

1 **San Angelo Press Conference, April 30, 2014: Solid Waste RFP**

2 **Anthony Wilson (Public Information Officer):** Okay, thank y'all for coming. We're going to have our
3 Operation Director, Shane Kelton, come up and offer a few words and then our City Manager, Daniel
4 Valenzuela, will offer some thoughts and words following that so I'll turn it over to Shane.

5 **Shane Kelton:** Thank y'all for coming today and taking the time to learn more about the process that
6 led City Council to direct City staff to negotiate with Republic Services on contracts for waste collection
7 and for landfill operations. In one regard, it's not surprising that so many people have taken such a
8 great interest in these contracts. Trash pick-up is among a core group of city services that often spark
9 much interest and, sometimes, much passion. What has been surprising is the amount of criticism and
10 misinformed opinions this process has generated. Some have decried the process without yet having
11 seen the proposals much less the final contracts that process will yield. So in a rather unprecedented
12 move for us, we want to share some of the broad details of the two proposals we received so the public
13 can have a better understanding of - and greater confidence in - the reasons we are negotiating with
14 Republic. In a nutshell, those reasons are that Republic's proposal offers the greater opportunity to
15 provide the highest level of service at the lowest possible cost to our taxpayers. Legal constrictions
16 prevent us from releasing the two proposals or their details until a contract has been awarded. Frankly,
17 we look forward to doing that so the public can see and know what we have seen and known. Before
18 we touch on the proposals broader points it's important to understand how the Request for Proposals,
19 or RFP, process works. Under state law, municipalities are not required to engage in a competitive
20 process for solid waste services. Had the City wanted to deal exclusively with one hand-picked provider
21 we could and would have done that. However, we firmly believed a competitive process would yield our
22 end goal which, again, is the highest level of service at the lowest possible cost to our citizens. So the
23 City issued an RFP that detailed with precision the specifications of the services we were seeking and the
24 proposed terms under which those services would be delivered. That RFP can be viewed in full at
25 cosatx.us/solidwasterfp. The requests for proposals were sent to seven vendors. Two of those vendors
26 responded with proposals – Republic Services and Texas Disposal Systems, or TDS.

27 **A committee of seven people evaluated each of the proposals. According to the specifications in the**
28 **RFP, each committee member scored each proposal on a scale of one to one hundred. Had those scores**
29 **been comparable, the committee could have chosen to engage in one or more rounds of interviews with**
30 **each vendor. In this case, there was a wide gap between those scores.** That led the committee and
31 ultimately the City Council to conclude that most effective and efficient approach would be to initiate
32 negotiations with the highest scoring vendor, Republic Services. Now let's talk about some of the
33 broader points of the RFP beginning with the residential trash pick-up. The solid waste services – that's
34 the solid waste service that probably impacts most of the people here in the City of San Angelo.

35 As you know, residential garbage pick-up currently occurs twice weekly. Both companies did offer
36 curbside garbage collections once per week and curbside recycling also once per week. Each also
37 proposed using roll-out 96 gallon carts which have been tested in various city neighborhoods around
38 some San Angelo neighborhoods and tested very positively. However, **only Republic offered a plan to**
39 **align with the existing recycling collectors the City Council has expressed an interest in partnering with**

40 these enterprises to ensure they are not put out of business. Also, only Republic agreed to pick up bulk
41 items on a quarterly basis - bulk items such as couches, larger items that won't fit in their bins without
42 defining specific quantities. As to the cost to the customer, Republic offered a far more affordable
43 monthly rate than TDS. TDS's proposed rate was 64% higher than the rate proposed by Republic. That
44 said, it's important to keep in mind that the rates will likely change during negotiations, although not
45 drastically. As for commercial trash pick-up, the proposals from the two companies were comparable
46 with only slight differences depending on the size of the container and the frequency of service. In the
47 end, after the committee's evaluation of each of the collection proposals, Republic's waste collection
48 proposal scored 247 points higher than TDS's out of a possible 700 points. While trash pick-up affects
49 more people in a direct manner, the more obscure operation of the landfill has far reaching financial
50 implications for our municipal government and its citizens. A municipal landfill is a valuable asset, albeit
51 one that carries with it enormous liabilities. The City's RFP for landfill operations included three key
52 components for which the two proposals differed substantially. Those are:

53 One: the City sought to protect and indemnify itself from all past, present and future liabilities
54 associated with the existing landfill.

55 Two: the City was interested in a proposal for the lease and operation of the landfill versus the
56 operational management of the facility.

57 And three: the City sought compensation for the right to operate its landfill. Only Republic offered a
58 proposal that met all three of those criteria.

59 Republic proposed [undecipherable word] operations and the lease of the existing landfill to include all
60 functions. Republic also offered a six figure lease payment. TDS offered no such lease payment on the
61 existing landfill. In addition to an annual lease payment, Republic proposed an upfront payment to the
62 City of up to seven figures depending on the set of terms that we chose during negotiations. TDS did not
63 provide for such compensation within its proposal. Republic offered to pay for the expansion of the gas
64 well collection system at the existing landfill as necessary and to assume the operation of that oil field
65 and gas flare. TDS did not make that proposal.

66 One of the most significant factors in the evaluation of the proposal was Republic's willingness to
67 assume all past and future liability associated with the existing landfill. That includes approximately 8.4
68 million in closure and post-closure liabilities. Republic said it would establish a trust fund in the City's
69 name to alleviate those monetary liabilities. The assumption of such liability would immediately free up
70 some 3.3 million in the City's general fund balance that is currently ear-marked for that purpose that
71 would allow those funds to be used for other pressing City needs. TDS declined to accept any of the
72 liabilities associated with the existing landfill. Rather than crafting a proposal that matched the
73 specifications in the RFP as Republic did, TDS offered three alternatives. The first proposed that TDS
74 would operate the existing landfill without assuming any liabilities. In return, the City would pay TDS the
75 cost of the operation plus 20%. TDS would turn over all receipts to the City. While this proposal might
76 benefit the City financially there was no way for us to know that based upon the proposal. There are
77 too many unknown variables to verify whether that arrangement would benefit the City. Thus, that

78 uncertainty could pose a significant financial risk to the City and its taxpayers. Secondly, TDS proposed
79 moving to the site of the future landfill. Under that proposal, the City would build a landfill, own the
80 permit and be responsible for all costs associated with construction and permit requirements. TDS
81 would operate the facility at cost plus 20%. Again, TDS would assume no liability and the City would
82 indemnify TDS. Under this proposal, the City could lose about 14 years of capacity under the existing
83 landfill's permit if we could find no other operator for it. Also, the City would assume significant
84 financial risk for future liabilities and post-closure costs. Lastly TDS, alternatively, proposed the
85 company obtaining the permit at the new landfill and leasing the property for at least 30 years or the life
86 of the facility. TDS would then assume all liability and responsibility for construction, operation and
87 closure and would own the permit. Because TDS would hold the permit, if business relationships with
88 the City disintegrated, there would be some question about the availability of the facility's continued
89 use. And again, we could lose the use of approximately 14 years of capacity at the existing landfill.
90 While Republic was agreeable to the proposed terms in the RFP with no significant changes, TDS
91 proposed changes in its first two options that would place a continuing and increased administrative
92 burden on City staff. Likewise, Republic proposed no exceptions to the RFP specifications. In other
93 words, it provided a comprehensive proposal that tightly mirrored the City's request. TDS proposed
94 multiple exceptions to the RFP specifications. Republic also was agreeable to continuing to allow the
95 citizens to dump their large items at the landfill once per month. TDS did not provide a response for this
96 service in its proposal. Republic offered to continue this service up to a certain annual tonnage. With
97 the new quarterly bulk pick-up, we do not anticipate reaching that benchmark. Both companies were
98 agreeable to building an estimated one million dollar Citizen's Convenience Center. This would be a
99 clean, safe surface at which citizens can drop off their trash away from the landfill's working
100 environment. Each company also proposed a good deal of community involvement. One of the most
101 attractive aspects of Republic's proposal is that under it the City would only collect revenue with a few
102 possible exceptions that would be relatively little expense to the City under Republic's proposal. Annual
103 landfill expenses to the City would decrease by approximately 2/3.

104 When the landfill proposals were evaluated by the Solid Waste Committee, Republic, their proposal
105 scored 400 points higher out of a possible 700 than did TDS's. Given the disparity of the proposals and
106 the scores, the clear cut choice in the minds of the Solid Waste Committee and of the City Council was
107 to initiate negotiations with Republic. Those negotiations are continuing as City staff and Republic iron
108 out some of the details and language of an agreement. The members of the City Council have asked
109 that we bring them a proposed contract for their consideration later this month and we're aiming to do
110 that. With that, I will turn the podium over to City Manager, Daniel Valenzuela, to offer a few words as
111 well.

112 **Daniel Valenzuela:** Thank you, Shane. Appreciate it. I do want to thank you again for being here
113 today. I had prepared a couple of statements and after I make my statements we will open up the floor
114 for any questions you may have. We do definitely look forward to answering those questions. We do
115 realize that you and some members of our community have questions regarding some of the charges
116 commercial customers have paid for trash pick-up. Frankly, we have questions as well. Our internal
117 auditor and other members of our City staff have been working very closely with Republic Services to

118 determine the basis for those charges. Because those questions are complex we are being very
119 methodical in our approach and our research and ensuring that we are doing our due diligence as well
120 as allowing Republic Services to do their due diligence as well. Once we have a determination we will
121 report our findings to the members of the City Council for their direction. If the Council determines
122 those findings warrant some remedy, that would occur under the terms of the current contract. As for
123 the RFP process, we can honestly say it has yielded exactly what we had hoped it would. That is a
124 competitive process resulting in a provider sharpening its pencils, stepping up, and proposing a package
125 of services, compensation and pricing that would be far more beneficial to our community than the
126 contract that we are currently under. As Shane said, much of the negotiations are complete. We look
127 forward to finalizing those soon, presenting an agreement for the City Council's consideration and
128 possibly executing the contract. Once that is done we will happily make available both proposals for
129 public viewing. As a reminder, the request for proposals issued by the City is available on our website at
130 cosatx.us/solidwasterfp and of course we look forward to providing that higher level of service at a
131 lower cost to our citizens which has always been, and remains, the end game of this process. We have
132 been very diligent in our approach. I'm thankful to Shane and Patrick for working on an RFP that would
133 allow us to take a look at what we currently do have and I will tell you that the contract we had even
134 when I first came into this city and took a look at it I knew there were some shortcomings that we could
135 really make up. I know that we addressed a lot of those shortcomings in submitting that RFP. We
136 definitely wanted to pursue a process that would allow the City to gain the most benefit from the RFP
137 that we sent out. We believe that we did that. We also believe that we acted very professionally. One
138 of the things that is most important to us is to ensure that we do secure the public trust in everything
139 that we do and also, of course, that we're responsible, fiscally responsible, to our citizens, ensuring that
140 we do come up with the best contracts we possibly can as well. So again we thank you for being here
141 today. With that said, I'll open the floor for any questions you have.

142 **Question from Audience:** What were some of the improvements that you had in this RFP that you were
143 able to add?

144 **Daniel Valenzuela:** Shane spoke about a few of those at this point. A lot of it has to do with, of course,
145 the pricing that we currently...we wanted to make sure that we receive the best value for our customers
146 as well as when we start looking at closures and post-closures for the landfill, those are liabilities in the
147 future that we'd have to cover. We know that we addressed current, past, current and even future
148 liability in this agreement and that's something we definitely wanted to make sure that we did. Again,
149 our whole purpose is to ensure that we do maintain a high level of service at the same time reducing
150 those costs.

151 **Joe Hyde:** Joe Hyde with San Angelo Live. The Environmental Recovery Fee that we calculated at the
152 school district is 32% and looking at some other invoices people that have shown us. How can this be a
153 fair contract, or a fair process, or a fair contest if one of the competitors is charging 30, 32% whatever
154 the number is, more without the City knowing or regulating it? It appears to me that the City didn't
155 know this was happening.

156 **Daniel Valenzuela:** That's a good question. What we're looking at right now is two different
157 contracts. We know that the contract where I mentioned as far as the environmental services you just
158 mentioned is the contract that we're currently under. That is something that we currently want to make
159 sure that it's not a competitive advantage as far as I'm concerned for Republic Services. Regardless of
160 what those findings are we definitely want to make sure that we remedy if, in fact, there were some
161 charges that were incorrectly charged to the City to our commercial customers. We want to make sure
162 that we remedy those. But as far as moving forward and looking at a second contract – the contract
163 that we're shooting for at this point really doesn't have to do anything with the previous contract other
164 than the previous contract we knew that what we had we needed to work on because there were some
165 areas that I mentioned a while ago fell short. We do want to make that if, in fact, there were some
166 charges that were charged to our commercial customers that shouldn't have been there, that that is
167 remedied right away.

168 **Joe Hyde:** If you didn't know they were charging it before the contract was signed, is there a remedy
169 you can negotiate into the new contract that you're now doing that will prevent them from charging
170 those environmental recovery fees?

171 **Daniel Valenzuela:** We were very specific when this RFP went out as far as what we're looking for;
172 exactly the fees that we're looking for that were allowable by the City. We definitely want to make sure
173 that moving forward that we're watching that very closely and, again, a lot of that was built into the
174 RFP. In the requests for proposal and the proposals we got in a lot of that was addressed and, again, as I
175 mentioned a while ago, I think Shane and Patrick did a pretty good job of ensuring that.

176 **Joe Hyde:** So at the end of this, the commercial bill – someone's looking at their commercial bill – the
177 restaurant down on Chadbourne for example, they're going to look at their commercial bill and it's going
178 to go down 32%?

179 **Daniel Valenzuela:** At the conclusion of –as far as the review we're doing at this point with Republic on
180 the current contract, not the future contract, the one as far as the proposal that is being negotiated
181 once that review is concluded and we determine there were fees that were charged we're going to
182 pursue that. We want to make sure that any commercial accounts that paid more than what was due
183 that they're compensated for that.

184 **Joe Hyde:** I have a follow up question. Shane, you told me back in November and if I'm misquoting you
185 please let me know. You said, and you're kind of alluding to it, this things been going on for years and
186 years and years without doing a review and you've finally done a review of and there are costs and fees
187 that may have been charged you're not really sure of. Basically the system there and what people are
188 getting charged is unknown and TDS reps told me that there's environmental fees charged on the
189 tonnage dumped into the City that's supposed to be the City's money that the City doesn't have. If
190 that's true, is it true in the fact that Republic is using the City's money to buy the contract? Does that
191 make sense?

192 **Shane Kelton:** I understand what you're saying there, but as we move forward looking at it we would
193 treat, and if these charges after all the due diligence from both parties found that these charges did
194 occur, remedies would have to be made based on the old contract not the new contract. I can't speak
195 to what monies Republic is using as they move forward with the new proposal and the new contract
196 negotiations.

197 **Joe Hyde:** As a city manager does it make you feel uncomfortable that all these open questions about
198 the previous contract and what many citizens are saying like we just did a thing with that guy Charles
199 Young and Paul Alexander are saying that you're rushing to judgment or rushing to a decision on this,
200 but then you have all these open questions that are coming out from the past. Does it make you
201 uncomfortable basically jumping into bed with the same person you were in with for the past 37 years
202 and you were being mistreated by?

203 **Daniel Valenzuela:** No, that's absolutely a fair question absolutely. I know that we always want to
204 make sure that in our dealings we work with companies and individuals that are going to treat us fairly
205 of course, but as far as moving forward all I can tell you is just on the RFP process and what we reviewed
206 was so evident that one really came to play and we received a very good proposal. We know what that
207 could mean for our citizens moving forward, you know, the implication that could have for our citizens
208 moving forward. But I do understand also, that again there is an agreement that we had previously that
209 we need to make sure that that agreement was followed. As far as moving forward, all I can tell you is
210 that we have two agreements that we will be presenting to the City Council will be the findings. As far
211 as the determination, what came from the investigation, and get their direction and see what they want
212 to do. All we're doing at this point as a staff is looking at the two proposals that came in and we're
213 moving forward based on the grading system of those two different proposals based on what we felt
214 would be best for our citizens and that's what we're doing. **We'll allow for the Council to review our**
215 **findings on the previous contract and make a determination.** Who knows what they'll decide moving
216 forward? It may be that, yes, we definitely want to secure this agreement because it is definitely
217 beneficial to our community, or it may be no. We don't know at this point. All we know is that we're
218 going to move forward with our negotiations.

219 **Audience:** And how is the City going to prevent something like this happening in the future if the
220 contract is pursued?

221 **Daniel Valenzuela:** We currently do have, of course, have an internal auditor, a position that we
222 actually developed about six months ago and specific to certain contracts that were taken to review
223 we're trying to make sure that our contracts, especially some of our bigger contracts, are reviewed on a
224 regular basis and to ensure that the agreement is being followed. So, again, we're taking action on our
225 part with City staff as well to make sure that those numbers are being reviewed by someone that is
226 dedicated to do that as well.

227 **Audience:** And is the investigation going to continue while you're pursuing the other contract or are
228 you going to hold pursuing the contract and just kind of finish it?

229 **Daniel Valenzuela:** We're moving together simultaneously. You know, as I mentioned a while ago if at
230 one point the Council decides that, no, we don't want to work with this group any longer based on
231 findings and that's the City Council's direction, but at this point we're doing our due diligence with both
232 aspects of course we're moving forward with a contract that has been proposed, not a contract, but a
233 proposal and at the same time we're also reviewing what we had previously to ensure that we won't
234 over charge our customers, those commercial customers, weren't overcharged and if they were to
235 ensure that we do everything we possibly can, that they get their money back.

236 **Audience:** And so far, I'm just guessing, you're just kind of starting the investigation and nowhere near
237 finishing it up right now, but how many years have the possible over-charges been happening?

238 **Daniel Valenzuela:** We're looking back and, Shane, as far as the number of years we're looking at we're
239 going as far back as we possibly can to see when those environmental fees were actually implemented.
240 So we'll go back and review all those. Again, it is a complex matter because we have a lot of those fees
241 to review, we have a lot of determination as far as how some of those decisions were made in the past.
242 You know, how did those play into those fees being charged so we're looking at everything at this point.
243 We definitely want to make sure that we have a decision as far as the investigation completed prior to
244 making a recommendation to the City Council.

245 **Audience:** So if what I'm hearing you saying that it's possible that throughout the whole 37 years this
246 has –

247 **Daniel Valenzuela:** No, not the 37 years. Going back...Shane?

248 **Shane Kelton:** We have narrowed the search back down to searching real hard between the timeframe
249 of '03 to '06-'07 is the timeframe I believe the auditors are really concentrating on reviewing all City
250 Council minutes, reviewing all records that we have relating to that matter from that time period just to
251 try to narrow down any actions that may have occurred in that time frame that may have caused
252 something to occur at that point.

253 **Audience:** And is it possible it's hundreds of dollars, thousands of dollars?

254 **Daniel Valenzuela:** We will determine that – again, I hate to venture a guess as far as what that dollar
255 amount would be. I want to make sure that we know exactly what that amount would be if it is
256 determined that it was something was over charged by Republic. Again, as we mentioned a while ago,
257 we want to make sure that we allow them their due diligence. We're doing our due diligence working
258 with them as well and we want to definitely make sure that if there is an amount that was over charged
259 we want to make sure that we recoup all of it so again, that in itself is a separate part of what we've
260 been working with so it's been very complex – for us it's been very complex because it's not just one
261 issue we're dealing with. We also have an issue where we know and just by what was presented to you
262 a while ago that we had two proposals that came in you know and from the two proposals that came in
263 it as very evident who really provided the best proposal to the City, had the best savings to our citizens

264 as well and we want to make sure we take a look not just at the past, but right now the current, what
265 we're working on and moving forward into the future to ensure the best possible value for our citizens.
266 So, again, it's two different issues that we will definitely be working very diligently on to make sure we
267 resolve.

268 **Audience:** In Tuesday's Council meeting should we expect to hear anything on this?

269 **Daniel Valenzuela:** No. Possibly not by Tuesday's Council meeting, but we're definitely looking at
270 within the next couple of weeks we'll have a very...a final answer, really, to be honest with you.

271 **Audience:** In the committee that was evaluating the RFP's, Charles Young said that there was several
272 variations on a theme, lot of combinations on how you do the landfill and how you do the trash pick-up
273 and you mentioned something about public trust. Do you think that the short amount of time it took
274 you to evaluate both RFP's foster a good intent on public trust?

275 **Daniel Valenzuela:** I can tell you that a lot of work went into the RFP. I think there was a thorough
276 understanding as far as what went out. Again, as I mentioned, Shane and Patrick, a while ago, really
277 sharpened their pencils and came up with a proposal we thought was the most beneficial to the City if
278 we could get everything that we're looking for. I know that it seems like the time frame was very short.
279 I can tell you that a lot of us worked through the weekend that we spent a lot of time making sure that
280 we covered the material that we had presented before us and I can assure you the City staff was very
281 thorough in the evaluation that we did. Council as well, and I mentioned during the City Council
282 meeting as I walked into the meeting that I was very pleased to see that a lot of those proposals the
283 Council was holding were highlighted with notes on the side of it and a lot of questions were asked
284 during that meeting that we had. I think there were a lot of good questions that were asked and we
285 were actually quite pleased as a staff that they were very cautious in their approach and looking at
286 everything they thought they understood and asked a lot of questions of us as well. We, as a staff, all
287 we're looking for is the best value - that was it.

288 **Audience:** Daniel, isn't it correct that if the City has to find out a substantial amount of money from
289 Republic it'll be easier to recover that money if the City continues to have a contractual relationship with
290 them rather than working a contract with someone else?

291 **Daniel Valenzuela:** As far as that part of it, I will say that Republic has worked really well with us. They
292 have mentioned that they definitely want to do everything they can to remedy if there is some wrong
293 there. They definitely would take ownership of it and they will work with us to make sure they remedy
294 that situation. And that's in terms of the previous contract so regardless we would pursue it even if we
295 went with a different waste management company, but I know that they've been working very diligently
296 with us and addressing all the questions that we've had and again providing information that we're
297 looking for and still the information that we're looking for they're still pulling some information for us,
298 but at this point I want to tell you that they've worked very well with us and again have said that they

299 definitely want to take ownership of anything or any wrong doing or anything that was handled
300 incorrectly they want to make sure they remedy that as well.

301 **Audience:** Are you working directly with the local representatives with Republic or are you working with
302 their corporate reps?

303 **Daniel Valenzuela:** Both actually. We've been working with both, especially on the issue of previous
304 contract.

305 **Charles Young:** Daniel, you took great pains to talk about how specific this new contract is going to be
306 and how closely you're going to watch the race and that sort of thing. Are you implying that the last
307 contract was poorly or vaguely written or they chose to ignore the specifics of that contract?

308 **Daniel Valenzuela:** We have a responsibility as a City to ensure that any contract we go into that we
309 look at it very carefully, to make sure that the contract is beneficial to the City. I'm not going to say and
310 cast stones at whoever agreed to the previous contract, but I will tell you that any entity that comes in
311 to negotiate they're going to try to do the best they can for their organization and is this instance I know
312 that Republic did their part as far as securing a contract for them, but I think that with the City that we
313 could have done a lot more and again as I came in and met with Shane and we talked more about the
314 contract there is several areas that we felt we needed to shore up that we needed to make sure we
315 addressed to make sure that we definitely did have a contract that was most beneficial to the community
316 instead of to the other way around.

317 **Charles Young:** So this will be less vague than the last one?

318 **Daniel Valenzuela:** Yes sir, that is correct.

319 **Charles Young:** It was my understanding in the November Council meeting, the discussion when the
320 RFP was agreed to that one of the options was going on a month-to-month contract until the contract
321 expired through the remainder of this year. My question is – is that still an option? And wouldn't it be
322 more wise to exercise that option rather than rush into a contract with someone you think may or may
323 not have ignored the terms of the last contract? It's the same company.

324 **Daniel Valenzuela:** As I mentioned a while ago we want to make sure that we have those questions
325 answered before we make a recommendation to the City Council as far as staff's recommendation on
326 what we've negotiated. We want to make sure we have all those facts straight.

327 **Charles Young:** Does TDS go month-to-month?

328 **Daniel Valenzuela:** There's an option for month-to-month, absolutely.

329 **Shane Kelton:** Our current contract with Republic Services does not allow for an automatic month-to-
330 month renewal or option on it. We would have to negotiate a month-to-month operational contract if

331 we so choose to do that. We do not automatically have that option available to us with the existing
332 contract. In our existing contract we had an automatic renewal option for an additional five years not to
333 operate under the existing contract, not a month-to-month contract.

334 **Charles Young:** I don't recall that mentioned at the meeting.

335 **Daniel Valenzuela:** That was mentioned at the meeting. I do recall that somebody had asked about -

336 **Shane Kelton:** Somebody asked if we could and can negotiate it month-to-month. We can negotiate
337 that but it would be a negotiated month-to-month contract, it would have to be a negotiated extension
338 of our existing contract for month-to-month. There's not an automatic provision in our contract for that

339 **Daniel Valenzuela:** I do understand the question though. We do want to make sure that we have that
340 point answered before we move forward with our recommendation. So, again, that's really important
341 for us as well.

342 **Daniel Valenzuela:** Any other questions? Well, we thank you all for being here today. If ya'll have any
343 questions that maybe ya'll didn't have today and think of, contact us and we'll be happy to answer them
344 for you. Thank you and have a blessed day.