



## City Council Updates

By Monique Ching

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## Landfill Management

Returning from executive session, Shane Kelton, director of Operation, led the discussion on waste collections and landfill management in the city.

The first initial 10-year term with Republic Services, said Kelton, is up July 2014. Current services include twice weekly residential pickup and once weekly commercial pickup. The staff is seeking direction on some collection-related issues, such as manual or automated collection, recycling and bulk trash collection.

"I don't have a problem with the cart system," Morrison said, referring to the automated carts.

Fleming said automated carts are the future and feels that the city should work to implement increased usage of the carts.

"There's been a lot of talk around town looking at more of a recycling system around the homes," Kelton said, as well as community recycling locations. "Is a recycling program something y'all would like to see implemented?"

Fleming emphatically affirmed that he was in favor of a recycling program. Many communities are already implementing a recycling program, he said.

"This is not something that's going to happen January 1st," he said. "This may take one, two, maybe even three years."

"It may extend the life of our landfill, so I think that's a no-brainer," Silvas said.

Vardeman suggested taking "baby steps," beginning with community recycling areas to see how successful the program is, so the city will not have to spend a huge upfront amount to implement a single-stream, residential system outright.

Valenzuela said he was appreciative of the discussion regarding capital costs and noted that automated pickup would help reduce costs as well.

Kelton noted staff can negotiate the prices and try to keep them as low as possible.

On the commercial side, Kelton said, he has heard a lot of complaints about overflowing dumpsters, because there is only a once-per-week pick up for commercial establishments. He asked the council what its desire was.

Wardlaw said he has some commercial dumpsters and while they overflow sometimes, he did not want to double the cost by having twice per week pick ups.

Vardeman suggested more frequent pick ups during busy commercial seasons, like over the holidays.

"We run into it every time it comes up," Kelton said, however there is no way around the added costs of having twice per week pick up. The biggest problem, Kelton said, is that businesses don't call for the extra pick up when their dumpsters start overflowing. Republic gets about a handful of complaints a week, he said, and the council was in consensus that staff should keep commercial pick up to once per week.

Regarding bulk trash collection, which could include branches and lawn furniture, Republic Services saw many people throwing bulk trash back out on the curb as soon as a load was collected.

Staff's recommendation, Kelton said, is once per quarter or even once every six months.

Wardlaw said he wanted twice per year collections.

Silvas pointed out that staff should notify residents when pick up will be, so residents will not leave trash outside all the time.

Vardeman, Silvas, Self and Fleming expressed favor for doing bulk trash pick up four times a year.

"Currently if you put it outside your existing track, they'll just pick it up as long as it fits certain size requirements," Kelton said in response to a question from Fleming.

Regarding frequency of collections, Self said he was for residential trash collections twice per week, but thought it may not be necessary to do recycling collections twice per week.

Fleming noted that if the city wants to implement a recycling program, it may have to reduce pick ups to once a week, so costs don't go up as much. "It may have to be a sacrifice, again," Fleming said.

Following on Fleming's statement, Silvas encouraged residents not to put out their trash cans if they aren't full, to save time and money for the collectors.

Valenzuela said, with a family of five, he managed fine with once per week pick ups in Eagle Pass, as they learned to compress everything.

"A lot of people need the twice a week pick up," Wardlaw said. "And if we get hammered on the cost we can look at it again."

Kelton spoke on the Citizens Free-Dumping Program, which is currently once per month with the current water bill, for residential users only. "It's gaining more ground and becoming more popular," he said. "People are using it."

Vardeman said it again depends on the cost.

"I know there are people taking advantage of this," Fleming said, suggesting a limit to the number of times a person can use the program to twice or four times per year.

"The guys at Republic do a really good job of trying to police it the best they can," Kelton said, but it has been difficult to catch all the abusers.

Silvas suggested once every other month.

"The purpose of this is to clean up our city," Morrison said, saying that he liked the once per month free dumping for people. "If we start cutting back, they're going to stop dumping and the neighborhoods are going to start building up."

Self agreed with Morrison, that it does not cost the city for people to dump out there.

Michael Dane, assistant city manager and chief financial officer, noted that it was an issue of safety.

Kelton said staff had suggested a convenience station set up near the landfill, but not on the working phase, for the safety of residents. "I believe that is something we should require our landfill operator to have," Kelton said.

Speaking on the contract, Silvas asked how many surrounding communities use San Angelo's landfill and Kelton said about a dozen.

Regarding exclusivity to collections contracts, the council was concerned as to whether leaving it to the open market would drive up costs.

In terms of the actual contract, Kelton said, he recommended separate contracts, one for the collections aspect and one for the landfill aspect. "Would y'all like to look at a term contract or a more long term, life-of-site contract?" Kelton said.

A life-of-site contract, which could be roughly 20 years, Silvas said could give the company more time to restructure and make changes.

"I would think the longer the contract, the better the price range," Self said.

Fleming said he wasn't certain about a 20-year contract, but he suggested 10 or 15 years with a 5-year option, since it wasn't clear where the landfill would be by that time.

"I wouldn't want to base our negotiations of the contract right now on what might be," Kelton said, in agreement, "I'd rather base it on what I know."

Vardeman agreed on the 10-year contract with the 5-year option.

Wardlaw agreed, but noted that the current contract allows an extension based on the life expectancy of the cell.

Kelton said this clause only applies to a cell, but not to the site as a whole. The existing cell is expected to be filled by the time the current contract is up.

If collections and landfill were split into two different contracts, the only difference would be that they are on two separate documents to reduce confusion.

Finally, Kelton wanted the council to direct staff on whether to start renegotiating the contract with Republic or whether to put out a request for proposals.

"I don't have one problem with Republic," Morrison said. "With that said, I'd like an RFP. Competition. Competition is good for the citizens."

Silvas said he's on the fence, but is tending more toward renegotiating. If, after negotiations, the city does not like Republic's proposals, it can always go out with a request for proposals at that time.

Self said he agreed with Morrison.

"I believe the only way we'll understand the true value of our asset is by an RFP," Kelton said. "To me, for the citizens, the best is to go for an RFP." Kelton said if staff requested proposals and the council didn't like any of the proposals, it then can begin renegotiations.

"I have no issue with Republic Services, they've done a great job," he said. "Everytime I've called them, they've been right on the money."

However, the project has not been bid out since the city first acquired its permit in 1984 and it may be time for it to assess the value of its asset, the landfill.

"Landfills are assets to cities. If you own one, it's an asset," he said. "The only way to get a true value of what our asset is, is to get an RFP."

Fleming said he also was pleased with Republic's services and agreed that staff should put out a request for proposals.

"I think it's the fairest way," Fleming said. "What I was most nervous about with TDS (Texas Disposal Systems) is their size."

Again, he spoke in favor of doing a request for proposals.

"When you change horses you're taking the risk of some unknown person," Wardlaw said, "For what it's worth, I think Charlotte is for renegotiation of the contract."

Silvas said the reason he wants to renegotiate is for a smooth transition. He is concerned that TDS does not have an established infrastructure and that its customer service centers are three hours away.

"I've been contacted by several other companies other than TDS," Kelton said, "But just because we put it out for an RFP doesn't mean you're going to like their proposal. Republic's proposal may be the best proposal it opens it up so people can sharpen their pencils and tell us what our asset's worth."

Kelton said Silvas' concerns are valid and, in a proposal, a vendor would have to illustrate how it resolve those issues he raised.

Responding to Silvas' question, Kelton said he could not say for sure whether the city is getting "the best bang for our buck," since the project has never been bid out. However, Kelton said, he is somewhat confident that there are better deals out there for San Angelo.

The proposals are not a hard bid, Kelton said in response to a question from Self, meaning the city has to like the whole package and not simply go with the lowest bid.

"I think this is just a win-win situation for the city," Fleming said, by putting out a request for proposals. "It's all about leverage and negotiating."

Fleming moved to authorize staff to put out a request for proposals.

Local resident Charles Young came forward in public comment.

"Just because they've done a great job in the past doesn't mean they'll do a great job in the future, doesn't mean they'll do a bad job in the future," Young said. "I think it would be a huge mistake to judge these people without putting it out for a bid."

Jim Gregory, co-owner, landfill manager and vice president of Texas Disposal Systems, gave a handout to council members and staff for a brief overview about his company and its services.

Issues about whether the size of the company would affect its ability to serve a city like San Angelo has been raised before.

The Gregory family has been in business in the city for about 62 years, Gregory said. TDS was awarded the contract with Alpine as well as with Mertzon.

TDS is an integrated company of 13 business units, Gregory said.

"San Antonio and Austin don't take lightly relying on us exclusively," he said.

Specifically regarding the landfill, Gregory said, he said the Texas Commission on Environmental Quality has records of a landfill owner's annual report.

"This is a regional landfill," Gregory said, noting that in 2012, the city reported the landfill had 13 years of life left.

With the rate it is filling up, Gregory said, the landfill could be full in the next five years.

The landfill could become a major liability instead of becoming a major asset, he said, depending on how it is run.

He assured the council TDS would be able to respond to events of disaster and that the company was able to manage a landfill professional.

“Our reputation speaks for itself,” he said.

TDS has already signed a number of contracts outside city limits and Gregory noted the area needs competition.

“We believe the city has nothing to lose and much to gain,” Gregory said.

The motion to put out a request for proposals on the project was approved through a 4-2 vote, with Wardlaw and Silvas voting nay.

There was applause from the audience.