately to accept the disposal of all Solid Waste delivered by or on behalf of Scottsdale and Scottsdale Customers. SRPMIC/SRCLC represents that every part of the Facility is located more than one-half mile from a 100-year flood plain that has 100-year flows in excess of 25,000 cubic feet per second, as determined by the Maricopa County Flood Control District and concurred with by the Federal Emergency Management Agency. SRPMIC/SRCLC shall provide a paved road from the nearest paved public-right of way to the Facility weight scales. All other roads within the Facility shall be maintained in a reasonably smooth and dust free condition.
- 2.2 <u>Delivery of Solid Waste Requirement</u>. Beginning on the Effective Date, and continuing until Scottsdale makes a Solid Waste Tonnage Election of less than 100% as set forth in Section 2.9.3 below, Scottsdale will deliver, or cause to be delivered, a minimum tonnage of Solid Waste in an amount that equals not less than 100% of all of the Solid Waste tonnage annually collected by or for the City of Scottsdale from its residential customers. Thereafter, the minimum tonnage of Solid Waste shall be determined by the Solid Waste Tonnage Election procedure set forth in Section 2.9.3 below, but in no event shall the minimum tonnage of Solid Waste be an amount that equals less than 50% of all of the Solid Waste tonnage annually collected by or for the City of Scottsdale from its residential customers. All or any part of the Solid Waste tonnage not required by this Section to be delivered to the Facility may be delivered to another Solid Waste disposal facility chosen by Scottsdale in its sole discretion; provided, however, that no SRPMIC/SRCLC resources or personnel are utilized in making such delivery.
- 2.2.1 <u>Private Services</u>. Nothing set forth in this Agreement shall prohibit or unreasonably restrain a private enterprise from delivering Solid Waste management services in accordance with A.R.S. § 49-746, as the same may be amended or superseded in the future.

2.3 Facility Acceptance of Solid Waste.

- 2.3.1 <u>Solid Waste Accepted</u>. SRPMIC/SRCLC shall accept for disposal at the Facility: (A) all Solid Waste delivered to the Facility by or on behalf of Scottsdale from its residential customers; and (B) all Solid Waste delivered to the Facility by Scottsdale Customers pursuant to the provisions of this Agreement.
- 2.3.2 Types of Solid Waste Accepted. SRPMIC/SRCLC will accept from Scottsdale and Scottsdale Customers for disposal in the Facility only the types of Solid Waste allowed by Federal law and regulation to be received by a "Municipal Solid Waste Landfill Unit," as that term is defined in 40 C.F.R. § 258.2, or any successor Federal regulation. Scottsdale shall comply with all applicable law as to the delivery of Solid Waste to the Facility.
- 2.3.3 Removal of Unacceptable Materials. Scottsdale shall remove any materials delivered by or, on behalf of Scottsdale to the Facility for disposal, if at the time of delivery such materials do not meet the criteria set forth in Section 2.3.2 for material accepted at the Facility. Scottsdale shall remove such unacceptable materials from the Facility within 48 hours after receipt of SRPMIC/SRCLC's written notification to Scottsdale requiring such removal, such notification to be provided within a reasonable time after SRPMIC/SRCLC has knowledge that unacceptable materials were delivered to the Facility. In the event Scottsdale does not remove the unacceptable materials from the Facility within the 48-hour removal period,

SRPMIC/SRCLC may remove from the Facility and properly dispose of the unacceptable materials and Scottsdale will pay the reasonable expenses and charges for the removal and proper disposal thereof, including without limitation, expenses for handling, loading, preparing, transporting, and/or storing such unacceptable materials.

2.4 <u>Facility Acceptance of Green Waste</u>. SRPMIC/SRCLC will accept all Green Waste contained in a Scottsdale Delivery. Uncontained Waste loads containing at least 80% recoverable Green Waste shall be deposited at the Green Waste collection site of the Facility. SRPMIC/SRCLC shall separate the Green Waste from the Solid Waste and place the Solid Waste in a roll-off container(s) provided by SRPMIC/SRCLC. SRPMIC/SRCLC shall, as frequently as necessary to accommodate the volume of screened Solid Waste, transport the container(s) across the landfill scale, empty at the fill site, and return the container(s) to the Green Waste collection area as needed to prevent the uncontained deposit of Solid Waste on the ground.

2.5 Hours and Access.

- 2.5.1 <u>Hours of Operation</u>. SRPMIC/SRCLC shall have the Facility open, staffed and available for delivery of Solid Waste Monday through Saturday (including all holidays), during the hours of 6:00 a.m. to 5:00 p.m. SRPMIC/SRCLC shall extend the Facility's operating time as necessary to accommodate extended collection operations by Scottsdale due to increased workload and/or holiday collections. Any such extension of operating time pursuant to this Section shall be at no cost to Scottsdale.
- 2.5.2 <u>Unloading Times</u>. SRPMIC/SRCLC will use reasonable efforts to ensure an average weekly unloading time of all Scottsdale Collection Vehicles of no more than 15 minutes, and at no time more than 30 minutes for any one Scottsdale Collection Vehicle, so long as the Scottsdale Deliveries occur within the hours set forth in Section 2.5.1. As used in this Section, "unloading time" shall begin when the Scottsdale Collection Vehicle enters the Facility and shall end when the Scottsdale Collection Vehicle completes dumping on the active face of the landfill.
- 2.5.3 Operation and Security. SRPMIC/SRCLC shall be responsible for the operation of the Facility. SRPMIC/SRCLC shall operate the Facility in accordance with: (A) all normal and customary operating and safety procedures typical of a Municipal Solid Waste Landfill Unit; and (B) all necessary permits, licenses, and other approvals. SRPMIC/SRCLC shall provide security for the Facility at a level comparable to the level of security provided at similar types of facilities within the United States. SRPMIC/SRCLC shall comply with all applicable Federal and Community laws and regulations.

2.6 Scottsdale Customers' Solid Waste Disposal.

2.6.1 <u>Scottsdale Resident Waste Disposal</u>. Subject to Scottsdale's continuing authorization, Scottsdale Customers may, for the entire term of this Agreement, deliver Solid Waste for disposal in accordance with this Section 2.6. SRPMIC/SRCLC shall accept Solid Waste from Scottsdale Customers and add the Tons delivered under this Section 2.6 to Scottsdale's Solid Waste tonnage for purposes of Section 2.9. Scottsdale may, from time to time, suspend the acceptance of Solid Waste from Scottsdale Customers by providing SRPMIC/SRCLC with written notice of the suspension.

- 2.6.2 Acceptance of Solid Waste from Scottsdale Customers. So long as Scottsdale authorizes the disposal of Solid Waste from Scottsdale Customers, SRPMIC/SRCLC shall accept for disposal at the Facility one load of up to one Ton of Solid Waste per week per Scottsdale Customer, provided that the Solid Waste is delivered in a: (A) non-commercial vehicle; or (B) non-commercial vehicle towing a trailer, and provided further that in the event the non-commercial vehicle is a pick-up truck, the truck capacity does not exceed one ton. SRPMIC/SRCLC shall accept the Solid Waste from each Scottsdale Customer, once per week, upon the Customer presenting a Scottsdale original or online utility bill for the current or previous month, and a picture identification card verifying the individual's residence matches the address noted on the utility bill as receiving Solid Waste services. The online utility bill shall be signed by an authorized Scottsdale employee prior to presentation at the Facility. In lieu of an original or signed online utility bill, a Scottsdale employee may, when necessary, submit an e-mail or verbal approval to the Salt River Landfill, provided all other provisions of this Section are satisfied. SRPMIC/SRCLC shall be responsible for ensuring that the materials delivered for disposal in the Facility under this Section meet the criteria for accepted materials set forth in Section 2.3.2.
- 2.6.3 Recording Scottsdale Customer Deliveries. SRPMIC/SRCLC shall record each disposal made at the Facility by a Scottsdale Customer using the Customer's Scottsdale utility bill account number. In the event Scottsdale implements a database at Scottsdale's sole cost, SRPMIC/SRCLC shall provide Scottsdale with a copy of SRPMIC/SRCLC's database on a monthly basis, reflecting all Scottsdale Customer disposals for audit and/or billing purposes. Scottsdale's database will be compatible with SRPMIC/SRCLC information technology systems. Except as authorized by this Agreement, SRPMIC/SRCLC shall not disclose any information regarding Scottsdale Customer utility accounts. In order to ensure that a Scottsdale Customer only delivers one load per week, SRPMIC/SRCLC shall stamp each utility bill presented using a stamp provided by Scottsdale.
- 2.6.4 Charges for Solid Waste. Solid Waste delivered to the Facility for disposal under the provisions of this Section 2.6 shall be included in the Solid Waste tonnage on which the base contract Tipping Fee is calculated under Section 2.9 below. Except as provided in Sections 2.6.5 & 2.6.6 below, SRPMIC/SRCLC shall not charge a Scottsdale Customer for the delivery of Solid Waste, provided such Scottsdale Customer Delivery meets the requirements of this Section 2.6. Scottsdale, however, reserves the right to charge a Scottsdale Customer a landfill fee, which fee shall be retained in its entirety by Scottsdale.
- 2.6.5 <u>Untarped Loads</u>. In the event the Scottsdale Customer delivers Solid Waste in a vehicle on which the Solid Waste is not covered by a tarp or otherwise enclosed to prevent spillage, SRPMIC/SRCLC reserves the right to charge such Scottsdale Customer additional fees for the delivery of Solid Waste, provided, however, that such additional fees are reasonable and publicly posted at the entrance to the Facility.
- 2.6.6 <u>Freon Recovery</u>. In the event a Scottsdale Customer delivers freon, SRPMIC/SRCLC reserves the right to charge such Scottsdale Customer additional fees for the recovery of freon, provided, however, that such additional fees are reasonable and publicly posted at the entrance to the Facility.

2.7 Weighing Solid Waste.

2.7.1 <u>Accurate Scales</u>. SRPMIC/SRCLC shall provide accurate scales to weigh all vehicles delivering Solid Waste to the Facility. SRPMIC/SRCLC shall have the scales certified semi-annually by an independent testing firm qualified to perform such tests within the State of

Arizona, or by an appropriate Arizona governmental agency. Within 10 business days of Scottsdale's request, SRPMIC/SRCLC shall provide Scottsdale with copies of all available test results for the scales.

- 2.7.2 <u>Weighing Scottsdale Deliveries</u>. SRPMIC/SRCLC shall weigh each load of Solid Waste delivered to the Facility by or on behalf of Scottsdale, and shall record said load's net weight (gross weight minus Tare Weight) according to vehicle identification numbers provided by Scottsdale. SRPMIC/SRCLC may require the drivers of Scottsdale Collection Vehicles to weigh their empty trucks at SRPMIC/SRCLC's scale no more frequently than monthly in order to determine current accurate Tare Weight.
- 2.7.3 <u>Weighing Scottsdale Customer Deliveries</u>. SRPMIC/SRCLC may either actually weigh or estimate the weight of Solid Waste loads delivered by Scottsdale Customers. SRPMIC/SRCLC shall record the load's net weight or estimated weight, referencing a Scottsdale utility account number per disposal transaction. Where the actual weight methodology is being utilized, SRPMIC/SRCLC shall determine the net weight by subtracting the Scottsdale Customer Vehicle's empty weight from its gross weight.
- 2.8 <u>Accounting.</u> SRPMIC/SRCLC shall furnish a statement to Scottsdale on or before the last day of each Billing Month that provides a daily accounting list for the previous Billing Month of each delivery of Solid Waste. Such accounting shall identify whether the delivery is a Scottsdale Delivery or a Scottsdale Customer Delivery and shall contain the information required by this Section.
- 2.8.1 <u>Scottsdale Delivery</u>. SRPMIC/SRCLC shall provide the following information for each Scottsdale Delivery to the Facility:
 - A. The date and time of the delivery;
 - B. Whether the delivery is Solid Waste or Green Waste;
 - C. The Scottsdale Collection Vehicle identification number:
 - D. The gross weight of the Scottsdale Collection Vehicle;
 - E. The Tare Weight of the Scottsdale Collection Vehicle:
 - F. The net weight of the load of Solid Waste delivered; and
 - G. The calculation of the charge for the load of Solid Waste delivered.
- 2.8.2 <u>Scottsdale Customer Delivery</u>. SRPMIC/SRCLC shall provide the following information for each Scottsdale Customer Delivery to the Facility:
 - A. The date and time of the delivery.
 - B. The Scottsdale Customer account number.
 - C. Either:
 - (1) The estimated weight of the Solid Waste load delivered; or

- (2) The gross weight of the delivery vehicle, the empty weight of the delivery vehicle, and the net weight of the Solid Waste load delivered.
 - D. The calculation of the charge for the Solid Waste load delivered.

2.9 Payment for Solid Waste Disposal.

- 2.9.1 <u>Tipping Fees.</u> For each Scottsdale Delivery and Scottsdale Customer Delivery of Solid Waste to the Facility, Scottsdale shall pay the Tipping Fee set forth on <u>Exhibit B</u> and described in this Section. As of the Effective Date, the agreed upon Tipping Fee for Solid Waste is calculated at \$24.40 per Ton (the "Initial Rate") for an amount of Solid Waste equal to not less than 100% of all Solid Waste tonnage annually collected by or for Scottsdale from its residential customers. The Parties hereby agree that Scottsdale shall pay the Initial Rate, subject only to Rate Adjustments as set forth below, for such time as Scottsdale delivers, or causes to be delivered, a minimum tonnage of Solid Waste in an amount that equals not less than 100% of all of the Solid Waste tonnage annually collected by or for the City of Scottsdale from its residential customers.
- 2.9.2. <u>Tipping Fee Adjustments</u>. Beginning on October 1, 2016, and continuing on October 1st of each succeeding calendar year (the "Rate Change Date"), the Tipping Fee for Solid Waste shall be adjusted by an amount equal to the Tipping Fee in effect the day prior to the Rate Change Date multiplied by a fraction, the numerator of which is the CPI for June of the then-current calendar year and the denominator of which is the CPI for June of the previous calendar year (the "Rate Adjustment").
 - A. <u>No Negative Adjustments</u>. In no event shall such Rate Adjustment related to the Solid Waste Tipping Fee result in a reduction in the Tipping Fee in effect the day prior to the Rate Change Date. If the Rate Adjustment calculation would otherwise cause a reduction in the Tipping Fee, the Tipping Fee in effect the day prior to the Rate Change Date shall remain in effect until the next annual Rate Change Date.
 - B. <u>Volume Fee Schedule Adjustment</u>. On October 1st of each year, <u>Exhibit B</u> shall be updated to reflect the then-current (as adjusted in this Section 2.9.2) volume-adjusted Tipping Fee amounts (by volume percentage) for the then-current SRPMIC/SRCLC fiscal year (October 1st September 30th). The Tipping Fee shall be increased by 2% for each 10% increment (or part thereof) of the total delivered volume of Solid Waste tonnage below 100% of the Solid Waste tonnage collected by or on behalf of Scottsdale from its residential customers. By way of example, the volume-adjusted Tipping Fee for Scottsdale delivering 90-99% of its total Solid Waste tonnage would be equal to 102% of the Tipping Fee for 100%; the Tipping Fee for Scottsdale delivering 80-89% of its total Solid Waste tonnage would be equal to 104% of the Tipping Fee for 100%. Once updated for all volume percentages between 50% and 100%, <u>Exhibit B</u> shall replace the prior-year version attached to this Agreement.
 - C. <u>Parity Required</u>. If the SRPMIC/SRCLC enters an agreement with another Arizona municipal corporation to receive Solid Waste at a Tipping Fee rate lower than the then-current 100% Tipping Fee under this Agreement, and Scottsdale's then-current Solid Waste Tonnage Election is 80% or greater, the Parties shall adjust (1) the 100% Tipping Fee herein to match such lower municipal rate and (2) the volume-adjusted Tipping Fees by the procedure set forth above in Subsection 2.9.2(B); the parity-adjusted Tipping Fees shall be set forth on <u>Exhibit B-1</u> and attached to this

Agreement (the "Parity-Adjusted Schedule"). During such time as the parity-adjusted Tipping Fee requirement is in effect, Scottsdale shall pay the volume-adjusted amount shown on the Parity-Adjusted Schedule (Exhibit B-1) commensurate with the then-current Solid Waste Tonnage Election, which amounts shall be annually adjusted as set forth in Subsection 2.9.2(B), including annual replacement of Exhibit B-1. The Parity-Adjusted Schedule shall remain in effect for such time as the other municipality's tipping fee is lower than the 100% rate under this Agreement.

2.9.3 <u>Tonnage Election</u>. Beginning July 1, 2018, Scottsdale may, in its sole discretion, elect to deliver less than 100% of the Solid Waste tonnage collected by or on behalf of Scottsdale from its residential customers (a "Solid Waste Tonnage Election"), subject to the minimum delivery requirements set forth in Section 2.2 above, by providing the SRPMIC/SRCLC notice of the percentage of total tonnage it intends to deliver beginning on July 1st following the Solid Waste Tonnage Election. During the time period in which the Solid Waste Tonnage Election is in effect, Scottsdale shall pay the volume-adjusted Tipping Fee calculated annually as set forth above and subsequently set forth on <u>Exhibit B</u> corresponding to the applicable year and Solid Waste Tonnage Election amount (the "Annual Rate").

A. Adjustments to Solid Waste Tonnage Election.

- 1. Once designated, a Solid Waste Tonnage Election shall not be reduced for a period of three years.
- 2. Scottsdale may increase its then-current Solid Waste Tonnage Election at any time by providing SRPMIC/SRCLC written notice thereof. Once increased, the revised Solid Waste Tonnage Election shall be in effect for a period of not less than three years.
- B. <u>Excess Delivered.</u> Scottsdale may elect to deliver Solid Waste tonnage in excess of the Solid Waste Tonnage Election amount. Any such excess amounts shall be subject to the volume-adjusted Tipping Fee equal to the corresponding volume set forth in Exhibit "B", but such excess amounts shall not alter the Tipping Fee for the amounts guaranteed in the Solid Waste Tonnage Election. Example: If Scottsdale makes a Solid Waste Tonnage Election to deliver 80% 90% of its total Solid Waste Tonnage, all Solid Waste Tonnage delivered below 90% shall be charged the Annual Rate applicable to the 80% 90% category and all Solid Waste Tonnage delivered in excess of 90% shall be charged the Annual Rate applicable to the 90% 100% category.
- C. <u>Deficient Deliveries</u>. If, following a Solid Waste Tonnage Election, Scottsdale cannot deliver the amount of Solid Waste specified in the Solid Waste Tonnage Election due to circumstances beyond its control, the Parties shall meet and determine a mutually acceptable adjustment to the Solid Waste Tonnage Election, but in no event shall such adjusted amount be less than the minimum delivery requirements set forth in Section 2.2 above.
- D. <u>Year End Reconciliation</u>. Prior to July 15 of each year, Scottsdale shall deliver to the SRPMIC/SRCLC a reconciliation statement for all Solid Waste tonnage delivered during the prior Fiscal Year, including a breakdown of the total tonnage of Solid Waste collected by Scottsdale from its residential customers during that time period. If the actual tonnage delivered to the Facility is less than the Solid Waste Tonnage Election amount, Scottsdale shall, prior to September 30 of the then-current year, pay

SRPMIC/SRCLC the difference between the amounts paid for Solid Waste deliveries during the prior Fiscal Year and the amount that would have been due if the Solid Waste Tonnage Election were made at the level of tonnage actually delivered. If the actual tonnage delivered to the Facility is more than the Solid Waste Tonnage Election amount, SRPMIC/SRCLC shall, prior to September 30 of the then-current year, calculate the proper payment for the Scottsdale excess deliveries in the manner set forth in Subsection 2.9.3(A) above and shall either (1) credit the amount against Scottsdale's payment obligations in the following fiscal year or (2) pay Scottsdale such amounts by September 30 of the then-current year.

- 2.9.4 <u>Scottsdale Payments.</u> Scottsdale shall make payments for the delivery of Solid Waste, along with any other fees and payments required pursuant to this Agreement, to SRPMIC/SRCLC within 30 days after Scottsdale's receipt of a statement from SRPMIC/SRCLC satisfying the requirements of Section 2.8 above.
- 2.9.5 <u>Total Fees</u>. The fees required under this Agreement and paid by Scottsdale are intended to be Scottsdale's total obligation with respect to the Facility SRPMIC/SRCLC shall impose no other charge on Scottsdale for inspection, operation, maintenance, closure, and post-closure procedures except as may be specified in this Agreement.
- 2.9.6 <u>Special Charges</u>. Upon mutual agreement of the Parties, special charges may be established by SRPMIC/SRCLC for materials that require special handing, and, if such special fees are agreed to by Scottsdale, SRPMIC/SRCLC shall accept such materials for disposal. Examples might include material sorting, white goods, bulk items, or other like programs or materials.

2.10 Environmental Protection Standards.

- 2.10.1 <u>Compliance with Law.</u> SRPMIC/SRCLC shall develop, design, operate, close, and maintain during post-closure, the Facility in compliance with Community laws and regulations, all applicable Federal laws and regulations, and any other applicable law and regulations.
- 2.10.2 <u>Inspecting Entity</u>. In order to assure the Parties that the requirements contained in Section 2.10.1 are being met, SRPMIC/SRCLC shall, once every year, at its sole cost and expense, cause an inspection of the Facility to be made by an independent party, qualified in the State of Arizona to perform such inspections (the "Inspecting Entity"). The Inspecting Entity and the criteria for inspections, including appropriate sampling and testing, shall be designated and defined by agreement between SRPMIC/SRCLC and Scottsdale. SRPMIC/SRCLC and Scottsdale shall cooperate fully with the Inspecting Entity in the performance of its inspection. The report of all such inspections shall be in writing and provided to SRPMIC/SRCLC and Scottsdale, together with any other reports required by applicable law within 10 days of preparation. Scottsdale may provide a copy of such reports to the Arizona Department of Environmental Quality or other similar State or Federal Agency.
- 2.10.3 Environmental Protection Adjustments. In the event that any agency having jurisdiction over the use or operation of the Facility, other than SRPMIC/SRCLC, determines that the law requires the installation of devices, equipment, or material or the imposition of new methods of operation, and the required installation or new methods of operation changes capital investment or operating costs of the Facility, then the Parties shall meet within

30 days after such requirements have been determined and ordered to confer to agree on a new Tipping Fee schedule. In the event Scottsdale is of the opinion that protection of the environment requires the installation of devices, equipment, or material or new methods of operation, and the required installation or new methods of operation changes capital investment or operating costs of the Facility, then the Parties shall meet within 30 days after Scottsdale has by written notice notified SRPMIC/SRCLC of its opinion in regard to such environmental requirements. The Parties shall confer with respect to the appropriateness of the suggestions made by Scottsdale and any new Tipping Fee schedule that will be required as the result of any such change. If SRPMIC/SRCLC and Scottsdale fail to agree on a new Tipping Fee schedule, whether the issue has arisen from a change in law or the suggestion of Scottsdale, then the Parties shall mediate the controversy with an independent engineer acceptable to all Parties. Thereafter, continued disagreement shall be resolved under the dispute resolution provisions of Article 4 of this Agreement.

ARTICLE 3 - TRANSFER SERVICES

- 3.1 <u>Transfer Services</u>. SRPMIC/SRCLC shall provide transfer services for all Scottsdale-collected Solid Waste from the Transfer Station to the Facility as provided in this Article. SRPMIC/SRCLC may contract out for transfer services provided that the standards set out in this Article are adhered to and such services remain the ultimate responsibility of SRPMIC/SRCLC. All such transferred Solid Waste shall be included in Scottsdale's annual disposal requirements as set forth in Section 2.2 above. SRPMIC/SRCLC's transfer services shall accommodate the Transfer Station's daily hours of operation set forth below, and shall be conducted to ensure no Solid Waste or loaded trailers shall be stored at the Transfer Station site after the close of daily operations. SRPMIC/SRCLC personnel shall be responsible for the appropriate tarping of each loaded trailer.
- 3.2 <u>Personnel</u>. SRPMIC/SRCLC shall provide qualified personnel to perform the transfer services.
- 3.3 <u>Vehicles</u>. SRPMIC/SRCLC shall provide suitable vehicles, the suitability of which shall be approved by Scottsdale's Solid Waste Director, to perform its transfer services. Transfer services shall include:
- 3.3.1 <u>Minimum Trailers</u>. No less than 5 trailers, each of which shall be a minimum of 50 feet in length and capable of hauling 20 tons of Solid Waste or Green Waste.
- 3.3.2 <u>Minimum Tractors; Maintenance; Regulations; Storage</u>. No less than two tractors sufficiently powered and appropriately licensed to pull any loaded trailer on public thoroughfares. SRPMIC/SRCLC shall ensure the proper maintenance of all trailers and tractors. All vehicles provided pursuant to this Agreement shall comply with all applicable federal, state, and local laws and regulations. Except when being serviced for repairs or routine maintenance, all tractors and unloaded trailers shall, upon the close of daily operations, be temporarily stored at a Scottsdale-designated location at the Transfer Station site.
- 3.4 <u>Reports.</u> In addition to the monthly statements required by Section 2.8 above, SRPMIC/SRCLC shall provide Scottsdale with a tonnage reading for each load of Solid Waste and Green Waste it transfers from the Transfer Station to the Facility. Each such tonnage reading shall set forth all of the following:
 - (i) The vehicle identification number.

- (ii) The date and time of delivery.
- (iii) The gross weight of the vehicle as loaded.
- (iv) The Tare Weight of the vehicle (Scottsdale may require SRPMIC/SRCLC to weigh its empty vehicles at SRPMIC/SRCLC's scale no more than monthly in order to determine current accurate Tare Weight).
 - (v) The net weight of each load of Solid Waste.
 - (vi) Calculation of the transfer charge for each transferred Solid Waste load.
- 3.5 <u>Transfer Station</u>. Scottsdale shall operate the Transfer Station between the hours of 7:00 a.m. and 4:00 p.m., Monday through Friday. Scottsdale may increase the number of hours or days of operation as determined by Scottsdale's Solid Waste Director. Scottsdale shall provide adequate space for the temporary storage of unloaded SRPMIC/SRCLC trailers and tractors at the Transfer Station site. Scottsdale personnel shall be responsible for the loading of trailers with Solid Waste or Green Waste to be delivered to the Facility. Scottsdale personnel may move trailers to or from the trailer loading area when necessary to ensure the efficient loading and relocation of trailers at the Transfer Station site.
- 3.6 <u>Transfer Service Fee.</u> In addition to the Tipping Fees set forth in Section 2.9.1 above, Scottsdale shall pay a fee to the SRPMIC/SRCLC for the transfer of Solid Waste from the Transfer Station to the Facility (the "Transfer Fee"). As of the Effective Date, the agreed upon Transfer Fee is \$10.00 per Ton. Thereafter, on the Rate Change Date, the Transfer Fee shall be adjusted according to the Rate Adjustment. In no event shall such Rate Adjustment related to the Transfer Fee: (i) exceed the amount of 3% of the Transfer Fee in effect on the day prior to the Rate Change Date; or (ii) result in a reduction in the Transfer Fee in effect the day prior to the Rate Change Date: if the Rate Adjustment calculation would otherwise cause a reduction in the Transfer Fee, the Transfer Fee in effect the day prior to the Rate Change Date shall remain in effect until the next annual Rate Change Date.

ARTICLE 4 - DEFAULT; DISPUTE RESOLUTION

- 4.1 <u>Event Of Default</u>. An "Event of Default" shall occur upon the occurrence of any one of the following:
- 4.1.1 <u>Failure to Make Payments</u>. If either Party fails to pay any sum of money due to the other Party under this Agreement when the same is due, and such failure continues for 30 days after the non-defaulting Party has given the defaulting Party notice specifying the amount due.
- 4.1.2 <u>Failure of Performance</u>. If either Party fails to perform any other of its material obligations or breaches any other of its material covenants contained in this Agreement and, unless another time limit is specifically stated elsewhere in this Agreement, the breach continues for a period of 60 days after written demand for performance is given by the non-defaulting Party, or, if the breach is of such a character as to require more than 60 days to cure (a "Cure Period") and the breaching Party shall fail to use reasonable diligence in curing such breach, provided, however, that in no event shall any Cure Period exceed 120 days.
- 4.2 <u>Remedies For Default</u>. Upon the occurrence of an Event of Default, the non-defaulting Party may exercise any remedies available to it at law or in equity and shall

proceed in accordance with Section 4.3, Methods and Priorities, to exercise or enforce its remedies.

- 4.3 <u>Methods and Priorities</u>. All disputes arising out of this Agreement must be addressed as set forth in this Article 4. The Parties agree to try and resolve any dispute arising out of this Agreement first by informal meetings. If informal meetings fail to resolve the dispute, then the Parties agree to try and resolve the dispute through mediation. If mediation is unsuccessful, then the Parties agree that they shall resolve the dispute through arbitration in accordance with the then current Rules of Commercial Arbitration of the American Arbitration Association or any successor organization (the "AAA"). In the event of a conflict between this Agreement and the AAA Rules, this Agreement shall govern.
- 4.4 Mediation. The Party desiring to initiate the mediation process shall give written notice to that effect to the other Party and, in such written notice, include a brief statement of its claims. Within 10 days of the notice of intent to mediate, the Parties shall meet for the purpose of attempting to jointly select a single mediator to serve in the matter. If the Parties cannot agree on a single mediator, within five days of said meeting, the Party initiating the mediation process shall provide the other Party with notice of the name of one mediator. Within five days of receiving this notice, the other Party to the dispute shall name one mediator and give written notice to the other Party of its selection. The two selected mediators shall, within five days of selection of the second mediator, jointly select a third mediator who shall be the mediator. The mediation proceeding shall be held within 60 days of the appointment of the mediator and the mediator shall render his or her decision within 30 days after the conclusion of the mediation proceeding. If agreed to by the Parties, any mediation conducted pursuant to this Section shall be final and binding upon the Parties. The Parties shall bear the cost of such mediation equally between them.
- Arbitration. In the event of failure of mediation or the Parties do not consent to the mediation being final and binding, the Parties shall proceed to arbitration using the same selection process for the selection of an arbitrator as was used in selecting a mediator. The arbitration proceeding shall be held within 60 days of the selection of the arbitrator. The arbitrator shall render his or her decision within 30 days after the conclusion of the arbitration proceeding. Any arbitration conducted pursuant to this Section shall be final and binding upon the Parties. The prevailing Party in such arbitration shall be entitled to file the decision and award with the United States District Court in Phoenix, or if the United States District Court lacks jurisdiction, then in the Maricopa County Superior Court and have judgment rendered thereon in accordance with applicable law. The prevailing Party shall be entitled to all costs incurred in connection with the arbitration proceeding, including its reasonable attorneys' fees, the arbitrator's fees, witness fees and other costs as determined by the arbitrator.
- 4.6 <u>General Considerations</u>. The Parties may stipulate in writing to extend or to shorten the time periods prescribed in this Article 4. All provisions of this Agreement not in dispute shall be observed and performed without interruption during the pendency of the procedures specified in this Article 4. By this Agreement, the SRPMIC/SRCLC does not waive, limit or modify its sovereign immunity from unconsented suit, except as specifically provided in this Agreement. SRPMIC/SRCLC hereby grants a limited waiver of sovereign immunity for the sole purpose of authorizing an arbitration proceeding as described above and to bring a judicial action in the United States District Court in Phoenix or, if the United States District Court lacks jurisdiction, in the Superior Court of Maricopa County, Arizona, for the enforcement of an arbitration decision (or failure to submit to arbitration, if applicable) authorized under and related to this Agreement. This limited waiver of sovereign immunity does not consent to or authorize a

judicial action for damages against the SRPMIC/SRCLC other than the enforcement of arbitration decisions (which includes specific performance of the provisions of an arbitration decision).

ARTICLE 5. GENERAL PROVISIONS

- 5.1 <u>Duration Of Agreement; Term.</u> The term of this Agreement shall commence on the Effective Date and continue to and include December 31, 2035, unless sooner terminated as set forth in this Agreement. On or before February 1, 2030, the SRPMIC/SRCLC shall notify Scottsdale of SRPMIC/SRCLC's intent to offer an extension of the term of this Agreement until December 31, 2045. Scottsdale shall, not later than December 31, 2033, notify SRPMIC/SRCLC whether it accepts or rejects the extension. If the term of this Agreement is extended by the Parties until December 31, 2045, then, on or before February 1, 2040, the SRPMIC/SRCLC shall notify Scottsdale of SRPMIC/SRCLC's intent to offer an extension of the term of this Agreement until December 31, 2055. Scottsdale shall, not later than December 31, 2043, notify SRPMIC/SRCLC whether it accepts or rejects the extension. If Scottsdale rejects an extension or fails to respond to SRPMIC/SRCLC within the time periods set forth in this Section 5.1, this Agreement shall terminate at the end of the then-current term.
- 5.2 <u>Applicability Of Other Legal Requirements</u>. Nothing set forth in this Agreement diminishes the responsibility of each Party to comply with all applicable laws and regulations affecting the transactions that are the subject matter of this Agreement. The Parties shall comply with any changes in applicable laws or regulations and if such applicable laws and regulations require, modify this Agreement to comply with such applicable laws and regulations.

5.3 Indemnification.

- 5.3.1 <u>SRPMIC/SRCLC</u>. SRPMIC/SRCLC agrees to indemnify, defend and hold Scottsdale, its agents, representatives, officers, officials, directors and employees, harmless from and against any and all liability, suits, obligations, fines, damages, penalties, claims, costs, charges, and expenses (including reasonable attorney fees) of any character or nature resulting from the negligent or willful misconduct of SRPMIC/SRCLC. For purposes of this Section, "negligent or willful misconduct of SRPMIC/SRCLC" shall include any act or omission of SRPMIC/SRCLC, or its assignees or subcontractors under the Agreement, determined by a court or other agency of competent jurisdiction to be negligent, intentional, or a violation of a federal environmental law or this Agreement.
- 5.3.2 <u>Scottsdale</u>. Scottsdale agrees to indemnify, defend and hold SRPMIC/SRCLC, and their agents, representatives, officers, officials, directors and employees, harmless from and against any and all liability, suits, obligations, fines, damages, penalties, claims, costs charges, expenses (including reasonable attorney fees) of any character or nature resulting from the negligent or willful misconduct of Scottsdale. For purposes of this Section, "negligent or willful misconduct of Scottsdale" shall include any act or omission of Scottsdale, or its assignees or subcontractors under the Agreement, determined by a court or other agency of competent jurisdiction to be negligent, intentional, or a violation of a federal environmental law or this Agreement.

5.4 Insurance Requirements.

5.4.1 Required Coverage.

A. <u>General</u>: SRPMIC/SRCLC, at its own expense, shall purchase and maintain, until all work required under this Agreement is satisfactorily completed, the

minimum insurance specified below with companies duly licensed, with a current A.M. Best, Inc. rating of B++6, or approved unlicensed by the State of Arizona Department of Insurance. Any alternative insurer must be approved by Scottsdale's Risk Management Division.

- B. <u>Additional insured</u>: The insurance coverage, except Workers Compensation, required by this Agreement shall name Scottsdale, its agents, representatives, officers, directors, officials and employees as additional insured.
- C. <u>Primary coverage</u>: SRPMIC/SRCLC's insurance shall be primary insurance as respects Scottsdale, and any insurance or self-insurance maintained by Scottsdale shall not contribute to it.
- D. <u>Waiver</u>: The policies, except Workers Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against Scottsdale, its agents, representatives, directors, officers, and employees for any claims arising out of the work of the SRPMIC/SRCLC.
- E. <u>Commercial General Liability</u>: SRPMIC/SRCLC shall maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence, \$1,000,000 Products and, Completed Operations Annual Aggregate, and a \$1,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 01 0798 or equivalent thereof, including but not limited to, separation of insureds clause.
- F. <u>Vehicle Liability</u>: SRPMIC/SRCLC shall maintain Business Automobile Liability insurance with a limit of \$2,000,000 each accident with respect to any owned, hired, and non-owned vehicles assigned to or used in the performance of the SRPMIC/SRCLC work or services. Coverage will be at least as broad as Insurance Services Office, Inc. coverage code "1" "any auto" policy form CA 00 01 07 97 or equivalent thereof. Insurance shall include coverage for loading and off-loading hazards.
- G. <u>Workers Compensation Insurance</u>: SRPMIC/SRCLC shall carry Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of SRPMIC/SRCLC's employees engaged in the performance of the services; and employers' liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee and \$500,000 disease policy limit. In case any work is subcontracted, SRPMIC/SRCLC shall require the subcontractor to provide workers' compensation and employer's liability to at least the same extent as required of SRPMIC/SRCLC.
- 5.4.2 <u>Certificates of Insurance</u>: Prior to commencing services under this Agreement, SRPMIC/SRCLC shall furnish Scottsdale with Certificates of Insurance, or formal endorsements as required by the Agreement, issued by SRPMIC/SRCLC's insurer(s) as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect. Such certificates shall identify this Agreement and shall provide for not less than 30 days advance Notice of Cancellation, Termination, or Material Alteration. In the event any insurance policy(ies) required by this Agreement is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the

work or services and/or the termination of this Agreement and as evidenced by annual Certificates of Insurance.

5.5 <u>Notices</u>. Except as otherwise indicated, all notices, waivers, demands, requests and other communications required or permitted by this Agreement (collectively, "Notices") shall be in writing and shall be effective only if sent by one or more of the following methods: (i) personal delivery; (ii) generally-recognized overnight commercial courier regularly providing proof of delivery, with delivery charges prepaid or duly charged; or (iii) United States registered or certified mail, return-receipt requested, postage prepaid, addressed to the Parties at the respective addresses set forth opposite their names below, or to any other address or addresses as either Party shall designate from time to time by notice given to the other in the manner provided in this Section:

If to SRPMIC:

Salt River Landfill

Chief Executive Officer 13602 East Beeline Hwy Scottsdale, AZ 85256

Copies to:

Salt River Pima-Maricopa Indian Community

Office of the General Counsel 10005 East Osborn Road Scottsdale, AZ 85256

If to Scottsdale:

City of Scottsdale

Solid Waste Management Division 9191 East San Salvador Drive

Scottsdale, AZ 85258

Attention: Solid Waste Director

Copies to:

City of Scottsdale

Office of the City Attorney 3939 Drinkwater Blvd. Scottsdale, AZ 85251

Notices given or served by personal delivery shall be deemed to have been received upon tender to the respective Party. Notices given or served by mail or commercial courier shall be deemed to have been given or served as of the date of delivery (whether accepted or refused) established by the United States Postal Service return-receipt or the overnight courier's proof of delivery, as the case may be.

- 5.6 Attorneys' Fees And Court Costs. In any action, at law or in equity, brought to interpret or enforce any of the terms and conditions of this Agreement or to obtain damages arising from any default under or violation of this Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and expenses, expert witness and consultant fees and expenses, court costs, arbitration fees and expenses, and the cost of appellate proceedings, in addition to any other relief to which said Party may be entitled.
- 5.7 <u>Waiver</u>. No waiver is valid except when signed by the Party giving the waiver. The waiver of any provision of this Agreement shall not be construed as a waiver of: (i) any claims arising from a subsequent breach of that or any other provision of this Agreement; or (ii) the obligations under any other provision of this Agreement. The failure of a Party to object to or to

take affirmative action with respect to any conduct of any other Party shall not be construed as a waiver of any objection to such conduct, or as a waiver of any claim arising from a future breach or subsequent wrongful conduct. Neither any failure nor any delay on the part of any Party hereto in exercising any right hereunder shall operate as a waiver, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

- 5.8 <u>Joint Participation in Negotiation of Agreement</u>. The Parties have participated jointly with the assistance of counsel in the negotiation and drafting of this Agreement. Parties of equal bargaining power have negotiated this Agreement at arm's length. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.
- 5.9. <u>Contract Administrator</u>. The Contract Administrator for Scottsdale shall be the Solid Waste Director or the Director's designee. The Contract Administrator shall be authorized to represent Scottsdale on all matters relating to the performance and enforcement of this Agreement.
- 5.10 <u>References to Law</u>. Any reference to any federal, state, local or foreign statute, law or ordinance shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.
- 5.11 <u>Calendar Days</u>. Unless otherwise indicated, any reference to a period of days shall mean calendar days (e.g., "10 days" shall mean 10 calendar days).
- 5.12 <u>Obligations of SRPMIC and SRCLC</u>. SRCLC is a Division of the SRPMIC charged with the responsibility under the laws of the SRPMIC to operate and maintain the landfill, green waste and related transportation business of the SRPMIC under the name of the SRCLC. SRCLC is not a separate entity, but is a Division or Department of the SRPMIC. The obligations undertaken by the SRPMIC and the SRCLC under this Agreement are obligations of the SRPMIC and its Division, SRCLC, without regard to the fact that the SRCLC will perform those obligations.
- 5.13 <u>Authority</u>. SRPMIC/SRCLC and Scottsdale each represent, warrant and covenant to the other that they have the right to enter into and make this Agreement.
- 5.14 <u>Governing Law.</u> This Agreement will be governed by and construed in accordance with the laws of the State of Arizona except to the extent such laws mandate, require or utilize state court jurisdiction not otherwise contemplated or set forth in this Agreement. The Parties agree that in the event any action is commenced consistent with and in connection with this Agreement, venue for such action or proceeding shall be proper only in the United States District Court in Phoenix, or if the United States District Court lacks jurisdiction, then in the Superior Court of Maricopa County, Arizona, and the Parties hereby waive any right to object to such venue.
- 5.15 Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof, and except as otherwise specified herein, all prior and contemporaneous agreements, representations, negotiations and understandings of the Parties, oral or written, are superseded hereby and merged herein. No subsequent notation, renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written amendment or other agreement properly executed by the Parties.

- 5.16 <u>No Third Party Beneficiaries</u>. This Agreement will be binding upon and inure solely to the benefit of the Parties and their successors and assigns, and nothing herein, express or implied, is intended to or will confer upon any other person or party any legal or equitable right, benefit, or remedy of any nature whatsoever.
- 5.17 <u>Severability</u>. If any term or other provision of this Agreement is deemed invalid, illegal or incapable of being enforced by a court of competent jurisdiction, all other terms and provisions of this Agreement will nevertheless remain in full force and effect. Upon such determination, the Parties will negotiate in good faith to modify this Agreement to give effect to the original intent of the Parties as closely as possible.
- 5.18 <u>Headings</u>. The descriptive headings contained in this Agreement are for convenience of reference only and will not affect in any way the meaning or interpretation of this Agreement.
- 5.19 <u>No Partnership.</u> Nothing contained in this Agreement will be construed to establish the Parties as partners, joint venturers, or as agents of any other party, and, except as expressly provided herein, neither of the Parties has any power to obligate or bind the other in any manner whatsoever.
 - 5.20 <u>Time of the Essence</u>. Time is of the essence of this Agreement.
 - 5.21 A.R.S. § 38-511. Notice is hereby given of the applicability of A.R.S. § 38-511.
- 5.22 <u>Effectiveness of Agreement</u>. This Agreement shall become effective upon approval and execution by both Parties.
- 5.23 <u>Incorporation of Exhibits and Recitals.</u> All Exhibits attached hereto are incorporated herein by this reference as though fully set forth herein, unless specifically stated otherwise. The Parties acknowledge and agree that all of the "Recitals" at the beginning of this Agreement are true and correct and are incorporated herein as binding agreements and obligations of this Agreement by this reference.
- 5.24 <u>Counterparts</u>. This Agreement may be executed in counterparts, and each counterpart executed by any of the undersigned, together with all other counterparts so executed, shall constitute a single instrument and agreement of the undersigned.
- 5.25 <u>Non-Default</u>. By executing this Agreement, each Party affirmatively asserts that (A) the other Party is not currently in default, nor has been in default at any time prior to this Agreement, under any of the terms or conditions of the Prior Agreement and (B) any and all claims, known or unknown, relating to the Prior Agreement and existing on or before the date of this Agreement are forever waived.
- 5.26 Force Majeure. Neither Party shall be liable to the other for damages (including liquidated damages) if such Party's performance is delayed or prevented due to an event of Force Majeure. In such event, the affected Party shall promptly notify the other of the event of Force Majeure and its likely duration. During the continuation of the Force Majeure Event, the nonperforming Party shall (A) exercise commercially reasonable efforts to mitigate or limit damages to the performing Party; (B) exercise commercially reasonable due diligence to overcome the Force Majeure event; (C) to the extent it is able, continue to perform its obligations under this Agreement; and (D) cause the suspension of performance to be of no greater scope and no longer duration than the Force Majeure event requires. In the event of a delay in either

Party's performance of its obligation hereunder for more than 60 days due to a Force Majeure, the other Party may, at any time thereafter, terminate this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

	SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, a federally recognized Indian Tribe
	By Delbert Ray, Sr., President
ATTEST:	
Secretary	•
APPROVED AS TO FORM:	
Michael C. Shiel, General Counsel	
	SALT RIVER COMMERCIAL LANDFILL COMPANY, a Division of the Salt River Pima-Maricopa Indian Community
	By Meldon Andrews, Board Chairperson
ATTEST:	Meldon Andrews, Board Chairperson
Secretary	
APPROVED AS TO FORM:	
Jennifer K. Giff, Counsel	

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

Scottsdale Agreement No. 2016-023-COS CITY OF SCOTTSDALE, an Arizona municipal corporation

	By W.J. "Jim" Lane, Mayor			
ATTEST:				
Carolyn Jagger, City Clerk				
REVIEWED BY:				
Yatu Callaway Katie Callaway				
Risk Management Director				
Frank Moreno Solid Waste Director				
APPROVED AS TO FORM:				

Bruce Washburn, City Attorney

By: Clifford J. Frey

Senior Assistant City Attorney

EXHIBIT A TO SOLID WASTE DISPOSAL FACILITIES AGREEMENT BETWEEN THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, THE SALT RIVER COMMERCIAL LANDFILL COMPANY AND THE CITY OF SCOTTSDALE

[Facility Map]

See following page.

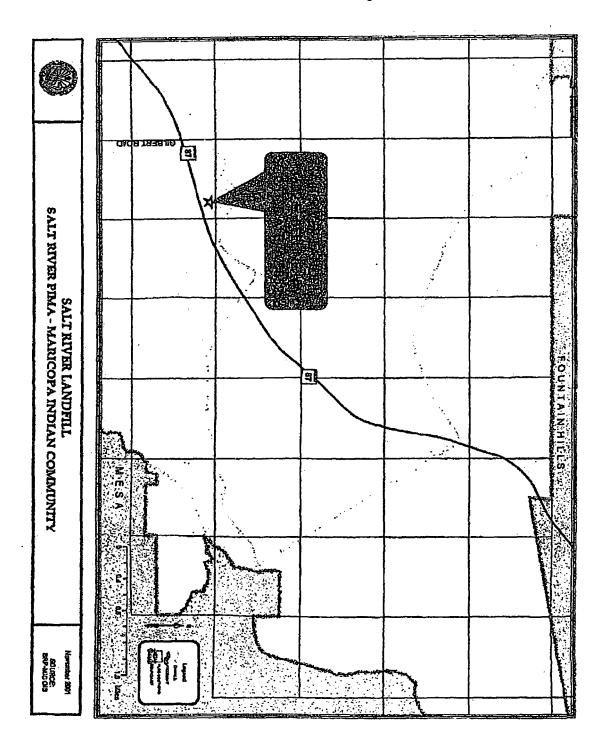


Exhibit A

EXHIBIT B TO

SOLID WASTE DISPOSAL FACILITIES AGREEMENT BETWEEN THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, THE SALT RIVER COMMERCIAL LANDFILL COMPANY AND THE CITY OF SCOTTSDALE

[Tipping Fee Rates]

See following page.

Based on Contract through 2035

								Scottsdale Transfer Station
	Annual CPI Increase*							
Volume		50%	60%	70%	80%	90%	100%	
Volume Adjusted Tipping Fee Initial Rate (Price per Ton)	*	\$ 26.90	\$ 26.40	\$ 25.90	\$ 25.40	\$ 24.90	\$ 24.40	\$ 10.00
Rate Beginning 10/1/16 Rate Beginning 10/1/17	*							
Rate Beginning 10/1/18 Rate Beginning 10/1/19	*							
Rate Beginning 10/1/20 Rate Beginning 10/1/21	*							
Rate Beginning 10/1/22 Rate Beginning 10/1/23	*							
Rate Beginning 10/1/24 Rate Beginning 10/1/25	*							
Rate Beginning 10/1/26	*							
Rate Beginning 10/1/27 Rate Beginning 10/1/28	*							
Rate Beginning 10/1/29 Rate Beginning 10/1/30	*							
Rate Beginning 10/1/31 Rate Beginning 10/1/32	*							
Rate Beginning 10/1/33 Rate Beginning 10/1/34								
Rate Beginning 10/1/35								

^{*} To be determined in July based on June's Annual CPI increase/decrease

Exhibit B

EXHIBIT B-1 TO SOLID WASTE DISPOSAL FACILITIES AGREEMENT BETWEEN THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, THE SALT RIVER COMMERCIAL LANDFILL COMPANY AND THE CITY OF SCOTTSDALE

[Parity Adjusted Rates]

See following page - to be attached pursuant to Subsectoin 2.9.2(C).

IGA's with Salt River Pima-Maricopa Indian Community for Landfill and Recycling Services

City Council March 1, 2016



Proposed Action

- Approve IGA 2016-022-COS with SRPMIC for Recycling Services
- Approve IGA 2016-022-COS with SRPMIC for Landfill Services

Background

- 1994: Original landfill contract with SRPMIC
- 1996: Added transfer services
- 2000: Added recycling processing
- 2009-2012:
 - Commercial alternatives
 - Technological alternatives
 - Multi-municipality landfill study
 - Community decision to extend life of landfill
- June 2013: Joint Council meeting, discussed principles to implement in new contract

Objectives

- City goals:
 - Long term, price stability
 - Flexibility to take advantage of emerging technologies, market opportunities
- SRPMIC goals:
 - Predictable, stable volume
 - Protection from fluctuating commodity values

Landfill Services Key Points

- Minimum waste requirement changed from 90% to 50%
- Sliding scale for less than 100%; tipping fee per ton:

100%	90-99%	80-89%	70-79%	60-69%	50-59%
\$24.40	\$24.90	\$25.40	\$25.90	\$26.40	\$26.90

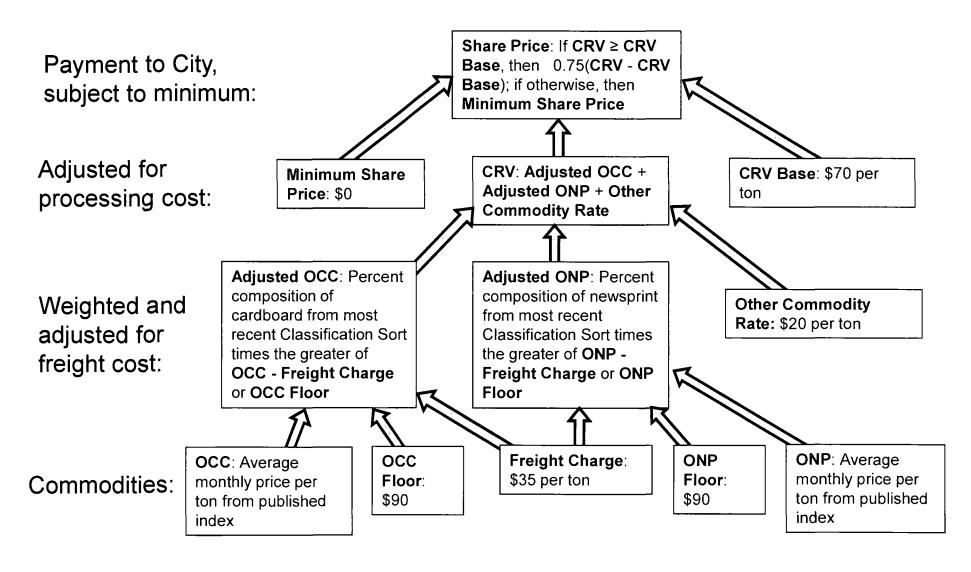
(current fee is \$25.64)

- CPI escalator for basic 100% rate
- Most favored municipality clause
- Transfer fee resets to \$10/ton (current is \$8.76)
- Through end of 2035, with two 10-year extension options

Recycling Services Key Points

- Minimum recycling requirement changed from 90% to 50%
- Floating revenue payment based on commodity values, adjusted for freight and processing costs
 - High end: No cap or reduction, payment rises as commodity prices rise
 - Low end: Minimum payment \$0/ton
 - Individual commodity prices also have minimums
 - Changes to minimums require Council-approved amendment

Recycling Services Key Points



Questions and Discussion

Item 6

IGA's with Salt River Pima-Maricopa Indian Community for Landfill and Recycling Services

City Council March 1, 2016



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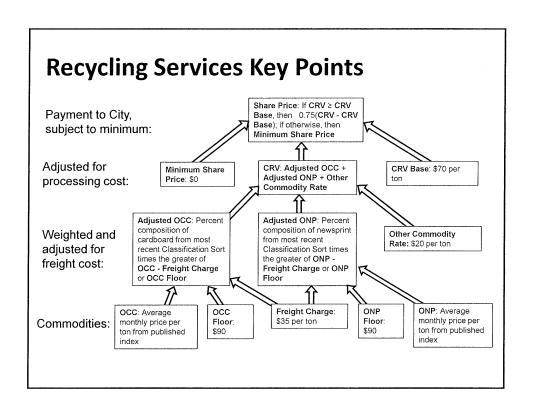
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Questions and Discussion