



THE CITY OF EDINBURG

Judge J.D. Salinas
County of Hidalgo
100 E. Cano, 2nd Floor
Edinburg, Texas 78539

Re: Correction to letter dated August 1, 2007

October 25, 2007

Dear Mr. Salinas:

On behalf of the City of Edinburg, we wish to express our sincere appreciation to you and the County of Hidalgo for allowing us the opportunity to serve your solid waste disposal needs since August, 1999. Section 2, Subsection B of the Waste Disposal Agreement allows for rate adjustments for All Items Index on a yearly basis. This agreement also allows rate adjustments to cover increased costs for landfill operations. The City of Edinburg continues to successfully manage its costs for the operations of its landfill therefore, only the Consumer Price Index for all Urban Consumers (CPI-U) increase is being applied. The CPI-U is being applied for the 2006-2007 year only. The current CPI-U information reflects a 2.7% increase from the year 2006 through 2007. Your current rate is \$20.25 per ton. The 2.7% increase will place your per ton charge at \$20.79 plus applicable fees. This increase per ton rate will be placed in effect on October 1, 2007. It continues to be a pleasure to serve the County of Hidalgo Pct. 4's waste disposal needs. The City of Edinburg will continue to make every attempt to provide the most economical disposal rates possible to you the county. Should you require any assistance on any other waste disposal needs, please feel free to call me at (956)381-5635.

Sincerely,



Ramiro L. Gomez Jr., Director
Dept. of Solid Waste Management

Attachments: 2006-2007 Consumer Price Index
Waste Disposal Agreement Dated May 17, 2005

C: Mayor & City Council
Mr. Juan Jose "J.J." Rodriguez, Interim City Manager
Mr. Ascencion Alonzo, Finance Director
Mr. Jorge S. Davila, Waste Operations Superintendent



210 W. McIntyre • P.O. Box 1079 • Edinburg, Texas 78540
Phone (956) 383-5661 • Fax (956) 383-7111



STATE OF TEXAS
HIDALGO COUNTY

§ INTERLOCAL AGREEMENT BETWEEN
§ CITY OF EDINBURG AND THE COUNTY
§ OF HIDALGO FOR THE DISPOSAL OF
NON-HAZARDOUS SOLID WASTE

This Agreement is made and entered into, pursuant to Texas Government Code, Title 7 Chapter 791(Vernon's Tex. Stat. and Codes Ann.) as of the 17th day of May 2005, by and between Hidalgo County, a political subdivision of the State of Texas, located in Edinburg, Hidalgo County, Texas ("Hidalgo County"), and the City of Edinburg, a municipal home-rule Texas corporation situated in Edinburg, Hidalgo County, Texas ("City"), owner and operator of the Edinburg Regional Sanitary Landfill, situated at 900 East Encinitos Road in Edinburg, Texas ("the Landfill"), for the purpose of setting forth the agreement between the parties, whereby Hidalgo County desires to contract with Edinburg for the disposal services of non-hazardous solid waste materials, collected by the County's precincts and subject to the terms and conditions of this Agreement.

WHEREAS, Hidalgo County collects and arranges for disposal of non-hazardous solid wastes; from residents within Hidalgo County.

WHEREAS, Hidalgo County requires a location to dispose of such non-hazardous solid waste; and

WHEREAS, Edinburg operates a Regional Type I Sanitary Landfill (the "Landfill"), pursuant to Permit No. 956B, issued by the Texas Commission on Environmental Quality ("TCEQ"); and

WHEREAS, the Landfill has the capacity for the disposal of such non-hazardous said solid waste.

NOW, THEREFORE, for and in consideration of the premises and mutual promises, covenants and agreements hereinafter set forth, and intending to be legally

bound, Edinburg and Hidalgo County agree as follows:

I. OBLIGATIONS OF CITY OF EDINBURG

A. Type of Waste: During the term of this Agreement, Edinburg shall accept for disposal at the Landfill all of the non-hazardous solid waste delivered to the Landfill by Hidalgo County, including, but not limited to, trash, scrap food, leaves, grass, brush, bottles, cans, cardboard boxes, glass, and small dead animals (hereinafter said acceptable solid waste referred to as the "Waste Material"), but excluding radioactive, volatile, highly flammable, explosive, toxic or hazardous waste. In addition, Edinburg will not accept for disposal any liquid waste, or any article exceeding one (1) cubic yard in size, or any matter in violation of its operating permit. The term "hazardous waste" as used herein shall include, but not be limited to, any amount of waste listed or characterized as hazardous by the United States Environmental Protection Agency ("EPA") or any agency of the State of Texas pursuant to the Resource Conservation and Recovery Act of 1976, as amended and including future amendments thereto, and any applicable state or federal regulations or laws. Title to the Waste Material delivered to the Landfill shall be transferred to and rest with Edinburg at the time the Waste Material is unloaded at the working face of the Landfill. All risks and responsibilities of the Waste Material shall be borne by Hidalgo County until the time the waste is unloaded at the working face. In the event that unacceptable material is delivered to the Landfill, it shall be the sole responsibility of Hidalgo County, under the City of Edinburg's direction or its representative, to contract the removal, hauling and disposal of the unacceptable material to an approved disposal site at the expense of Hidalgo County. In the event that fines are levied against the City of Edinburg due to Hidalgo County's noncompliance, it will be Hidalgo County's responsibility to incur such costs.

B. Compliance. Edinburg agrees to accept from Hidalgo County for disposal at the Landfill all Waste Material delivered by Hidalgo County. Edinburg agrees to operate the Landfill in compliance with all applicable laws and regulations.

C. Hours of Operation. The minimum hours of operation of the Landfill shall extend from 7:00 a.m. to 5:00 p.m., Monday through Friday, and 7:00 a.m. to 1:00 p.m. on Saturdays. Edinburg agrees to accept Waste Material transported by Hidalgo County to the Landfill at all other times, at the request of Hidalgo County under emergency circumstances, subject to payment by Hidalgo County of an additional sum per ton for such "off-hour" operations as hereinafter provided in Paragraph II-D. County shall notify City 24 hours in advance of such a request.

II. OBLIGATIONS OF HIDALGO COUNTY

A. Rates for Disposal. Hidalgo County agrees to deliver to the Landfill for disposal all solid waste which is collected by the County from residents & commercial establishments. Individual vehicle net weight for billing shall be based on tare weight. Hidalgo County agrees to pay Edinburg the following sums for such disposal:

Waste Materials	\$20.25 per ton
Tires identified from Hidalgo County's waste stream	\$ 5.00 each

Class II, RACM, dry sludge's, or other regulated wastes for which Edinburg possesses TCEQ acceptance authorization may be accepted at a rate formally approved by letter of agreement by both entities.

B. Adjustments to Rates. Such rates may be adjusted to reflect any increase or decrease in the cost of operations. Such rate adjustments may occur every twelve (12)

months, on each anniversary date of this Agreement. Such rate adjustments shall be reflected by fluctuations in the Consumer Price Index ("CPI Index") for All Workers (All Items) as published by the U.S. Department of Labor, Bureau of Labor Statistics, National, and Fuel Adjustments ("All Items Index"). Beginning with year first (1) of this Agreement, and continuing every subsequent year during the term of this Agreement, the rates for disposal identified in Paragraph II.A, shall be adjusted based on the percentage change in the CPI Index pursuant to the fluctuation of the All Items Index. Additionally, such rate may be adjusted to reflect any changes in local, state or federal regulations governing the operation of the Landfill that become effective or is implemented after the execution and delivery of this Agreement, and any new taxation or extraordinary factors relevant to the operation of the landfill.

C. Transportation Costs. Hidalgo County shall pay all costs necessary to collect and transport the Waste Material to the Landfill.

D. Off-Hours Disposal. Hidalgo County shall pay Edinburg an amount per ton of Waste Material disposed of at the Landfill during off-hours at a rate equal to 120 percent of the normal contract rate in effect at such time. Off-hour rates would not be applicable under a natural disaster emergency, provided Edinburg has authorization from TCEQ for such emergency situation.

III. TIME OF BILLING AND PAYMENT

Edinburg shall bill Hidalgo County for all amounts due hereunder at the end of the month in which services are performed. Payment shall be made by Hidalgo County no later than thirty (30) days following receipt of said invoice.

IV. TERM OF AGREEMENT AND TERMINATION

A. Term. This Agreement shall be for an initial term of seven (7) years, effective on July 1, 2005, and shall continue in full-force and effect through Dec 31, 2012. This Agreement shall automatically be extended for an additional two-year term at mutually agreed upon rates, unless either party notifies the other party in writing, not less than sixty (60) days prior to the expiration of the Agreement term, of its intention to terminate this Agreement, at which time both parties shall have a minimum of two (2) years to effectively manage the impact of termination of this contract in order to project, arrange, and manage for the proper disposal of all municipal solid waste.

B. Termination. This Agreement may be terminated by either party without cause upon thirty (30) days written notice prior to the end of the original or any renewal term by mutual written agreement of the parties. This Agreement shall terminate automatically if: (1) the Landfill is filled to capacity; (2) for any reason whatsoever, Edinburg is permanently prevented from accepting Waste Material for disposal at the Landfill due to causes over which it has no control; or (3) Hidalgo County is prohibited by any federal or state law from disposing of Waste Material at the Landfill. Additionally, if Hidalgo County fails to promptly make payments for amounts due hereunder, or if either party shall violate any laws, ordinances or governmental regulations or materially breach any provisions of this Agreement, the non-breaching party may terminate this Agreement by giving written notice of default to the other party, and the defaulting party's failure to cure such default within 30 days after receipt of such notice (provided, if such default is of a nature that it cannot be cured within such 30 day period, the non-defaulting party shall not have the right to terminate this Agreement if the defaulting party commences the curing of such default within such 30 day period, and diligently pursues the curing thereof.

V. INSURANCE

A. Edinburg's Obligations. Edinburg shall maintain in continuous force and effect throughout the term of this Agreement public liability and property damage insurance in the minimum amount of \$500,000 (with a deductible there under of not more than \$250,000), covering the operation and maintenance of the Landfill. If requested, Edinburg shall furnish Hidalgo County with a certificate evidencing such insurance coverage. Edinburg shall notify Hidalgo County of the cancellation of or any material change in such insurance coverage.

B. Hidalgo County's Obligations. Hidalgo County shall maintain in continuous force and effect throughout the term of this Agreement public liability and property damage insurance in the amount of \$500,000 (with a deductible there under of not more than \$250,000), covering Hidalgo County's' transportation of the Waste Material. If requested, Hidalgo County shall furnish Edinburg with a certificate evidencing such insurance coverage. Hidalgo County shall notify Edinburg of the cancellation of or any material change in insurance policy.

VI. DEFENSE, HOLD HARMLESS AND INDEMNITY CLAUSE

A. General Indemnification. Edinburg and Hidalgo County agree that should an act and/or omission of either party cause or incur, directly or indirectly, damage, loss, destruction, liability or claims against the other party as a result of willful misconduct or negligence, the party who so acted or failed to act shall assume and pay for any and all defense in said matter, hold harmless and indemnify the other party from any and all losses, obligations, liabilities, causes of action, lawsuits, damages or assessments, as a result of said party's acts and/or omissions, including reasonable expenses and legal fees, to the extent caused by the negligent act or omission of such party.

B. Waste Material Indemnification. Hidalgo County agrees that in the event that it delivers or causes to be delivered to the Landfill any waste product excluded from the definition of Waste Material in Paragraph I-A, Hidalgo County shall assume and pay for all reasonable costs and expenses necessary to locate, isolate, remove from the Landfill and properly dispose of such waste. Further, Hidalgo County shall defend, indemnify, and hold harmless Edinburg from any and all losses, liabilities, damages, claims, penalties, fines or litigation expense arising from and caused by aforesaid described delivery of such excluded waste. This indemnification shall survive this Agreement and be enforceable as a separate agreement in the event such indemnification becomes necessary.

VII. INDEPENDENT STATUS

It is agreed and understood that each party hereto is considered an independent contractor.

Any and all joint venture or partnership status is hereby expressly denied and the parties expressly state that they have not formed; either expressed or implied a joint venture or partnership.

VIII. FORCE MAJEURE

Except for the obligation to pay for services rendered, neither party hereto shall be liable for failure to perform hereunder due to contingencies beyond its control, including, but not limited to, strikes, riots, war, fire, acts of God, weather, compliance with any law, regulation or order, of the United States of America or any other governmental body or instrument thereof, whether now existing or hereafter created.

IX. GENERAL AND ADMINISTRATIVE PROVISIONS

A. Authority. Each party represents to the other that this Agreement, the transaction contemplated herein, and the execution and delivery hereof, has been duly authorized by all necessary proceedings and actions.

B. Time Limit. Time is of the essence of this Agreement; and accordingly, all time limits shall be strictly construed and enforced.

C. No Waiver. The failure or delay in the enforcement of the rights detailed therein shall not constitute a waiver of those rights or be considered as a basis for stopple. The parties may exercise their rights herein despite said delay or failure to enforce said rights.

D. Dispute or Contest. In the event that a dispute occurs or an action in law or equity arises out of the operation, construction or interpretation of this Agreement, the party prevailing shall be entitled to reasonable attorney's fees and cost arising there from.

E. Paragraph Headings. The paragraph headings used herein are descriptive only and shall have no legal force or effect whatsoever.

F. Choice of Law. This Agreement shall be governed by the laws of the State of Texas.

G. Severability and Survival. If any provision of this Agreement shall, for any reason, be held violative of any applicable law, and so much of the Agreement is held to be unenforceable, the invalidity of such a specific provision herein shall not be held to invalidate any other provisions herein, which other provisions shall remain in full force and effect, unless removal of the invalid provisions destroys the legitimate purposes of this Agreement, in which event this Agreement shall be terminated. The provisions of

paragraphs I-A, IV-B, V-A, V-B, VI-A, and VI-B, shall specifically survive the expiration or termination of this Agreement and any renewal thereof.

H. Notices. All notices required or permitted herein must be in writing and shall be forwarded by United States Mail, by Registered or Certified Mail, Return Receipt Requested, Postage Prepaid, to the party to whom notice is to be given at the address set forth below or to such address as either party hereto may designate to the other by notice from time to time for this purpose. Notices shall be deemed given upon deposit in a receptacle of the United States Postal Service.

X. ALTERNATE DISPUTE RESOLUTION

Neither party shall terminate this Agreement nor take any adverse action against the other party without first giving said party written notice of the Agreement violation or other problem and advising such party of the party's right to cure such problem within thirty (30) days of such notice. If the advised party corrects or cures the violation or problem within the specified thirty-day period, then neither violation nor adverse action related to this Agreement shall be incurred by the advising party.

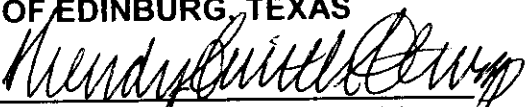
It is the intent of the parties that litigation be avoided, and in order to allow for the quick resolution of any and all disputes, if any, the parties hereby agree that any claims, demands or disputes that cannot be amicably resolved between the parties upon written request by either party shall be submitted within two weeks to a neutral, trained party for assistance in dispute resolution by means of non-binding mediation. If mediation efforts are unsuccessful, parties may resort to protecting their rights by litigation in district court.

XI. NEUTRAL PARTY

Said neutral third party should, if possible, be a local person with a background in dispute resolution and subject law. If the parties cannot agree on a neutral third party, then they shall submit the process to the American Arbitration Association for the selection of a neutral third party and the accomplishment of the dispute resolution, in accordance with its guidelines.

IN WITNESS WHEREOF, EXECUTED by Edinburg and Hidalgo County acting under the authority of their respective governing bodies in Duplicate Originals on the date indicated above.

CITY OF EDINBURG, TEXAS

BY: 
Wendy Smith-Sturgis, City Manager

ATTEST:

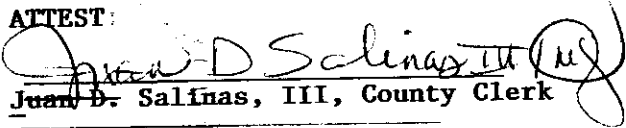
BY: 
Myra L. Ayala Garza, City Secretary

Approved by Commissioners' Court
on 5-3-05

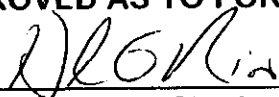
HIDALGO COUNTY

BY: 
RAMON GARCIA, COUNTY JUDGE

ATTEST:


Juan D. Salinas, III, County Clerk

APPROVED AS TO FORM:

BY: 
Dan Rios, City Attorney

Approved on Commissioners' Court _____

APPROVED AS TO FORM
Atlas Hall, L.L.P.

By: 