



# SANTA ROSA COUNTY BOARD OF COMMISSIONERS

Administrative Offices | 6495 Caroline Street, Suite M | Milton, Florida 32570-4592

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TONY GOMILLION, County Administrator  
ROY V. ANDREWS, County Attorney  
JAYNE BELL, OMB Director

## MEMORANDUM

TO: Board of Commissioners  
FROM: Tony Gomillion, County Administrator  
DATE: April 18, 2016  
SUBJECT: Emerald Coast Utilities Authority

### **DISCUSSION**

Discussion of agreement with the Emerald Coast Utilities Authority for the acceptance and processing of source separated recyclables

### **BACKGROUND**

As the Board is aware, the recycling economy has suffered over the last several years and the ability to find long term viable markets for materials continues to be limited. ECUA and Escambia County have partnered to construct a processing facility at Perdido Landfill, which the referenced agreement provides for Santa Rosa County to utilize. At the current recycling tipping fee established by the Board effective April 1st of \$36 per ton, the additional monthly cost to Santa Rosa consumers will be approximately \$2 per quarter or .67 cents per month. It is anticipated that the facility will be ready to accept waste in late July or August timeframe and the program can begin to resume a normal flow at that time. Once the agreement is approved, the recycling staff will take the appropriate steps to facilitate the utilization of the new facility.

### **ACTIONS TO BE CONSIDERED:**

Approval of the interlocal agreement.

**INTERLOCAL AGREEMENT FOR THE ACCEPTANCE AND PROCESSING OF  
SOURCE SEPARATED RECYCLABLES**

This Interlocal Agreement for the Acceptance and Processing of Source Separated Recyclables (hereinafter "Agreement") is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2016, by and between the Emerald Coast Utilities Authority, a local governmental body, corporate and politic, which was formed by the Florida Legislature as an independent special district (hereinafter "ECUA") with administrative offices located at 9255 Sturdevant Street, Pensacola, Florida 32514, and Santa Rosa County, Florida, a political subdivision of the State of Florida (hereinafter "County"), with administrative offices located at 6495 Caroline Street, Suite M, Milton, Florida 32570 (each at times also being referred to as a "Party" or collectively as "Parties").

**WITNESSETH:**

**WHEREAS** the Board of County Commissioners of Santa Rosa County and ECUA are authorized by Section 163.01, Florida Statutes, to enter into Interlocal Agreements and thereby cooperatively utilize their powers and resources in the most efficient manner possible;

**WHEREAS** Source Separated Recyclables are collected in Santa Rosa County pursuant to residential franchises and/or similar authorizations from the County;

**WHEREAS** the Source Separated Recyclables collected within Santa Rosa County must be processed and sorted into separate commodities so as to facilitate their resale so that the recyclable materials may be recycled and put to beneficial use;

**WHEREAS** ECUA is in the process of designing and building a Municipal Recycling Facility (MRF) which is capable of processing Source Separated Recyclables;

**WHEREAS** ECUA expects that its MRF will have been constructed and capable of receiving Source Separated Recyclables at some point during the Summer of 2016;

**WHEREAS** the County would like to deliver all of the Source Separated Recyclables collected within its geographical borders/jurisdiction and delivered to the Santa Rosa County Landfill to ECUA's MRF once it becomes operational so that the Source Separated Recyclables may be processed, segregated into recyclable commodities, and put to beneficial use;

**WHEREAS** the Parties desire to clarify the terms and conditions under which the County may deliver and ECUA may accept Source Separated Recyclables generated in Santa Rosa County.

**NOW THEREFORE** in consideration of the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

#### **AGREEMENT**

1. **Recitals.** The recitals contained in the preamble to this Agreement are declared to be true and correct and are hereby incorporated into this Agreement.
2. **Definitions.** As used in this Agreement the following terms shall have the following meanings:
  - 2.1 *Applicable Law* -- shall mean all applicable federal, state and local statutes, codes, ordinances and standards and all applicable rules, regulations, licenses, permits, registrations, approvals, decisions, authorizations, judgments, orders, writs, decrees, directives or other action adopted, issued or taken by an governmental authority.
  - 2.2 *Construction and Demolition Waste or C&D Waste*-- shall mean waste building materials, packaging and rubble resulting from construction, remodeling, repair, or demolition operations on houses, commercial buildings, and other structures, or as otherwise defined from time to time. Such wastes include, but are not limited to, concrete and paving debris, masonry materials, sheet rock, roofing waste, insulation (not including asbestos or asbestos containing materials), scrap metal, wood products, and other similar materials (not including asbestos or asbestos containing materials).
  - 2.3 *ECUA MRF* -- shall refer to the Municipal Recycling Facility currently being designed and constructed by ECUA which is to be located at the Perdido Landfill at 13009 Beulah Road, Cantonment, Florida 32533. The Parties contemplate that the ECUA MRF will become operational at some point during the Summer of the 2016 calendar year.
  - 2.4 *Effective Date* -- shall mean the date at which the ECUA MRF begins accepting Source Separated Recyclables delivered to it from the County and which is anticipated to be

at some point during the Summer of the 2016 calendar year.

2.5 *Garbage* -- shall mean any putrescible animal and/or vegetative waste resulting from the handling, preparation, cooking and consumption of food, including, but not limited to, waste from markets, storage facilities, handling and sale of produce and other food products and further includes the packaging materials and containers, but excepting such materials that may be serviced by garbage grinders and handled as household sewage.

2.6 *Hazardous Waste* -- shall mean (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos under Applicable Law, as may be amended from time to time, including: (i) the Resource Conservation and Recovery Act of 1976 ("RCRA") and the regulations contained in 40 CFR Parts 260-281, (ii) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766, and (iii) future additional or substitute federal, state or local laws pertaining to the identification, treatment, storage, or disposal of toxic substances, or hazardous wastes; (b) radioactive materials, which are source, special nuclear, or by-product materials, as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in 10 CFR Part 40; (c) a chemical listed by the United States Environmental Protection Agency in accordance with Section 302(a) or Section 313(c) of the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C.A. § § 11002(a), 110239(c) (Supp. 1993), in each case as the same may be amended, replaced, or superseded; (d) a material or substance which may endanger health or safety, including any material or substance or combination of materials or substances which are explosive, volatile, radioactive, toxic, corrosive, flammable, reactive, an irritant or a strong sensitizer, or which generate pressure through decomposition, heat or other means if such materials or substances may cause injury, illness or harm to humans, domestic animals, livestock or wildlife; (e) a material falling within the definition of Fla. Stat. § 403.703(13); or (f) a material or substance that is treated as a hazardous or toxic waste, substance, or material by any Applicable Law or is otherwise prohibited from being deposited in a municipal solid waste processing facility under Applicable Law. Household Hazardous Waste contained in SSR shall not be considered Hazardous Waste for purposes of this Agreement and shall be accepted at the Facility if such acceptance is in compliance with the requirements of RCRA and the requirements of the MRF. With regard to materials or substances which are not

Hazardous Waste as of the Effective Date, if any Applicable Law is subsequently enacted or amended or any governmental authority thereafter determines that such material or substance is a hazardous or toxic waste, substance or material, then such material or substance shall be considered Hazardous Waste for the purposes of this Agreement from and after the effective date of such enactment or amendment of Applicable Law or governmental authority determination.

2.7 *Municipal Solid Waste or MSW* -- shall mean Garbage, household waste, and commercial solid waste; provided that for the purposes of this Agreement, Municipal Solid Waste shall not include Source Separated Recyclables, C&D Waste, Hazardous Waste, Special Handling Waste, Unacceptable Waste, or scrap tires.

2.8 *Perdido Landfill* -- shall mean the landfill currently operated by Escambia County, Florida which is located at 13009 Beulah Road, Cantonment, Florida 32533.

2.9 *Prohibited Materials* -- shall mean Municipal Solid Waste, C&D Waste, Hazardous Waste, Special Handling Waste, Unacceptable Waste, Yard Waste, scrap tires and any other solid waste or material of any kind that the ECUA MRF is prohibited from accepting pursuant to agreement, Applicable Law, or operational constraints.

2.10 *Recyclables* -- shall mean various recyclable products and packaging designated by ECUA to be accepted at the MRF for processing, including various types of paper (including but not limited to newspaper, junk mail, magazines, office paper, cardboard and paperboard packaging), containers (including but not limited to glass bottles and jars, aluminum and steel cans, and #1- #7 plastics), and mixed ferrous and non-ferrous metals. The term Recyclables shall not include Municipal Solid Waste, Construction and Demolition Waste, Hazardous Waste, Special Handling Waste, Unacceptable Waste, or scrap tires. The list of Recyclables may be expanded or contracted from time to time as determined by ECUA and the operator of the ECUA MRF, if any.

2.11 *Rejects* -- shall refer to materials collected along with the Recyclable Materials that are not designated by ECUA to be accepted at the MRF for processing.

2.12 *Residue* -- shall refer to Rejects and Recyclable Materials that are accepted by the operator of the ECUA MRF, processed at the MRF, and not converted to Recovered Materials due to breakage and/or transportation or processing limitations or inefficiencies.

2.13 *Shutdown* -- shall refer to those times in which the operator of the ECUA MRF is unable to receive Source Separated Recyclables for any reason except Force Majeure.

2.14 *Source Separated Recyclables or SSR* -- shall refer to Recyclables which (a) have been diverted or removed from the Municipal Solid Waste prior to collection, (b) are not C&D

Waste, Hazardous Waste, Special Handling Waste, Yard Waste, Unacceptable Waste or scrap tires, (c) are not Municipal Solid Waste, and (d) the ECUA MRF is not prohibited from accepting and/or Processing under Applicable Law. The Parties acknowledge, however, that incidental amounts of Rejects may be collected and delivered with Source Separated Recyclables as a normal part of a recycling collection program.

2.15 *Special Handling Waste* -- shall mean any waste or other material that requires the delivery and disposal to be supervised by a government authority, including confiscated drugs and records of a police department or similar governmental authority.

2.16 *Unacceptable Waste* -- shall mean (a) Hazardous Waste, explosives and ordinance materials, pathological wastes, radioactive materials, lead acid batteries, sewage sludges, highly flammable substances, cesspool or other human wastes, human and animal remains, motor vehicles, farm or other large machinery, construction materials and demolition debris and hazardous refuse addressed by regulations adopted by the United States Environmental Protection Agency ("EPA") pursuant to the Resource Conservation and Recovery Act of 1976, as amended, or other federal or state statutes, such as, but not limited to, cleaning fluids, hazardous paints, acids, caustics, poisons, radioactive materials, fine powdery earth used to filter cleaning fluid; (b) unless consented to by ECUA, any item of waste exceeding six feet in any one of its dimensions or being in whole or in part a solid mass, the solid mass portion of which has dimensions such that a sphere with a diameter of eight inches could be contained within such solid mass portion; (c) all large household appliances, commonly referred to as "white goods" including refrigerators, stoves, washing machines, drying machines and water heaters; (d) any controlled substances regulated under the Controlled Substances Act, 21 USA 801 *et seq.*, or any equivalent state law; (e) small appliances containing chlorofluorocarbons (CFCs) including air conditioners, water coolers, and dehumidifiers; (f) cathode ray tubes; and (g) all other items of waste which pose a substantial threat to health or safety or the acceptance and disposal of which will cause substantial damage to, or adversely affect the continuous operation of the MRF or be in violation of any Applicable Law. Any substance or material which is determined by the EPA or any other Governmental authority subsequent to the Effective Date hereof to be hazardous, toxic, dangerous, harmful, or otherwise designated as a "waste ban," shall, at the time of such determination, be considered Unacceptable Waste.

2.17 *Yard Waste* -- shall refer to vegetative matter resulting from landscaping maintenance and land clearing operations and includes associated rocks and soils.

3. Term. The initial term of this Agreement shall be for a period of three (3) years beginning on the Effective Date, as defined in paragraph 2-4, above. Provided, however,

that the Parties may extend the term of this Agreement upon mutual written agreement.

4. Delivery and Acceptance of Source Separated Recyclables.

a. *Diversion of Source Separated Recyclables to ECUA.* Beginning on the Effective Date and throughout the term of this Agreement, the County will load, at no cost to ECUA, all SSR the County receives at the Santa Rosa Landfill onto tractor trailer/s and/or roll off container/s provided by ECUA. ECUA shall thereafter haul the SSR to the ECUA MRF, and the County will compensate ECUA at the rate of \$11 per ton<sup>1</sup> for all SSR it hauls pursuant to this subparagraph.<sup>2</sup> The weighing of the SSR shall take place at the Santa Rosa Landfill, or such other site reasonably designated by the County, and all weighing shall be at the County's expense. ECUA shall bill the County for the hauling services delineated in this subparagraph on a monthly basis, and the County's payment therefor shall be due within thirty (30) days of ECUA's invoice for these services.

b. *Right to Reject Loads Containing Excess Rejects.* In the event that SSR delivered to the ECUA MRF contains Rejects in excess of twenty-five percent (25%) by weight, the entire load may be rejected by the operator of the ECUA MRF. In the event that such a rejection occurs, the County shall be liable for a processing fee of \$250 per load plus the disposal costs attributable to that entire load at the Perdido Landfill, at the rates established by Escambia County which are then in effect.<sup>3</sup> Moreover, in the event that the County's SSR has excess Reject contamination on three separate loads within a thirty (30) day calendar period, the ECUA Executive Director or his designee, in his sole discretion, may terminate this Agreement and disqualify the County from further deliveries.

c. *Compensation/Charges to County.* The County shall be compensated/charged quarterly for each ton of SSR processed at the ECUA MRF, in accordance with paragraph 6 of this Agreement, below.

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<sup>1</sup>Beginning on the first (1st) anniversary of the Effective Date of this Agreement and on each subsequent anniversary so long as this Agreement remains in effect, this rate shall be automatically adjusted by one hundred percent (100%) of the percentage change in the most recently published Consumer Price Index for All Urban Consumers (the "CPI-U"), South Region, 1982-84 = 100, published by the United States Department of Labor, Bureau of Labor Statistics, over the twelve (12) months immediately preceding the anniversary date.

<sup>2</sup>ECUA shall only be obligated to provide these hauling services at those times and on those days in which the ECUA MRF is operating, receiving SSR, and not Shutdown.

<sup>3</sup>In the event some or all of the load cannot be lawfully disposed of at the Perdido Landfill, County shall be liable for all disposal costs associated with the disposal selected by the operator of the ECUA MRF.

d. *Recovered Materials Report.* The Parties recognize that subsequent to acceptance at the ECUA MRF, the SSR subject to this Agreement will likely be commingled with materials from other entities. Therefore, in order to facilitate Florida Department of Environmental Protection reporting requirements, the County shall provide a composition study, conducted by a third party acceptable to ECUA, of County-provided SSR, prior to the Effective Date of this Agreement. ECUA may require further composition studies from the County, but not more than twice per year after the initial composition study.

5. *Disposal of Residue.* The Parties acknowledge and understand that each load of SSR may contain Garbage, Unacceptable Waste, or other Rejects which cannot be recycled and put to beneficial use (collectively hereafter referred to as Residue). Because the SSR generated in Santa Rosa County will likely be commingled with SSR generated from other jurisdictions, the Parties acknowledge and understand that it is impossible to therefore segregate the Residue by each entity. Accordingly, all such Residue shall be disposed of at the Perdido Landfill at no charge to the County.

6. *Compensation/Charges for Delivered Recyclables.* The Parties acknowledge and understand that the market for various Recyclable Materials fluctuates greatly based upon various market conditions. In order to reflect that reality, and make this Agreement viable and mutually beneficial, the Parties agree that the County shall be either compensated or charged for the SSR processed at the ECUA MRF in accordance with the document attached hereto as Exhibit A, which is hereby incorporated by reference as if fully set forth herein. However, on the first (1st) anniversary of the Effective Date of this Agreement and on each subsequent anniversary so long as this Agreement remains in effect, a new Exhibit shall be prepared in which each number in Exhibit A shall be automatically adjusted by one hundred percent (100%) of the percentage change in the most recently published Consumer Price Index for All Urban Consumers (the "CPI-U"), South Region, 1982-84 = 100, published by the United States Department of Labor, Bureau of Labor Statistics, over the twelve (12) months immediately preceding the anniversary date.

7. *Billing.* ECUA shall send a bill to County within thirty (30) days of the end of each quarter of the calendar year which reflects all charges and credits due to the Parties pursuant to paragraph 6, above. All charges and/or credits shall be paid by the respective Party within forty-five (45) days of the end of each quarter of the calendar year.

8. *Compliance with Law and Procedures.* ECUA and County shall perform their respective obligations under this Agreement in compliance with all Applicable Law. ECUA

shall transport and handle SSR in its control in a safe and workmanlike manner and in full compliance with Applicable Law. ECUA shall further endeavor to maintain throughout the term of this Agreement, all permits, licenses, certificates, and approvals required by Applicable Law for the operation of the ECUA MRF as well as the transportation of all SSR to be transported pursuant to this Agreement.

9. Staffing at the ECUA MRF. The Parties understand that ECUA intends, at least through the initial term of this Agreement, to contract with a third party to staff and operate the ECUA MRF.

10. Title to Source Separated Recyclables. Upon acceptance of a load of SSR (as opposed to a rejection in accordance with paragraph 4.b, above), title to the SSR shall vest with the operator of the ECUA MRF.

11. County's Obligation to Require the Source Separation of Recyclables; Delivery of said SSR; and Tonnage Limit.

a. Collection and Delivery Requirements. The County presently requires all entities holding franchises for the collection of residential solid waste within its jurisdiction to offer collection of Source Separated Recyclables. The County agrees to keep those requirements in place throughout the term of this Agreement and any extensions thereof. Additionally, the County requires all residential franchise holders to deliver the SSR they collect in the County's jurisdiction to the Santa Rosa Landfill, and that requirement shall remain in place throughout the term of this Agreement as well as any extensions thereof. It is thus the Parties' intent that all SSR controlled by the County be delivered to the ECUA MRF. However, the County may suspend its recycling program if the Average Market Value (AMV) for SSR falls below \$60.00 per ton for three (3) consecutive months. Provided, however, in the event the County suspends its recycling program pursuant to the preceding sentence, ECUA shall not be obligated to hold and/or reserve any capacity for the County at the ECUA MRF.

b. Tonnage Limit. Presently, approximately 10,000 tons of SSR are generated and collected within the jurisdiction of the County per year. Despite the requirements in paragraphs 4.a above and 11.a below that all SSR be delivered to ECUA, the County is limited to delivering 12,500 tons of SSR per year, absent subsequent written agreement between the Parties pursuant to the notice provisions set forth in paragraph 13, below.

12. Events of Default. A Party shall be in default of this Agreement only upon the expiration of thirty (30) days (ten (10) days in the event of failure to pay money) from receipt of written notice of default from the other Party specifying the particulars in which such

Party has failed to perform its obligations under this Agreement unless such Party, prior to the expiration of said thirty (30) days (ten (10) days in the event of failure to pay money), has rectified the particulars specified in said notice of default; provided, however, that such Party shall not be deemed to be in default if such failure (except a failure to pay money) cannot be rectified within said thirty (30) day period and such Party is using good faith and commercially reasonable and diligent efforts to rectify the particulars specified in the notice of default.

13 Notices. All notices called for under this Agreement shall be made in writing and delivered by hand, certified mail with return receipt, or overnight courier, as follows:

To County:

Tony Gomillion  
Santa Rosa County Administrator  
6495 Caroline Street, Suite M  
Milton, Florida 32570

To ECUA:

Randy Rudd  
Deputy Executive Director of Shared Services  
Emerald Coast Utilities Authority  
9255 Sturdevant Street  
Pensacola, Florida 32514

14 Force Majeure. In the event that performance by the Parties of any of its obligations under this Agreement shall be interrupted, delayed, or prevented by any occurrence not occasioned by the conduct of such Party, whether such occurrence be an act of God or any other occurrence whatsoever this is beyond the reasonable control of such Party, including a change in environmental law or regulation rendering performance impractical or impossible, then such Party shall be excused from such performance for such period of time as is reasonably necessary after the occurrence to remedy the effects thereof, or until such performance is no longer impractical or impossible.

15 ECUA's Right to Refuse to Accept SSR and Right to Cancel for Convenience. Notwithstanding the provisions of paragraph 4, above, in the event that the operator of the ECUA MRF declares a Shutdown, ECUA and the ECUA MRF shall be under no obligation to accept any SSR from the County through the duration of that Shutdown. Moreover, in the absence of a Shutdown, ECUA, acting through its Executive Director, may cancel this Agreement for convenience on one week's written notice, notwithstanding the provisions of paragraph 3, above. In the event of a Shutdown, the County may dispose of SSR at the

Santa Rosa County Landfill for the duration of that Shutdown, and the County is not obligated to reimburse ECUA or its Contractor for lost revenue associated therewith.

16. **Records.** The Parties acknowledge that this Agreement and any related financial records, audits, reports, plans, correspondence, and other documents may be subject to disclosure to members of the public pursuant to Chapter 119, Florida Statutes, as amended. In the event a Party fails to abide by the provisions of Chapter 119, Florida Statutes, another Party may, without prejudice to any right or remedy and after giving that Party, seven (7) calendar days written notice, during which period the Party fails to allow access to such documents, terminate this Agreement.

17. **Assignment.** This Agreement or any interest herein, shall not be assigned, transferred, or otherwise encumbered, under any circumstances, by any Party, without the prior written consent of all other Parties.

18. **Headings.** Headings and subtitles used throughout this Agreement are for the purpose of convenience only, and no heading or subtitle shall modify or be used to interpret the text of any section.

19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, and the Parties stipulate that venue for any matter which is the subject of this Agreement shall lie in Escambia County, Florida.

20. **Dispute Resolution.** The Parties agree that in the event of any dispute or claim relating to, arising out of, or interpreting this Agreement arises, all such disputes or claims shall be fully, finally, and exclusively decided by a State court of competent jurisdiction sitting in Escambia County, Florida. Additionally, the Parties knowingly and willingly hereby waive their respective rights to have any such disputes or claims decided by a jury; instead, their sole relief shall be via a bench trial in which the judge alone sits as the finder of fact.

21. **Interpretation.** For the purpose of this Agreement, the singular includes the plural and the plural shall include the singular. References to statutes or regulations include all statutory or regulatory provisions consolidating, amending, or replacing the statute or regulation referred to. Words not otherwise defined that have well-known technical or industry meanings are used in accordance with such recognized meanings. References to persons include their respective permitted successors and assigns and, in the case of governmental persons, persons succeeding to their respective functions and capacities.

a. If any Party discovers any material discrepancy, deficiency, ambiguity, error, or omission in this Agreement, or is otherwise in doubt as to the meaning of any provision of the Agreement, the Party shall immediately notify all other Parties and request clarification of this

Agreement.

b. This Agreement shall not be more strictly construed against any party hereto by reason of the fact that one Party may have drafted or prepared any or all of the terms and provisions hereof.

22. Severability. The invalidity or non-enforceability of any portion or provision of this Agreement shall not affect the validity or enforceability of any other portion or provision. Any invalid or unenforceable portion or provision shall be deemed severed from this Agreement and the balance hereof shall be construed and enforced as if it did not contain such invalid or unenforceable portion or provision.

23. Further Documents. The parties shall execute and deliver all documents and perform further actions that may reasonably be necessary to effectuate the provisions of this Agreement.

24. No Waiver. The failure of a Party to insist upon the strict performance of the terms and conditions hereof shall not constitute or be construed as a waiver or relinquishment of any other provision or of either Party's right to thereafter enforce the same in accordance with this Agreement.

25. All Prior Agreements Superseded. This document incorporates and includes all prior negotiations, correspondence, conversations, agreements, or understandings applicable to the matters contained herein, and the Parties agree that there are no commitments, agreements, or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, it is agreed that no deviation from the terms hereof shall be predicated upon any prior representations or Agreements whether oral or written. It is further agreed that no modification, amendment, or alteration in the terms and conditions contained herein shall be effective unless contained in a written document executed with the same formality and of equal dignity herewith.

**SANTA ROSA COUNTY, FLORIDA**, a political subdivision of the State of Florida acting by and through its duly authorized Board of County Commissioners.

(SEAL)

By: \_\_\_\_\_  
Lane Lynchard, Chairman

ATTEST:

BCC APPROVED: \_\_\_\_\_

By: \_\_\_\_\_  
Donald C. Spencer, Clerk of Court

**EMERALD COAST UTILITIES  
AUTHORITY**, a local governmental body,  
corporate and politic, acting by and through its  
duly authorized Board.

By: \_\_\_\_\_  
Lois Benson, Chairman

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Secretary

## **Exhibit A – Composition and Average Market Value of ECUA-Controlled Recyclables**

Contractor acknowledges and accepts the following:

- a. The material percentages used for calculating the Average Market Value (AMV) are best estimates of the composition of the ECUA-Controlled Recyclables. The material percentages do not attempt to estimate or include Residue that consists of Recyclable Materials that are not recovered due to break and/or transportation or processing limitations or inefficiencies.
- b. The material percentages used for calculating the AMV shall be revised only upon completion of a recyclables composition study conducted that meets the requirements specified herein:
  - The study entails sampling and manual sorting of inbound ECUA-Controlled Recyclables, not materials processed through the MRF or other sorting line with mechanized equipment. Inbound ECUA-Controlled Recyclables means material as delivered to the MRF. The final methodology is subject to written approval by ECUA.
  - The study shall be conducted by a qualified entity with demonstrated experience conducting recyclables composition studies. If the study is requested and conducted by the Contractor, selection of such entity is subject to written approval by ECUA, not to be unreasonably withheld.
  - ECUA reserves the right to have a representative onsite throughout the study.
  - Study results are subject to final approval by ECUA, which shall not be unreasonably withheld. If approved by ECUA, adjustments to the composition provided in this Exhibit shall be made and shall become effective on the first day of the following month and for the remainder of this Agreement, or until further adjusted in a future composition study.
  - The study shall be paid for by the party requesting such study unless otherwise agreed upon in writing.
  - A study cannot be requested more than twice annually.
- c. The market indices (RISI/OBM and Recyclingmarkets.net) utilized are intended to reflect the average value, in the Southeast United States, of each Recyclable Material included in ECUA-Controlled Recyclables. It is not intended to equate to the commodity revenue received by the Contractor.
- d. For the purposes of calculating revenue, the value of Rejects in the AMV table shall remain fixed at \$0.
- e. If at any time during the term of this Agreement, RISI/OBM or Recyclingmarkets.net no longer posts or otherwise provides the applicable market indices, then the parties shall mutually select an appropriate replacement source for the required information from among the sources recycling industry professionals utilize to obtain reliable Recovered Material pricing information.
- f. Any and all costs associated with accepting, processing, marketing, and transporting ECUA-Controlled Recyclables shall be the responsibility of the Contractor.

## Exhibit A – Composition and Average Market Value of ECUA-Controlled Recyclables

- g. The payment formula shall be used for calculating payment throughout the term of this Agreement. The Contractor shall submit the detailed AMV calculation showing how the AMV was determined, as well as the calculation for determining the payment per inbound ton of ECUA-Controlled Recyclables.

Payment per inbound Ton of Program Recyclables shall be as calculated as follows:

- a. Contractor shall calculate the AMV of ECUA-Controlled Recyclables each month. The AMV is defined as the sum of the RISI/OBM or RecyclingMarkets.net Southeast USA regional average commodity prices (U.S. Dollars per Ton) first posted in the month for which payment is being made. For illustrative purposes, Table 1 calculates the AMV based on the commodity prices first posted in February 2016.
- b. Contractor shall calculate the Revenue Share to ECUA based on that month's AMV multiplied by the total inbound tons of ECUA-Controlled Recyclables as measured by the Escambia County-controlled scales multiplied by ninety percent (90%).

**Table 1: Average Market Value of ECUA-Controlled Recyclables (Sample Calculation for Feb 2016).**

Material	Index Descriptions	Index value	Market Value (\$/ton)	Percent Composition (by weight)	AMV (\$/ton)
Mixed Paper, #2	RISI/OBM \$/ton, baled, F.O.B. Seller's dock	\$42.50/ton	\$42.50	28.4%	\$12.07
Newspaper, #8	RISI/OBM \$/ton, baled, F.O.B. Seller's dock	\$52.50/ton	\$52.50	10.7%	\$5.62
Corrugated Containers, #11	RISI/OBM \$/ton, baled, F.O.B. Seller's dock	\$77.50/ton	\$77.50	20.9%	\$16.20
Aluminum Cans	Recyclingmarkets.net ¢/lb, sorted, baled, picked up	58.3¢/lb	\$1166.00	1.4%	\$16.32
Steel Cans	Recyclingmarkets.net \$/ton, sorted, baled, picked up	\$45.00/ton	\$45.00	1.8%	\$0.81
PET	Recyclingmarkets.net ¢/lb, sorted, baled, picked up	8¢/lb	\$160.00	3.8%	\$6.08
HDPE, Natural	Recyclingmarkets.net ¢/lb, sorted, baled, picked up	26.5¢/lb	\$530.00	1.0%	\$5.30
HDPE, Colored	Recyclingmarkets.net ¢/lb, sorted, baled, picked up	16.75¢/lb	\$335.00	1.6%	\$5.36
Comingled Plastics #3-7	Recyclingmarkets.net ¢/lb, sorted, baled, picked up	0.5¢/lb	\$10.00	0.8%	\$0.08
Mixed Bulky Rigid Plastics	Recyclingmarkets.net ¢/lb, sorted, baled, picked up	1¢/lb	\$20.00	1.6%	\$0.32
Glass (3-Mix)	Recyclingmarkets.net ¢/lb, sorted, baled, picked up	\$17.50/ton	\$-17.50	8.0%	-\$1.40
Mixed Metals*	Recyclingmarkets.net \$/ton, sorted, baled, picked up	\$45.00/ton	\$45.00	1.1%	\$0.50
Rejects	Not applicable		-	18.9%	\$0.00
			<b>Total</b>	<b>100%</b>	<b>\$67.25</b>

\*Market value of steel cans used as a proxy for the market value of mixed metals. If a more appropriate index becomes available, it shall be substituted for the steel cans index.

Average Market Value

	\$45.00	\$55.00	\$65.00	\$75.00	\$ 85.00	\$ 95.00	\$ 105.00	\$ 115.00	\$ 125.00	\$ 135.00	\$ 145.00
	or less	or less	or less	or less	or less	or less	or less	or less	or less	or less	or less
IMRF Tipping Fee	\$ 52.00	\$ 37.00	\$ 23.00	\$ 9.00	\$ 2.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ECUA per ton revenue share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.00	\$ 10.00	\$ 15.00	\$ 20.00	\$ 25.00